

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 33rd meeting
held at the Legislative Council Chamber
on Friday, 9 July 2010, at 3:00 pm**

Members present:

Hon Emily LAU Wai-hing, JP (Chairman)
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon LEE Cheuk-yan
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
Hon WONG Yung-kan, SBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon LAU Kong-wah, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Miriam LAU Kin-yea, GBS, JP
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Vincent FANG Kang, SBS, JP
Hon WONG Kwok-hing, MH
Dr Hon Joseph LEE Kok-long, SBS, JP

Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon CHEUNG Hok-ming, GBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon KAM Nai-wai, MH
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king, JP
Dr Hon LAM Tai-fai, BBS, JP
Hon CHAN Hak-kan
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 IP Wai-ming, MH
Hon IP Kwok-him, GBS, JP
Dr Hon PAN Pey-chyou
Hon Paul TSE Wai-chun
Dr Hon Samson TAM Wai-ho, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Tanya CHAN
Hon Albert CHAN Wai-yip
Hon WONG Yuk-man

Members absent:

Hon Albert HO Chun-yan
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon LEE Wing-tat
Hon Paul CHAN Mo-po, MH, JP
Hon WONG Kwok-kin, BBS
Hon Mrs Regina IP LAU Suk-ye, GBS, JP

Public officers attending:

Professor K C CHAN, SBS, JP
Mr Stanley YING, JP

Secretary for Financial Services and
the Treasury
Permanent Secretary for Financial
Services and the Treasury (Treasury)

Ms Alice LAU, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)1
Ms Elsie YUEN	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Prof Gabriel M LEUNG, JP	Under Secretary for Food and Health
Mrs Miranda YIM NG Chi-kwan	Principal Executive Officer (Health), Food and Health Bureau
Prof Lakshman P SAMARANAYAKE	Director, Prince Philip Dental Hospital
Mr Kenneth SHE Siu-kuen	Assistant Director of Electrical and Mechanical Services (2)
Dr Ricky LI Chung-leung	Chief Engineer (Health Sector), Electrical and Mechanical Services Department
Mrs Carrie LAM CHENG Yuet-ngor, JP	Secretary for Development
Mr Tommy YUEN Man-chung, JP	Deputy Secretary for Development (Planning and Lands) 2
Mr LAM Siu-tong	Deputy Director of Buildings
Mr Jacky IP Kam-shing	Director (Property Management), Hong Kong Housing Society
Ir Calvin LAM Che-leung	Executive Director (Operations and Project Control), Urban Renewal Authority
Ms Florence HUI Hiu-fai, JP	Acting Secretary for Home Affairs
Ms Sharon HO Ho-shuen, JP	Assistant Director of Home Affairs (4)

Clerk in attendance:

Mrs Constance LI	Assistant Secretary General 1
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Staff in attendance:

Ms Debbie YAU	Chief Council Secretary (1)6
Ms Angel SHEK	Senior Council Secretary (1)1
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Christy YAU	Legislative Assistant (1)1

Item No. 1 - FCR(2010-11)36

**HEAD 140 – GOVERNMENT SECRETARIAT:
FOOD AND HEALTH BUREAU (HEALTH BRANCH)
New Subhead "Replacement of central air-conditioning system for the Prince Philip Dental Hospital"**

The Chairman said that the item sought the approval of the Finance Committee (FC) of a new commitment of \$26.1 million for replacing the central air-conditioning system for the Prince Philip Dental Hospital (the Dental Hospital).

2. Mr Andrew LEUNG declared that he was the former Chairman of the Board of Governors of the Dental Hospital. He supported replacing the two sea water pipes of the sea water cooled chillers of the Dental Hospital as these had been in service for over 30 years, and their conditions were deteriorating with rising expenditure on repairs. The Under Secretary for Food and Health (USFH) said that the main plants had operated for over 30 years since 1979, with some ancillary units installed in 1997. He stressed the urgency for replacement, as the bursting of the existing sea water pipes had become more frequent in recent years and excavation works arising from the pipe bursts had affected traffic and caused inconvenience to residents and shops nearby.

3. Ir Dr Raymond HO expressed support in principle for the proposal. In reply to his enquiries, the Assistant Director of Electrical and Mechanical Services (2), Electrical and Mechanical Services Department (AD(2), EMSD) said that subject to frequency of usage, similar sea water cooling systems usually approached the end of their service life after operation for some 30 years.

4. Mr IP Kwok-him said that the Central and Western District Council (C&WDC) had discussed the proposed works and he supported the project. He pointed out that the sea water pipes of the existing chillers passed through busy roads such as Des Voeux Road West and Queen's Road West before reaching the Dental Hospital, and frequent repair works had caused much inconvenience to the residents and shops in these areas.

5. The Chairman advised that the Panel on Health Services had discussed the proposal and urged the Administration to ensure that the replacement works would not adversely impact on the shops and residents nearby. She asked what mitigation measures would be taken to minimize the possible adverse impact on the neighbourhood when the works were carried out.

6. USFH assured members that the Administration would put in place appropriate measures to mitigate potential nuisance arising from the proposed works. AD(2), EMSD advised that the proposed replacement works would not entail removal of the existing sea water pipes, and would not affect the shops and residents nearby.

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The contractors would be required to implement mitigation measures, such as installing temporary noise barriers, to reduce noise nuisance arising from the works.

7. Mr KAM Nai-wai said that though C&WDC supported the project, it had expressed concern about the proximity of the new chillers to residential areas. He requested the Administration to allay the worries of the affected residents about the project and the potential adverse impacts, such as noise nuisance and heat generated from the new air-conditioning system. USFH said that the Administration would take necessary steps to ensure that local residents would not be adversely affected by the project. Local residents could reflect their views or concerns via the C&WDC or directly to the relevant departments so that mitigation measures could be taken as appropriate.

Admin 8. Mr KAM Nai-wai suggested that the Administration should set up a hotline for handling enquiries or complaints on the project. The Chairman suggested that the hotline information in both English and Chinese languages should be displayed at the project site for public information. AD(2), EMSD agreed to consider the suggestion and said that affected residents could also complain directly to EMSD.

9. Dr PAN Pey-chyou referred to the previous traffic accidents along the steep, narrow roads in the vicinity of the Dental Hospital and urged the Administration to pay special attention to road safety when carrying out the replacement works. AD(2), EMSD advised that there were guidelines on the transport and related arrangements for implementation of the project and the Administration would exercise due care in the implementation.

10. Prof Patrick LAU questioned why fresh water instead of sea water was to be used as the cooling agent for central air-conditioning supply to the Dental Hospital, since the Water Supplies Department (WSD) had advised against this method in earlier years under the water conservation policy. USFH advised that for the proposed project, as much as 99% of the fresh water used in the cooling system could be re-circulated for use under normal operation, and only around 1% would be evaporated. AD(2), EMSD added that under the scheme for wider use of fresh water in evaporative cooling towers for air-conditioning systems, EMSD and WSD would approve an application of participation if the location of the cooling tower fell within the designated areas where existing water supplies and sewerage network would be adequate to meet the additional demand. In reply to Ir Dr Raymond HO, AD(2), EMSD assured members that the new system would meet the energy efficiency standard promulgated by the Government.

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

Item No. 2 - FCR(2010-11)37

**HEAD 138 – GOVERNMENT SECRETARIAT :
DEVELOPMENT BUREAU
(PLANNING AND LANDS BRANCH)**

Subhead 700 General non-recurrent

Item 865 Operation Building Bright

12. The Chairman said that the item sought an increase in commitment from \$1.7 billion by \$500 million to \$2.2 billion under Head 138 – Government Secretariat : Development Bureau (Planning and Lands Branch) Subhead 700 General non-recurrent Item 865 Operation Building Bright (the Operation).

13. Mr LAU Wong-fat, Chairman of the Panel on Development, reported that the Panel had been consulted on the proposal on 22 June 2010. Panel members generally supported the injection of additional funding to augment the next round of the Operation, and lifting the eligibility criterion of "not more than 400 residential units" for target buildings. Some Panel members suggested that under the Operation, members of professional institutes should not be required to sign the Declaration Form to comply with the Ethical Commitments Requirements, because these professionals were already bound by their code of practice and were subject to disciplinary proceedings of the respective professional institutes. Some other Panel members suggested that the Buildings Department (BD) should help owners deal with unauthorized building works by issuing statutory clearance orders at the same time when owners or owners' corporations (OCs) carried out building maintenance works under the Operation. Panel members also suggested conducting surveys to collect feedback from owners/OCs on the performance of contractors, and expressed concern about the future management of the buildings after the Operation.

Funding and implementation plan

14. Mr WONG Kwok-hing expressed support for the funding proposal and urged the Administration to ensure adequate funding be injected into the Operation with a view to creating more jobs. The Secretary for Development (SDEV) advised that building maintenance was basically the responsibility of owners, and the Operation was a special measure for "preserving jobs" amidst the 2008 financial tsunami, under which owners of about 2 000 targeted old and dilapidated buildings were provided subsidies to carry out repair and maintenance works to their buildings. The FC had approved on two occasions a total allocation of \$1.7 billion as the Government's contribution to the Operation. In addition, \$300 million was contributed by the Hong Kong Housing Society and Urban Renewal Authority towards the project. So far, a total of 107 buildings had completed repair works, 238 buildings had repair works underway, and another 936 buildings with "approvals-in-principle" granted would commence repair works soon. The approved commitment, together with the additional \$500 million under the present proposal, was considered appropriate for

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assisting needy owners to carry out repair and maintenance works and creating more job opportunities. SDEV further advised that the Operation had so far created over 8 100 jobs. With the proposed injection of \$500 million and the use of \$300 million of uncommitted funds, the accumulated job opportunities would reach over 15 000.

15. Ms Starry LEE expressed appreciation of the Administration's proposed increase of the financial commitment for the Operation. She enquired about the timing of disbursing the additional grants. SDEV advised that subject to FC approval, the Administration planned to announce further details of the Operation in August 2010, following a review to improve the existing procedures. Taking into account the availability of building professionals and contractors in the market, and the need to suitably spread out building repair works in different areas, the Administration proposed to invite the next round of applications for Category 1 target buildings (i.e. buildings with OCs) from 1 September 2010 to 30 October 2010. In line with the prevailing arrangement, eligible applications for joining as Category 1 target buildings would be prioritized by ballot. The BD would separately make preparation for selecting suitable buildings as Category 2 target buildings and proceed with the implementation once FC had approved the additional funding.

16. Ms Starry LEE requested the Administration to provide more funding for the Operation if necessary, so that more buildings could be included and more employment opportunities created. The Administration took note of the request.

Eligibility criteria

17. Ms Starry LEE thanked the Administration for taking on board her request for relaxing the criterion that a building should have no more than 400 residential units in order to be eligible for the grant. Ms LEE enquired whether an owner of a target building would still be eligible for the financial assistance under the Operation if he/she also owned a flat under the Home Ownership Scheme. SDEV advised that the Operation was "building-based" without any asset or means tests. All owners of target buildings could receive a grant up to 80% of the cost of repair in the common areas, subject to a ceiling of \$16,000. Elderly owner-occupiers aged 60 or above could receive a grant to cover the full cost of repair of the common areas, subject to a ceiling of \$40,000. In the latter case, if the elderly owners were not occupiers of the target building, they would still be eligible for the financial assistance up to \$16,000.

18. Dr PAN Pey-chyou suggested that the ceiling of subsidy should be waived for the elderly owner-occupiers with less financial means, so that the full cost of repair could be covered by the financial assistance under the Operation. SDEV responded that the Government appreciated the need to provide more care and assistance to the elderly in building maintenance. Apart from the financial assistance under the Operation, elderly owner-occupiers could also apply up to a maximum grant of \$40,000 under the "Building Maintenance Grant Scheme for Elderly Owners". In other words, an elderly owner-occupier could obtain a maximum of \$80,000 subsidy for meeting the maintenance costs of the same flat. The Building Maintenance Grant

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Scheme for Elderly Owners, which was set up in 2008 with a one-off non-recurrent commitment of \$1 billion, still had a balance of around \$0.7 billion, and would be able to provide support to needy elderly owner-occupiers.

19. Dr PAN Pey-chyou asked whether the Operation and the Building Maintenance Grant Scheme for Elderly Owners could be made permanent so that continual financial assistance could be granted to needy owners. SDEV stressed that building maintenance was basically the responsibility of owners, and the Operation and the Grant Scheme would not be permanent schemes. Nevertheless, the Administration would consider injecting more funds to the owner-based Building Maintenance Grant Scheme where necessary.

Scope of works

20. Ms LI Fung-ying expressed support for the proposal as the Operation was well-received by building owners in various old districts. She asked whether assistance would be provided under the Operation to help owners detect the presence of asbestos materials in their buildings.

21. The Deputy Director of Buildings, BD advised that the authorized person (AP) engaged for undertaking building maintenance works under the Operation could carry out asbestos survey upon the request of owners/OCs. Owners of buildings could also seek technical assistance/information from BD in this respect. As regards the cost of an independent asbestos survey, Deputy Secretary for Development (Planning and Lands)2 advised that the owners concerned could, in consultation with the Labour Department and the appointed AP, incorporate asbestos survey into the building maintenance works under the Operation during the design stage.

22. Mr TAM Yiu-chung said that the Operation had proven effective in assisting many needy owners to carry out building maintenance works. He asked whether slope safety works would be covered under the Operation. SDEV referred to Enclosure 1 to FCR(2010-11)37 and advised that the grant made under the Operation should first be used for repair and maintenance works in common areas relating to the structural and fire safety of the buildings, and also the sanitary facilities. Any remaining grant could then be used for additional repair and improvement works in the common areas, including maintenance or improvement works for slopes and retaining walls. In the latter case, owners might need to share the extra expenses if the cost of such works exceeded the remaining grant.

Building management

23. Noting that some OCs were dissolved after the Operation-related building maintenance works had completed, Mr Frederick FUNG suggested that the Development Bureau (DEVB) should discuss with the Home Affairs Bureau (HAB) long-term measures to facilitate the continual operation of OCs, so that they could continue to organize maintenance and repair works after the Operation. SDEV

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advised that the Operation had in effect provided incentives for building owners to set up OCs in that Category 1 target buildings covered buildings with OCs. In fact, a number of OCs had been established in the past year in order to apply for the subsidy under the Operation. She assured members that DEVB would, riding on the incentives offered by the Operation, continue to collaborate with HAB to encourage the establishment of OCs, and report the progress to the Subcommittee on Building Safety and Related Issues in due course.

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

Item No. 3 - FCR(2010-11)38

HEAD 63 – HOME AFFAIRS DEPARTMENT
Subhead 000 Operational expenses

25. The Chairman said that the item sought an increase in the ceiling of the quarterly financial assistance to Mutual Aid Committees (MACs) from \$1,000 to \$1,500 with effect from 1 October 2010.

26. Mr IP Kwok-him, Chairman of the Panel on Home Affairs (HA Panel), reported that the HA Panel had been consulted on the proposal on 11 June 2010. Panel members supported the proposed increase in the ceiling of the quarterly financial assistance to help MACs meet their operational expenditure, as well as the proposed increase in the ceiling of the accountable one-off financial assistance from \$1,000 to \$5,000 for newly formed MACs to set up their offices and for all existing MACs with an office to furnish their offices. In response to Panel members' request, the Administration had confirmed that flexibility would be exercised to allow deployment of any unspent provision of the quarterly financial assistance in the remaining quarters of the same calendar year. The Administration had also assured Panel members that it would continue to seek support from public utilities for MACs to be entitled to a non-commercial rate for utility deposits/charges. At the request of MACs, documentary proof would be provided to financial institutions to facilitate the waiver of the minimum deposit requirement imposed by banks for the MACs concerned. The Administration had also undertaken to strengthen communication with MACs to promote mutual support and responsibility among residents and their sense of belonging to the local community.

27. In response to the Chairman, the Acting Secretary for Home Affairs (SHA) reaffirmed that the Administration would exercise flexibility in handling applications for reimbursement to MACs. Any unspent provision of the quarterly financial assistance could be deployed for use in the remaining quarters of the same calendar year, but such balance could not be carried forward to the following calendar year.

28. Mr WONG Kwok-hing welcomed the proposal as it would enhance the financial capability of MACs to enable them to better serve the residents concerned.

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Responding to Mr WONG, Atg SHA advised that existing MACs with an office could also apply for the one-off financial assistance of \$5,000 to furnish their offices and/or purchase certain capital items, within a two-year period.

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

Item No. 4 - FCR(2010-11)39

Paper on shortening the duration of division bell

30. The Chairman said that members were invited to consider and approve the proposed amendments to FC Procedure, the Establishment Subcommittee (ESC) Procedure and the Public Works Subcommittee (PWSC) Procedure to provide for the shortening of the duration of the division bell. She added that these proposed arrangements were drawn up with reference to the practice of the Council meetings in accordance with the prevailing relevant rules on shortening of the duration of the division bell under Rules 49(4) and 49(6) of the Rules of Procedures (RoP).

31. At the invitation of the Chairman, the Clerk advised that the proposal would enable the moving of a motion without notice during a meeting of FC, ESC or PWSC for the purpose of shortening the duration of the division bell from two minutes to one minute, where frequent divisions were anticipated for an agenda item at that meeting. Following issuance of a consultation paper to FC members on the proposed arrangements, the Committee on RoP (CRoP) had separately reviewed Rules 49(4) and 49(6). In line with CRoP's amendment to Rule 49(6), the proposed arrangements for FC, ESC and PWSC incorporated a technical amendment such that the motion to shorten the duration of the division bell should be moved immediately after the Chairman had declared the result of "a division", instead of "the first division", under the same agenda item during a FC/ESC/PWSC meeting.

32. The Chairman put the item to vote. The Committee approved the arrangements set out in the paper.

33. With the 2009-2010 legislative session drawing to a close, the Chairman thanked members and representatives of the Administration for their contribution in past meetings.

34. The meeting was adjourned at 3:50 pm.

Legislative Council Secretariat

4 November 2010