

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 56th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 26 June 2015, at 7:44 pm**

Members present:

Hon Tommy CHEUNG Yu-yan, SBS, JP (Chairman)
Hon CHAN Kin-por, BBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon WONG Kwok-hing, BBS, MH
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon Cyd HO Sau-lan, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon CHEUNG Kwok-che
Hon WONG Kwok-kin, SBS
Hon IP Kwok-him, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Michael TIEN Puk-sun, BBS, JP
Hon NG Leung-sing, SBS, JP
Hon Steven HO Chun-yin
Hon Frankie YICK Chi-ming
Hon YIU Si-wing

Hon Gary FAN Kwok-wai
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Dr Hon Kenneth CHAN Ka-lok
Hon CHAN Yuen-han, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon SIN Chung-kai, SBS, JP
Dr Hon Helena WONG Pik-wan
Hon Martin LIAO Cheung-kong, SBS, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu, JP
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kwok, BBS, MH, JP

Members absent:

Hon LEE Cheuk-yan
Hon CHAN Kam-lam, SBS, JP
Dr Hon LAU Wong-fat, GBM, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, 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
Dr Hon LEUNG Ka-lau
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Albert CHAN Wai-yip
Hon WONG Yuk-man
Hon Claudia MO
Hon James TIEN Pei-chun, GBS, JP
Hon WU Chi-wai, MH
Hon CHAN Han-pan, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung

Hon Dennis KWOK
Hon Christopher CHEUNG Wah-fung, SBS, JP
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, JP
Hon CHUNG Kwok-pan
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen, BBS

Public officers attending:

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| Ms Elizabeth TSE Man-yee, JP | Permanent Secretary for Financial Services and the Treasury (Treasury) |
| Ms Esther LEUNG, JP | Deputy Secretary for Financial Services and the Treasury (Treasury) ¹ |
| Mr Alfred ZHI Jian-hong | Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch) |
| Mr Jack CHAN Jick-chi, JP | Acting Director of Home Affairs |
| Miss LI Sin-yi | Senior Executive Officer (3) ¹ |
| Mr David LEUNG, JP | Home Affairs Department |
| Mr FONG Kai-leung | Commissioner for Rehabilitation Labour and Welfare Bureau |
| Mr KOK Che-leung | Assistant Director of Social Welfare (Rehabilitation and Medical Social Services) |
| Mr LAI Cheuk-man | Assistant Director of Social Welfare (Subventions) |
| | Senior Architect, Social Welfare Department |

Clerk in attendance:

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| Ms Anita SIT | Assistant Secretary General 1 |
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Staff in attendance:

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| Mr Derek LO | Chief Council Secretary (1) ⁵ |
| Mr Daniel SIN | Senior Council Secretary (1) ⁷ |
| Mr Raymond SZETO | Council Secretary (1) ⁵ |
| Mr Frankie WOO | Senior Legislative Assistant (1) ³ |

Ms Michelle NIEN
Miss Yannes HO

Legislative Assistant (1)5
Legislative Assistant (1)6

Action

Item No. 3 – FCR(2015-16)16

HEAD 63 – HOME AFFAIRS DEPARTMENT

Subhead 000 Operational expenses

Subhead 700 General non-recurrent

New Item "Reimbursement of Setting-up Expenses and Winding-up Expenses for District Council members of the 2016–2019 term"

The meeting continued the deliberation on the item.

2. Dr CHIANG Lai-wan and Mr NG Leung-sing expressed support for expediting the deliberation of this item. Mr NG declared that he was an ex-member of the Independent Commission on Remuneration for Members of the District Councils ("DC") of the Hong Kong Special Administrative Region ("Independent Commission"), a commission appointed by the Secretary for Home Affairs to review the remuneration package of DC members.

3. Dr Priscilla LEUNG expressed support for the item as it would bring about a more attractive remuneration package for talents to run for District Council elections. Mr IP Kwok-him said that the proposed improvements to the remuneration package for DC members were well-justified and urged other members not to delay the approval of the item.

Remuneration package of District Council members

4. Mr CHAN Chi-chuen expressed doubt about the Administration's claim that the workload and responsibilities of DC members had increased over time and requested the Administration to provide examples to substantiate its claim.

5. Acting Director of Home Affairs ("DHA(Ag.)") responded that while the Administration did not have detailed statistics on the workload of DC members, it was recognized that the responsibilities of DCs and DC members had indeed evolved over time and were expected to further increase in the coming years in the light of the Administration's new initiatives to devolve more responsibilities of district administration to DCs.

6. The Chairman and Mr IP Kwok-him both considered that it would be difficult for the Administration to compare the differences in workload across different generations of DC members. Mr CHAN Chi-chuen expressed concurrence with them, but stressed that the Administration had not presented convincing proof that the workload and responsibilities of DC members had indeed increased over time. Rather, the Administration should acknowledge that it had not been providing adequate remuneration commensurate with the heavy workload and responsibilities of DC members in the previous decades.

7. DHA(Ag.) responded that the Administration had regularly reviewed the remuneration package for DC members, with a view to ensuring that DC members were provided with sufficient resources to cover expenses for discharging their DC-related functions and duties. A holistic approach had been adopted as in previous reviews of members' remuneration, having regard to a host of factors including patterns of members' expenditure in the past. At the focus meetings, DC members also expressed that their workload and responsibilities had been increasing. Members' views had been taken into account when formulating the proposal.

8. Mr LEUNG Yiu-chung considered that there was a need to improve the mechanism for reviewing the remuneration package for DC members. To reduce the uncertainties that DC members faced about the resources they were going to have, he called on the Administration to introduce a formula for regular adjustment to the remuneration package of DC members. Mr LEUNG Kwok-hung expressed similar views.

9. DHA(Ag.) responded that the Administration had conducted regular reviews according to an established mechanism. The Administration would typically review the remuneration package a year prior to the start of a DC term. Moreover, honorariums and other allowances would also be adjusted annually according to changes in the consumer price index.

10. Dr Priscilla LEUNG said that in addition to improving the remuneration package for DC members, the Administration should also strive to retain staff of DC members' offices. She suggested that staff of DC members' offices should be granted an end-of-contract gratuity in recognition of their long-term commitment to their work. DHA(Ag.) replied that the Administration would consider Dr LEUNG's suggestion.

11. Dr Priscilla LEUNG said that as a serving DC member, she had first-hand experience of the heavy workload and responsibilities borne by DC members. On Dr LEUNG's comment that some DC members spent some 17 to 18 hours a day on their DC work, Mr LEUNG Kwok-hung expressed disbelief as such length of working hours would be practically impossible. Dr LEUNG clarified that she was merely providing an illustration on the heavy workload faced by DC members.

12. The Chairman reminded members to focus on the agenda item when they spoke rather than commenting on another member's speech.

Role of District Councils in district administration

13. Mr LEUNG Yiu-chung opined that the extent to which the Government devolved its decision-making power in district administration to DCs was more crucial to DC members' commitment to serve the community than was members' remuneration. He said that in the 1980s, the remuneration of DC members was far inferior but DC elections were still highly contested. However, the Administration had still been treating DCs as consultative bodies without decision-making power. Mr Albert HO shared Mr LEUNG's views and expressed regret that the Administration did not fulfill the promise that it had made when Urban Council and Regional Council were abolished in 2000 to empower DCs and urged the Administration to honour its promise. Mr Gary FAN shared similar views. Dr Priscilla LEUNG expressed agreement with the view that DC should be empowered to make decisions in district administration.

14. DHA(Ag.) said that members' opinion on empowering DCs for district administration was well noted. A Pilot Scheme to enhance district administration was launched in April 2014 in two districts, namely, Sham Shui Po and Yuen Long, under which District Management Committees chaired by District Officers were given decision-making power to tackle pressing problems in respect of district management and environmental hygiene identified by the respective DCs together with government departments.

15. Echoing Mr LEUNG Yiu-chung's views that DC should be conferred with more power on district administration, Mr Albert HO urged the Administration to consider making DC secretariats independent from the Government to enhance the autonomy of DCs.

16. DHA(Ag.) said that the existing arrangement of providing secretariat support for DCs by Government staff in HAD had been working smoothly and

allowed flexible deployment of manpower. As such, the Administration did not see the need to make changes.

Assistance for setting up District Council members' offices

17. Mr Gary FAN said that rental expenditure for DC members' offices could vary widely depending on locations of the offices and whether there were public housing estates within the constituencies. In district constituencies where there was public housing, the Administration could assist DC members to source offices through the Housing Authority or the Hong Kong Housing Society, a benefit not enjoyed by members of district constituencies where there was no public housing. Mr FAN enquired whether the Administration would consider his suggestion to change the amount of financial assistance to cater for DC members renting different types of offices, or to designate office space in local HAD offices for use by DC members. Mr James TO shared similar views and said that the existing operating expenses reimbursement ("OER") was not adequate for maintaining DC members' offices at some constituencies where the office rents in commercial buildings were high and there were no public housing estates.

18. DHA(Ag.) said that the Administration would consider members' suggestions of providing assistance to DC members in renting offices according to the rental situations of different district constituencies in subsequent reviews and explore other options to help DC members set up ward offices .

New duty visit provisions for District Council members

19. Mr Albert HO enquired whether the new provisions for duty visits by DC members covered both visits organized by a DC and by individual DC members. He also expressed concern whether the amount of \$10,000 per term for each member was sufficient.

20. DHA(Ag.) responded that while individual DC members could put forward proposals for the consideration of DCs, the visits must be directly related to DC's work and should be endorsed and organized by the DC or its committees. Any costs in excess of the ceiling would be borne by DC members. In determining the amount of provisions, the Administration had struck a balance between the proper use of public funds and the need for duty visits in the light of the increasing role of DC in district administration.

21. Mr Albert HO expressed doubt about the effectiveness of DCs and their committees in scrutinizing proposals on duty visits by DC members. He urged the Administration to devise a proper control mechanism. Mr Gary FAN expressed a similar view.

22. Mr IP Kwok-him suggested that to ensure proper control over the duty visits undertaken by DC members, it should be for the DC's full council meeting, rather than its committees, to approve duty visits. Dr Priscilla LEUNG shared this view.

23. DHA(Ag.) said that the Administration would consider members' view that the DC's full council should be made the sole approving authority for duty visits proposed by DC members.

Declaration of interest by District Council members

24. Mr IP Kwok-him said that the mechanism for declaration of interest for DCs was similar to that of the Legislative Council. Nevertheless, he supported publishing DC members' declarations of interest on the Internet.

Training for District Council members

25. Mr Gary FAN said that the Administration had ceased to provide training for DC members on subjects such as district administration and integrity. He urged the Administration to reinstate training on these subjects for DC members. Mr James TO expressed a similar view, and urged the Administration to provide training for newly-elected DC members particularly in the form of briefings by representatives from relevant Government departments on district administration matters.

26. DHA(Ag.) responded that induction briefings had been provided for DC members and their assistants. Representatives from Independent Commission Against Corruption had also been invited to join the briefings..

Voting on item FCR(2015-16)16

27. There being no further questions from members, the Chairman put the item to vote. The Chairman declared that the Committee approved the item.

Item No. 4 – FCR(2015-16)17
LOTTERIES FUND
HEAD 341 – NON-RECURRENT GRANTS

Item No. 5 – FCR(2015-16)18
LOTTERIES FUND
HEAD 341 – NON-RECURRENT GRANTS

28. The Chairman advised that the item FCR(2015-16)17 sought the Committee's approval for an allocation of \$1 853.6 million from the Lotteries Fund ("LF") for meeting the design, construction and fitting-out costs for the redevelopment of ex-Siu Lam Hospital into an Integrated Rehabilitation Services Complex ("IRSC"), and the item FCR(2015-16)18 sought the Committee's approval for an allocation of \$502 million from the LF for meeting the design, construction and fitting-out costs for the redevelopment of the ex-Kai Nang Sheltered Workshop and Hostel into an IRSC. In view of the similar nature of the proposals, the Chairman directed that the discussion on the two items be combined and the items be voted on separately.

29. The Chairman noted that members might not have had sufficient time to study the two items as the relevant papers were only issued to members shortly before the meeting. He invited Commissioner for Rehabilitation, Labour and Welfare Bureau ("C for R/LWB") to brief members on the items.

30. Mr CHEUNG Kwok-che, Chairman of the Panel on Welfare Services, reported that the Panel discussed the two items on 8 December 2014 and members generally supported both items. For FCR(2015-16)17, some members expressed concern on whether the future IRSC operator would be provided with sufficient subvention for employing drivers for providing transport services for users of and visitors to the proposed IRSC. Some members also urged the Administration to explore the use of privately-owned sites and vacant school premises in Tuen Mun for residential care services. Members raised no particular questions regarding FCR(2015-16)18.

31. Mr NG Leung-sing expressed support for the items.

32. Noting the shortage of rehabilitation services against the growing demand for them, Dr Fernando CHEUNG, Mr CHEUNG Kwok-che expressed support for the items.

Redevelopment of ex-Siu Lam Hospital into an Integrated Rehabilitation Services Complex

Site location

33. Ms Cyd HO expressed dissatisfaction towards the Administration's placing a large number of persons with disabilities and mental patients in one complex at Siu Lam, secluded from urban communities, and enquired about the rationale for such arrangement. Dr Fernando CHEUNG expressed similar concern and said that the site selection was contrary to prevailing international practice to locate rehabilitation facilities in communities to promote integration of inmates into the society. He called on the Administration to identify sites for future IRSCs within urban communities. Mr CHEUNG Kwok-che expressed similar views.

34. C for R/LWB said that in view of the keen demand for rehabilitation services, the Administration would strive to provide rehabilitation service places in available and suitable sites of different sizes. Assistant Director of Social Welfare (Rehabilitation and Medical Social Services) ("ADSW(RMSS)") added that the Administration was aware of concerns on transportation issues for the Siu Lam IRSC, and the IRSC operators would be provided with capital fund for procuring centre vehicles and recurrent subventions for employing motor drivers and other charges to provide transportation services for service users of the IRSC to facilitate their community integration as far as practicable. Assistant Director of Social Welfare (Subventions) ("ADSW(S)") supplemented that the Administration would strive to build a user-friendly environment for users of IRSC to interact with visitors, family members and relatives.

35. Worried that some users of the Siu Lam IRSC might not receive adequate day care services due to the remoteness of the site, Mr LEUNG Kwok-hung enquired whether day care service facilities at an IRSC, namely Integrated Vocational Rehabilitation Services Centre and Day Activity Centre, could address the day care needs of all residential service users.

36. ADSW(RMSS) said that service users of the Hostel for Severely Mentally Handicapped Persons at the Siu Lam IRSC would receive day care and training services in the Day Activity Centre at the IRSC. The service users of the Hostel for Moderately Mentally Handicapped Persons and the Hostel for Severely Physically Handicapped Persons at the IRSC would receive vocational rehabilitation services in the Integrated Vocational Rehabilitation Services Centre at the IRSC. For the service users of the Care and Attention Home for Severely Disabled Persons and the Long Stay Care Home at the IRSC,

they would receive rehabilitation training and round-the-clock residential care services at the respective service unit.

Transportation

37. Mr LEUNG Kwok-hung expressed concern about public transport services for the Siu Lam IRSC, as minibus routes might not be able to operate profitably without Government subsidies due to the remoteness of the site. Mr CHEUNG Kwok-che and Mr LEUNG Yiu-chung shared similar concerns and expressed worries about an overall lack of interest from minibus operators.

38. C for R/LWB advised that funding provision for service operator would include the cost for centre vehicles to cover transportation service. The Administration would liaise with Transport Department to work out minibus routes if necessary.

Site redevelopment issues

39. Mr LEUNG Yiu-chung said that the site for the Siu Lam IRSC, the ex-Siu Lam Hospital, had been built for a long time and said that the Administration should explore ways to fully utilize the permitted plot ratio for maximized service provisions. ADSW(S) clarified that the Siu Lam IRSC was to be redeveloped as completely new buildings after demolishing the existing ex-Siu Lam Hospital to maximise the development potentials of the site.

40. Dr Fernando CHEUNG enquired whether the clinical waste incinerator currently located at the site for the Siu Lam IRSC, a potential hazard to safety of inhabitants, would be demolished upon redevelopment. ADSW(S) confirmed Dr CHEUNG's understanding.

Movements of physically handicapped persons inside buildings

41. As a large number of physically handicapped persons would be accommodated at the Siu Lam IRSC and the Kwun Tong IRSC, Ms Cyd HO enquired about the number of lifts to be installed, which was critical for inmates' access inside the two facilities. Expressing concern about the risks of evacuating a large number of handicapped persons, she enquired about the evacuation plan and outdoor space for assembly in case of emergency. Mr LEUNG Yiu-chung shared the same concerns.

42. ADSW(S) responded that to address users' needs, there would be 13 lifts planned for the Siu Lam IRSC and five lifts planned for Kwun Tong IRSC. Evacuation arrangements for emergency situations would be determined in

detail with IRSC operators in subsequent planning stages. He assured members that the design aspects related to the fire safety would be scrutinized by the Fire Services Department at appropriate stage.

Number of service operators

43. Mr CHEUNG kwok-che enquired whether services in an IRSC were provided by a single operator or by different operators each engaged for providing a particular type of residential care service or day training service. Mr CHEUNG considered that the arrangement would affect the amount of coordination work required to be undertaken in respect of administrative matters and building management of the IRSC.

44. ADSW(RMSS) said that qualified non-governmental organizations might submit proposals for operating more than one service at the IRSCs.

Financial provisions

45. Mr NG Leung-sing enquired about the details of the relatively high fitting-out cost vis-à-vis the construction cost for the Siu Lam IRSC. ADSW(S) said that the estimates for the relevant cost items were made by the consultant engaged for the preliminary feasibility study of the project and had incorporated provisions for upward price adjustments due to inflation.

46. Mr NG Leung-sing expressed concern that the delayed approval of items at the Finance Committee might strain manpower provisions for construction works of the items, incurring a greater cost. C for R/LWB replied that subject to the approval of this Committee, the Administration estimated that the construction works could commence in 2016 and ended by 2019. The Administration would closely monitor project costs, so that the construction works could be completed within the financial provisions sought.

Provision of sustainable design

47. Mr NG Leung-sing sought clarification on the provision set aside for sustainable design. ADSW(S) said that the provision included funds to provide for the use of sustainable energy and greening of the premises.

Provision for price adjustment

48. Noting that the provisions for price adjustment for both IRSCs amounted to over 20% of their capital cost estimates, Mr Martin LIAO enquired about the calculation basis. ADSW(S) said that the provisions for price

adjustment were estimated on a basis similar to those used in other Government capital works, which took into account various factors such as the duration of the project.

49. Mr YIU Si-wing requested the Administration to distinguish between contingencies and provisions for price adjustments, as the duplicate provisions would encourage contractors to inflate their bids above competitive pricing.

50. ADSW(S) explained that the provision for contingencies was set aside to accommodate unforeseen items which would give rise to changes in costs. On the other hand, the provision for price adjustment was to cater for general inflation. PS(Tsy) further clarified that in contrast with the provision for contingencies, the provision for price adjustment and circumstances under which it would be applicable were specifically set out in the tender documents so that bidders could take relevant factors into account when submitting their bids.

51. The Chairman said that as the meeting was drawing to its close and there were members waiting to speak on the item, the unfinished business of the meeting should be carried over to the next meeting.

52. The meeting was adjourned at 9:40 pm.