

**立法會**  
**Legislative Council**

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(These minutes have been  
seen by the Administration)

Ref : CB1/F/3/2

**Establishment Subcommittee of the Finance Committee**

**Minutes of the 13<sup>th</sup> meeting**  
**held in Conference Room 1 of Legislative Council Complex**  
**on Wednesday, 11 June 2014, at 8:30 am**

**Members present:**

Hon Mrs Regina IP LAU Suk-ye, GBS, JP (Chairman)  
Hon Kenneth LEUNG (Deputy Chairman)  
Hon WONG Ting-kwong, SBS, JP  
Hon Starry LEE Wai-king, JP  
Hon WONG Kwok-kin, BBS  
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 IP Kin-yuen  
Hon POON Siu-ping, BBS, MH  
Hon TANG Ka-piu  
Hon CHUNG Kwok-pan

**Members attending:**

Hon Albert CHAN Wai-yip  
Hon Charles Peter MOK

**Members absent:**

Hon Emily LAU Wai-hing, JP  
Hon LEUNG Kwok-hung  
Hon Martin LIAO Cheung-kwong, JP

**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 Gregory SO, GBS, JP	Secretary for Commerce and Economic Development
Miss Susie HO, JP	Permanent Secretary for Commerce and Economic Development (Communications and Technology)
Mr Joe WONG, JP	Deputy Secretary for Commerce and Economic Development (Communications and Technology)
Miss Janet WONG, JP	Commissioner for Innovation and Technology
Mr Johann WONG, JP	Deputy Commissioner for Innovation and Technology
Mr Daniel LAI, BBS, JP	Government Chief Information Officer
Miss Annie TAM, JP	Permanent Secretary for Labour and Welfare
Mr Donald CHEN	Deputy Secretary for Labour and Welfare (Welfare)2
Ms Jane LEE	Principal Assistant Secretary for Labour and Welfare (Poverty)
Ms Winnie LAU	Senior Principal Executive Officer (Special Assignment), Labour and Welfare Bureau
Mrs Angelina CHEUNG	Deputy Secretary for Education
Ms Germaine SIN	Chief Executive Officer (2), Labour Department
Miss WONG Yuet-wah	Principal Assistant Secretary (Culture)2, Home Affairs Bureau
Mrs Betty FUNG, JP	Director of Leisure and Cultural Services
Ms Phyllis LEUNG	Departmental Secretary, Leisure and Cultural Services Department
Mr HON Chi-keung, JP	Director of Civil Engineering and Development

Mr Norman HEUNG, JP	Project Manager (Kowloon), Civil Engineering and Development Department
Mr WAN Man-leung	Project Manager, Home Affairs Bureau

**Clerk in attendance:**

Ms Connie SZETO	Chief Council Secretary (1)4
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**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
Miss Yannes HO	Legislative Assistant (1)10

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The Chairman drew members' attention to the information papers ECI(2014-15)2 and ECI(2014-15)3 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.

**Application for late membership**

2. The Chairman referred members to Mr Albert CHAN's letter dated 9 June 2014 on his application for late membership. A copy of the letter had been issued to members vide LC Paper No. ESC59/13-14. She advised that, according to paragraph 3B of the Establishment Subcommittee Procedure (ESC Procedure), a request for late membership on grounds other than indisposition or absence from Hong Kong should be put to the Subcommittee. The Subcommittee should accept such applications only when sufficient grounds had been provided. The Chairman invited Mr Albert CHAN to elaborate his request and sought members' views on Mr CHAN's application.

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3. Mr Albert CHAN said that Mr LEUNG Kwok-hung and he was member of the League of Social Democrats (LSD) and People Power (PP) respectively. LSD and PP shared similar ideologies and political position, and were inclined towards progressive democracy. LegCo Members belonging to the two parties participated in various committees of LegCo to reflect the views of progressive democracy. Mr CHAN said that as Mr LEUNG was sentenced by the High Court to a four-week imprisonment and so could not attend meetings of the Subcommittee during the period, he had submitted the application to join the Subcommittee so that the views of progressive democracy would continue to be reflected in the Subcommittee. Mr CHAN further pointed out that the Public Works Subcommittee recently accepted the application for late membership from Mr James TIEN at its meeting on 19 March 2014. He also recalled that no committees of LegCo had turned down any application for late membership from Members since 1991. Mr CHAN remarked that candidates of LSD and PP received around 12% of votes in the Geographical Constituency Election of the 2012 LegCo Election. Refusal of his application for late membership would amount to eliminating voices of the two parties in the Subcommittee.

4. Mr YIU Si-wing opposed Mr Albert CHAN's application for late membership. He pointed out that Mr LEUNG Kwok-hung was imprisoned for four weeks but he could participate in LegCo business after the period. Thus, it was inaccurate to claim that Mr LEUNG's voice was eliminated in LegCo.

5. Mr WONG Ting-kwong opposed Mr Albert CHAN's application. He pointed out that Mr LEUNG Kwok-hung was still a member of the Subcommittee and the Subcommittee had not received written document from Mr LEUNG about Mr Albert CHAN representing him on business relating to the Subcommittee during the imprisonment period. Mr Steven HO shared Mr WONG's views and pointed out that Mr LEUNG should have made relevant preparations given that he knew that he might be sentenced to prison. Mr WONG Kwok-kin expressed opposition to Mr Albert CHAN's application.

6. Mr Albert CHAN clarified that Mr LEUNG Kwok-hung and LSD supported his application for late membership.

7. Ms Starry LEE conveyed the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB)'s opposition to Mr Albert CHAN's application. Ms LEE said that DAB objected to Mr LEUNG Kwok-hung's filibuster in the Subcommittee, the purpose of which was only to prolong proceedings of the meeting. As Mr Albert CHAN would likely continue Mr LEUNG's filibuster, DAB was opposed to his application.

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Ms LEE also pointed out that there would be opportunities for Mr CHAN to voice his views on the proposal of establishing the Innovation and Technology Bureau (ITB) in other committees of LegCo, including the Finance Committee (FC).

8. Mr Kenneth LEUNG pointed out that political parities of LegCo subscribed to balanced participation by parties in the work of various committees of LegCo, and there were no precedents that applications from Members for late membership of committees had been turned down. Although Mr Albert CHAN might filibuster in the Subcommittee, Mr LEUNG considered that this was not a valid reason to turn down Mr CHAN's application. He said that members should not speculate about Mr CHAN's motives for joining the Subcommittee. Mr LEUNG said that he supported Mr CHAN's application.

9. Dr KWOK Ka-ki expressed support for Mr Albert CHAN's application and pointed out that LegCo should respect the views of the minority. He further pointed out that the proposed motions raised by Mr LEUNG Kwok-hung had reflected the views of the public. Dr KWOK considered that there was no urgency in setting up the proposed ITB.

10. The Chairman put the question of accepting Mr Albert CHAN's application for late membership to vote. Dr KWOK Ka-ki claimed a division. Four members voted for the question and nine voted against it. The Chairman declared that the Subcommittee negatived Mr Albert CHAN's application for late membership. The voting results of individual members were as follows -

*For*

Mr Kenneth LEUNG	Dr KWOK Ka-ki
Mr SIN Chung-kai	Mr IP Kin-yuen
(4 members)	

*Against*

Mr WONG Ting-kwong	Ms Starry LEE
Mr WONG Kwok-kin	Mr Steven HO
Mr YIU Si-wing	Mr KWOK Wai-keung
Mr Christopher CHEUNG	Mr POON Siu-ping
Mr CHUNG Kwok-pan	
(9 members)	

**EC(2014-15)7 Proposed creation of three non-civil service positions of one Director of Bureau, one Deputy Director of Bureau and one Political Assistant to Director of Bureau and four permanent posts of one Administrative Officer Staff Grade A1 (D8), one Administrative Officer Staff Grade B (D3) and two Administrative Officer Staff Grade C (D2) to establish a new Innovation and Technology Bureau with effect from the commencement date of the resolution proposed to be passed under section 54A of the Interpretation and General Clauses Ordinance (Cap. 1) for the transfer of the statutory functions**

11. At 8:50 am, the Chairman said that Dr KWOK Ka-ki had submitted a motion in accordance with paragraph 32 of ESC Procedure proposing that the discussion on item EC(2014-15)7 be adjourned. She pointed out that Mr LEUNG Kwok-hung had proposed a motion of the same question at the meeting of the Subcommittee on 28 May 2014 and the motion was voted down at that meeting. Mr LEUNG submitted a motion of the same question again at the meeting of the Subcommittee on 9 June 2014. She had already explained at that meeting that Mr LEUNG could not submit the motion in accordance with paragraph 32(2) of RoP (which stipulated that "Where the Council has taken a decision on a specific question and the question has been decided in the negative, no further motion shall be moved in relation to that question during the current session"). As such, the Chairman said that Dr KWOK could not submit the motion to adjourn the discussion on the item EC(2014-15)7 again.

12. The Chairman said that at the Subcommittee meeting on 9 June 2014, she said that she would put 86 out of the 105 proposed motions in the first and second batches forwarded by Mr LEUNG Kwok-hung in accordance with paragraph 31A of ESC Procedure to the Subcommittee for considering whether they should be proceeded forthwith. The Subcommittee had dealt with 59 proposed motions at that meeting and 27 proposed motions were outstanding. Mr LEUNG later submitted his third batch of proposed motions (totaling 44) at that meeting. The Chairman pointed out that as Mr LEUNG was absent from the present meeting, the Subcommittee would not continue to deal with his proposed motions. She would return the 27 outstanding proposed motions and the third batch of proposed motions to Mr LEUNG. The Chairman enquired whether any other members would submit motions in accordance with paragraph 31A of ESC Procedure. If no motion was received, she would put the item to vote.

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13. Dr KWOK Ka-ki considered that Mr LEUNG Kwok-hung's proposed motions were reasonable and said that the Subcommittee should continue to deal with these motions so that Mr LEUNG's views on the item could be reflected. He also expressed regret that the Chairman had refused to handle his motion put forth in accordance with paragraph 32 of ESC Procedure proposing that discussion on the item be adjourned.

14. The Chairman said that her decision on the handling of Mr LEUNG Kwok-hung's proposed motions was made in accordance with paragraph 31A of ESC Procedure which stated that "During the deliberation of an agenda item, ... a member may move a motion without notice to express a view on an agenda item ...", and hence the member needed to be present at the meeting for the motion to be dealt with. She re-iterated that she had ruled the majority of Mr LEUNG Kwok-hung's proposed motions in order. She also agreed that some of the proposed motions were reasonable and hoped that the Administration could take the views into account as appropriate. The Chairman added that the role of the Subcommittee was to examine and make recommendations to FC on the Administration's proposals for the creation, redeployment, and deletion of directorate posts, and for changes to the structure of civil service grades and ranks. The final decisions on the proposals were made by FC and FC was not bound by the recommendations of ESC. Moreover, Mr LEUNG would be able to attend the relevant FC meeting to express his views on the item.

15. Ms Starry LEE supported the Chairman's decision and considered that Mr LEUNG Kwok-hung should have made relevant preparations given that he knew that he might be imprisoned. Ms LEE pointed out that other members of the Subcommittee could submit motions in accordance with paragraph 31A of ESC Procedure.

16. Mr YIU Si-wing did not support the Subcommittee to continue consideration of Mr LEUNG Kwok-hung's proposed motions in Mr LEUNG's absence.

17. Mr Kenneth LEUNG sought elaboration from the LegCo Secretariat on paragraph 31A of ESC Procedure. Pointing out that Mr LEUNG Kwok-hung's proposed motions had been submitted in written form, Mr LEUNG enquired whether it was necessary for Mr LEUNG to be present at the meeting for moving the motion.

18. Assistant Secretary General 1 explained that pursuant to paragraph 31A of ESC Procedure, the Subcommittee first had to decide whether a proposed motion should be proceeded forthwith. The proposed motion would only be dealt with if the Subcommittee so decided, and in such case, the

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Subcommittee would debate on the motion. In the present case, the Subcommittee was still at the stage of considering whether Mr LEUNG Kwok-hung's proposed motions should be proceeded forthwith.

19. In response to Mr Kenneth LEUNG's enquiry about whether the Subcommittee should continue to consider whether Mr LEUNG Kwok-hung's proposed motions should be proceeded forthwith, the Chairman remarked that she had consulted the LegCo Secretariat and the Legal Adviser and ascertained that Mr LEUNG Kwok-hung must be present for the Subcommittee to consider whether his proposed motions should be proceeded forthwith. She added that the fact that she had read out Mr LEUNG Kwok-hung's proposed motions for Mr LEUNG at the Subcommittee on 9 June 2014 should not be taken as Mr LEUNG could be absent from the meeting when the Subcommittee considered his proposed motions.

20. As no other members proposed motions under paragraph 31A of ESC Procedure, the Chairman put item EC(2014-15)7 to vote. Dr KWOK Ka-ki claimed a division. Of the 15 members present, 11 voted for the item, two voted against it and one abstained. The Chairman declared that the Subcommittee agreed to recommend the item to FC for approval. Dr KWOK requested that the item be voted on separately at the FC meeting. The voting results of individual members were as follows -

*For*

Mr WONG Ting-kwong	Ms Starry LEE
Mr WONG Kwok-kin	Mr Steven HO
Mr YIU Si-wing	Mr Kenneth LEUNG
Mr KWOK Wai-keung	Mr Christopher CHEUNG
Mr POON Siu-ping	Mr TANG Ka-piu
Mr CHUNG Kwok-pan	
(11 members)	

*Against*

Dr KWOK Ka-ki	Mr IP Kin-yuen
(2 members)	

*Abstain*

Mr SIN Chung-kai  
(1 member)



**EC(2014-15)10 Proposed creation of one supernumerary post of Senior Principal Executive Officer (D2) and one permanent post of Principal Executive Officer (D1) in the Labour and Welfare Bureau and one permanent post of Administrative Officer Staff Grade B (D3) in the Student Financial Assistance Agency, to be renamed as Working Family and Student Financial Assistance Agency on 1 March 2015, for implementing the Low-income Working Family Allowance Scheme**

21. The Chairman said that the Administration's proposal was to create one supernumerary post of Senior Principal Executive Officer (D2) (SPEO) and one permanent post of Principal Executive Officer (D1) (PEO) in the Labour and Welfare Bureau (LWB) and one permanent post of Administrative Officer Staff Grade B (D3) in the Student Financial Assistance Agency (SFAA), to be renamed as Working Family and Student Financial Assistance Agency (WFSFAA) on 1 March 2015, for implementing the Low-income Working Family Allowance Scheme (LIFA Scheme).

22. The Chairman advised that the Subcommittee on Poverty had been consulted on LIFA Scheme and the related staffing and financial proposals on 27 May 2014. The Subcommittee supported the proposals. Some Subcommittee members were concerned that a non-single parent applicant had to work for 192 hours or more a month in order to be eligible for the monthly higher Basic Allowance of \$1,000, and urged the Administration to reduce the working hour requirement concerned. Some Subcommittee members also suggested counting non-pay sick leave as working hours; and providing cash allowance to the elderly, persons with disabilities and the chronically ill in the low-income working families.

#### Implementation of LIFA Scheme

23. Mr TANG Ka-piu supported the Administration's proposal to implement LIFA Scheme by the future WFSFAA instead of the Social Welfare Department (SWD) as this would avoid the labelling effects on the applicants. Pointing out that SFAA currently had far fewer district offices than SWD, Mr TANG enquired how the Administration would facilitate applicants of LIFA Scheme. Mr TANG also enquired how the Administration would address his questions about the definitions of "eligible children" and "working hours". He considered that a person aged between 15 and 16 not receiving full-time education should be regarded as an eligible child under LIFA Scheme and receive the Child Allowance.

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24. Permanent Secretary for Labour and Welfare (PSLW) responded that the Administration attached importance to facilitating applicants of LIFA Scheme. While a dedicated Working Family Allowance Office (WFAO) would be established to implement LIFA Scheme, application forms for the Scheme would be available online and in various district offices of the Government and designated agencies. Applicants could submit their applications by post. The Administration would explore the possibility of dropping by applicants of the application forms into collection boxes set up in various offices, including for example offices of SWD and the Work Incentive Transport Subsidy (WITS) Division of the Labour Department. Regarding the definition of eligible children for LIFA Scheme, PSLW explained that the same definition adopted for child standard rate under the Comprehensive Social Security Assistance (CSSA) Scheme would be used, i.e. an eligible child had to be one aged below 15, or between 15 and 21 receiving full-time education (excluding post-secondary education). The Administration would conduct an overall review on LIFA Scheme one year after its implementation.

25. Mr POON Siu-ping supported implementation of LIFA Scheme. Noting that the Administration planned to submit the related staffing and funding proposals to FC in July 2014, and aimed to start receiving applications in the fourth quarter of 2015, Mr POON enquired about measures to ensure the timely commencement of LIFA Scheme and whether the preparatory period of 15 to 18 months could be curtailed to expedite implementation of the Scheme.

26. PSLW responded that while the Administration was fully aware of public aspiration for early implementation of LIFA Scheme, preparation for the Scheme involved a substantial amount of work as explained in paragraph 7 and footnote 11 of EC(2014-15)10. A number of tasks, including the leasing of office premises, fitting-out works, installation of network infrastructure and development of an information technology (IT) system for WFAO as well as staff recruitment, would need to be carried out after approval of the relevant funding proposal by FC. She added that as an interim measure the supernumerary SPEO post had been created in LWB under delegated authority in February 2014 for six months to enable the planning for LIFA Scheme and preparatory work for setting up the new Office to commence early. PSLW said that the Administration would endeavour to meet the target for commencing LIFA Scheme in the fourth quarter of 2015. She appealed to members' support for the related staffing proposal.

27. Noting that LIFA Scheme would be implemented by the future WFAO which would comprise over 300 civil service posts to be created, Mr CHUNG Kwok-pan asked whether the Administration had considered implementing LIFA Scheme through SWD in the initial stage for transfer of

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the work to the future WFAO subsequently so as to make use of SWD's well-established network and enhance efficiency and save cost in the implementation of the Scheme. Mr POON Siu-ping shared Mr CHUNG's views.

28. PSLW responded that the decision of placing WFAO and the Student Finance Office (SFO) under the future WFSFAA was made after thorough consideration. The proposed set-up was considered appropriate and WFSFAA would explore room for achieving synergy between the work of SFO and WFAO in the long run. PSLW noted members' proposal for SWD to implement LIFA Scheme. She said that SWD currently did not have the relevant staffing resources, office space and IT system, and SWD would need to undertake the same preparatory work for implementing LIFA scheme, including leasing and fitting-out office premises, putting in place a new IT system and recruitment of the necessary staff. Putting LIFA Scheme under the administration of SWD would not shorten the required time of preparation or reduce cost.

Applications for LIFA Scheme

29. While expressing support for LIFA Scheme, Dr KWOK Ka-ki pointed out that in the past, the Administration had overestimated the number of applications for a number of assistance schemes such as the WITS Scheme and the Old Age Living Allowance. Dr KWOK was concerned that the actual number of LIFA Scheme applications per year might be far lower than 400 000 as estimated by the Administration, and if so the resources allocated for the Scheme would be wasted. Dr KWOK enquired whether the proposed posts (including the non-directorate and non-civil service contract (NCSC) posts) mentioned in EC(2014-15)10 would be created by phases, and the relevant arrangements on manpower and administrative cost for LIFA Scheme if the actual number of applications was substantially below the Administration's projection.

30. PSLW assured members that the Administration would ensure cost effectiveness in implementing LIFA Scheme and endeavour to minimize the manpower and administrative costs involved. She pointed out that the recurrent manpower cost for LIFA Scheme would only be about 3.8% of the estimated amount of allowance of the Scheme, which would be lower than the majority of the other Government assistance schemes. As regards the proposed posts for LIFA Scheme, PSLW said that they would be created by phases. For instance, the supernumerary post in the Planning Team would last up to the end of March 2016, and the posts in the Start-up Team would be created by phases from October 2014 to March 2015. The posts in WFAO would also be created by phases, and some of them would be transferred from

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the Planning Team and Start-up Team. On the workload of WFAO, PSLW said that it was anticipated to be heavy, particularly in the initial stage of implementation of LIFA Scheme. Should the number of applications per year fall below the estimation, flexible arrangements could be made. In this connection, PSLW said that the NCSC positions were provided on a time-limited basis for three years. Civil servants comprising mainly of general grades staff and some of them could be re-deployed to other Government bureaux/departments (B/Ds) if deemed appropriate. In response to Dr KWOK Ka-ki's enquiry, PSLW said that the recurrent manpower was estimated to cost about 3.8% of the amount of allowance. The Administration would keep in view the operation of LIFA Scheme and would adjust the manpower resources having regard to the actual number of applications and workload as deemed appropriate and necessary.

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31. At Dr KWOK Ka-ki's request, the Administration was required to provide supplementary information on:

- (a) the timetable on the corresponding manpower requirement for the setting up of the Planning Team, the Start-up Team, and the future WFAO (comprising over 500 staff) to tie-in with implementation of various phases of LIFA Scheme; and
- (b) the relevant arrangements on manpower and administrative cost for LIFA Scheme if the number of applications per year was substantially below the estimated number of 400 000.

32. The item was voted on. Members agreed that the Subcommittee should recommend the item to FC for approval and no separate voting was required at the FC meeting.

**EC(2014-15)8      Proposed upgrading the permanent post of Departmental Secretary from the rank of Principal Executive Officer (D1) to Senior Principal Executive Officer (D2) in the Leisure and Cultural Services Department to cope with the substantial growth in the responsibilities of Departmental Secretary both in terms of policy content and complexity**

33. The Chairman said that the Administration's proposal was to upgrade the permanent post of Departmental Secretary (DS) from the rank of Principal Executive Officer (D1) to Senior Principal Executive Officer (D2) in the Leisure and Cultural Services Department (LCSD) to cope with the substantial growth in the responsibilities of DS both in terms of policy content

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and complexity.

34. The Chairman advised that the Panel on Home Affairs had been consulted on the proposal at its meeting on 12 May 2014. Panel members supported the proposal in general. A Panel member opposed the proposal and considered that the mere upgrading of the DS post from the rank of PEO to SPEO might not necessarily enhance the coordination and implementation of LCSD's capital works projects, nor help resolve LCSD's long existed problems on administration, human resources management and planning. The Administration advised that the SPEO would act as the overall coordinator of LCSD's capital works projects in coordinating tasks relating to resources allocation for high priority projects, monitoring project progress and establishing a database to promote the transfer of knowledge on the planning and development of projects within LCSD. The proposal would also consolidate the planning of LCSD's capital works projects in various districts serving different functions.

Implementation of LCSD's capital works projects

35. Mr TANG Ka-piu pointed out that there were comments from the 18 District Councils (DCs) that LCSD and the Home Affairs Department had not provided concrete feedback on DCs' views on the leisure and cultural projects in their respective districts, and some DCs considered that the Administration had failed to provide the necessary leisure and cultural facilities to tie in with housing development. Mr TANG was concerned about whether the upgrading of the DS post in LCSD could effectively tackle the above issues.

36. Director of Leisure and Cultural Services (DLCS) responded that there were currently over 80 capital works projects under planning. While the Administration was aware of public aspiration for the enhancement of leisure and cultural facilities in the district level, it was necessary to set priorities for the capital works projects under planning owing to resources constraints. At present, six Assistant Directors and two Chief Executive Officers in LCSD were involved in the planning and implementation of capital works projects. Upgrading the DS post would provide more senior directorate support in overseeing the planning, development and setting of priorities for capital works projects as well as monitoring their progress.

37. Mr TANG Ka-piu requested the Administration to provide details of the some 80 capital works projects currently under LCSD's planning as set out in paragraph 15 of EC(2014-15)8, the criteria adopted by the Administration in working out the priorities, and the delivery timetables for the projects concerned.

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38. DLCS said that the capital works projects mentioned in paragraph 15 of EC(2014-15)8 included both projects under construction and planning of LCSD. For the 80 projects under planning, around 40 were inherited from the former Municipal Councils, and some were new projects suggested by the 18 DCs. She agreed to provide the information requested by Mr TANG Ka-piu and pointed out that the Administration had been reporting the progress of the capital works projects to LegCo on a regular basis. In prioritizing the capital works projects, the Administration would consider a number of factors including the recommendations of the Hong Kong Planning Standards and Guidelines, population distribution and the needs of the community, and the usage rate of the existing facilities. As regards the delivery timetable, DLCS said that the Administration would provide the required information as far as possible since the completion date of a project would be subject to a number of factors including the availability of resources and technical feasibility of the proposed works.

39. While expressing support for the Administration's proposal, Dr KWOK Ka-ki pointed out that there were negative comments from the public on some of the completed capital works projects like the redevelopment of Victoria Park Swimming Pool Complex (VPSPC). He further noticed that EC(2014-15)8 did not include a number of projects LCSD had undertaken to implement (e.g. the Kwai Chung Park) and enquired about the details of these projects. Dr KWOK also expressed concern about the large number of 40 outstanding projects which were inherited from the former Municipal Councils.

40. DLCS responded that LCSD would consult the relevant stakeholders in the planning and design of capital works projects. She pointed out that the redevelopment of VPSPC had met a number of challenges including the constraints posed by in-situ redevelopment and the need to preserve valuable trees. Nevertheless, LCSD would carry out a number of improvement works for VPSPC. On the projects inherited from the former Municipal Councils, she advised that of the 139 inherited capital works projects, 67 projects had already been completed, around 10 projects were at the late planning stage and 40 were under planning. The slow progress for some of the remaining projects was due to the related land issues or the lower priorities accorded by the relevant DCs. For the Kwai Chung Park project, DLCS advised that LCSD had resumed the planning work, and had consulted the Kwai Tsing District Council on the scope of the project. She stressed that the Home Affairs Bureau (HAB) had given full support to the work of LCSD. Given the large number of capital works projects, it would be necessary to set priorities.

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41. Upon request of Mr TANG Ka-piu and Dr KWOK Ka-ki, the Administration was required to provide supplementary information on details of the some 80 capital works projects currently under LCSD's planning as set out in paragraph 15 of EC(2014-15)8, including their progress, issues/difficulties encountered in the planning process and estimated delivery timetable.

Justifications for upgrading the DS post in LCSD

42. Mr YIU Si-wing expressed support for the Administration's proposal. Noting from paragraphs 4 and 7 of EC(2014-15)8 that LCSD's establishment would increase from around 7 400 in 2006 to 9 199 by March 2015, Mr YIU enquired whether the Administration had developed guidelines or criteria for considering upgrading of the structure of B/Ds and the corresponding changes to the directorate establishment.

43. DLCS responded that in proposing changes to the ranking of directorate posts, the B/D concerned had to seek the prior approval of the Civil Service Bureau (CSB). In considering the appropriate ranking for a particular post, CSB would consider the functions and responsibilities of the proposed post as well as the job requirements and complexity. DLCS pointed out that in comparison with the three B/Ds with a comparable civil service establishment as LCSD, namely the Food and Environmental Hygiene Department (FEHD), Department of Health (DH) and Education Bureau (EDB), the set-up of LCSD's Administration Division was relatively small and with fewer staff. The Heads of the Administration Division/Branch of FEHD, DH and EDB were ranked at SPEO level and underpinned by a PEO while the Head of the Administration Division of LCSD was ranked at PEO level currently.

44. Mr YIU Si-wing opined that it might not be appropriate to consider the upgrading of directorate posts in a B/D by merely looking at its establishment size. DLCS clarified that the upgrading of a directorate post involved a number of procedures, including the Resource Allocation Exercise and seeking of support from CSB and the Standing Committee on Directorate Salaries and Conditions of Service. She added that LCSD was a multi-disciplinary department with a highly complex staff mix comprising 119 ranks in 48 grades. The upgrading of the DS post would enhance LCSD's capacity in human resources management and co-ordination of capital works projects.

45. Deputy Secretary for the Civil Service (1) supplemented that human resources management involved complex issues. In considering an

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application on upgrading of a directorate post, CSB would look into a range of factors including work nature of the post and the grades and ranks of the B/D concerned on a case-by-case basis. While CSB would also take into account the staff number of the B/D concerned, it would not simply apply a manning scale; and where appropriate, flexibility would be provided in considering the applications concerned. He said that for the current proposal, CSB supported the proposed upgrading of the DS post as it would make the establishment of LCSD's Administration Division on a par with that of non-disciplined services departments with a comparable civil service establishment to LCSD.

Redevelopment of vacant/under-utilized public markets

46. The Chairman said that she supported the Administration's proposal. In the provision of cultural and leisure facilities in district level, she opined that the Administration should review the existing policy on public markets so that vacant/under-utilized markets could be redeveloped into cultural and leisure facilities to meet community needs. She said that a case in point was the public market in Tsuen Wan. Dr KWOK Ka-ki shared the Chairman's views.

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47. DLCS took note of members' views. As the policy relating to the provision of public markets was under the purview of the Food and Health Bureau and markets were managed by FEHD, LCSD would convey members' views to the B/Ds concerned and follow up discussion with the relevant parties.

48. In reply to the Chairman's enquiry, DLCS advised that the proposed post would be filled by another officer instead of the current DS.

49. The item was voted on. Members agreed that the Subcommittee should recommend the item to FC for approval. No members requested for separate voting on the item at the FC meeting.

**EC(2014-15)9**                    **Proposed creation of one supernumerary post of Chief Engineer (D1) in the Civil Engineering and Development Department up to 31 March 2019 to strengthen its capability in driving the implementation of the mega integrated basement and government infrastructure projects for West Kowloon Cultural District**

50. The Chairman said that the Administration's proposal was to create one supernumerary post of Chief Engineer (D1), designated as Chief



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Engineer/Kowloon 5 (CE/K5), in the Civil Engineering and Development Department (CEDD) up to 31 March 2019 to strengthen its capability in driving the implementation of the mega integrated basement and government infrastructure projects for West Kowloon Cultural District (WKCD).

51. The Chairman advised that the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project had been consulted on the implementation of integrated basement in WKCD and the proposal to create the supernumerary CE post at its meeting on 28 May 2014. Members of the Joint Subcommittee were concerned about the high estimated cost for construction of the integrated basement. Some Joint Subcommittee members suggested that the Administration should consider adjusting the design concept of putting all vehicular traffic facilities underground. Noting that the integrated basement would be constructed in phases, some members were concerned about how the Administration could ensure the interconnection of various phases of the integrated basement to maintain its accessibility. Joint Subcommittee members also enquired whether the Administration would consider entrusting the management of the integrated basement to the West Kowloon Cultural District Authority (WKCDA), and about issues relating to the air quality and temperature inside the integrated basement. The Joint Subcommittee did not oppose to the Administration submitting the proposal for consideration by the Subcommittee.

Delay in delivery of WKCD facilities and substantial increase in cost estimates

52. Dr KWOK Ka-ki pointed out that when FC considered the proposed upfront endowment of \$21.6 billion for WKCDA to implement WKCD project in July 2008, the Administration had indicated that funds would be adequate for the construction of various facilities of WKCD project (now planned to be implemented in three batches). However, the Administration recently reported to LegCo that the existing resources of WKCDA might be insufficient for constructing Batch 3 facilities of WKCD. Dr KWOK expressed great dissatisfaction about the substantial increase in cost estimates of various facilities in WKCD and enquired about the updated cost estimates for all projects, including those under the three batches of facilities. Dr KWOK was also concerned that delay in the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) project would have adverse impact on WKCD project.

53. Mr CHUNG Kwok-pan expressed grave concern about the substantial increase in project estimates in a number of public works projects in recent years. Mr CHUNG enquired about the impact of the delay of XRL on the integrated basement and the revised delivery timetable for the basement, and whether MTR Corporation Limited (MTRCL) would be held responsible for the delay in the delivery of the integrated basement.

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54. Director of Civil Engineering and Development (DCED) clarified that creation of the supernumerary CE/K5 post would strengthen CEDD's capability in driving the implementation of the mega integrated basement and government infrastructure projects for WKCD. The work of CE/K5 did not cover other facilities, such as arts and cultural facilities, to be provided in WKCD. As regards the integrated basement and government infrastructure projects for WKCD, CEDD had set up a dedicated team in April 2014 to take forward the planning, design and construction of these projects. The preliminary cost estimate for the integrated basement (excluding public infrastructure works) was about \$19 billion. The dedicated team would work out the detailed cost estimates. As the integrated basement had interface with a number of major projects in WKCD including XRL, the dedicated team would also assess the impact of the delay in XRL to the implementation of the integrated basement. As advised by MTRCL, it would deliver the necessary site for construction of the integrated basement in phases starting from 2016. The dedicated team would continue to liaise closely with MTRCL on related issues and work out a revised delivery timetable for the integrated basement. At this stage, the Administration would focus its work on completing the integrated basement and government infrastructure projects on a timely manner.

55. Dr KWOK Ka-ki enquired if the Administration knew the reasons for the delay in XRL. He asked whether the Administration would consider commencing construction of certain facilities on the ground level first including retailing/dining/entertainment facilities, so as to generate income to subsidize WKCD project. He also opined that with the rising trend in construction cost of capital works projects, commencing the construction process early would be beneficial to controlling the project cost.

56. DCED responded that it was not appropriate for him to speculate the reasons of or comment on the delay in XRL. The Administration would devise measures to minimize possible adverse impacts of the delay on the integrated basement and government infrastructure projects for WKCD. Project Manager, Home Affairs Bureau (PM/HAB) supplemented that WKCDA and the Administration would expedite the construction of certain facilities like M+ museum, the Artist Square developments and retailing/dining/entertainment facilities so that they would be available for the public as soon as possible. PM/HAB added that the floor area of retailing/dining/entertainment facilities in the Artist Square accounted for around 20% of the total floor area of such facilities in WKCD. WKCDA and the Administration would expedite the construction of Artist Square developments as it would energize the whole WKCD project.

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57. Dr KWOK Ka-ki enquired about the impact of possible delay in the completion of the integrated basement on the delivery of other facilities in WKCD, and that on costs of these facilities arising from the delay.

58. Regarding the provision of facilities in WKCD, PM/HAB said that of the upfront endowment of \$21.6 billion approved by FC in 2008, \$15.7 billion was allocated to WKCDA for the design and construction of various facilities of WKCD project. Together with the apportioned interest income accumulated since 2008, this portion of funds had grown to around \$18 billion. WKCDA's preliminary assessment was that funds would be sufficient for the construction of Batch 1 facilities (including the Xiqu Centre, M+ museum and Park) and Batch 2 facilities (including the Centre for Contemporary Performance, Medium Theatre and retailing/dining/entertainment facilities for generating income to subsidize arts and cultural activities). There was currently no definite timetable for the delivery of Batch 3 facilities (including Musical Theatre, Great Theatre and Music Centre). The cost estimate of the Batch 1 facilities was around \$9 billion. The actual total cost of WKCD project was not yet available. On the timeframe for the various projects, PM/HAB said that when seeking FC's funding approval in July 2008, WKCDA estimated that construction of all Phase 1 facilities under WKCD project would be completed by 2015. The latest target of delivery for the Xiqu Centre and M+ museum was end-2016 and end-2017 respectively, and that for the entire Batch 1 and entire Batch 2 facilities was around 2017 and 2020 respectively.

59. The Chairman remarked that the delay in WKCD project was partly attributed to insufficient manpower supply in the construction sector arising from implementation of a large number of infrastructure projects concurrently under the 10 Major Infrastructure promulgated in the 2007-08 Policy Address. Noting that the floor area of M+ museum exceeded the total floor area of all existing museums in Hong Kong by 50%, the Chairman was concerned about the future utilization of M+ museum and asked if the Administration would consider reducing the scale of the project. She further enquired about the construction progress of M+ museum and the exhibits for the museum.

60. PM/HAB responded that the planning of M+ museum was underway and tender was being invited for its foundation works. The Administration planned to seek the relevant funding for the part of the foundation works for government infrastructure from FC within the current legislative session and commence the construction works in the third quarter of 2014. He agreed that M+ museum had a vast scale and pointed out that the selection of exhibits in the museum was under the purview of WKCDA.

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Responsibilities of the proposed post

61. While appreciating the need of the staffing proposal for monitoring the progress of the relevant facilities of WKCD project, Mr YIU Si-wing was concerned about whether the work of CE/K5 and the dedicated team established in CEDD would overlap with that of WKCDA. Mr YIU also enquired whether CE/K5 and the dedicated team would be responsible for the delay in delivery of the integrated basement and government infrastructure projects for WKCD, and the resultant increase in costs. Pointing out that the Chief Secretary for Administration was the Chairman of the Board of WKCDA, Mr YIU was concerned about the potential conflict of interest given that holder of the proposed post and staff members in the dedicated team were civil servants. He was also concerned how the problems identified by the dedicated team would be conveyed to the relevant parties and disclosed to the public.

62. DCED responded that the dedicated team in CEDD would take forward the planning, design and construction of both the integrated basement and government infrastructure projects for WKCD. As there would be interfaces between these projects and those to be implemented by WKCDA, the dedicated team and WKCDA would collaborate in handling interfacing issues. There would be no overlapping of work between the dedicated team and WKCDA. DCED also pointed out that the dedicated team would monitor the progress of the integrated basement and government infrastructure projects for WKCD in accordance with established procedures and there should not be any concerns about conflict of interest. As regards the responsibilities of CE/K5 and the dedicated team for any possible delay in or cost overrun of the projects concerned, DCED explained that the issue had to be considered on a case-by-case basis having regard to the prevailing circumstances. In the event of serious delays in progress or huge cost overrun, he would, as the Controlling Officer of CEDD, assume the ultimate responsibility of explaining the issues to LegCo.

63. The item was voted on. Members agreed that the Subcommittee should recommend the item to FC for approval and no separate voting was required.

64. There being no other business, the meeting ended at 10:16 am.