

立法會
Legislative Council

LC Paper No. ESC43/13-14
(These minutes have been
seen by the Administration)

Ref : CB1/F/3/2

Establishment Subcommittee of the Finance Committee

Minutes of the 8th meeting
held in Conference Room 1 of Legislative Council Complex
on Wednesday, 19 February 2014, at 8:30 am

Members present:

Hon Mrs Regina IP LAU Suk-ye, GBS, JP (Chairman)
Hon Kenneth LEUNG (Deputy Chairman)
Hon Emily LAU Wai-hing, JP
Hon Starry LEE Wai-king, JP
Hon WONG Kwok-kin, BBS
Hon LEUNG Kwok-hung
Hon Steven HO Chun-yin
Hon YIU Si-wing
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Hon Christopher CHEUNG Wah-fung, JP
Hon SIN Chung-kai, SBS, JP
Hon Martin LIAO Cheung-kwong, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu
Hon CHUNG Kwok-pan

Members absent:

Hon WONG Ting-kwong, SBS, JP
Hon IP Kin-yuen

Public Officers attending:

Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)1
Mr Eddie MAK Tak-wai, JP	Deputy Secretary for the Civil Service (1)
Mr Howard CHAN, JP	Deputy Director of Environmental Protection (2)
Mrs Alison LAU	Assistant Director of Environmental Protection (Cross-Boundary & International)
Mr Patrick HO, JP	Deputy Secretary for Financial Services and the Treasury (Financial Services)

Clerk in attendance:

Ms Connie SZETO	Chief Council Secretary (1)4
-----------------	------------------------------

Staff in attendance:

Mr Andy LAU	Assistant Secretary General 1
Mr Hugo CHIU	Council Secretary (1)4
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Ms Clara LO	Legislative Assistant (1)9

Action

The Chairman drew members' attention to the information paper ECI(2013-14)14 which set out the latest changes in the directorate establishment approved since 2002. She then reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of the Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the funding proposals under discussion at the meeting before they spoke on the item. She also drew members' attention to Rule 84 of RoP on voting or withdrawal in case of direct pecuniary interest.

EC(2013-14)22 Proposed creation of one supernumerary post of Assistant Director of Environmental Protection (D2) in the Environmental Protection Department for a period of three years to lead a new Waste Reduction and Recycling Division

2. The Chairman said that the Administration's proposal was to create one supernumerary post of Assistant Director of Environmental Protection (D2) in the Environmental Protection Department (EPD), to be designated as Assistant Director of Environmental Protection (Waste Reduction and Recycling) (ADEP(WRR)), for a period of three years to lead a new WRR Division.

3. The Chairman advised that the Panel on Environmental Affairs (EA Panel) had been consulted on the proposal at its meetings on 16 December 2013 and 27 January 2014. In response to Panel members' request, the Administration had provided supplementary information on the justifications for creating the new WRR Division in EPD. Panel members in general supported creation of the new WRR Division to promote the sustainable development of the recycling industry and urged the Administration to step up its work on waste reduction and recycling upon creation of the proposed post. However, Hon Albert CHAN Wai-yip expressed opposition to the proposal.

Government's support for the recycling industry

4. While concurring with the need of the proposed post, Dr KWOK Ka-ki expressed concern about insufficient support from the Government for the recycling industry. For instance, he noted that there were very limited uses of recycled waste glass in Hong Kong whereas in the Mainland and some South East Asian countries waste glass were recycled and produced into a variety of products. Moreover, the efficacy of the EcoPark was low and the facility had aroused wide concerns from residents of Tuen Mun district. Dr KWOK considered that without putting forward appropriate initiatives and suitable supporting measures, the proposed establishment of the Recycling Fund could not help the recycling industry. Dr KWOK enquired about the concrete measures to be taken by the Administration to promote the development of the recycling industry within the three-year period of the proposed post.

5. Deputy Director of Environmental Protection (DDEP) responded that the Government had set up the Steering Committee to Promote the Sustainable Development of the Recycling Industry which was chaired by the Chief Secretary for Administration and comprised members from representatives of nine bureaux and departments. The Government had

Action

maintained close liaison with the recycling industry in devising measures to promote development of the industry. The Administration was working on various measures to assist the recycling industry, including establishing the Recycling Fund as announced in the Chief Executive 2014 Policy Address, provision of sites for recycling operations and berths in public cargo working areas (PCWAs) for export of recyclables, developing schemes to strengthen occupational safety of the recycling industry and to help lower the cost of employees' compensation insurance for the industry, and strengthening manpower training and promoting best practice within the industry. These measures would complement other longer-term measures to reduce waste and promote recycling, such as introduction of Produce Responsibility Schemes and the further development of the EcoPark which had accommodated the operations of a number of recyclers. The establishment of WRR Division in EPD was expected to help implementation of the relevant measures in a more focused and efficient manner.

6. In response to Dr KWOK's enquiry about concrete measures EPD would implement to promote the recycling industry with creation of the proposed post in the coming three years, DDEP remarked that the Administration would continue with its efforts on all fronts including those mentioned in paragraph 5 above. EPD would review the need for retaining the proposed post having regard to the progress of various on-going and new initiatives before the lapse of the proposed post. Dr KWOK expressed disappointment about the Administration's failure to provide any concrete undertakings in this regard.

7. Mr Martin LIAO expressed support for the proposal. He enquired about how the proposed post would help promote sustainable development of the recycling industry. For instance, he noticed that although there were currently six PCWAs in Hong Kong, local recyclers engaged in waste paper, metals and plastics trade were mainly using the berths in the four PCWAs in Chai Wan, Rambler Channel, New Yau Ma Tei and Tuen Mun. He asked whether the Administration had assessed the adequacy of berthing facilities in PCWAs to complement the development of the recycling industry in the coming ten years.

8. DDEP responded that the Administration had preliminarily consulted the recycling industry on the provision of berthing facilities. Feedback received from the trade indicated that the waste paper recyclers had relatively higher demand for berthing facilities as they mostly relied on such facilities for export of their waste papers. But they had difficulties competing with other bidders in the tendering exercise for berthing facilities due to the nature of their business. To this end the Administration was considering measures to assist recyclers in securing berthing facilities through enhancing

Action

tendering arrangement of berths in PCWAs taking into account the needs of the waste recycling industry. Noting the stakeholders' views that the waste paper berthing facilities should be provided in some PCWAs rather than scattered in all six PCWAs in order to facilitate the operation of recyclers, the Administration would also consider improvement measures in this area.

The need for a permanent post

9. Mr YIU Si-wing expressed support for the proposal as he considered that Government's support was essential to promote the development of the recycling industry. Noting that the tasks set out in paragraphs 6 to 11 of EC(2013-14)22 were on-going in nature and yet both the proposed post and the 22 non-directorate supporting posts were to be created on a time-limited basis, Mr YIU enquired why the posts concerned were not created on a permanent basis. He considered that providing manpower support on a permanent basis would be conducive to the continuity of work for developing the recycling industry, and help instill commitment from the post holders.

10. DDEP agreed that the duties to be discharged by the proposed ADEP(WRR) post and the 22 non-directorate supporting posts would require on-going efforts. He said that the Administration would review the need of retaining the posts before they lapsed having regard to operational needs and progress of work concerned. Mr YIU Si-wing re-iterated that the duties involved on-going tasks and called on the Administration to review the need of the proposed post in a timely manner.

Recruitment of the proposed post

11. Mr TANG Ka-piu expressed concern about the problems encountered by many local recyclers in their operations. According to the Hong Kong Federation of Trade Unions' observations, food waste recyclers had to apply for over ten different licenses for their operations, and the cost of waste collection was also high. On the other hand, as the proposed post would be responsible for discharging tasks involving professional knowledge and expertise, Mr TANG enquired about the criteria for selecting suitable candidate for the post. In particular, he opined that the post holder should be familiar with the business and operations of the recycling industry. Mr YIU Si-wing shared the view that the holder of the proposed post should possess expertise in the relevant fields, and asked whether the post would be filled through internal promotion or open recruitment.

12. DDEP responded that the proposed ADEP(WRR) post would be filled by internal promotion. An internal promotion board would be set up in

Action

accordance with the established civil service procedures, and factors including capabilities and experience of the candidates concerned would be considered in the selection process. DDEP supplemented that for the 22 new non-directorate posts, they would be filled by either internal promotion or open recruitment as appropriate for the ranks of the posts concerned. In general, entry rank posts would be filled by open recruitment while promotional rank posts would be filled by promotion.

Work and manpower resources of the new WRR Division of EPD

13. Mr POON Siu-ping referred to paragraph 14 of EC(2013-14)22 and enquired about the delineation of duties between the existing Environmental Infrastructure Division (EI Division), currently headed by the Assistant Director of Environmental Protection (Environmental Infrastructure) (ADEP(EI)), and the new WRR Division. Noting that staff working in the Waste Reduction and EcoPark Group under EI Division would be redeployed to the new WRR Division, Mr POON was concerned whether this would result in increasing workload for the staff concerned.

14. DDEP responded that EPD had proposed to create the new WRR Division as EI Division was over-stretched and ADEP(EI) could not undertake additional duties arising from the stepped up measures to promote recycling and sustainable development of the recycling industry without adversely affecting the discharge of her other duties which were equally pressing. DDEP confirmed that the 33 permanent non-directorate civil service posts in the Waste Reduction and EcoPark Group currently under ADEP(EI) would be subsumed under the new WRR Division, and Group members would continue to discharge their existing duties. 22 new non-directorate posts would be created in the new WRR Division to take forward the new initiatives in supporting the development of the recycling industry. DDEP added that the number of staff supervised by ADEP(EI) would be reduced as the 33 staff in the Waste Reduction and EcoPark Group would be redeployed to the new WRR Division.

15. Mr YIU Si-wing expressed concern about the tackling of "foreign rubbish" as he observed from the differences in the import and export statistics of such rubbish that some such rubbish had been disposed of locally. Mr YIU considered that the new WRR Division should take up work relating to this area.

16. DDEP responded that import and export of foreign recyclables was a commodity trade regulated by law. The Environmental Compliance Division of EPD would continue to be responsible for work in this regard. The new WRR Division and other Divisions of EPD would collaborate with

Action

the Environmental Compliance Division to ensure that no imported waste would be disposed of in local landfills.

17. In response to Mr TANG Ka-piu's enquiry about the timeframe for creating the proposed post and the new WRR Division, DDEP said that the proposed ADEP(WRR) post would be created with immediate effect upon approval by the Finance Committee (FC) and the post would be filled by internal redeployment so that the post holder could commence work immediately. DDEP added that the non-directorate posts of the new WRR Division would be created from 1 April 2014.

18. Mr LEUNG Kwok-hung criticized the unsatisfactory performance of the Environment Bureau in implementing policy initiatives relating to management of landfills and reducing emission from marine vessels. He further opined that the present proposal was put forward by the Administration to justify the proposed extension of the existing landfills. He enquired about the major work of ADEP(EI) after creation of the new WRR Division and details on the legislative exercise on "harbour clean". With regard to the progress of the initiative on "harbour clean", the Chairman suggested that Mr LEUNG should pursue the matter at the relevant Panels as the matter was not related to the proposal under discussion.

19. DDEP advised that the duties of the existing ADEPs in EPD were set out in enclosures 2 and 4 to EC(2013-14)22. He said that apart from the work relating to the proposed extension of landfills, ADEP(EI) had to undertake a number of other tasks, including planning for municipal and special waste management facilities and implementation of the waste diversion plan. He reiterated that it was necessary to create the new ADEP(WRR) post to head the new WRR Division as ADEP(EI) could not undertake both the existing duties under her portfolio and the stepped up measures to promote recycling without adversely affecting the discharge of her duties. The establishment of WRR Division could help implement measures on waste reduction and recycling in a more focused manner.

Development of the organic waste treatment facilities in Siu Ho Wan

20. Mr TANG Ka-piu enquired about details of the project to develop organic waste treatment facilities for treating food waste in Siu Ho Wan in North Lantau, including the budget, the progress, and whether the Administration would conduct further consultation with the Islands District Council (Islands DC) on the project.

21. DDEP responded that the tender exercise for the project had been completed and the Administration planned to submit the project to the Public

Action

Works Subcommittee and seek funding approval from FC within the current legislative session. He considered it inappropriate to disclose the project cost at this stage, and added that the Administration had briefed EA Panel and the Islands DC on the progress of the project and would further consult the DC if necessary.

22. The item was voted on. Members agreed that the Subcommittee should recommend the item to FC for approval. The Chairman enquired whether it was necessary for the proposal to be voted on separately at FC meeting to be held on 2 May 2014. No members requested for the arrangement.

EC(2013-14)23 Proposed retention of two supernumerary posts of one Administrative Officer Staff Grade B (D3) and one Administrative Officer Staff Grade C (D2) in Financial Services Branch of the Financial Services and the Treasury Bureau up to 31 December 2016 to take forward legislative exercises on corporate insolvency, auditor regulatory reform, abscondee regime under the Bankruptcy Ordinance (Cap. 6) and other matters

23. The Chairman said that the Administration's proposal was to retain two supernumerary posts of one Administrative Officer Staff Grade B (D3) and one Administrative Officer Staff Grade C (D2) in Financial Services Branch of the Financial Services and the Treasury Bureau up to 31 December 2016 to take forward legislative exercises on corporate insolvency, auditor regulatory reform, abscondee regime under the Bankruptcy Ordinance (Cap. 6) (BO) and other matters.

24. The Chairman advised that that the Panel on Financial Affairs (FA Panel) had been consulted on the proposal at its meeting on 6 January 2014. Panel members supported the Administration submitting the proposal to the Subcommittee for consideration. During the discussion, Panel members had enquired about the progress of the legislative exercise on the new statutory corporate rescue procedure (CRP) and the timetable for implementing the auditor regulatory reform.

Duties of and justifications for the proposed posts

25. Pointing out that the legislative exercise on corporate insolvency involved a number of issues affecting the interests of the workforce, such as the handling of wages in arrears, Mr TANG Ka-piu stressed the need for the

Action

Administration to fully consult the labour sector in working out the proposed regime. Referring to the concern expressed by the Subcommittee on Proposed Resolutions under the Bankruptcy Ordinance and the Companies Ordinance (which had scrutinized, inter alia, the Bankruptcy (Amendment) Rules 2013 and the Bankruptcy (Fees and Percentages) (Amendment) Order 2013) about the difficulty for low-income debtors to afford the bankruptcy petition deposits and the court fees and the suggestions raised by some Subcommittee members for the Administration to consider setting up a fund or allowing the payment of fees by installments, Mr TANG enquired whether holders of the proposed posts would look into these issues.

26. Deputy Secretary for Financial Services and the Treasury (Financial Services) (DS for FS) responded that the Administration had consulted various stakeholders, including the labour unions, during the public consultation on the legislative proposals to improve the corporate insolvency law. The Administration had briefed FA Panel on the consultation exercise in May 2013 and planned to report to the Panel the conclusions of the public consultation in the second quarter of 2014.

27. As regards the proposal to introduce a new statutory CRP, DS for FS said that the Administration was still considering related issues and would continue to gauge the views of stakeholders, including the labour sector, in working out the details for further engagement with relevant parties in 2014.

28. Concerning the fees charged by the Official Receiver's Office (ORO), DS for FS pointed out that the Administration had studied the views raised by members of the Subcommittee on Proposed Resolutions under the Bankruptcy Ordinance and the Companies Ordinance. With the passage of the resolutions under the Bankruptcy (Amendment) Rules 2013 and the Bankruptcy (Fees and Percentages) (Amendment) Order 2013, the bankruptcy petition deposits had been reduced. Regarding suggestions on measures to assist debtors in paying the bankruptcy petition deposits, the Administration had explained in a follow-up paper provided to the above mentioned Subcommittee that the suggestions would give rise to practical and other problems. Nevertheless, ORO would continue to keep in view if there would be any new developments in future that would warrant a review of the matter.

29. Mr Kenneth LEUNG pointed out that with enactment of the Trust Law (Amendment) Ordinance 2013 (the Trust Amendment Ordinance) in July 2013 and the commencement of the new Companies Ordinance in March 2014, the major initiatives for improving the trust law and company law regimes in Hong Kong should have been completed. He expressed concern about the workload of the proposed two posts as they would only be responsible for tasks, including the legislative exercises for improving the corporate

Action

insolvency law and introducing the new statutory CRP, and enhancing the auditor regulatory regime, of which the Companies Registry and the Financial Reporting Council (FRC) were already heavily involved in.

30. DS for FS pointed out that, apart from the projects mentioned by Mr Kenneth LEUNG, the proposed posts would also be responsible for the review of the abscondee regime. The Administration envisaged that it would take time to develop legislative proposals for improving the abscondee regime as there was no comparable legislation in other major jurisdictions that the Administration could make reference to. It was the Administration's plan to consult FA Panel on the broad legislative approaches in mid-2014. As regards trust law, while the Trust Amendment Ordinance commenced operation in December 2013, there were suggestions put forward by stakeholders for further improving the trust law which had not been incorporated in the Ordinance pending further assessment and detailed examination. The Administration would conduct policy research and analysis and continue to engage the relevant stakeholders in this regard.

31. On the development of a new statutory CRP, DS for FS said that it was an important task involving a number of complex and controversial issues as well as various stakeholders. While the Administration introduced the Companies (Corporate Rescue) Bill 2001 (the 2001 Bill) into LegCo in May 2001, the Bill was not enacted and lapsed at the end of the second term of LegCo ending 2004 due to concerns expressed by Members at that time. The Administration subsequently conducted a public consultation in 2009 on the conceptual framework and some specific issues relating to CRP. Since then, the Administration had been preparing detailed legislative proposals on the statutory CRP regime and considering various related issues which were not discussed in the 2009 public consultation. The Administration aimed to develop a package of detailed legislative proposals for further engagement with stakeholders in 2014, and planned to brief FA Panel on the matter within the current legislative session.

32. In response to Mr Kenneth LEUNG's concern about how the Administration could secure Members' support for the legislative proposals in relation to the proposed statutory CRP regime, DS for FS said that the latest legislative proposals being developed were built on the majority views received on some major issues (like the handling of wages in arrears) during the public consultation in late 2009 and hence they would represent some major changes from the 2001 Bill. Besides, the latest proposals would also be more detailed than the 2001 Bill and include certain key issues (like the checks-and-balances in relation to the conduct of the provisional supervisor) which were not discussed in the 2009 public consultation. DS for FS supplemented that the public were invited to comment on the conceptual

Action

framework and some specific issues only in the 2009 consultation exercise as the Administration's aim at that time was to gauge the views of the society and reach consensus on some major issues before developing the detailed legislative proposals. Therefore much more policy and drafting work need to be done to prepare a comprehensive package of legislative proposals to take the matter forward.

Legislative timetable for introducing the auditor regulatory reform

33. In response to Mr Kenneth LEUNG's enquiry about the legislative timetable for introducing the auditor regulatory reform, DS for FS advised that the Hong Kong Institute of Certified Public Accountants (HKICPA) had recently conducted an internal consultation with its members on the subject. The Administration would soon discuss with FRC and HKICPA on the results of HKICPA's consultation. The Administration's plan was to put forward a package of reform proposals for public consultation within the second quarter of 2014. In parallel, the Administration would start preparing the drafting instructions for the necessary legislative amendments. Subject to the outcome of the consultation, the Administration planned to introduce the relevant bill into LegCo in the 2014-15 legislative session in order to allow sufficient time for LegCo to scrutinize the bill.

34. The item was voted on. Members agreed that the Subcommittee should recommend the item to FC for approval.

35. The Chairman asked whether it was necessary for the proposal considered to be voted on separately at FC meeting to be held on 2 May 2014. No members requested for the arrangement.

36. There being no other business, the meeting ended at 9:18 am.