

立法會
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Establishment Subcommittee of the Finance Committee

Minutes of the 7th meeting
held in Conference Room A of Legislative Council Building
on Wednesday, 27 May 2009, at 9:00 am

Members present:

Hon WONG Yung-kan, SBS, JP (Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon CHEUNG Man-kwong
Hon LAU Kong-wah, JP
Hon LI Fung-ying, BBS, JP
Hon WONG Ting-kwong, BBS
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon WONG Sing-chi
Hon IP Wai-ming, MH
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Dr Hon PAN Pey-chyou

Members attending:

Hon Emily LAU Wai-hing, JP
Hon Audrey EU Yuet-mee, SC, JP

Members absent:

Dr Hon Margaret NG (Deputy Chairman)
Hon Abraham SHEK Lai-him, SBS, JP
Hon WONG Yuk-man

Public Officers attending:

Ms Bernadette LINN, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)
Mrs Ingrid YEUNG, JP	Deputy Secretary for the Civil Service
Dr York CHOW Yat-ngok, SBS, JP	Secretary for Food and Health
Mrs Stella HUNG, JP	Permanent Secretary for Food and Health (Food)
Mrs Angelina CHEUNG	Deputy Secretary for Food and Health (Food) (Acting)
Mrs Carrie LAM, JP	Secretary for Development
Ms Gracie FOO Siu-wai, JP	Deputy Secretary for Development (Planning and Lands)1
Mr Robin IP Man-fai, JP	Deputy Head, Central Policy Unit
Mr Raymond FAN Wai-ming, JP	Secretary to the Commission on Strategic Development, Central Policy Unit

Clerk in attendance:

Ms Rosalind MA	Chief Council Secretary (1)5
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Staff in attendance:

Mr Noel SUNG	Senior Council Secretary (1)4
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Mr Frankie WOO	Legislative Assistant (1)2

Action

The Chairman drew members' attention to an information paper (ECI(2009-10)2) provided by the Administration, which set out the latest changes in the directorate establishment approved since 2002.

EC(2009-10)4 Proposed creation of one supernumerary post of Administrative Officer Staff Grade B (D3) in the Food Branch of Government Secretariat: Food and Health Bureau in the third quarter of 2009 for a period of four years to take forward the Food Safety Bill and related legislation, and launching other initiatives to further enhance food safety

2. The Chairman informed members that when the Panel on Food Safety and Environmental Hygiene was consulted on the staffing proposal on 14 April 2009, Members belonging to the Liberal Party did not consider it justifiable to create a supernumerary Deputy Secretary post only for taking forward the Food Safety Bill, given that the Food and Health Bureau had in the past few years undertaken a number of important legislative exercises without seeking additional manpower.

Some Panel members including Members belonging to the Civic Party (CP) and Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) supported the proposal. Some Panel members were concerned whether there was adequate manpower to cope with the workload arising from the legislative exercise.

3. The item was voted on and endorsed.

EC(2009-10)6 Proposed creation of one supernumerary post of Administrative Officer Staff Grade B (D3) in the Office of the Secretary for Development under the Planning and Lands Branch of Government Secretariat: Development Bureau for a period of three years with effect from 1 July 2009 to head the new Development Opportunities Office

4. The Chairman informed members that Panel on Development (Dev Panel) was consulted on the staffing proposal on 28 April 2009. Prof Patrick LAU, Deputy Chairman of Dev Panel, advised that Panel members supported the staffing proposal in general, as the proposed Development Opportunities Office (DOO) could facilitate land development projects undertaken by the private sector and non-governmental organizations (NGOs). Some Panel members had nevertheless expressed reservation about the proposal.

5. The Chairman drew members' attention to the joint letter dated 25 May 2009 from Mr CHEUNG Man-kwong and Mr LEE Wing-tat, which set out a number of questions in relation to the staffing proposal. The Chairman advised that the letter had been issued to members vide ESC38/08-09 on 26 May 2009.

6. Mr CHEUNG Man-kwong said that Members belonging to Democratic Party (DP) were concerned about the operation and transparency of DOO. They were concerned whether DOO would provide more support to proponents which were small and medium-sized enterprises (SMEs), NGOs and charitable organizations.

7. The Secretary for Development (SDEV) pointed out that DOO was tasked to provide one-stop advisory and co-ordinating support to land development proposals which were considered to be beneficial to the community at large, including proposals from SMEs, NGOs and charitable organizations. Since the Chief Executive (CE)'s announcement after the meeting of the Task Force on Economic Challenges on 8 December 2008 that government departments would provide more active support to charitable and voluntary organizations considering extension or relocation plans, more than ten land development proposals had been received. While DOO would endeavour to assist as many development projects as possible subject to their meeting the requirements (i.e. project proponents were in possession of land and the projects were not exclusively residential but contained components of wider economic value), DOO would only act as a facilitator and all relevant statutory procedures would still have to be complied with.

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8. To enhance transparency in the work of DOO and to facilitate early community input, SDEV advised that the Government proposed to expand the role of the Land and Building Advisory Committee to consider individual land development proposals processed by DOO. The Committee would be renamed as Land and Development Advisory Committee (LDAC). Membership of the Committee comprised mainly non-officials, with some appointed based on the nominations from related professional and trade organizations. SDEV noted the concerns raised in the letter from Mr CHEUNG Man-kwong and Mr LEE Wing-tat and undertook to provide a written response before the relevant meeting of the Finance Committee (FC).

9. Mr CHEUNG Man-kwong enquired whether an appeal mechanism was in place for project proponents or members of the public to seek review of the project proposals processed by DOO and LDAC.

10. SDEV emphasized that neither DOO nor LDAC would be granting approval for project proposals. It was therefore not necessary to put in place a mechanism for appeal in respect of their work. DOO would provide one-stop co-ordinated advice to the project proponents to facilitate implementation of land development proposals by the private sector, including NGOs. LDAC would consider the project proposals processed by DOO and give recommendations on the proposals, such as the need to consult the relevant District Councils and possible traffic impact of the proposals. SDEV said that the preservation of King Yin Lei was a good example of how early community input and clear policy merits could help the implementation of land development projects which were beneficial to the community at large. The establishment of DOO aimed to better seize development opportunities and to facilitate infrastructure and building developments undertaken by the private and NGO sectors.

11. Ms Audrey EU remarked that while Members belonging to CP supported in principle the provision of one-stop advisory and co-ordinating support to land development projects, they were concerned about the need to ensure fairness in the provision of service by DOO. It would be highly undesirable if DOO would selectively provide support to certain NGOs or charitable organizations only. Ms EU stated the position of Members belonging to CP that they would only support the staffing proposal for the establishment of DOO, if it would provide advice and assistance to project proponents across-the-board and devise measures to ensure impartial treatment of all project proponents.

12. In response, SDEV advised that all land development proposals, regardless of the sectors which the proponents belonged, could go through DOO for one-stop and co-ordinated advice, provided that they met the two specified criteria set out in paragraph 9 of the Administration's paper, i.e. the projects were proposed by proponents in possession of land and should not be exclusively residential but should contain components of wider economic value. She envisaged that the number of projects which met the specified criteria might not be large given these criteria. All the proposals from eligible proponents would be treated on equal basis. DOO

would only act as a facilitator and would not intervene in the decisions made by the relevant authorities.

13. Noting that the performance of DOO would be reviewed based on one to two years' operational experience, Ms Audrey EU asked how the effectiveness of DOO would be assessed and whether the review would be conducted by an independent panel. In reply, SDEV advised that possible assessment indicators might include the number of land development projects successfully implemented through DOO's assistance, and the reduction in lead time for going through the application procedures with the co-ordinated advice of DOO. To allow for flexibility in deployment of resources, DOO was proposed to be established for an initial period of three years and the Administration would decide the way forward for DOO having regard to its operational experience in the first or second year of inception. LDAC would also be consulted on the performance of DOO in the review.

14. Ms Audrey EU expressed concern about the transparency of DOO's work and suggested that the representation of stakeholders on LDAC could be enhanced. SDEV responded that the membership of LDAC would be expanded to include representatives from related fields, such as environmental protection, heritage, tourism and district organizations, in order to gauge their expert advice for land development projects.

(Post-meeting Note: The letter of Members belonging to CP provided by Ms Audrey EU was circulated to members vide ESC39/08-09 on 27 May 2009. The Administration had been requested to provide written response before the relevant FC meeting.)

15. Ms Emily LAU expressed grave concern about the purpose of establishing DOO, and also its role and mode of operation as described in the Administration's paper. While acknowledging that some project proponents encountered difficulties in getting through various government departments and the statutory processes, Ms LAU was concerned that there should be a fair and level-playing field for proponents from all sectors. She questioned whether the establishment of DOO could remove the obstacles of bureaucracy for all proponents alike, in particular those from NGOs and charitable organizations, and whether big land developers would have privileged treatment by DOO.

16. SDEV said that the Administration had consulted the Pre-construction Task Force under the Business Facilitation Advisory Committee on the proposed establishment of DOO. Members of the Task Force welcomed the proposal in general while recapitulated their concerns about the difficulties encountered by project proponents in taking forward land development projects. She stressed that the establishment of DOO was a proactive move to seize development opportunities. DOO would provide assistance to all eligible proponents in an impartial manner and ensure that it would act as a platform for proponents of different scales of operation. In parallel, the Government would also review the policies and procedures for handling land development proposals, e.g. speeding up lease modification,

streamlining the land premium discussion procedures, etc. Responding to Ms Emily LAU's further enquiry, SDEV advised that all the ten proposals referred to in paragraph 8 of the Administration's paper were from welfare and religious organizations, including a proposal from the Hong Kong Girl Guides Association for land exchange.

17. Ir Dr Raymond HO remarked that Members belonging to the Professionals Forum (PF) supported the staffing proposal. Ir Dr HO pointed out that works completed by the public sector only accounted for about 30% to 50% of overall construction output during the past ten years. Private sector construction projects were of crucial importance to Hong Kong in terms of contribution to the economy and job creation. He opined that the establishment of DOO to act as a facilitator and provide one-stop advisory and co-ordinating service to project proponents could encourage private land development. Citing the development of harbourfront as an example, Ir Dr HO said that public development projects might not be able to materialize without private sector participation, since privately-owned land might be affected in the development projects.

18. Mr LAU Kong-wah said that he supported the staffing proposal. He considered the establishment of DOO a positive response to calls of the community and the criticisms about the prolonged and complicated application procedures for land development projects. He was of the view that there was ample room for co-operation between the public and the private sectors in land development projects for the benefits of the community at large. The effectiveness of DOO's work could be assessed during its first three years of operation before a decision was taken on its long-term operation. Noting that some of the staff of DOO would be appointed on non-civil service contract (NCSC) terms, Mr LAU suggested that consideration be given to appointing candidates with expertise in regional co-operation and macro-economic matters, to provide better support to the work of DOO in dealing with project proposals. Mr LAU also pointed out that even with the establishment of DOO, co-operation from relevant departments would still be required to facilitate development of land projects.

19. SDEV said that of the five staff in DOO members, two Project Managers would be employed on NCSC terms. In selecting suitable candidates for appointment, their expertise and experience such as broader perspectives would be taken into consideration. DOO as a facilitator would respect the expertise of relevant departments in examining land development applications and work with persistence in its co-ordinating work, with a view to seizing the development opportunities for the benefit of the community at large.

20. Mrs Regina IP supported the staffing proposal in principle. She noted that there were strong criticisms from project proponents in the private sector about the cumbersome and prolonged procedures for land development projects. She nevertheless pointed out that without the co-operation of relevant departments in the vetting of development proposals, the establishment of DOO alone could not remove the obstacles inhibiting development. Mrs IP called on SDEV to explore ways to solicit co-operation of all relevant departments in seizing development opportunities,

so that project proposals from the private sector/NGOs could be taken forward expeditiously.

21. Mr WONG Ting-kwong said that Members belonging to DAB supported the staffing proposal. Mr WONG pointed out that the construction and land development sectors had high expectation on the assistance provided by DOO. He looked forward to improved communications between project proponents and relevant departments for the implementation of land development proposals.

22. Dr PAN Pey-chyou said that Members belonging to the Hong Kong Federation of Trade Unions (HKFTU) supported the staffing proposal. Noting that one of the criteria for projects routing through DOO was the possession of land by the project proponent, Dr PAN enquired whether consideration would be given to facilitating the implementation of development concepts such as revitalizing existing old factory buildings by cultural or creative sectors as they did not possess any land for the development.

23. SDEV thanked Members for their support. She advised that if the project proponents did not possess land, their proposals would fall outside the purview of DOO. She pointed out that processing proposals without land possessed by the project proponent would be too controversial but Development Bureau was separately pursuing other initiatives, such as designating land for development of hotels or private hospitals in the territory for the benefit of economic development of Hong Kong and exploring how to optimize use of industrial buildings for other uses.

24. The item was voted on and endorsed. Mr CHEUNG Man-kwong requested to put on record the abstention of Members belonging to DP.

EC(2009-10)7 Proposed retention of one supernumerary post of Administrative Officer Staff Grade C (D2) in Central Policy Unit under the Offices of the Chief Secretary for Administration and the Financial Secretary of Government Secretariat as Assistant Secretary to the Commission on Strategic Development for a period of three years from 1 July 2009 to 30 June 2012

25. The Chairman informed members that Panel on Public Service (PS Panel) was consulted on the staffing proposal on 20 April 2009. The Chairman advised that the PS Panel did not support the staffing proposal after voting (with three members voted for and four voted against the proposal). Members opposing to the proposal considered that the workload of the Secretariat of the Commission on Strategic Development (CSD Secretariat) did not justify the retention of the supernumerary post of Administrative Officer Staff Grade C (AOSGC). Some Panel members also opined that the advisory function of CSD overlapped with the work of other bureaux/departments (B/Ds) and government advisory bodies. Members in support of the proposal considered that as CSD was chaired by CE and attended by senior officials of B/Ds, it provided a useful forum for the Government

to canvass views from prominent members of the community. These members considered it necessary to ensure adequate staffing support to the CSD Secretariat to cope with its heavy workload.

26. Mr CHEUNG Man-kwong opposed to the staffing proposal for two reasons. Firstly, he considered that the number of meetings serviced and papers issued by the CSD Secretariat during the period from 1 July 2007 to 30 April 2009 could hardly justify its establishment of 14 officers, including three at the directorate level. Secondly, CSD's advisory role on important policy issues relevant to the long-term development of Hong Kong was politically inappropriate as this would sideline the role of the Legislative Council (LegCo) in giving views on government policies. Mr WONG Sing-chi echoed and asked about the concrete achievements of CSD, in particular, whether findings of in-depth policy researches conducted by the CSD Secretariat or views put forward during the discussions at CSD meetings had provided any fruitful input to the Government's policy formulation.

27. Deputy Head, Central Policy Unit (Dep Head, CPU) explained that before proposing to retain the supernumerary AOSGC post, the Administration had critically reviewed the work of the CSD Secretariat in light of actual operational experience and important issues to be examined by the CSD in the coming three years, such as regional co-operation, the National 12th Five-Year Plan and the development of Pearl River Delta Region, all of which were highly significant to the long-term development of Hong Kong.

28. Secretary to the Commission on Strategic Development, Central Policy Unit (Secy to CSD) supplemented that the CSD provided a useful forum for the Government to collate views from prominent members of the community from a broad range of sectors (including the academia, the commercial sector, the professionals, the welfare sector and political parties) on political, economic and social issues of strategic importance to the long-term development of Hong Kong. Issues discussed by the CSD and its task groups included the opportunities and challenges of Hong Kong's long-term development, Hong Kong's relationship with the Mainland, strengthening Hong Kong's role as a bridge in the co-operation between the Mainland and the Association of Southeast Asian Nations, promoting employment in Hong Kong, helping the disadvantaged families and constitutional development, etc. As CSD meetings were attended by senior government officials, the views and advice offered by CSD members were taken into consideration in the early stage of policy formulation. To raise the community's awareness of the CSD's discussions and maintain the transparency of its work, the CSD Secretariat had issued press releases outlining issues to be discussed before the CSD meetings, and arranged media briefings after each meeting to inform the public of the gist of discussion. All agenda, discussion papers and summaries of views expressed at the CSD meetings were made available to the public through the CSD website.

29. Mr WONG Sing-chi queried whether an additional forum of CSD was necessary for the Government to gather views and advice on policy issues, given that LegCo was a representative public forum for gauging the views of the community on these issues. In reply, Dep Head, CPU advised that the work of CSD would not

overlap with that of LegCo, as CSD was an advisory body and its discussion could help gauge views of various sectors of the community at the inception stage of policy initiatives and help forge consensus, thereby laying the foundation for formulating specific policies. Relevant policy bureaux would work out details of the policy initiatives for consultation with LegCo in accordance with the established procedures, including procedures for submitting funding and legislative proposals for scrutiny by LegCo.

30. Mr CHEUNG Man-kwong however remained adamant of the view that giving support to the proposal would be tantamount to sidelining the functions of the LegCo and belittling LegCo. Pointing out that CSD meetings were chaired by CE and attended by senior government officials, Mr CHEUNG expressed strong dissatisfaction that CE had not attached greater, or at least similar, importance to the views of LegCo, given that he had never attended meetings of LegCo Committees and would only address the Council on a few occasions each year, including CE's Policy Address and his Question and Answer Sessions. He considered it unreasonable for CE to take the views from appointed CSD members more seriously than LegCo Members, the majority of whom were elected by the public. Mr CHEUNG was of the view that CE and other senior government officials should have attended more meetings of LegCo and its Committees regularly to gather views of LegCo Members on government policies.

31. Dep Head, CPU stressed that the CSD, in tendering advice to the Government, would not in any way undermine the role and function of LegCo. The established practice of the CE and senior government officials attending meetings of LegCo and its Committees had been operating smoothly and effectively all along.

32. Mr LAU Kong-wah expressed support for the staffing proposal. He agreed that the Government should attach importance to views of LegCo but views from other sectors of the community should not be ignored. Mr LAU opined that views from different sectors of the community, including those from CSD and LegCo, should be respected and treated on an equal footing. Given LegCo's role and its constitutional status, Mr LAU believed that its function would not be undermined by an advisory body like CSD. Noting the relatively faster pace of development in neighbouring areas such as Guangdong compared with Hong Kong in the past decade, Mr LAU was of the view that political parties should put aside their differences and work together for the benefit of the long-term development of Hong Kong. He also opined that the role of CSD should be enhanced to address the economic challenges arising from the economic transformation and the global financial tsunami. To facilitate communication between CSD and LegCo, Mr LAU suggested that the discussion papers and summaries of views expressed at CSD meetings should be provided to LegCo on a regular basis.

33. Mrs Regina IP declared that she was a member of CSD and expressed support to the proposal. She considered that CSD should continue its work, and adequate staffing support for the CSD Secretariat was necessary to assist CSD in stepping up efforts in studying and discussing issues of strategic importance for the

development of Hong Kong, in particular on subjects related to regional development, such as the National 12th Five-Year Plan and regional cooperation. She also pointed out that CSD was an important advisory body and a platform for discussing various strategic issues from a macro perspective, through the pooling of expertise from its broadly representative membership. Given that the structural format and role of CSD was different from those of LegCo and other government advisory bodies, Mrs IP opined that there should not be overlapping in their work. She also suggested that CSD could provide, on a regular basis, findings of its studies and recommendations adopted by policy bureaux.

34. Ir Dr Raymond HO shared the view that CSD should inform LegCo of its work on a regular basis. Ir Dr HO said that Members belonging to PF supported the staffing proposal. Having regard to the substantial workload and the small establishment of the CSD Secretariat, Ir Dr HO was of the view that the proposal to retain the AOSGC post was only minimal for providing the needed support to CSD's work. He appreciated the contribution of CSD and its important advisory role to facilitate the Government in gauging views from various sectors of the community at an early stage of policy formulation.

35. Ms LI Fung-ying expressed support for the proposal and the work of CSD. Ms LI opined that CSD should be provided with adequate staffing support to cope with the heavy workload. She did not think that the advisory work of CSD would in anyway undermine or belittle the role of LegCo. Given the established mechanism and procedures for scrutiny of Government proposals by LegCo, Ms LI opined that there should be no concern about the Government bypassing LegCo in the implementation of new policy initiatives.

36. Mr WONG Ting-kwong said that Members belonging to DAB supported the staffing proposal. Mr WONG opined that views from CSD could provide useful input to discussions on important issues with its members from different sectors of the community, and could also complement the work of LegCo in giving views on government policies. He expected enhanced communication between CSD and LegCo so that the two bodies could work in collaboration for the benefit of the long-term development of Hong Kong.

37. Dr PAN Pey-chyou and Mr IP Wai-ming said that Members belonging to HKFTU supported the proposal. Dr PAN pointed out that it should be the culture of the legislature to respect and accommodate different views in the community, and safeguard individuals' rights to express their views. Dr PAN did not think that the role of CSD as an advisory body would undermine the role and functions of LegCo. Dr PAN suggested CSD step up its efforts in publicity and make available to the public summaries of its discussions to enhance public understanding of its work. Mr IP was of the view that the importance of LegCo should not be judged by the number of its meetings attended by the CE. Mr IP also pointed out that it was an established practice for the CE, Principal Officials and other public officers to attend meetings of LegCo and its Committees.

38. Dep Head, CPU noted Members' suggestions and assured Members that CSD would continue with its efforts in conducting in-depth policy researches for the long-term development of Hong Kong. As to raising the community's awareness of CSD's discussion, Dep Head, CPU advised that all agendas, discussion papers and summaries of views expressed at the CSD meetings were made available to the public through the CSD website. Secy to CSD supplemented that press releases outlining issues to be discussed were issued before the meetings. They took note of Members' suggestions for increasing the transparency of CSD's work and would consider ways to further enhance the communication with LegCo.

39. The item was voted on and endorsed.

40. The Subcommittee meeting was adjourned at 10:44 am.

Council Business Division 1
Legislative Council Secretariat
11 June 2009