

**立法會**  
**Legislative Council**

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**Finance Committee of the Legislative Council**

**Minutes of the 26<sup>th</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 15 March 2013, at 3:00 pm**

**Members present:**

Hon Tommy CHEUNG Yu-yan, SBS, JP (Chairman)

Hon Emily LAU Wai-hing, JP (Deputy Chairman)

Hon Albert HO Chun-yan

Hon LEE Cheuk-yan

Hon James TO Kun-sun

Hon CHAN Kam-lam, SBS, JP

Hon LEUNG Yiu-chung

Dr Hon LAU Wong-fat, GBM, GBS, JP

Hon TAM Yiu-chung, GBS, JP

Hon Frederick FUNG Kin-kee, SBS, 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, GBS, JP

Hon Andrew LEUNG Kwan-yuen, GBS, JP

Hon WONG Ting-kwong, SBS, JP

Hon Ronny TONG Ka-wah, SC

Hon Starry LEE Wai-king, JP

Dr Hon LAM Tai-fai, SBS, JP

Hon CHAN Hak-kan, JP

Hon CHAN Kin-por, BBS, JP

Dr Hon Priscilla LEUNG Mei-fun, JP

Hon CHEUNG Kwok-che

Hon WONG Kwok-kin, BBS  
Hon Mrs Regina IP LAU Suk-yea, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Alan LEONG Kah-kit, SC  
Hon LEUNG Kwok-hung  
Hon WONG Yuk-man  
Hon Claudia MO  
Hon James TIEN Pei-chun, GBS, JP  
Hon Steven HO Chun-yin  
Hon Frankie YICK Chi-ming  
Hon YIU Si-wing  
Hon Gary FAN Kwok-wai  
Hon Charles Peter MOK  
Hon CHAN Chi-chuen  
Hon CHAN Han-pan  
Dr Hon Kenneth CHAN Ka-lok  
Hon LEUNG Che-cheung, BBS, MH, JP  
Hon Kenneth LEUNG  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung  
Hon Dennis KWOK  
Hon Christopher CHEUNG Wah-fung, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Hon SIN Chung-kai, SBS, JP  
Dr Hon Helena WONG Pik-wan  
Hon IP Kin-yuen  
Dr Hon Elizabeth QUAT, JP  
Hon POON Siu-ping, BBS, MH  
Hon TANG Ka-piu  
Dr Hon CHIANG Lai-wan, JP  
Ir Dr Hon LO Wai-kwok, BBS, MH, JP  
Hon CHUNG Kwok-pan  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

**Members absent:**

Hon Abraham SHEK Lai-him, SBS, JP  
Hon Cyd HO Sau-lan  
Dr Hon LEUNG Ka-lau  
Hon IP Kwok-him, GBS, JP

Hon Albert CHAN Wai-yip  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon NG Leung-sing, SBS, JP  
Hon WU Chi-wai, MH  
Hon MA Fung-kwok, SBS, JP  
Hon CHAN Yuen-han, SBS, JP  
Hon Alice MAK Mei-kuen, JP  
Hon Martin LIAO Cheung-kong, JP  
Hon Tony TSE Wai-chuen

**Public officers attending:**

Ms Elizabeth TSE Man-ye, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Esther LEUNG, 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)
Mr D W PESCOD, JP	Permanent Secretary for Transport and Housing (Housing)
Mr Eugene FUNG Kin-yip	Deputy Secretary for Transport and Housing (Special Duties)
Mrs Hedy CHU POON Kit-man	Principal Assistant Secretary for Transport and Housing (Special Duties)
Mrs Helen CHAN, JP	Government Economist
Mr Andrew AU, JP	Principal Economist (1)
Ms Reddy NG, JP	Principal Economist (4)
Ms Cordelia LAM Wai-ki	Principal Assistant Secretary for Transport and Housing (Transport) 2
Mr Michael NG Shi-hung	Principal Transport Officer (Management), Transport Department
Mr CHENG Shing-chuen	Chief Engineer (Project), Electrical and Mechanical Services Department
Prof Sophia CHAN Siu-chee, JP	Under Secretary for Food and Health
Miss Diane WONG Shuk-han	Principal Assistant Secretary for Food and Health (Food) 2
Mr Clement LEUNG Cheuk-man, JP	Director of Food and Environmental Hygiene

Ms Vivian SUM Fong-kwang, JP	Deputy Director of Food and Environmental Hygiene (Environmental Hygiene)
Mr FAN Yung-kai	Assistant Director of Food and Environmental Hygiene (Operations) 2
Miss Bella MUI Bun-ngar	Principal Assistant Secretary for Security (B)
Dr Shane LO Siu-hang, FSMSM	Assistant Director of Fire Services (Headquarters)
Mr SO King-yiu	Divisional Commander (Air), Fire Services Department

**Clerk in attendance:**

Mr Andy LAU	Assistant Secretary General 1
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**Staff in attendance:**

Mr Derek LO	Chief Council Secretary (1)5
Mr Daniel SIN	Senior Council Secretary (1)7
Mr Ken WOO	Council Secretary (1)5
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Christy YAU	Legislative Assistant (1)7

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**Item No. 1 – FCR(2012-13)75  
RECOMMENDATIONS OF THE ESTABLISHMENT  
SUBCOMMITTEE MADE ON 30 JANUARY AND 20  
FEBRUARY 2013**

The Chairman advised that the item sought the Committee's approval of the recommendations of the Establishment Subcommittee (ESC) made at its meetings on 30 January 2013 and 20 February 2013. The Subcommittee had recommended that the items EC(2012-13)17 and EC(2012-13)20 should be considered and voted on separately at the Finance Committee (FC) meeting.

2. The Chairman put the remaining items in FCR(2012-13)75 to vote. The Committee approved the funding proposal.

**EC(2012-13)17**  
**HEAD 62 – HOUSING DEPARTMENT**  
**Subhead 000 Operational expenses**

3. The Chairman advised that the item sought the Committee's approval of the creation of a permanent post of Administrative Officer Staff Grade B and a permanent post of Principal Executive Officer in the Housing Department with effect from 1 April 2013.

4. Dr KWOK Ka-ki supported the staffing proposal. He queried whether the Administration had underestimated the number of complaint cases to be handled by the Sales of First-hand Residential Properties Authority (SRPA), and hence, property buyers might not be adequately protected.

5. Deputy Secretary for Transport and Housing (Special Duties) (DSTH(SD)) said that SRPA would have 32 staff, including the two proposed directorate posts. The number of complaint cases was estimated on the projection that there would be 70 to 80 first-hand residential developments put up for sale each year, and by reference to the number of complaints relating to the sales of first-hand residential properties received by the Private Housing Division of the Transport and Housing Bureau and the Estate Agents Authority in recent years.

6. Dr KWOK Ka-ki commented that the number of complaint cases might exceed the anticipated level following the implementation of the Residential Properties (First-hand Sales) Ordinance (the Ordinance). He queried whether the Administration would conduct on-site inspection of every show flat and examine sales brochures, etc., for each new first-hand residential development, and if so, whether SRPA could still be capable of carrying out all these tasks. Mr Alan LEONG raised a similar query.

7. DSTH(SD) responded that regular on-site inspections would be conducted on show flats, and SRPA would also undertake inspections and investigation upon receiving complaints. Inspections would also be conducted to ensure that completed flats were accessible by prospective purchasers as required under the Ordinance. SRPA would follow up on complaints against discrepancies between the description in the Agreement for Sale and Purchase and the actual conditions of the residential property. DSTH(SD) added that the actual number of complaints would only be clear after the new legislation was put into operation. He considered that the proposed staffing level should be adequate to handle the anticipated workload. Staff within SRPA could also be redeployed to handle complaint matters if necessary.

8. Dr KWOK Ka-ki sought clarification on whether SRPA would conduct inspection on all completed flats or whether it would only act on complaints. He asked whether SRPA had sufficient manpower to cover all the completed units. DSTH(SD) responded that SRPA would conduct random checks on completed flats, and would follow up on complaints.

9. Permanent Secretary for Transport and Housing (Housing) supplemented that the Buildings Department had a role to play in checking and verifying that a new building had complied with the approved building plans before issuing the Occupation Permit. He expected that the proposed establishment of the SRPA would be adequate to meet the need of the SRPA, in particular on-site inspection of show flats, examination of sales brochures, price lists, sales arrangements and register of transactions. Where necessary, the Administration would identify resources for creation of additional posts and seek supplementary provisions from FC as appropriate.

10. Dr KWOK Ka-ki requested the Administration to provide information on the target number of inspections and checks (including the target ratio of the inspections to the number of newly completed residential development) to be conducted in connection with the monitoring of sales practices regulated under the Residential Properties (First-hand Sales) Ordinance.

*[Post-meeting note: The Administration had provided the information which was circulated to members vide FC106/12-13 on 26 March 2013.]*

11. There being no further question, the Chairman put the item to vote. The Committee approved the funding provision.

## **EC(2012-13)20**

### **HEAD 142 – GOVERNMENT SECRETARIAT: OFFICES OF THE CHIEF SECRETARY FOR ADMINISTRATION AND THE FINANCIAL SECRETARY**

#### **Subhead 000 Operational expenses**

12. The Chairman advised that the item sought the Committee's approval of the creation of a Principal Economist post in the Economic Analysis and Business Facilitation Unit (EABFU) under the Financial Secretary's Office for a period of three years from 1 April 2013.

13. Dr KWOK Ka-ki noted that the proposed Principal Economist post would provide research support for the formulation of population policy, long-term housing strategy and poverty alleviation measures, amongst other

tasks. He said that these issues were not new. In recent years, while Hong Kong's Gini coefficient had increased and housing prices soared, the Administration had not come up with any effective solution. Dr KWOK queried how EABFU had contributed over the years in tackling these problems that could justify the proposed creation of the supernumerary Principal Economist post.

14. Government Economist (G Econ) said that EABFU had been closely monitoring the poverty and overall income situation in Hong Kong. Every year, her team would provide an update of the poverty indicators, for dissemination to the public. She pointed out that the introduction of the statutory minimum wage (SMW) in 2011 was a major policy breakthrough that had substantially helped improve the income situation of the lesser-skilled, grassroot workers. EABFU had rendered considerable technical support to the work of the Minimum Wage Commission in drawing up an analytical framework in support of an evidence-based approach. Reflecting in part the positive effects of the SMW policy, she said that the Gini coefficient for the working population had stopped rising in 2011. G Econ added that in the current term of the Government, EABFU would continue to play an important role in drawing up the poverty line, and in assessing the profile of people living in poverty, so that the most vulnerable groups in the community that required support and assistance could be identified.

15. Ms Emily LAU noted that EABFU had been monitoring the trend of the Hong Kong property market and assessing its impact on the economy. Despite that, the Administration had implemented numerous ineffectual measures for which the whole community had to bear the consequences. Ms Emily LAU asked whether EABFU had tendered valid advice for the Administration or whether the Administration had ignored the advice by EABFU. G Econ said that EABFU's role was to closely monitor the property market situation, including the property prices and rentals, and housing demand and supply balance, and advise the Administration of her assessment of the housing bubble risks from the macro point of view. She said that the Administration had in fact rolled out measures to improve the land sales arrangement as early as February 2010. The supply of residential units should gradually improve in the years to come.

16. Ms Emily LAU said that the housing price was still beyond reach by many people in Hong Kong. She asked if EABFU had alerted the Administration a few years ago about the turn of property market trend and the possible impact on the economy if the land supply remained low. G Econ explained that the macroeconomic backdrop behind the quantitative easing policy around the globe was the global financial tsunami in late 2008 and the

consequential global recession. Hong Kong suffered serious economic downturn as a result when, within six months, property price had plummeted by 17% in late 2008; and external trade also suffered a heavy set back in the first quarter of 2009. The subsequent launch of quantitative easing policy in many countries should be seen against the backdrop of such an austere global environment. Even so, the Administration had made a move in early 2010 to increase land supply and refine the land sales arrangement, at a time when the global economic recovery was still very sluggish and far from certain. Permanent Secretary for Financial Services and the Treasury (Treasury) said that EABFU had to provide economic analysis support for all bureaux and departments, despite its slim set-up. Whereas EABFU had been offering professional input for all bureaux and departments, it would be up to the relevant bureau or department to determine the suitable policy response, after taking all factors into account, including the economic angle.

#### Responsibilities of the proposed post

17. Dr Fernando CHEUNG asked why the Economic Analysis Division (EAD) under EABFU and the Census and Statistics Department (C&SD) together could not work together to provide support to the Administration on poverty alleviation work. He commented that the work of drawing up of a poverty line alone might not justify a full Principal Economist post for three years. He asked what other specific responsibilities the post would undertake.

18. G Econ said that the reinstated Poverty Commission had, at its first meeting, resolved to draw up a framework on poverty line in Hong Kong. On this basis and for the coming three years, EAD would need to conduct extensive economic analysis to outline the profile of the population living in poverty, and to develop the analytical tools to evaluate the effectiveness of existing measures, as well as to help assess various new policy options for alleviating poverty. The Administration would review the status of the post nearer the time upon expiry of the proposed Principal Economist post.

19. In response to further queries from Dr Fernando CHEUNG, G Econ supplemented that while C&SD would provide statistical data, EAD would be responsible for formulating the analytical framework for evaluation and monitoring of policy options. Furthermore, the proposed new team to be headed by a Principal Economist would also need to support the work of the Steering Committee on Population Policy.

20. Dr Fernando CHEUNG asked the Administration to provide the detailed description of responsibilities of and the list of tasks to be undertaken by the proposed time-limited Principal Economist. As the Chief Secretary would



brief the House Committee on the progress of the Steering Committee on Population Policy at the special meeting scheduled for 22 March 2013, the Chairman asked the Administration to provide the information for members' reference before the special meeting.

[*Post-meeting note:* The Administration had provided the information which was circulated to members vide FC117/12-13(01) on 21 March 2013.]

21. Dr KWOK Ka-ki was concerned whether EAD had tendered sound economic policy advice to the Administration. He said that the recent soaring property price was exacerbated by the policy change circa 2003 when the Administration suspended the Home Ownership Scheme construction programme and replaced regular land auction by the Application List mechanism. Dr KWOK asked if G Econ had cautioned the Administration against those policies then or had her advice been ignored by the Administration.

22. The Chairman reminded Dr KWOK that his queries were not relevant to the funding proposal under deliberation. G Econ said that EAD was not under the Financial Secretary's office back in 2003, and for reasons of safeguarding confidentiality in dealing with sensitive policy matters, she was not personally involved in the policy decisions that Dr KWOK mentioned.

23. Dr KWOK Ka-ki asked the Administration to assure members that the various poverty and housing problems could be thoroughly addressed with the creation of the proposed supernumerary post. The Chairman ruled that Dr KWOK's query was not relevant to the question under deliberation and that G Econ needed not respond further.

24. There being no further question, the Chairman put the item to vote. The Committee approved the funding provision.

#### **Item No. 2 – FCR(2012-13)76**

#### **RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE MADE ON 5 FEBRUARY 2013**

25. The Chairman advised that the item sought the Committee's approval of the recommendations of the Public Works Subcommittee (PWSC) made at its meetings on 5 February 2013.

26. Ms Emily LAU referred to the Administration's letter dated 11 March 2013 in response to PWSC members' queries on the item PWSC(2012-13)52 (111KA Government, Institution or Community facilities in the Kwun Tong Town Centre redevelopment – additional medical and health facilities). She said that whilst the Administration was able to improve the provision of female toilets in Government premises, the ratio of male to female toilets in other premises remained unsatisfactory. Ms LAU suggested that the Administration should introduce suitable revision to relevant building regulations and standards so as to redress the situation.

27. The Chairman put the item to vote. The Committee approved the funding proposal.

**Item No. 3 – FCR(2012-13)74**

**CAPITAL WORKS RESERVE FUND**

**HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT**

28. The Chairman advised that the item sought the Committee's approval of a new commitment of \$131,970,000 to replace the Tunnel Lighting System and Monitoring and Management Supervisory Systems in the Shing Mun Tunnels.

29. Mr CHAN Kam-lam, Chairman of the Panel on Transport, reported that the proposal was discussed at the meeting of the Panel on 14 December 2012 and the Panel supported the proposal.

30. The Chairman put the item to vote. The Committee approved the funding proposal.

**Item No. 4 – FCR(2012-13)77**

**HEAD 49 – FOOD AND ENVIRONMENTAL HYGIENE DEPARTMENT**

**Subhead 700 General non-recurrent**

**New Item "Assistance Scheme for Hawkers in Fixed-pitch Hawker Areas"**

31. The Chairman advised that the item sought the Committee's approval of the creation of a new commitment of \$230 million for launching the Assistance Scheme for Hawkers in Fixed-pitch Hawker Area.

32. The Chairman said that the item was discussed at the meeting of the Panel on Food Safety and Environmental Hygiene held on 5 February 2013.

Panel members did not object to the funding proposal. Some Panel members expressed concerns about the impact of the Assistance Scheme on the business environment of the hawker areas. They suggested that the eligibility criteria be relaxed and the terms of assistance and ex-gratia payment should be enhanced. Panel members also urged the Administration to consult hawker organizations and to review the policy on hawkers.

33. Mr WONG Kwok-hing asked the Administration to respond to members' suggestions of increasing the amount of ex-gratia payment from \$120,000 to \$200,000 for eligible hawkers when they surrendered their licences voluntarily under the Assistance Scheme. Mr LEUNG Yiu-chung made a similar comment, as he considered that the amount of ex-gratia payment, when net of severance payment to hawkers' assistants, was insufficient to meet the needs of elderly hawkers.

34. Director of Food and Environmental Hygiene (DFEH) responded that the current level of assistance and ex-gratia payment had already been enhanced when compared with similar schemes in the past. The objective of offering an ex-gratia payment under the Assistance Scheme was to encourage elderly hawkers who wanted to retire to surrender their hawker licences so as to expedite the release of vacant pitches to facilitate relocation of stalls which posed higher fire risks. DFEH said that there had been comments that if the terms of the Assistance Scheme were too generous, a lot of hawkers might come forward to surrender their licences, leading to substantial reduction of the number of stalls in certain hawker areas and adverse impact on their sustainability.

35. Dr Fernando CHEUNG suggested that provision should be included under the Assistance Scheme for hawker stall owners to effect severance pay to their assistants when they surrendered their licence. DFEH said that in line with similar schemes in the past, the Assistance Scheme would cover licensees only. It was up to them to make arrangement with their assistants when winding up their businesses.

#### New hawker licences

36. Mr CHEUNG Kwok-che said that some hawkers were concerned about the impact of the Assistance Scheme on their business when the pedestrian flow dropped as a result of the licence surrender and the resultant decrease in the number of hawkers. Given the contribution of hawker activities to the economy, Mr CHEUNG asked if the Administration would continue to issue new hawker licence while maintaining the total number of hawker licence at 4 300. Mr Vincent FANG raised a similar question. Mr CHEUNG

Kwok-che also asked, if the Administration decided to issue new hawker licences, whether hawker assistants were eligible to apply. Mr LEUNG Yiu-chung said hawker assistants would become unemployed when the hawker licences were surrendered under the Assistance Scheme. He suggested that these hawker assistants should be allowed to apply to take over the licences. Mr WONG Kwok-hing also suggested that itinerant hawkers and hawker assistants should be allowed to take up the vacated hawker areas.

37. Mr CHEUNG Kwok-che noted that there were 550 hawker stalls which required relocation as they were directly in front of staircase discharge points of adjacent buildings or obstructing emergency vehicular access. However, most stall operators were reluctant to move and it was necessary that sufficient consultation be conducted during the relocation process.

38. DFEH said that the objective of the Assistance Scheme was to encourage voluntary surrender of hawker licences so as to expedite the release of vacant pitches to facilitate relocation of stalls that had higher fire risks. As regards whether new hawker licences should be issued, DFEH said that the Administration would review the situation following the implementation of the Assistance Scheme, taking into consideration the relevant factors, including the business environment, fire safety and environmental hygiene, and the views of the respective District Councils. In view of this, the Administration could not guarantee that the total number of licences would be maintained at 4 300.

39. Mr Alan LEONG supported the funding proposal. He doubted whether the Administration would maintain the number of hawker licences at 4 300. Mr LEONG said that the hawker issue was a question of planning, and the Civic Party's position was that the Administration should provide affordable places for small business to operate. Even if the Administration did not find it desirable to issue a new hawker licence with respect to the same location vacated by an existing hawker licence, it should identify a new location for hawking activities.

40. DFEH explained that the Assistance Scheme would facilitate the relocation of the 550 hawker stalls that posed higher safety risks. If the number of hawkers who opted to surrender their licences was small, the Administration would need to identify new locations to reprovision these 550 stalls. DFEH said that although the Administration was confident that new locations could be identified, consultation with concerned hawker organizations, the affected hawkers and local District Councils would be necessary before the new locations could be used, and resistance was expected from nearby shop owners or the local community.

41. The Chairman suggested that members should follow up the matter at the Panel on Food Safety and Environmental Hygiene.

42. Mr CHEUNG Kwok-che commented that many hawker stalls were operated by hawker assistants and the Hawker Management Consultative Committee did not represent the interests of hawker assistants. He asked how the Administration would collect and consider the views of hawker assistants. DFEH said that the Administration noted that hawker assistants wished to be allowed to apply for hawker licences. He thanked Mr CHEUNG for having arranged a meeting between the Administration and the hawker assistant groups.

43. Mr CHEUNG Kwok-che noted that the Assistance Scheme would last for five years. Some hawker stall owners might apply for funds under the Assistance Scheme to improve their stalls nearer to the expiry of the Scheme. By that time, the level of grant currently available might not be able to meet their needs due to inflation. He asked how the Administration would address the issue. DFEH said that FEHD had taken price increase into account when formulating the level of grant available under the Assistance Scheme. The amounts should be sufficient to cover the expenses throughout the period.

44. Dr Kenneth CHAN noted that the Administration assumed that 20% of eligible hawkers (or some 800 in number) would opt for the surrender of licence. On this basis, the Administration evaluated the estimated expenditure required for the Assistance Scheme and expected to use the vacated stalls for the relocation of the 550 stalls which were posing higher fire risks. He queried how realistic the assumption was and asked when the Administration could report progress of the Scheme to Members.

45. DFEH explained that the assumption was made mainly for financial planning purposes to ensure that sufficient funds would be available for the Scheme. The amount of ex-gratia payment for voluntary surrender of licence would provide incentive for some elderly hawkers to retire earlier but might not be attractive to many hawkers. DFEH said that the Administration had identified pitches as far as possible in the same fixed-pitch hawker areas for relocation of the 550 stalls with higher fire risks but implementation would be subject to detailed discussions with stakeholders. The Administration planned to launch the Assistance Scheme in May or June, subject to FC's funding approval, and could report progress, as necessary, to the relevant Panel.

46. In response to Dr Kenneth CHAN, DFEH confirmed that hawkers who had received a grant for in-situ reconstruction or relocation of their stalls under the Assistance Scheme could not apply for ex-gratia payment if they intended to surrender their hawker licences within the period of the Assistance Scheme.

### Policy on hawkers

47. Dr Fernando CHEUNG said that the number of hawkers had dropped from more than 9 000 before 1997 to around 4 300 at present. The number was expected to decrease by 20% after eligible hawkers received ex-gratia payment and surrendered their licences. Dr CHEUNG queried if the Administration intended to phase out hawkers. He said that hawkers played a useful role in developing local economy in Hong Kong, and asked if the Administration would formulate a policy to support and develop this sector. Mr CHAN Hang-pan expressed a similar view, and said that any such policy should cover cooked food stalls.

48. Under Secretary for Food and Health (USFH) said that the Administration did not have any policy to phase out hawkers. DFEH said that there were about 6 700 licensed hawkers including the 4 300 fixed-pitch hawkers in the hawker areas, there were also newspaper and wall stall hawkers and hawkers in the hawker bazaars. The Administration had conducted review and consultation on hawker policy and had issued new hawker licences as a result of the review in 2008-09. DFEH added that measures had been introduced to improve the operating environment of hawkers.

49. Mr LEUNG Yiu-chung said that although the Administration claimed that there was no intention to phase out hawkers, the current cessation of issuing new licence for every hawker licence surrendered would, in practice, produce such an effect, as evidenced by the reduction in the number of hawker licences from more than 9 000 before 1997 to the current 4 300. Mr CHAN Hang-pan supported the funding proposal, and he made a similar comment. DFEH said that the current territory-wide plan to relocate 550 stalls with higher fire risks was a major exercise, and the Administration should take each step prudently. He considered it appropriate that the Administration should review whether and if so, how to issue new hawker licences after the completion of the Assistance Scheme.

50. Mr Vincent FANG supported the funding proposal which would help improve the safety and the environment of fixed-pitch hawker stalls. Mr FANG said that hawker stalls were a characteristic of Hong Kong and provided upward mobility opportunities for many grassroots people. These stalls should not be banned altogether. Mr FANG asked if the Administration would take the initiative to improve the safety of hawker stalls if the owners did not do so. DFEH said that the Administration would press ahead with the improvement measures with determination and require stall owners to comply with the safety requirements.

51. Dr Priscilla LEUNG supported the funding proposal and acknowledged that there had been improvement to the fire safety and design of hawker stalls in Fa Yuen Street. Dr LEUNG also commented that the Administration should formulate long term policy on hawkers.

52. Dr Priscilla LEUNG said that following the Fa Yuen Street fire incident, some hawker stall owners had undertaken improvement works to their stalls at their own expense. She asked if these hawkers could claim reimbursement when the Assistance Scheme took effect. DFEH said the similar requests were received from stall owners during the consultation stage of the proposed Assistance Scheme. As the Administration should exercise prudence in the use of public resources, it was not appropriate to retrospectively reimburse the costs of works completed before the Assistance Scheme was approved by FC and rolled out.

53. In response to a follow-up query from Dr Priscilla LEUNG, DFEH confirmed that licensees could apply for fund under the Scheme to cover part of the stall improvement works and then apply again on other improvement items in a few years' time before the Assistance Scheme expired.

54. Mr CHAN Chi-chuen said that hawkers who were issued licences in 2008-09 would not be eligible for the \$120,000 ex-gratia payment under the Assistance Scheme if they surrendered their licences now. He commented that the restriction seemed contrary to the objective of the Scheme. Mr CHAN asked if any of the 550 hawker stalls that were required to be relocated were owned by these licenced hawkers. DFEH said that he did not have the answer to Mr CHAN's query but licensees of the 550 stalls in question could apply for grant to recover the relocation cost. USFH explained that the restriction was imposed due to the need to maintain financial discipline in the use of public resources. However, the Administration would keep in view the number of hawkers who would opt to surrender their hawker licences in the coming five years, and review the situation when required.

55. Dr Helena WONG supported the funding proposal which would improve management of hawker stalls and enhance safety of the neighbourhood. Dr WONG said that the Administration should conduct a full review of hawker policy and should not phase out fixed-pitch stalls. She asked if the Administration could undertake to draw up a timetable for review of hawker policy.

56. USFH said that the objective of the Assistance Scheme was to vacate stall spaces through voluntary surrender of hawker licence to relocate stalls that were adjacent to staircase exits or blocking emergency vehicular access.

These measures should improve safety of fixed-patch stall areas and raise fire safety awareness of stall operators. The Administration would review these measures and would look into the issues of whether new hawker licences should be issued.

57. Dr Helena WONG referred to the recent death inquest concerning the fire in Fa Yuen Street. She said that many policy and operation issues were raised during the proceedings of the inquest which alleged that the Administration had been negligent in ensuring safety in fixed-patch stall areas. She commented that the Administration should address the issues.

58. Mr WONG Kwok-hing asked how the Administration would monitor the use of funds by the hawkers to improve the safety and design of their stalls. DFEH said that department staff would critically vet the applications from hawkers and would inspect the improvement works carried out before making reimbursement to the applicants.

59. The Chairman put the item to vote. The Committee approved the funding proposal.

**Item No. 5 – FCR(2012-13)78**  
**HEAD 45 – FIRE SERVICES DEPARTMENT**  
**Subhead 603 Plant, vehicle and equipment**

60. The Chairman advised that the item sought the Committee's approval of a new commitment of \$10,651,000 for procuring a new Jackless Snorkel to replace the existing unit.

61. Mr WONG Kwok-hing asked how the Administration would ensure that the equipment procured would meet the specifications and would suit the operational purposes as intended.

62. Assistant Director of Fire Services (Headquarters) (ADFS(HQ)) said that the Fire Services Department (FSD) would consult the users of the equipment or appliance when drawing up specifications and the procurement contracts. Only proven products would be considered for purchase, and suppliers would be required to deliver a sample unit for local testing or evaluation if more than one unit were being procured. The remainder of the batch order would be delivered upon the Department being satisfied with the performance of the sample unit.



63. ADFS(HQ) added that the maintenance period of all equipment or appliances would be extended from the current 12 months to 24 months. For procurement of vehicles, 30% payment would be made upon confirmation of availability of vehicles chassis. The balance would be paid after the product was delivered and tested.

64. Dr Fernando CHEUNG asked whether the maintenance period of the proposed Jackless Snorkel would be extended and which party would be responsible for subsequent maintenance following the expiry of the maintenance period. ADFS(HQ) said that the contract maintenance period would be two years and the Electrical and Mechanical Services Department would be entrusted with the subsequent maintenance work.

65. Mr LEUNG Kwok-hung asked which staff unions in FSD had been consulted regarding the procurement of the proposed Jackless Snorkel.

66. ADFS(HQ) said that the Hong Kong Fire Services Department Staffs General Association was consulted and had no particular views on the procurement proposal. In response to further enquiries from Mr LEUNG Kwok-hung, ADFS(HQ) said that it was a standing practice for FSD to consult users, including relevant staff unions, on the acquisition of relevant equipment and appliance. The specific unions to be consulted depended on the nature of items to be procured

67. Mr LEUNG Kwok-hung suggested that all staff unions rather than a selected few, should be consulted in every procurement exercise.

68. Mr Ronny TONG asked if he needed to withdraw from the meeting as he had direct interest with businesses of FSD. At the invitation of the Chairman, the Clerk explained that according to rule 83A of the Legislative Council Rules of Procedure, a member should disclose the nature of his interest before speaking on an item in which he had a pecuniary interest. Rule 84 stipulated that a member should not vote on any question in which he had a direct pecuniary interest. Mr TONG left the meeting and did not take part in the voting.

69. There being no further question, the Chairman put the item to vote. The Committee approved the funding provision.

70. The meeting was adjourned at 5:07 pm.