

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 26th meeting
held at the Legislative Council Chamber
on Friday, 14 May 2010, at 4:30 pm**

Members present:

Hon Emily LAU Wai-hing, JP (Chairman)
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan
Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon Fred LI Wah-ming, SBS, JP
Dr Hon Margaret NG
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon LEUNG Yiu-chung
Dr Hon Philip WONG Yu-hong, GBS
Hon LAU Kong-wah, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Dr Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, SBS, JP

Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon Ronny TONG Ka-wah, SC
Hon KAM Nai-wai, MH
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king
Dr Hon LAM Tai-fai, BBS, JP
Hon CHAN Hak-kan
Hon Paul CHAN Mo-po, MH, JP
Hon CHAN Kin-por, JP
Dr Hon Priscilla LEUNG Mei-fun
Dr Hon LEUNG Ka-lau
Hon CHEUNG Kwok-che
Hon WONG Sing-chi
Hon WONG Kwok-kin, BBS
Hon IP Kwok-him, GBS, JP
Dr Hon PAN Pey-chyou
Hon Paul TSE Wai-chun
Dr Hon Samson TAM Wai-ho, JP

Members absent:

Hon WONG Yung-kan, SBS, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon CHEUNG Hok-ming, GBS, JP
Hon CHIM Pui-chung
Hon IP Wai-ming, MH
Hon Mrs Regina IP LAU Suk-ye, GBS, JP

Public officers attending:

Professor K C CHAN, SBS, JP

Mr Stanley YING, JP

Ms Alice LAU, JP

Ms Elsie YUEN

Secretary for Financial Services and
the Treasury

Permanent Secretary for Financial
Services and the Treasury (Treasury)

Deputy Secretary for Financial
Services and the Treasury (Treasury)1

Principal Executive Officer (General),
Financial Services and the Treasury
Bureau (The Treasury Branch)

Mr Raymond YOUNG Lap-moon, JP	Permanent Secretary for Home Affairs
Miss Cathy CHU Man-ling, JP	Deputy Secretary for Home Affairs (West Kowloon Cultural District)
Mr Danny LAU Kam-chuen	Principal Assistant Secretary (West Kowloon Cultural District), Home Affairs Bureau
Ms Annette LEE Lai-ye, JP	Deputy Secretary for Transport and Housing (Housing)
Mr LEE Cert-quinn	Assistant Director of Housing (Estate Management) 1
Mr FUNG Pak-yan	Deputy Director of Social Welfare (Administration)
Mr NG Wai-kuen	Chief Social Security Officer (Social Security)1, Social Welfare Department
Ms Esther LEUNG Yuet-yin, JP	Deputy Secretary for Education (6)
Ms Nancy SO Mei-ye	Controller, Student Financial Assistance Agency
Ms Teresa CHEUNG Shuk-kau,	Deputy Controller (2), Student Financial Assistance Agency
Mr Eamonn MORAN, PSM, QC, JP	Law Draftsman, Department of Justice
Miss Susie HO, JP	Director of Administration and Development, Department of Justice
Mr Gilbert MO	Deputy Law Draftsman (Bilingual Drafting and Administration), Department of Justice
Mr SUEN Wai-chung	Senior Assistant Law Draftsman (Professional Development), Department of Justice
Mr Daniel CHUI	Systems Manager (2), Department of Justice
Mr LAI Tung-kwok, SBS, IDSM, JP	Under Secretary for Security
Mrs Millie NG KIANG Mei-nei	Principal Assistant Secretary for Security
Mr MA Wai-luk	Assistant Commissioner of Police (Information Systems)
Mr CHEUNG Siu-wah	Chief Systems Manager, Hong Kong Police Force
Mr TSE Woon-por	Senior Systems Manager, Hong Kong Police Force

Clerk in attendance:

Mrs Constance LI

Assistant Secretary General 1

Staff in attendance:

Ms Anita SIT
Miss Joanne FONG
Mr Frankie WOO
Ms Christy YAU

Chief Council Secretary (1)5
Senior Council Secretary (1)7
Senior Legislative Assistant (1)3
Legislative Assistant (1)1

Action

Item No. 1 - FCR(2010-11)10

**RECOMMENDATIONS OF THE ESTABLISHMENT SUBCOMMITTEE
MADE ON 28 APRIL 2010**

The Chairman said that the Committee's approval was sought for the staffing proposals in FCR(2010-11)10 which were recommended by the Establishment Subcommittee on 28 April 2010. Item EC(2010-11)3 in this paper would be discussed and voted on separately.

2. The Chairman put the items except EC(2010-11)3 under FCR(2010-11)10 to vote. The Committee approved these items.

EC(2010-11)3

Proposed creation of two supernumerary posts of one Principal Government Engineer (D3) and one Administrative Officer Staff Grade C (D2) in Home Affairs Bureau of the Government Secretariat

3. The Chairman advised that the proposal was to create the two supernumerary posts in Home Affairs Bureau (HAB) of the Government Secretariat from 1 July 2010 up to 31 March 2015 to monitor the implementation of the West Kowloon Cultural District (WKCD) project and coordinate the related interface matters.

The proposed supernumerary post of Administrative Officer Staff Grade C

4. Mr LEE Wing-tat thanked the Administration for providing replies to his questions prior to this meeting. Referring to the Administration's reply to his question no. 1 in FC106/09-10(01), Mr LEE Wing-tat enquired how the proposed post of Principal Assistant Secretary (West Kowloon Cultural District) (PAS(WKCD)) could effectively assist the Secretary for Home Affairs (SHA) to monitor the performance of the West Kowloon Cultural District Authority (WKCDA), since the Chief Secretary for Administration (CS) was the Chairman of WKCDA. Mr LEE questioned how PAS(WKCD) could monitor the work of CS who was of a much senior rank.

5. Permanent Secretary for Home Affairs (PSHA) clarified that the role of PAS(WKCD) was to monitor the performance of WKCDA but not the work of CS as Chairman of WKCDA. In fact, CS would rely on HAB to assist him in overseeing the work and performance of the WKCDA. As the existing WKCD Office in HAB would be disbanded by end June 2010 as scheduled, there was a need to create the proposed posts to provide senior level administrative support to HAB which was the policy bureau overseeing arts and cultural policies, and to monitor the work of WKCDA to ensure that it could meet the community expectations in various aspects. PAS(WKCD) in HAB would not only assist SHA to oversee the progress of the WKCD project, but also provide assistance to the Chairman of WKCDA in his work.

6. Referring to the Administration's reply to questions no. 4 and 5 in FC106/09-10(01) which indicated that the proposed PAS(WKCD) post had a wide range of responsibilities, the Chairman commented that this might give rise to problems of accountability. She expressed concern about the coordination between WKCDA and HAB, as the Director of Audit had commented that government departments did not communicate effectively with each other in the process of policy formulation and implementation.

7. PSHA advised that while the WKCDA would discharge its duties under the West Kowloon Cultural District Authority Ordinance to plan, construct and operate the facilities of WKCD, SHA had the responsibility of overseeing WKCDA to ensure timely implementation of all the capital works projects and proper application of the \$21.6 billion upfront endowment approved by the Finance Committee (FC). The creation of the post of PAS(WKCD) would help enhance liaison and coordination among Government bureaux and departments, and facilitate smooth commissioning of the WKCD project. The proposed PAS(WKCD) would actively participate in the meetings with WKCDA, and closely monitor the planning and implementation of the various arts programmes and exhibitions by WKCDA in order to make sure that these were consistent with the objectives as stated in the West Kowloon Cultural District Authority Ordinance. PAS(WKCD) would also oversee the interface between the facilities in WKCD and other cultural establishments in Hong Kong such as Hong Kong Arts Development Council, Leisure and Cultural Services Department (LCSD), Hong Kong Academy for Performing Arts, Hong Kong Arts Centre, etc.

Usage of existing cultural facilities after the commissioning of the WKCD

8. Mr LEE Wing-tat asked what measures PAS(WKCD) would put in place to ensure appropriate use of the existing cultural facilities such as Hong Kong Cultural Centre and City Hall, after the commissioning of the WKCD. He was concerned that these existing cultural venues would then be mainly used for non-cultural activities such as graduation ceremonies.

9. PSHA advised that one of the main responsibilities to be taken up by PAS(WKCD) was to oversee the interface issues between the facilities in WKCD and the performing arts venues and museums, and other organizations currently managed

by the LCSD, including programme development, venue policies, interflow and sharing of performing arts and museum expertise/personnel, and strategies to optimize usage of facilities, in order to avoid unhealthy competition. Since WKCD was a statutory body operated independently from government departments such as LCSD, PAS(WKCD) would be tasked to coordinate the arts and cultural programmes of WKCD, including the style, positioning and direction, to ensure that they were in compliance with Government's cultural and arts policies and the objectives stated in the West Kowloon Cultural District Authority Ordinance.

Street performance

10. Mr LEE Wing-tat said that CS had indicated support for his request of staging more street performance in early 2009 and given green light for this cultural and arts endeavour to be organized in the community. Mr LEE asked PSHA why the pilot scheme on street performance had not been launched until July 2010. He was concerned that the cultural and arts development of Hong Kong would be hindered by the bureaucracy of Government.

11. PSHA responded that the pilot scheme was already taken forward at full speed, and would take place in various spots in the territory. The Administration was already liaising with the Cultural, Leisure and Social Affairs Committee of the District Councils on the implementation of the pilot scheme. Assessment/approval panels would be set up to select the participating cultural individuals/groups to ensure fairness and transparency of the scheme.

12. Mr Paul CHAN declared that he was a member of the Board of the WKCD.

13. The Chairman put the item to vote. Mr IP Kwok-him claimed a division. Of the 36 members present, 26 voted for and none against the proposal. Nine members abstained from voting. The Chairman declared that the Committee approved the item. The voting results of individual members were as follows –

For:

Dr David LI
Mr CHAN Kam-lam
Dr Philip WONG
Mr TAM Yiu-chung
Ms Audrey EU
Dr Joseph LEE
Mr Andrew LEUNG
Mr Ronny TONG
Ms Cyd HO
Dr LAM Tai-fai
Mr Paul CHAN
Dr LEUNG Ka-lau

Dr Margaret NG
Mrs Sophie LEUNG
Ms Miriam LAU
Ms LI Fung-ying
Mr WONG Kwok-hing
Mr Jeffrey LAM
Mr WONG Ting-kwong
Prof Patrick LAU
Ms Starry LEE
Mr CHAN Hak-kan
Mr CHAN Kin-por
Mr WONG Kwok-kin

Mr IP Kwok-him
(26 members)

Dr PAN Pey-chyou

Abstention:

Mr Fred LI
Mr CHEUNG Man-kwong
Mr Andrew CHENG
Mr KAM Nai-wai
Mr WONG Sing-chi
(9 members)

Mr James TO
Mr LEUNG Yiu-chung
Mr LEE Wing-tat
Mr CHEUNG Kwok-che

Item No. 2 - FCR(2010-11)11

HEAD 62 – HOUSING DEPARTMENT

Subhead 700 General non-recurrent

New Item “Special rent payment for public housing tenants”

HEAD 170 – SOCIAL WELFARE DEPARTMENT

Subhead 700 General non-recurrent

New Item “Additional provision for social security recipients”

HEAD 173 – STUDENT FINANCIAL ASSISTANCE AGENCY

Subhead 700 General non-recurrent

New Item “One-off support grant for needy students in the 2010/11 school year”

14. The Chairman advised that the item sought the Committee's approval for the following –

- (a) a new non-recurrent commitment of \$1,804 million for the provision of two months' rent for tenants/licencees living in the rental units of the Hong Kong Housing Authority (HKHA) and the Hong Kong Housing Society (HKHS);
- (b) a new non-recurrent commitment of \$1,900 million for the provision of an extra allowance to Comprehensive Social Security Assistance (CSSA) recipients equal to one month of the standard rate payments, and an extra allowance to Old Age Allowance and Disability Allowance recipients equal to one month of the allowances; and
- (c) a new non-recurrent commitment of \$520 million for the provision of a one-off support grant to needy students in the 2010-2011 school year.

The Chairman said that the Panel on Welfare Services and the Panel on Housing had been consulted on the proposals at the meetings on 12 April 2010 and 16 April 2010 respectively.

Special rent payment for public housing tenants

15. Mr WONG Kwok-hing, Chairman of the Panel on Housing, reported the Panel's discussion on the proposal for the Government to pay two months' rent for tenants living in the rental units of HKHA and the HKHS. Mr WONG advised that Panel members considered that the Financial Secretary should have longer term planning in providing relief to the needy, particularly amid rising inflation. It would be more appropriate to reduce Public Rental Housing (PRH) rent to bring relief in the longer term, rather than providing special rent payment on a one-off basis. One member of the Panel also suggested extending the rent payment to those applicants on the Waiting List who had fulfilled the eligibility criteria for PRH and had waited for flat allocation for more than three years.

16. Mr WONG Kwok-hing asked whether the proposed rent payment scheme would be applicable to those tenants paying higher rent for the rental units of HA and HS. Deputy Secretary for Transport and Housing (Housing), Transport and Housing Bureau (DS(Housing), THB) advised that the arrangement would also cover PRH tenants who were paying additional rent, and that the Government would pay on their behalf the portion of the net rent for two months. Similarly, the Government would also pay on behalf of the Non-Elderly Persons' Flats tenants of HS Group B estates two-thirds of their net rent for two months. In addition, all public housing tenants would also be eligible for the rates concession by the Government.

Additional provision for welfare payments

17. Mr WONG Sing-chi, Chairman of the Panel on Welfare Services, reported the Panel's discussion on the proposal to provide recipients of CSSA and Social Security Allowance (SSA) (comprising Old Age Allowance and Disability Allowance) with an additional one-month payment, which was announced by the Financial Secretary in his Budget Speech on 24 February 2010. Mr WONG advised that Panel members were of the view that since welfare recipients were not directly affected by the financial tsunami, the proposal to provide additional payment to the CSSA and SSA recipients reflected that the existing welfare payment levels were inadequate for the recipients to meet present day basic needs. Panel members had suggested that instead of providing one-off additional payment, the Administration should adjust upwards the payment levels for CSSA and SSA. The Administration should also review if the one-off relief measure was adequate for alleviating the burden of the CSSA and SSA recipients during the initial stage of economic recovery. While Panel members supported the funding proposal, they urged the Administration to conduct a comprehensive review of the adequacy of CSSA standard payment rates expeditiously.

Monitoring the use of the additional social security payment

18. Noting that many elderly who were social security recipients did not have the ability to manage their finance, Mr WONG Kwok-hing asked what monitoring measures the Social Welfare Department (SWD) would introduce to ensure that the social security payments were used for the benefit of the elderly concerned and not for any other purposes. Mr WONG recalled that before there had been cases of Residential Care Homes for the Elderly taking advantage of the elderly's confusing mental state and embezzling the additional social security payments disbursed.

19. Deputy Director of Social Welfare (Administration) (DD(Admin), SWD) responded that as in last year, SWD would issue a letter to all operators of Residential Care Homes for the Elderly reminding them that the payment was intended for use by the elderly, and not for subsidizing the home fee. The SWD would keep watch on the situation, and would initiate prosecutions, where necessary, against those operators for embezzling of funds or breach of laws. In reply to the Chairman, DD(Admin), SWD advised that while there were such cases in the year before, none was reported to the Police last year after the issue of the reminders by SWD.

20. Responding to Mr WONG Kwok-hing and the Chairman, DD(Admin), SWD advised that for an elderly recipient who was medically certified to be unfit to make a statement, a relative or friend could be appointed to act on his/her behalf. If no such relative/friend was available, SWD could appoint a social worker to act on behalf of the elderly. In this connection, Mr WONG Kwok-hing requested SWD to provide the number of elderly social security recipients who were medically certified to be mentally unfit to make a statement and required an appointee to manage their finance. DD(Admin), SWD agreed to provide the information after the meeting.

Admin

Disbursement of the one-off assistance payment

21. Mr WONG Sing-chi asked why the payment of the one-off assistance could not be made immediately after the Financial Secretary's announcement made during his Budget Speech in February 2010. DD(Admin), SWD responded that taking into account the lead time for making the necessary adjustments to SWD's computer system and updating the lists of eligible recipients, the earliest date for effecting the one-off payment would be about one month after obtaining FC's approval, which would be some time in July 2010. It was also necessary for SWD to determine the list of eligible recipients following FC's approval.

22. Mr WONG Sing-chi suggested that to expedite the disbursement of such additional payments, SWD should make early preparations and adjustments to the computer programme. Mr WONG said that the Administration should inform the Panel on Welfare Services and the public when arrangements had been completed for the disbursement of one-off assistance. DD(Admin), SWD advised that SWD would

announce the disbursement of the payment and inform the Legislative Council at the same time.

Review of the CSSA standard payment rates

23. Mr LEE Cheuk-yan said that while he supported the funding proposals, he was not convinced of the reasons for granting the one-off assistance to social security recipients. In his view, the recipients of CSSA and SSA were the least affected by the financial tsunami. The crux of the problem was that the current CSSA payments were insufficient to meet even the basic needs. The provision of one-off relief assistance at times of economic downturn or fiscal surplus could not solve the problem at root. He urged the Administration to expeditiously conduct a comprehensive review of the current standard rates of the CSSA to ascertain if such rates were adequate for keeping up with the present living standards. He also expressed concern that some Hong Kong residents returning from the Mainland during the financial tsunami had been rejected for CSSA because they could not fulfil the requirement of one-year residence in Hong Kong. He urged the Administration to be flexible in implementing its welfare policies.

24. DD(Admin), SWD explained that CSSA aimed to provide a safety net for the needy. CSSA standard payment rates were reviewed annually according to the established adjustment mechanism, i.e. the movement of the Social Security Assistance Index of Prices ("SSAIP"). This mechanism was proven effective in maintaining the purchasing power of CSSA payments and the Administration would continue to base on it for adjustment to CSSA payments. Mr LEE Cheuk-yan commented that the current SSAIP was not a reliable indicator of the needs of the recipients, as it was the level of basic needs rather than the index of prices that mattered. He pointed out the survey of the basic needs of living had not been conducted ever since 1995.

One-off support grant for needy students in the 2010/11 school year

25. Mr WONG Kwok-hing asked what measures would be in place to ensure that the proposed one-off support grant of \$1,000 would be used to benefit the needy students on their studies and not for other purposes. He asked whether the Education Bureau would consider issuing a circular to schools and parents reminding them that the grant was strictly for study purposes.

26. Deputy Secretary for Education (6), Education Bureau advised that the one-off grant would be disbursed on a non-accountable basis, similar to the student travel subsidy and school textbook assistance schemes, in order to provide flexibility for needy families in using the grant. While the Administration would envisage the needy families would use the grant to support the studies of their children at schools, she agreed to issue a circular to remind the students concerned and their parents that the grant should be used for study purposes.

27. The Chairman put the item to vote. The Committee approved the proposals.

Item No. 3 - FCR(2010-11)12

CAPITAL WORKS RESERVE FUND

HEAD 710 – COMPUTERISATION

Department of Justice

New Subhead “Implementation of a Verified, Authenticated and Searchable Electronic Database of Hong Kong Legislation”

28. The Chairman advised that the Committee's approval was sought to approve a new commitment of \$79,395,000 for implementing a verified, authenticated and searchable electronic database of Hong Kong legislation (the Database). The Panel on the Administration of Justice and Legal Services had been consulted on the proposal at its meeting on 26 April 2010.

29. Dr Margaret NG, Chairman of the Panel on the Administration of Justice and Legal Services, reported that the Panel had a brief discussion of the funding proposal. While Panel members supported in principle the introduction of the Database, they considered that the Database should also provide value-added services. The Administration had advised that such services could be provided by commercial service providers.

30. Dr Margaret NG expressed concern that the Administration had only given a general briefing to the representatives of the Law Society and the Bar Association on the proposal related to access to legislation and the Database, and that there was no indication of support and expression of views from the Bar Association. Dr NG asked about the details of the consultation conducted by the Administration on this proposal. Dr NG added that it was unusual for the Panel to be invited to consider a proposal affecting the legal profession without the views of the Bar Association. She stressed that it was only prudent for the Administration to seek views from the Bar Association on the detailed arrangements for taking forward the proposal and whether the loose-leaf edition of Hong Kong legislation would retire.

31. Responding to Dr Margaret NG and the Chairman, the Law Draftsman (LD) advised that the Law Drafting Division (LDD) of the Department of Justice had briefed the Bar Association and the Law Society on the proposal. He noted that the Law Society had written to the Panel indicating its support. LDD had issued questionnaires to gauge the views of users, within and outside the Government, on the Bilingual Laws Information System (BLIS) early last year. LDD also had a meeting with two representatives of the Bar Association some months ago, and briefed them broadly on the proposal including the phasing out of the loose-leaf edition of the legislation. His impression was that the Bar Association was supportive of the project, and it did not raise any issue with the proposal at the meeting. He said that

the Bar Association had also been invited to the Panel meeting for discussion on the proposal, but it decided not to attend. He further said that a lot of Bar Association members currently using BLIS welcomed enhancement to the existing version. He found it difficult to infer that the Bar Association had reservations about the proposal in making no response.

32. Dr Margaret NG stressed that the Bar Association had always provided views to assist the deliberations of the Panel. The Administration should not assume that the Bar Association had no objection if it had not responded. She considered it important for the Administration to ascertain the views of the Bar Association on the proposal, in particular the eventual phasing out of the loose-leaf version of the Laws of Hong Kong. The Chairman requested the Administration to obtain the views of the Bar Association and report to FC. LD undertook to seek the express views of the Bar Association and report to FC.

33. Dr Margaret NG urged the Administration to be very careful in planning for the phasing out of the loose-leaf edition of the Hong Kong legislation and existing BLIS, as it was important to ensure the reliability of the electronic version before the hardcopy could be phased out.

34. LD assured members that the Administration would not phase out the loose-leaf edition until the Database was fully up and running, when the Database had been authenticated and proved to be able to satisfy the needs of the legal community. He pointed out that the Administration would not provide for the retirement of the loose-leaf edition of the legislation until it had the legislative authority to do so. The legislative proposal for setting up the Database would be submitted to the Legislative Council with a Bill providing for the repeal of the (Loose-leaf Publication) Ordinance.

35. As regards the concern about ancillary services to be provided by the Database as raised at the Panel meeting on 26 April 2010, LD said that the data in the Database would be available in a format that was friendly to publishers and would provide the value-added services that legal publishers were used to providing. The Administration however had reservation about LDD providing annotation services as it was not within its scope of work. LD advised that the major task of LDD was on the verification of data, and providing advice that the data had legal status and could be relied upon by all users including the courts.

36. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 4 - FCR(2010-11)13

CAPITAL WORKS RESERVE FUND

HEAD 710 – COMPUTERISATION

Hong Kong Police Force

New Subhead “Development of the Second Generation of Communal Information System”

Item No. 5 - FCR(2010-11)14

CAPITAL WORKS RESERVE FUND

HEAD 710 – COMPUTERISATION

Hong Kong Police Force

New Subhead “Enhancement of the Information Technology Infrastructure by Using Virtual Workstation (Initial Implementation)”

37. The Chairman said that as the proposals under FCR(2010-11) 13 and 14 were related to the information systems of the Hong Kong Police Force (HKPF), these two items would be considered together but voted on separately.

38. The Chairman advised that FCR(2010-11)13 sought to create a new commitment of \$411,272,000 for the development of the Second Generation of Communal Information System (CIS2) of the HKPF, while FCR(2010-11)14 sought to create a new commitment of \$40,716,000 for introducing the virtual workstation in the Kowloon West Region of the HKPF. The Panel on Security had considered the two proposals at its meeting on 13 April 2010.

39. Mr LAU Kong-wah, Chairman of the Panel on Security, reported that Panel members raised no objection to the proposals which sought to enhance the information technology infrastructure for the HKPF by development of the CIS2 and initial employment of virtualization technology. Some Panel members expressed concern whether the proposed CIS2 could be expanded in capacity or enhanced to allow for inclusion of new features or functions to cater for the operational needs of the Police in future. The Administration had advised the Panel that with expanded capacity and enhanced functions, the infrastructure of the proposed CIS2 would allow further enhancement and development to meet the Police's changing operational needs.

Security control and data protection

40. Mr WONG Kwok-hing expressed support for the proposal. Referring to the recent incidents of leakage of classified police documents containing personal data when restricted/confidential documents/files were taken home for continuing working by police officers, Mr WONG asked what measures the Administration would introduce to prevent occurrence of similar incidents.

41. Under Secretary for Security said that the Security Bureau and HKPF were gravely concerned about the leakage incidents and had taken immediate action to adopt various measures to ensure mitigation of the data leakage risks. The virtual workstation was proposed specifically to address this problem. Under the proposal, all data would be processed and stored in the central server, and only screen image would be transferred to frontline terminals (which had no processing and storage power) through the secured data channel. While a user could view, key in, and store data in the server by using frontline terminals, no data could be transferred or downloaded to these terminals or any external storage device such as USB thumb drives. An authorized user could only access his own storage compartment in the server with an authentication mechanism.

42. Assistant Commissioner of Police (Information Systems), HKPF (ACP(Information Systems), HKPF) supplemented that there were two levels of data protection/security device under the proposed IT infrastructure, i.e. the information processed under the virtual workstation would be channelled back to the central servers, and there would be different levels of information access control permitting only the authorized personnel to access the central servers to read the information and/or to work on the information therein. Stringent measures would also be in place under the CIS2 to enhance security control on data protection and strengthen integrity management. These included a multiple-factor authentication mechanism for users, different tiers of information access control for officers at different ranks, and audit trails/reports on access or printing of information.

43. Mr WONG Kwok-hing asked whether police officers would be allowed to bring work home and access the Police data network via their home personal computers (PCs), after implementation of the virtual workstation proposal. He also asked if penalty would be imposed on police officers who were found not in compliance with the guidelines or regulations.

44. ACP(Information Systems), HKPF advised that the Police had issued clear guidelines on the circumstances and conditions for taking work home. The present rule and practice was that no police officers were allowed to bring sensitive information and confidential documents home, unless authorization had been given by the Commissioner of Police. The advantage of the virtual workstation proposal was that there was no need for officers to bring information or data home to carry out their work. They could access the screen image of the required information via their individual compartment in the central servers and work through their own compartment. Their work data would be processed in the central server, and not locally processed in their home PCs. Any officer who accessed the system without authorization would be subject to disciplinary action (which could lead to dismissal) or criminal prosecution depending on the seriousness of the case.

45. Mr James TO asked how the Administration could actually ensure data protection since a third party might photograph the screen image containing personal/confidential information from a frontline terminal outside office.

46. ACP(Information Systems), HKPF advised that while no system could be 100% risk-free, various safeguards and security measures would be built in at different levels to prevent unauthorized access to information, and there would be audit trails to track any such access. Any intentional leakage would be pursued most vigorously and criminal/disciplinary proceedings would be instituted when facts so justify.

47. Mr James TO asked whether access to the virtual workstation would be allowed in public places such as café. ACP(Information Systems), HKPF responded that under the information access control system, authorized users could only obtain screen images of information from the central servers through designated computers after authentication. The information available for access at public places such as cafés should be restricted to public information such as those on the HKPF's website, or the screen image of information at "public" level from the user's own data compartment.

48. Mr James TO remained concerned about the authentication and access control mechanisms for the virtual workstations, especially when data access was conducted outside office. He referred to the common practice of customers accessing their personal email accounts and conducting banking activities at the computers at cafés, and expressed concern about the adequacy of the security measures of the proposed system if access to the data centre could be made through other terminals or computer facilities outside office. Mr TO was also concerned that an unauthorized party might access the confidential information with a Virtual Private Network (VPN)-equipped computer which had been logged-in. He urged the Police to strike a proper balance between enhancing accessibility of information by police officers and controlling risks of data leakage at remote workstations.

49. ACP(Information Systems), HKPF advised that the Police adopted high data security protocols and effective authenticated techniques to ensure protection of sensitive information transmitted on the Internet. Similar to digital bank/Internet banking, password tokens were required to access the encrypted internal networks/systems of HKPF including the virtual workstation. Officers would be authorized to access information appropriate to their level, and there would be authentication control at different levels. The virtual workstation would also be installed with an automated black-out mechanism, and the workstation would automatically be logged off if there was no signal of operation for a pre-defined period of time, say, one minute. Should there be a need for police officers to access the data at a café, they would only be allowed to work on the screen image of "Read only" information at remote workstations. Chief Systems Manager, HKPF (CSM, HKPF) supplemented that users at distant locations such as cafés could not access the internal networks of the Police or the data stored in the central servers without the installation

of the VPN and related software. In reply to the Chairman, CSM, HKPF advised that VPN and the related software could be installed in remote workstations such as officers' residence upon authorization.

50. The Chairman expressed concern that if police officers would be allowed to work on their PCs installed with VPN at home, there was indeed a possibility for the third party to access the privacy data shown on the monitor of the computer. ACP(Information Systems), HKPF responded that it was only when performing their daily work such as witness statements and crime investigation reports that police officers would be exposed to the personal information of the public. He said that in the past leakage incidents, the officers concerned were not vigilant of the possibility of leakage when bringing sensitive information home and using the file-sharing software FOXY. With the adoption of the virtualization technology, it would obviate the need for police officers to take home the external thumb drives for work purposes, and this would considerably reduce the risk of data leakage. He informed members that virtual technology was also deployed by the US Department of Defense and by Goldman Sachs.

51. Responding to Mr James TO's enquiry, ACP(Information Systems), HKPF advised that data related to crime intelligence would not be stored in the central server of the virtual workstation. Information accessible by the virtual workstation was confined to those related to the daily work of police officers. Clear guidelines had been issued to police officers to remind them to be vigilant in handling confidential information and classified documents.

52. In view of the defects of and the risks of data leakage posed by the FOXY and Trojan Horse software, Mr James TO asked what measures the Police would take to ensure data privacy in a computing environment using virtualization technology.

53. CSM, HKPF explained that since the case information would not be processed and stored in a remote workstation including the home PCs but resided in the central server for the virtual workstation, it was not possible to download the confidential files stored in the server with any programs such as FOXY and Trojan Horse installed or run in the remote workstations. Mr James TO enquired if there was a print screen feature in the virtual workstation environment. CSM, HKPF advised that he was not aware of any such malicious software that could automatically record images processed on virtual workstations. Mr TO further asked if the streaming recording software which would reconstruct and record all data processed and stored in the system was supported by the remote workstations. CSM, HKPF responded that the transmission of information between the remote workstation and the central server by way of VPN would allow users to establish a virtual private "tunnel" in a secured/encrypted environment, thereby maintaining data integrity during transmission. This transmission mode of VPN was regarded as safe and reliable according to the current standards.

54. In response to the Chairman, ACP(Information Systems), HKPF said that a demonstration of the virtual technology could be arranged for the Panel on Security and other interested members if necessary.

55. Mrs Sophie LEUNG expressed support for the proposal. She considered that the new virtualization technology was an important milestone of the development of IT infrastructure/systems in HKPF. She requested the Administration to confirm that the virtualization infrastructure would include effective security and data protection features, such as only screen image of information could be retrieved from the central data repository, and access to such data would be restricted only to authorized users with an access control and authentication mechanism.

56. CSM, HKPF confirmed that Mrs Sophie LEUNG's understanding was correct. He reiterated that under the secured computing working environment of virtualization technology, authorized users could access information only through the designated terminals inside or outside office. No data would be processed and stored in individual terminals but in the central server. The process of data transfer would also be encrypted. With these features, data leakage risk could be mitigated.

57. The Chairman put the items FCR(2010-11)13 and FCR(2010-11)14 to vote separately. The Committee approved the proposals.

58. The meeting was adjourned at 5:55 pm.