

立法會
Legislative Council

LC Paper No. ESC176/17-18

(These minutes have been
seen by the Administration)

Ref : CB1/F/3/2

Establishment Subcommittee of the Finance Committee

Minutes of the 22nd meeting
held in Conference Room 3 of Legislative Council Complex
on Tuesday, 26 June 2018, at 2:30 pm

Members present:

Hon Mrs Regina IP LAU Suk-ye, GBS, JP (Chairman)

Hon Alvin YEUNG (Deputy Chairman)

Hon James TO Kun-sun

Hon LEUNG Yiu-chung

Hon Abraham SHEK Lai-him, GBS, JP

Hon WONG Ting-kwong, GBS, JP

Dr Hon Priscilla LEUNG Mei-fun, SBS, JP

Hon WONG Kwok-kin, SBS, JP

Hon WU Chi-wai, MH

Hon Charles Peter MOK, JP

Hon CHAN Chi-chuen

Dr Hon KWOK Ka-ki

Hon KWOK Wai-keung, JP

Dr Hon Fernando CHEUNG Chiu-hung

Hon IP Kin-yuen

Dr Hon Elizabeth QUAT, BBS, JP

Hon Martin LIAO Cheung-kong, SBS, JP

Hon POON Siu-ping, BBS, MH

Dr Hon CHIANG Lai-wan, JP

Ir Dr Hon LO Wai-kwok, SBS, MH, JP

Hon CHUNG Kwok-pan

Hon CHU Hoi-dick

Hon HO Kai-ming

Hon Holden CHOW Ho-ding

Hon SHIU Ka-fai

Hon SHIU Ka-chun
Hon YUNG Hoi-yan
Dr Hon Pierre CHAN
Hon CHAN Chun-ying
Hon Jeremy TAM Man-ho
Hon Gary FAN Kwok-wai
Hon Tony TSE Wai-chuen

Member attending:

Hon HUI Chi-fung

Members absent:

Hon Steven HO Chun-yin, BBS
Hon KWONG Chun-yu
Hon AU Nok-hin
Hon Vincent CHENG Wing-shun

Public Officers attending:

Ms Carol YUEN Siu-wai, 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 Ricky CHONG Kwok-man	Principal Assistant Secretary for Innovation and Technology (1)
Ms Annie CHOI Suk-han, JP	Commissioner for Innovation and Technology
Mr Ivan LEE Kwok-bun, JP	Deputy Commissioner for Innovation and Technology
Mr Chris SUN Yuk-han, JP	Deputy Secretary for Financial Services and the Treasury (Financial Services)1
Ms Ada CHUNG Lai-ling, JP	Registrar of Companies
Mr Jack CHAN Jick-chi, JP	Under Secretary for Home Affairs
Miss Vega WONG Sau-wai, JP	Assistant Director of Home Affairs (4)
Mrs Vicki KWOK WONG Wing-ki, JP	Deputy Director of Environmental Protection (2)

Mr Michael LUI Hok-leung	Assistant Director (Nature Conservation and Infrastructure Planning), Environmental Protection Department
Ms Vivian CHAN Wai-yan	Senior Administrative Officer (Nature Conservation), Environmental Protection Department
Mr HON Chi-keung, JP	Permanent Secretary for Development (Works)
Mr Vincent MAK Shing-cheung, JP	Deputy Secretary for Development (Works) ²
Mr Francis CHAU Siu-hei	Deputy Secretary for Development (Works) ³
Mr WONG Chung-leung, JP	Director of Water Supplies
Mr CHAU Sai-wai	Deputy Director of Water Supplies
Dr Raymond SO Wai-man, BBS, JP	Under Secretary for Transport and Housing
Mr Albert LEE Wai-bun	Deputy Director of Civil Engineering and Development Department
Mr Gabriel WOO Tai-on	Deputy Head of Civil Engineering Office (Project and Environmental Management), Civil Engineering and Development Department

Clerks in attendance:

Ms Anita SIT	Assistant Secretary General 1
Ms Connie SZETO	Chief Council Secretary (1) ⁴

Staff in attendance:

Ms Mandy LI	Council Secretary (1) ⁴
Ms Alice CHEUNG	Senior Legislative Assistant (1) ¹
Miss Yannes HO	Legislative Assistant (1) ⁶
Ms Haley CHEUNG	Legislative Assistant (1) ⁹

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The Chairman drew members' attention to the information paper ECI(2018-19)8, which set out the latest changes in the directorate establishment approved since 2002 and the changes to the directorate establishment in relation to the eight items on the agenda. She then reminded members that in accordance with Rule 83A of the Rules of

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Procedure ("RoP"), they should disclose the nature of any direct or indirect pecuniary interest relating to the item under discussion at the meeting before they spoke on the item. She also drew members' attention to RoP 84 on voting in case of direct pecuniary interest.

EC(2018-19)11 Proposed creation of one permanent post of Administrative Officer Staff Grade C (D2) in the Innovation and Technology Commission with immediate effect upon approval of the Finance Committee to take forward policy initiatives to spearhead innovation and technology development in Hong Kong

2. The Chairman remarked that the staffing proposal was to create one permanent post of Administrative Officer Staff Grade C ("AOSGC") (D2) (designated as "Assistant Commissioner (Infrastructure)") in the Innovation and Technology Commission with immediate effect upon approval of the Finance Committee ("FC") to take forward policy initiatives to spearhead innovation and technology development in Hong Kong. She pointed out that discussion of the item was carried over from the meeting on 20 June 2018.

Voting on the item

3. As members raised no further questions on the item, the Chairman put the item to vote. She considered that the majority of the members voting were in favour of the item. She declared that the Subcommittee agreed to recommend the item to FC for approval. No members requested that the item be voted on separately at the relevant FC meeting.

(Post-meeting note: After the meeting, Dr KWOK Ka-ki informed the Secretariat by letter of his request for the item to be voted on separately at the relevant FC meeting.)

EC(2018-19)7 Proposed creation of one permanent post of Registry Manager (D2) in the Companies Registry with effect from the date of approval by the Finance Committee to head and continuously oversee the operation of a new Registry set up to implement a new regulatory regime for trust or company service providers

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4. The Chairman remarked that the staffing proposal was to create one permanent post of Registry Manager (D2) (designated as "Registry Manager (Trust and Company Service Providers)") in the Companies Registry with effect from the date of approval by FC to head and continuously oversee the operation of a new Registry set up to implement a new regulatory regime for trust or company service providers ("TCSPs").

5. The Chairman pointed out that the Panel on Financial Affairs had been consulted by the Administration on the proposal on 8 January 2018. The Panel supported the submission of the proposal to the Establishment Subcommittee ("ESC") for consideration. Some Panel members enquired about the manpower arrangements for the new TCSP Registry. The Administration explained that the Registry would handle applications for TCSP licences, and would carry out on-site inspections as well as implement publicity measures for the new TCSP licensing regime. The required manpower had been proposed having regard to the practical need of the TCSP Registry and the need to deploy public resources in a prudent manner.

Voting on the item

6. As members raised no questions, the Chairman put the item to vote. She considered that the majority of the members voting were in favour of the item. She declared that the Subcommittee agreed to recommend the item to FC for approval. No members requested that the item be voted on separately at the relevant FC meeting.

EC(2018-19)8 Proposed creation of one supernumerary post of Administrative Officer Staff Grade C (D2) in the Home Affairs Department for about five years, with immediate effect upon approval of the Finance Committee up to 31 March 2023 to take forward the review of the Building Management Ordinance (Cap. 344) and related initiatives

7. The Chairman remarked that the staffing proposal was to create one supernumerary post of AOSGC (D2) (designated as "Assistant Director of Home Affairs (5)" ("ADHA(5)")) in the Home Affairs Department ("HAD") for about five years, with immediate effect upon approval of FC up to 31 March 2023 to take forward the review of the Building Management Ordinance (Cap. 344) ("BMO") and related initiatives.

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8. The Chairman pointed out that the Panel on Home Affairs had been consulted by the Administration on the review of BMO at the meeting on 27 November 2017. The Administration advised that it would deploy additional resources to implement the various legislative proposals and administrative measures in relation to BMO. In this connection, the Administration proposed creating the proposed post to undertake such work. The Panel did not object to the Administration's submission of the proposal to ESC for consideration.

Amendments to the Building Management Ordinance

9. Mr Alvin YEUNG and Mr CHAN Chi-chuen expressed support for the creation of the proposed post. They pointed out that as various parties such as owners, owners' corporations ("OCs") and property management companies ("PMCs") had great concern about the scope of the amendments to BMO, they expected that it took some time for the Bill Committee for scrutinizing the amendment bill. Mr CHAN and Dr Fernando CHEUNG also pointed out that if the Administration later submitted other controversial bills (e.g. the National Anthem Bill) to the Legislative Council ("LegCo"), the progress of scrutinizing the relevant amendment bill might be affected.

10. The Chairman, Mr Alvin YEUNG, Mr CHAN Chi-chuen and Dr Fernando CHEUNG were also concerned that if the Administration did not submit the amendment bill to LegCo until 2020, LegCo might not be able to complete the scrutiny work before the election of the next LegCo in 2020. In this connection, they urged the Administration to consider submitting the amendment bill to LegCo by the end of 2019 at the latest. Mr WU Chi-wai and Mr LEUNG Yiu-chung were also of the view that the Administration should submit the amendment bill to LegCo as soon as possible.

11. Under Secretary for Home Affairs ("USHA") said that members' views were noted, and undertook to consult the Department of Justice ("DoJ") on the matter. Dr KWOK Ka-ki and the Chairman requested the Administration to provide supplementary information on the timetable for drafting the amendments to BMO, including consulting with DoJ for submission of the amendment bill to LegCo as early as practicable in 2019.

(Post-meeting note: The information provided by the Administration was circulated to members on 20 July 2018 vide LC Paper No. ESC174/17-18(01).)

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12. Mr KWOK Wai-keung was concerned about the Administration's timetable for reviewing BMO, including whether it would conduct reviews on a regular basis and what the timetable for the next review would be. In addition, he urged the Administration to immediately implement the various administrative support measures on building management (including new support measures having regard to the amendments to BMO) upon the implementation of the proposed amendments to BMO. USHA took note of Mr KWOK's views.

13. On Mr CHAN Chi-chuen's enquiry about whether there was still room for refining the proposed enhancements put forward by the Administration in relation to BMO, USHA replied that the Government had collected views through public consultation and put forward various proposed enhancements in the light of such views, but the Government was willing to continue to hear and follow up members' views.

Responsibilities of the proposed post

14. Mr Gary FAN declared that he was a Sai Kung District Council member and was currently involved in the work of the management committees ("MCs") of OCs. He enquired how the proposed post would deal with the disputes between owners and OCs arising from the daily operation of building management and maintenance before the amendment exercise for BMO. Mr CHAN Chi-chuen and Dr KWOK Ka-ki enquired about the scope of responsibilities of the proposed post and the expected effectiveness of its work.

15. USHA replied that the proposed post would cooperate with DoJ and the relevant departments in drafting the amendments to BMO in the light of the legislative proposals. Given the depth and breadth of the amendments to BMO, as well as the wide implications, it was necessary for the proposed post to maintain close engagement with stakeholders and other government departments during the drafting process. In addition, the proposed post would also be responsible for supporting LegCo's scrutiny of the draft amendment bill, as well as mapping out the framework and strategy for the enforcement of the amendments to BMO.

16. Mr Holden CHOW expressed support for the creation of the proposed post. He pointed out that given the wide scope and implications of the amendments to BMO, the holder of the proposed supernumerary directorate post, who would be responsible for steering the relevant work during his/her five-year term, would have in-depth understanding of and experience in relevant issues. Therefore, he opined that the Administration should consider further retaining the post to support the

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implementation of the various proposals for amending BMO, including how the new requirements would be applicable to OCs and owners' committees ("OComms").

17. Mr Tony TSE declared that he was the Chairperson of the Property Management Services Authority ("PMSA"). He expressed support for the creation of the proposed post and pointed out that the work of property management involved multiple areas, e.g. convening OCs' meetings, building inspection, carrying out repair works, etc. Therefore, he agreed that the holder of the proposed post should possess substantial qualification. He also urged the Administration to create the proposed post as soon as possible so as to expedite the implementation of the amendment bill.

18. USHA noted the views of members and advised that in late 2022, the Administration would review the continued need for the post in the light of the actual workload and progress of the legislative work.

19. Mr James TO and Mr KWOK Wai-keung expressed support for the creation of the proposed post. Given the public concern over the amendments to BMO, they opined that the Administration should create a permanent directorate post, rather than a time-limited supernumerary post, dedicated to promoting various measures for amending BMO and ensuring ongoing implementation of such measures, thereby preventing the relevant parties (e.g. members of MCs) from abusing power in their acts. Mr TO also requested the Administration to give an account on the details of and manpower arrangements for reviewing BMO in the past.

20. USHA responded that to cope with the ever-changing needs and situations in respect of building management, the Government had set up a review committee on BMO in January 2011 to conduct a comprehensive review on BMO. According to the recommendations made by the review committee, HAD conducted a public consultation on the proposed amendments to BMO from November 2014 to February 2015. In addition, the Government briefed the Panel on Home Affairs on the legislative proposals to BMO and the relevant administrative measures in May 2016, March and November 2017. As for the manpower arrangements, HAD had created a supernumerary AOSGC post from 6 January 2012 for three years to undertake the review of BMO as well as the relevant legislative work in relation to the development of a licensing regime for the property management industry. The supernumerary post lapsed in 2015. Given the substantial amount of work involved in amending BMO and the need to address stakeholders' expectation on the implementation timeline, coupled with Assistant Director of Home Affairs

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(4) ("ADHA(4)")'s need to handle the work in relation to the Hotel and Guesthouse Accommodation Ordinance and property management, the Government saw an urgent need for additional directorate support to help steer the amendment of BMO throughout the drafting and implementation process.

Measures supporting building management

Structure of the Liaison Officer grade

21. Mr WU Chi-wai said that Members belonging to the Democratic Party supported the creation of the proposed post, and he requested the Administration to submit the staffing proposal to FC before the end of the current legislative session to take forward the drafting of the amendment bill as soon as possible. He further said that some staff of the Liaison Officer ("LO") grade had relayed that despite their heavy workload, the manpower resource support from HAD was inadequate. He enquired if the proposed post would review the establishment and promotion mechanism of the LO grade to ensure the adequacy of internal resources in support of building management work. The Chairman was also concerned whether the Administration would increase the number of LOs.

22. USHA advised that the Administration would submit the staffing proposal to FC as soon as possible. As for the establishment of the LO grade, eight new LO posts and 10 new Senior LO posts had been created in 2016-2017 and 2018-2019 respectively to provide support for duties related to building management. Subject to the needs and resources, the Administration would consider whether to further increase the number of LOs. He supplemented that staff of the LO grade had an average length of service of 14 years, of which around eight years on average was devoted to handling building management issues. Given the work experience accumulated, LOs should be able to provide appropriate advice to OCs and OComms on building management issues. Separately, to enhance the knowledge of LO grade staff on housing management, HAD was subsidizing five LOs to attend a master degree course on housing management offered by the University of Hong Kong.

Proxy instruments

23. Mr Gary FAN opined that owners' participation in person in the voting of resolutions at an OC general meeting could minimize future disputes. He enquired about the maximum number of owners' proxy instruments a person could hold under the proposed enhancements, as well as how the proposed post could improve the current arrangements for proxy

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instruments, including the measures in place to avoid forging instruments, abusing proxy instruments, etc.

24. USHA replied that the proposed enhancements provided for the maximum number of instruments which could be held by proxies of housing estates of different scales, so as to reduce the possibility of a small number of persons predominating the resolution at a meeting of OC by securing a large number of proxy instruments. These requirements included (a) for buildings with not more than 20 flats, a proxy could hold proxy instrument from one owner; and (b) for buildings with more than 20 flats, a person could hold proxies from not more than 5% of the owners or 50 owners, whichever was the lesser. In other words, for a building with the number of owners exceeding 1 000, a proxy could only hold proxy instruments from a maximum of 50 owners, so as to ensure that no proxy would hold a large number of proxy instruments and dominate any resolutions at OC general meetings. In addition, the proxy had to countersign to declare that the proxy instrument he held was honestly procured from the owner concerned, and that he would truly and accurately vote according to the owner's voting instructions, otherwise he would be criminally liable. The MC Secretary should also display the list of flats with proxy instruments lodged in a prominent place of the building at least 72 hours before the meeting and until seven days after the meeting. MCs should also keep all the proxy instruments and relevant declarations for at least three years.

25. On Mr Gary FAN's further enquiry about whether a random checking mechanism was in place for the aforesaid arrangements, USHA replied that owners needed to monitor MCs' compliance with the aforesaid arrangements on their own.

Criminal sanctions

26. Dr KWOK Ka-ki expressed support for the creation of the proposed post. However, he pointed out that as owners took up the duties of MCs of OCs on a voluntary basis, owners' motivation to take up MC duties might be undermined if they were held criminally liable for the duties. He opined that the Administration should set up a statutory body to oversee maintenance projects, instead of having the projects undertaken by owners and holding owners liable for any liabilities which might arise from maintenance project contracts, especially the projects involving huge maintenance costs. In this connection, Dr KWOK requested the Administration to, before submitting the proposal to FC, explain whether it would consider setting up a central platform to support OCs/OComms in dealing with building management issues including large-scale

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maintenance projects. He said that he would object to the staffing proposal unless the Administration undertook to consider his suggestion. He also requested that the item be voted on separately at the relevant FC meeting.

(Post-meeting note: The information provided by the Administration was circulated to members on 20 July 2018 vide LC Paper No. ESC174/17-18(01).)

27. Mr Gary FAN pointed out that some MCs of OCs failed to perform the duties under BMO or its members acted with wilful negligence or made unreasonable decisions, thereby giving rise to many building management disputes and alleged bid-rigging and causing loss to individual owners. Therefore, he agreed to increasing the criminal sanctions under BMO so as to achieve greater deterrence. He sought details on the relevant penalties, and how it would strike a proper balance between maintaining the deterrent effect of the penalty and not affecting owners' motivation to take up OC duties.

28. Mr CHAN Chi-chuen expressed support for introducing more criminal sanctions in BMO. He noted that the proposed enhancements put forward by the Administration raised the level of penalty for non-compliance with the requirements for proper safekeeping and circulation of minutes of MC/OC meetings, safekeeping of tender documents and keeping all the proxy instruments from the original proposal of a fine at level 2 (\$5,000) to a fine at level 4 (\$25,000). He queried whether the proposed penalty level could achieve adequate deterrence, and was worried that MC members involved in bid-rigging activities might choose to destroy the false proxy instruments as the penalties were too lenient. He proposed that the Administration introduce imprisonment terms apart from increasing the level of penalty.

29. USHA responded that as management of private buildings was the responsibility of the owners, the Government's policy was to assist building owners to discharge their building management responsibilities through multi-pronged measures, including the provision of a legal framework and appropriate support services. The Administration proposed that criminal sanctions be introduced in relation to non-compliance with the requirements for audited accounts, proper safekeeping and circulation of minutes of MC/OC meetings, safekeeping of tender documents, and keeping all the proxy instruments and relevant declarations, etc. He stressed that the proposed enhancements had struck a proper balance between the deterrent effect of the penalty and owners' motivation to take up OC duties. In addition, it might be pleaded as defence if the

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contravention was committed without the consent or connivance of MC members, the Deed of Mutual Covenant ("DMC") Manager and/or PMC, and the party concerned had exercised all such due diligence to prevent the commission of the offence as he ought to have exercised in the circumstances.

Safekeeping and circulation of records

30. Mr Gary FAN enquired how the Administration would resolve the disputes between the old and the new OCs during their handover when the former refused to provide OC documents to the latter. Mr WU Chi-wai was also concerned that some OCs did not comply with the requirements on safekeeping and circulation of records. Mr WU proposed that the Administration follow the practice of the Land Registry ("LR") or the Companies Registry by requiring OCs to submit a copy of each relevant record to HAD so as to facilitate access to the records by owners.

31. USHA reiterated that the Administration proposed that criminal liabilities be imposed on DMC Manager/PMC/MC members under certain circumstances, including the failure to safekeep and circulate such relevant documents as minutes, tender documents and proxy instruments.

32. Noting from the Government's paper that HAD would work with LR to identify the amendments to be made to BMO to enable e-services so as to improve services to members of the public and support the e-Government initiative, Mr Gary FAN requested the Administration to provide the justifications for HAD's need for enhanced information technology ("IT") support, including whether e-services were currently available to members of the public, e.g. e-filing of documents, online inspection and checking of records by members of the public.

33. USHA explained that under the current arrangement, a person could conduct search of OC records at the relevant LR Office in person, and this arrangement could not meet public demand and expectations. Therefore, the Government proposed computerizing such records so that the parties concerned could access the relevant information through an online platform.

34. Mr Gary FAN further enquired whether owners could check proxy instruments through the aforesaid electronic platform, and whether the services stipulated under BMO could be delivered electronically in the coming five years. USHA replied that currently, there were about 40 000 private buildings in Hong Kong, so the data in e-databases were voluminous. The proposed post would be responsible for IT strategy

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formulation, interface with LR and engagement with stakeholders.

Administrative support measures

35. Noting from the Government's paper that the current duties of ADHA(4) included liaising with relevant stakeholders and providing professional advice and services to building owners and residents on building management and OC matters, Ms YUNG Hoi-yan requested the Administration to explain the details of the work, including what such professional bodies were, how the Government supported owners, the scope of advice provided, etc. She also enquired how the proposed post would strengthen the communication with relevant professional bodies.

36. ADHA(4) said that the proposed ADHA(5) post would enhance the communication between relevant stakeholders (e.g. District Councils, the Law Society of Hong Kong, the Hong Kong Institute of Surveyors, etc.), and the Administration had been providing owners and OCs with effective advisory and support services. For instance, HAD worked with the Law Society of Hong Kong in launching the Free Legal Advice Service on Building Management to offer legal advice by appointment free of charge. In addition, since March 2015, HAD in collaboration with the Hong Kong Mediation Centre and the Hong Kong Mediation Council had launched the Free Mediation Service Pilot Scheme for Building Management. Accredited professional mediators were deployed to offer free mediation services to assist the parties concerned in resolving building management disputes through mediation. To further promote mediation services in the community, HAD had regularized the pilot scheme in 2017.

37. ADHA(4) further said that HAD had also set up the Panel of Advisors on Building Management Disputes to help resolve complicated building management disputes. The Panel comprised professionals of different backgrounds (including lawyers, accountants, surveyors and property managers, etc.) with rich experience in building management matters. Upon referral from District Offices, HAD would arrange the Panel to follow up the cases. Information on the relevant service had been uploaded to HAD's website and had been promoted to OCs and owners. If necessary, OCs could also file applications to HAD themselves.

38. Mr LEUNG Yiu-chung noted from the Government's paper that the Administration had been playing the role of a facilitator to encourage and assist owners to form OCs and provide appropriate support. However, to his understanding, HAD very often assigned part-time staff to attend OC meetings, and such staff failed to provide MCs with the necessary advice on building management matters. LOs also lacked the power to resolve

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disputes relating to building management and maintenance. Dr Fernando CHEUNG expressed similar concerns. Mr LEUNG also enquired whether the Administration would review the roles of HAD and LOs with a view to providing owners with more appropriate support in respect of building management. Mr Gary FAN urged the Administration to allocate additional resources to enhance the support for owners and OCs.

39. USHA replied that the Administration's proposed enhancements in relation to BMO involved over 60 legislative amendments and administrative measures covering nine areas, including the procurement and large-scale maintenance projects, proxy instruments, non-performance of MCs, powers of the Authority (i.e. the Secretary for Home Affairs), and criminal sanctions, etc. Apart from amending BMO, HAD had implemented a number of administrative support measures to assist owners in participating in building management affairs. For instance, the Pilot Scheme on Advisory Services to Owners' Corporations was launched in May 2018. Under the scheme, HAD had engaged a PMC to provide eligible OCs with free advisory services and advice on procedural matters for conducting OC general meetings (including before and after the meetings). Furthermore, the Administration had also launched the "AP Easy" Building Maintenance Advisory Service Scheme, which received more than 100 applications in total. USHA reiterated that the proposed enhancements for amending BMO sought to strengthen the regulation in the light of the actual operational needs.

40. Noting from the Government's paper that HAD had launched the pilot Building Management Dispute Resolution Service ("BMDRS") and the Advisory Services to OCs, Mr Alvin YEUNG requested the Administration to give an account of the implementation progress of the two pilot schemes, including feedback from owners and OCs regarding their participation in the schemes, the rotational service timetable, details of the assistance sought by the public under the Advisory Services to OCs, as well as the specific work targets for BMDRS.

41. USHA said that HAD launched the pilot BMDRS in April 2018 to provide parties in building management disputes with an effective and efficient way to resolve their disputes. BMDRS was steered by a retired judge/judicial officer with relevant experience in dealing with building management cases. So far, four cases were being handled under the scheme. ADHA(4) supplemented that parties in dispute had to accept the appointment of the Convenor and the mediator(s) by HAD to mediate the building management dispute between them. Upon receipt of their agreement to use BMDRS, HAD would provide the service as soon as possible. HAD expected that the aforesaid service would normally be

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completed within three months of the first intake interview/meeting.

42. As for the Advisory Services to OCs, ADHA(4) advised that the scheme was to enhance support for OCs. So far, HAD had received more than 60 applications. Under the pilot scheme, HAD had engaged a PMC to provide OCs with assistance in tackling building management matters in accordance with BMO, relevant Codes of Practice and guidelines, in addition to advising on procedural matters for conducting OC general meetings. Mr Alvin YEUNG requested the Administration to provide supplementary information setting out the details on the staffing arrangements and services PMC.

(Post-meeting note: The information provided by the Administration was circulated to members on 20 July 2018 vide LC Paper No. ESC174/17-18(01).)

43. On Mr Alvin YEUNG's further enquiries on whether PMC had managed other housing estates and how to prevent potential conflicts of interest, ADHA(4) responded that PMC was currently managing other housing estates. The Administration requested the company and its staff to act with integrity in providing OCs with professional services.

44. Dr Fernando CHEUNG welcomed the Administration implementing the pilot BMDRS and the Advisory Services to OCs. He enquired whether the Administration would provide legal advice to owners and OCs refusing to settle disputes. Separately, given that dispute cases on building management had been increasing in terms of number and complexity, Dr CHEUNG suggested that the Administration further expand the scope and scale of the Advisory Services to OCs to provide advisory services to OCs all over Hong Kong.

45. USHA said that in addition to the aforesaid two pilot schemes, HAD had also launched the Pre-Meeting Advisory Service for OCs. Experienced LOs would provide advice on procedural matters for newly formed OCs, MCs of OCs of a new term, and before OC general meetings with expected items in dispute. The service was well received.

46. Mr Holden CHOW pointed out that the Mediation Ordinance (Cap. 620), which came into operation on 1 January 2013, sought to promote, encourage and facilitate the resolution of disputes by mediation. He enquired whether the Administration would allocate additional resources to encourage OCs and owners to resolve building management disputes through mediation, thereby reducing the number of litigation cases and the relevant costs.

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47. USHA responded that in March 2015, HAD joined with the Hong Kong Mediation Centre and the Hong Kong Mediation Council to implement the "Free Mediation Service Scheme for Building Management" to help the parties resolve their disputes over building management through mediation. Since the launch of the Scheme, a number of cases had been settled successfully. In addition, in order to allow LOs to discharge their building management duties more effectively, HAD would proactively provide training for them on a regular and need basis, and encourage them to participate in professional mediator courses and workshops so as to enhance their capabilities in handling building management disputes effectively.

Publicity and education

48. Mr Gary FAN pointed out that many OCs did not understand the Administration's proposed enhancements for amending BMO and a number of administrative support measures it implemented. In this connection, he urged the Administration to step up public education efforts and publicity measures. USHA acknowledged the importance of publicity and education in promoting different parties' compliance with the requirements, and undertook that the Administration would step up these publicity efforts.

Monitoring on property management companies

49. The Chairman was concerned that some PMCs acted in a biased manner and enquired how the Administration would ensure PMCs' fairness in handling building management work through amending BMO.

50. USHA responded that the Property Management Services Ordinance (Cap. 626) would promote the integrity of the property management service industry and enhance its service quality through a licensing system. According to the Property Management Services Ordinance, PMSA would issue codes of conduct to licensees, as well as conduct investigations into the complaints against licensees and take disciplinary actions.

51. Mr KWOK Wai-keung enquired whether the proposed post would strengthen its communication with PMSA so as to assist in OCs' management and monitor the operation of PMCs. USHA replied that the proposed post would liaise with different stakeholders, including PMSA, DoJ, relevant departments, LegCo Members, PMCs, OCs/OComms, to listen to their views.

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Voting on the item

52. The Chairman put the item to vote. At the request of Mr CHAN Chi-chuen, the Chairman ordered a division, and the division bell rang for five minutes. Twenty-three members voted for the item and no members against it. The Chairman declared that the Subcommittee agreed to recommend the creation of the post to FC for approval. The votes of individual members were as follows:

For

Mr WONG Ting-kwong	Dr Priscilla LEUNG
Mr WONG Kwok-kin	Mr WU Chi-wai
Mr Charles Peter MOK	Mr CHAN Chi-chuen
Mr KWOK Wai-keung	Dr Fernando CHEUNG
Mr IP Kin-yuen	Dr Elizabeth QUAT
Mr Martin LIAO	Mr POON Siu-ping
Dr CHIANG Lai-wan	Ir Dr LO Wai-kwok
Mr Alvin YEUNG	Mr CHU Hoi-dick
Mr HO Kai-ming	Mr Holden CHOW
Ms YUNG Hoi-yan	Dr Pierre CHAN
Mr CHAN Chun-ying	Mr Gary FAN
Mr Tony TSE	
(23 members)	

53. The Chairman said that Dr KWOK Ka-ki had requested that the item be voted on separately at the relevant FC meeting.

(At 4:24 pm, the Chairman declared that the meeting be suspended for five minutes. The meeting resumed at 4:31 pm.)

EC(2018-19)9

Proposed creation of one permanent post of Administrative Officer Staff Grade C (AOSGC) (D2) for leading the Countryside Conservation Office, formulating nature conservation policy and supervising the relevant work; and regrading of one permanent post of AOSGC (D2) to one Assistant Director of Environmental Protection (D2) for specifically pursuing food waste management strategies and overseeing the construction and planning of waste recycling infrastructure in the Environmental Protection Department with immediate effect upon approval

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by the Finance Committee

54. The Chairman remarked that the staffing proposal was to create one permanent post of AOSGC (D2) (designated as "Assistant Director (Nature Conservation)") for leading the Countryside Conservation Office ("CCO"), formulating nature conservation policy and supervising the relevant work; and to regrade one permanent post of AOSGC (D2) to one Assistant Director of Environmental Protection (D2) (designated as "Assistant Director (Waste Infrastructure Planning)") for specifically pursuing food waste management strategies and overseeing the construction and planning of waste recycling infrastructure in the Environmental Protection Department ("EPD") with immediate effect upon approval by FC.

55. The Chairman pointed out that the Administration had consulted the Panel on Environmental Affairs on the staffing proposal on 19 December 2017. Panel members supported the submission of the proposal to ESC for consideration. During the discussion, the Panel members expressed concern about the following issues: (a) how CCO would enhance collaboration with the rural community and the non-governmental organizations ("NGOs") so as to facilitate village revitalization; (b) whether the conservation work of CCO would only be confined to sites with significant ecological or conservation value; (c) the procedures for vetting conservation and revitalization projects and the criteria adopted; and (d) whether the resources and responsibilities of CCO would overlap with those of other government departments (especially the Agriculture, Fisheries and Conservation Department ("AFCD")). At the request of members, the Administration had provided information on how CCO would coordinate with various bureaux and departments to strengthen rural conservation efforts, as well as the collaboration with other funding schemes in the paper submitted to ESC (paragraph 8 of EC(2018-19)9).

Manpower arrangements for the Countryside Conservation Office

56. Mr Tony TSE noted from Enclosure 2 to the Government's paper that the Works Branch Section of CCO would be responsible for designing, constructing and monitoring of various minor works, and the proposed non-directorate professional posts included Town Planner, Architect, Engineer, Landscape Architect, Forestry Officer, Environmental Protection Officer, etc. Quoting the substantial cost of the construction of a cycle parking area at Yung Shue Wan Ferry Pier, Lamma Island as an example, he proposed that the Administration create a post of Surveyor in CCO for preparing project cost estimates and conducting valuation for issues relating to land administration. He also enquired whether the Administration had consulted professional grade departments about the

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manpower arrangements for CCO.

57. Deputy Director of Environmental Protection (2) ("DDEP(2)") replied that the Government had earmarked \$1 billion for the conservation and revitalization efforts as well as minor improvement works in remote countryside. CCO planned that half of the funding earmarked (i.e. \$500 million) would be dedicated to funding the relevant conservation efforts as well as supporting NGOs and villagers to organize diverse and innovative conservation activities or projects based on an interactive and cooperative approach, and that the remaining provision of \$500 million would be spent on minor improvement works in remote countryside, and priority would be given to the areas with conservation value. The Government would create non-directorate professional posts in accordance with operational needs to carry out effective coordination, planning, execution and supervision of various initiatives. DDEP(2) pointed out that CCO would maintain close liaison with the relevant professional grade departments to seek the necessary professional advice, and would review manpower needs from time to time to create suitable professional posts subject to operational needs.

Work of the Countryside Conservation Office

Sites on the periphery of country parks

58. Mr CHAN Chi-chuen enquired whether the proposed post would be responsible for supervising policy research in relation to sites on the periphery of country parks, including reviewing whether some of the country park sites could be regarded as a source of land supply. Mr CHAN further enquired about the roles played by the Environment Bureau and EPD in respect of country park conservation, as in the scenario where, for example, some NGOs suggested carrying out conservation work on the periphery of country parks deemed suitable for housing development by the Hong Kong Housing Society ("HKHS").

59. DDEP(2) advised that the Government was committed to enhancing the quality and quantity in respect of ecological conservation and country parks. In relation to any proposals involving the development of country park sites, DDEP(2) advised that they had to be studied and assessed in accordance with all relevant legislation and procedures (including the required procedures under the Environmental Impact Assessment Ordinance) regardless of the site area involved. The proposed post would help monitor whether the proposals concerned had followed the procedures under relevant legislation.

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Conservation of sites of high ecological importance

60. Mr HUI Chi-fung enquired whether CCO, apart from coordinating the two pilot schemes of countryside revitalization at Lai Chi Wo and Sha Lo Tung, would review the legislation relating to land use and put forward proposed amendments (including studies on carrying out non-in-situ land exchange at Nam Sang Wai); and amend the Wild Animals Protection Ordinance (Cap. 170) to further protect the Deep Bay Ramsar Site. He opined that CCO should conduct public consultation on sites requiring enhanced conservation. Mr HUI also proposed that the Administration consider inviting the Intangible Cultural Heritage Office to participate in the relevant work with a view to promoting the culture of walled villages, folk traditions, etc.

61. DDEP(2) replied that CCO would devise future specific work plans and projects upon establishment, and would in this regard draw reference from the approach adopted under the Nature Conservation Management Agreement ("MA") Scheme of the Environment and Conservation Fund ("ECF") to encourage the collaborative participation of landowners, NGOs and the private sector for the long-term conservation and revitalization of the areas by providing financial incentives. She advised that the proposed post would formulate and oversee the implementation of policies relating to nature conservation including conservation of biological diversity, protection of major habitats and protection of endangered species. As for identifying suitable conservation areas, CCO would consult the proposed advisory committee ("AC").

62. Mr Gary FAN pointed out that although Nam Sang Wai was of high ecological importance, a proper conservation scheme had not been put in place. Quite a number of fires had broken out at Nam Sang Wai over the past few years, indicating the inadequacy in the Administration's policies and initiatives in respect of conservation of sites with high ecological value. He enquired about the definition of "cultural resources" and how the conservation value of Nam Sang Wai would be assessed from the prospective of "cultural resources". Mr FAN urged the Administration to accord priority to considering conducting conservation work at Nam Sang Wai. Mr CHU Hoi-dick opined that the Administration should take the initiative to liaise with landowners and NGOs to explore the inclusion of the Nam Sang Wai site into the MA Scheme for enhanced conservation.

63. DDEP(2) responded that "cultural resources" comprised traditions and history. The Government selected 12 priority sites for enhanced conservation, among which the "Deep Bay Wetland outside Ramsar Site"

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ranked ninth in terms of ecological value , and Nam Sang Wai was included therein. ECF was sponsoring the MA Schemes for areas surrounding the Ramsar Site and the wetland in Inner Deep Bay for the conservation of fish ponds. She said that AFCD would continue to closely monitor the situation of Nam Sang Wai. In regard to the conservation and revitalization work, CCO would coordinate collaboration of the government departments concerned, and would keep under review the implementation of these policies and initiatives as well as their effectiveness from time to time.

64. Dr Fernando CHEUNG was concerned whether the Administration's initiatives could fully conserve privately owned sites of high ecological importance. DDEP(2) advised that taking into account conservation needs, cultural resources and district integrity, CCO would explore and examine the key remote countryside areas to be covered by the initiatives. As for the \$500 million earmarked for minor improvement works in remote countryside, CCO would accord priority to the areas with conservation value.

Conservation and revitalization efforts

65. Dr KWOK Ka-ki was of the view that the Administration's policies on development and conservation contradicted with each other. He pointed out that the various major infrastructure projects had resulted in a drastic decrease in the number of Chinese White Dolphins ("CWDs") within the Hong Kong waters. He expressed grave concern whether the proposed new marine park could address public concern over conservation of CWDs. In addition, as some nature reserves had been illegally filled up, he criticized the Administration's ineffective law enforcement against such problem. He was also dissatisfied with the Administration's invitation of HKHS to commence the studies on land on the periphery of country parks. Dr KWOK queried the effectiveness of the proposed post in implementing conservation initiatives. In this connection, he requested the Administration to provide information on the details of the work on nature conservation over the past five years, and the details of the work to be implemented by the proposed post in the coming five years (including listing the proposed areas of conservation and the wildlife species to be protected).

66. DDEP(2) explained that the proposed new marine park would promote the recovery of fisheries resources and provide a habitat for CWDs. At the request of Dr KWOK Ka-ki, the Administration undertook to include information in the paper to be submitted to FC subsequently on the details of the Administration's implementation of the work on nature

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conservation in the past and in the future.

(Post-meeting note: The information provided by the Administration was circulated to members on 12 July 2018 vide LC Paper No. ESC171/17-18(01).)

67. Mr Holden CHOW noted that the work of CCO included promoting sustainable economic activities such as eco-tourism in remote countryside. He pointed out that there was currently only one emergency access for vehicular traffic at a village cluster on Lantau Island known as "Three Villages" without sufficient and formal road infrastructure. He urged CCO to coordinate various government departments in constructing road infrastructure at "Three Villages" as soon as possible.

68. Mr CHU Hoi-dick held a different view. He was concerned that some community stakeholders might seek profits by revitalizing the village environment through countryside conservation projects. He urged the Administration to draw reference from the Financial Assistance for Maintenance Scheme for graded historic buildings provided by the Commissioner for Heritage's Office to set out certain conditions and restrictions for infrastructure enhancements in countryside areas (e.g. restricting the number of small houses to be built, prohibiting fly-tipping of construction waste by community stakeholders in the areas concerned, etc.), so as to achieve effective conservation.

69. Mr Gary FAN enquired how the proposed post would ensure that areas of high ecological value would not be damaged by the minor improvement works carried out for promoting eco-tourism.

70. DDEP(2) advised that where circumstances permitted, the rich natural and cultural resources in remote countryside would be utilized by CCO for planning some "in-depth" travel focusing on the ecological conservation, geological exploration and cultural experience. The projects for implementation as proposed by project proponents had to comply with the relevant policy principles and objectives. Although improving traffic infrastructure in remote countryside was not among CCO's objectives and scope of work, EPD would coordinate with HAD to follow up the case provided by Mr Holden CHOW. In response to Mr CHU Hoi-dick's further question, DDEP(2) explained that CCO would refer to the successful examples of conservation projects in studying the feasibility of imposing conditions and restrictions on countryside revitalization.

71. Mr HUI Chi-fung opined that the Rural Public Works Programme ("RPWP") implemented by HAD was broadly in line with the minor

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improvement works carried out by CCO in remote countryside in terms of nature and coverage. He enquired about the uses of the \$500 million earmarked, as well as how CCO would vet the applications for relevant works projects. Mr CHU Hoi-dick asked why countryside conservation was not included within the scope of ECF funding schemes.

72. DDEP(2) advised that CCO provided an integrated and dedicated mechanism with resources for the conservation and sustainable development of remote countryside in the long run, with a view to preserving the natural environment. The nature of minor improvement works was different from that of HAD's RPWP. The former was to promote sustainable development of remote countryside, while the latter was mainly to improve the infrastructure and living environment of the rural areas. She stressed that CCO would maintain close liaison with various government departments, including HAD, to avoid duplication of work. As an example, she said that it was more appropriate for CCO to be responsible for the development of boardwalks at Sha Lo Tung, so as to prevent damage to the unique habitats of Sha Lo Tung and progressively restore the original freshwater wetland and ecosystems.

73. Mr CHU Hoi-dick was concerned about the funding progress of the \$500 million earmarked for minor improvement works and enquired whether the Administration would seek funding from LegCo for relevant approved projects/new projects in the future.

74. DDEP(2) replied that, generally speaking, as for a public works programme required to be upgraded to Category A and involving more than \$30 million, the Government would have to submit the funding proposal in relation to the works project for discussion by a panel and the Public Works Subcommittee and for consideration by FC. Funding for these minor works would be sought by CCO according to the established procedures. The \$500 million earmarked for conservation projects separately had been included in the 2018-2019 Budget and had been passed by LegCo on 10 May 2018.

Remote areas in the countryside

75. Mr CHAN Chi-chuen requested the Administration to elaborate on the definition of "remote countryside". DDEP(2) responded that remote countryside areas generally referred to places which were farther away from cities. As announced by the then Chief Executive in the 2017 Policy Address, CCO would organize diversified and innovative activities, including giving priority to enhancing countryside revitalization in Lai Chi Wo, and implementing an ecological conservation project in Sha Lo Tung,

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etc. CCO would keep under review the implementation of these initiatives and their effectiveness from time to time, and would extend the initiatives progressively to other remote countryside areas with conservation value in the light of the experience gained from the two pilot schemes and stakeholders' views, etc.

76. Mr CHU Hoi-dick was of the view that the Administration should redefine "remote countryside". Citing the examples of such areas as Pui O, Tong Fuk and Shui Hau in the south coast of Lantau, he pointed out that these areas were rich in ecological resources and wetland habitats but were subject to development threat and imminent destruction. Mr CHU enquired whether CCO would give priority to conservation and revitalization of the sites which were void of visitors (e.g. So Lo Pun or the desolate villages in country park enclaves), or rehabilitate the existing architectural environment in the countryside. He further enquired whether the villagers in remote countryside (e.g. Pui O) could apply to CCO for funding if they were willing to interact and cooperate with NGOs, and about the maximum amount of compensation/funding they could obtain.

77. DDEP(2) said that when examining applications on the relevant conservation and revitalization projects submitted by NGOs, the proposed AC would take the wishes of villagers and community stakeholders as one of the major considerations. The funding ceiling would vary with the scales of individual countryside conservation initiatives and improvement works. CCO would consult AC on the criteria adopted in assessing the relevant funding applications.

78. Mr Gary FAN enquired about the timetable for the Administration's plan of extending CCO's initiatives to other remote countryside areas, as well as the criteria used in drawing up priorities for conservation work. He was concerned how the Administration would consult and collect the views from green groups when planning for the conservation work for remote countryside areas.

79. DDEP(2) explained that the proposed AC, upon its establishment in 2018-2019, would proactively collect the views from different stakeholders and review the priorities for the conservation and revitalization work carried out by CCO. Furthermore, in 2018-2019, the Government sought to formulate specific conservation plans for countryside revitalization in Lai Chi Wo and Sha Lo Tung and consult community stakeholders. She said that the Government kept an open mind towards various proposals and was willing to explore their feasibilities.

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Work and functions of Assistant Director (Waste Infrastructure Planning)

80. Mr HUI Chi-fung noted that the existing Assistant Director (Nature Conservation & Infrastructure Planning) post would be regraded to a departmental professional grade post. He enquired about the name of the professional grade. He was also concerned whether the proposed post could achieve the expected effectiveness in respect of pursuing food waste management strategies and overseeing the construction and planning of waste recycling infrastructure. In this connection, Mr HUI requested the Administration to give an account of the specific work details of the proposed post.

81. DDEP(2) responded that the proposed post holder would be a personnel from the professional Environmental Protection Officer grade responsible for food waste recovery, yard waste, the integrated waste management facilities and the organic waste treatment facilities ("OWTF"), as well as the long-term strategic planning studies for sustainable environmental infrastructure facilities. These facilities included waste treatment and transfer facilities, waste recovery and recycling facilities. A new food waste recycling group would be set up under the professional grade Assistant Director ("AD") to introduce source separation and recycling of food waste and explore the formulation of new control measures, such as studying the implementation of a mandatory food waste source separation scheme for commercial and industrial institutions which produced a large amount of food waste. She pointed out that at present, there were rapid developments in the construction of the integrated waste management facilities and OWTF as well as the implementation of food waste management strategies. For instance, OWTF Phase 1 would be commissioned within 2018, and both the public works funding proposal for OWTF Phase 2 and selection of consultant for the preliminary study on OWTF Phase 3 were ongoing. The construction works for the Leachate Pre-treatment Works to be developed at the Tai Po Sewage Treatment Works under the Food Waste/Sewage Sludge Anaerobic Co-digestion Trial Scheme had also commenced, whereas the design and construction work for the integrated waste management facilities had also entered a critical stage. A professional grade AD was required to closely monitor the progress of these various environmental infrastructure projects.

Voting on the item

82. The Chairman put the item to vote. At the request of members, the Chairman ordered a division, and the division bell rang for five minutes. Nineteen members voted for the item and three abstained from

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voting. The Chairman declared that the Subcommittee agreed to recommend the item to FC for approval. The votes of individual members were as follows:

For

Mr James TO	Mr WONG Ting-kwong
Dr Priscilla LEUNG	Mr WONG Kwok-kin
Mr WU Chi-wai	Mr Charles Peter MOK
Mr KWOK Wai-keung	Dr Elizabeth QUAT
Mr POON Siu-ping	Mr Alvin YEUNG
Mr HO Kai-ming	Mr Holden CHOW
Mr SHIU Ka-fai	Ms YUNG Hoi-yan
Dr Pierre CHAN	Mr CHAN Chun-ying
Mr Jeremy TAM	Mr Gary FAN
Mr Tony TSE	
(19 members)	

Abstain

Mr CHAN Chi-chuen	Dr Fernando CHEUNG
Mr CHU Hoi-dick	
(3 members)	

83. Mr Gary FAN requested that the item be voted on separately at the relevant FC meeting.

(Post-meeting note: After the meeting, Dr KWOK Ka-ki informed the Secretariat by letter of his request for the item to be voted on separately at the relevant FC meeting.)

EC(2018-19)12 Proposed creation of two permanent posts of one Principal Government Engineer (D3) with immediate effect upon approval of the Finance Committee (FC) and one Government Engineer (D2) with effect from 1 April 2019 upon the lapse of a supernumerary post of the same rank in the Works Branch of the Development Bureau ("DEVB(WB)"); redeployment of three directorate posts of one Government Engineer (D2), one Chief Architect (D1) and one Chief Geotechnical Engineer (D1) within DEVB(WB) with immediate effect upon approval of the FC to cope with the workload of new and on-going initiatives; and creation of two supernumerary

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posts of one Administrative Officer Staff Grade C (D2) and one Chief Engineer (D1) for a period of three years with immediate effect upon approval of FC in the Water Supplies Department to take forward the new drinking water safety initiatives

84. The Chairman remarked that the staffing proposal was to: (a) create two permanent posts of one Principal Government Engineer ("PGE") (D3) with immediate effect upon approval of FC and one Government Engineer (D2) with effect from 1 April 2019 upon the lapse of a supernumerary post of the same rank in the Works Branch of the Development Bureau ("DEVB(WB)"); redeploy three directorate posts of one Government Engineer (D2), one Chief Architect (D1) and one Chief Geotechnical Engineer (D1) within DEVB(WB) with immediate effect upon approval of FC to cope with the workload of new and ongoing initiatives; and (b) create two supernumerary posts of one AOSGC (D2) and one Chief Engineer (D1) for a period of three years with immediate effect upon approval of FC in the Water Supplies Department ("WSD") to take forward the new drinking water safety initiatives.

85. The Chairman pointed out that the Administration consulted the Panel on Development on the staffing proposal on 28 November 2017. Members of the Panel generally supported the Administration's submission of the proposal to ESC for consideration. Individual members raised the following concerns and views: (a) regarding DEVB's plan to set up a dedicated team in DEVB(WB), which would be headed by the holder of the PGE post proposed to be created, to monitor the work of WSD over drinking water safety issues, some members considered that the monitoring of WSD's work by DEVB officers would lead to potential role conflict, and they were concerned whether the dedicated team could maintain independence and impartiality; (b) WSD should ensure that its internal governance and operations could be effectively enhanced through creating the two proposed supernumerary directorate posts to head the new Special Duty Unit ("SDU"); (c) some members suggested that the Administration should, with a view to enhancing drinking water safety, consider upgrading the existing post of Chief Waterworks Chemist (D1) to D2 level, and deploying more engineering grade staff to support the relevant work; whilst the continuous professional training of licensed plumbers and plumbing workers should also be strengthened. The Administration had responded to enquiries raised by the members at the meeting and provided supplementary information afterwards, which was circulated to all Members vide LC Paper No. CB(1)356/17-18(01).

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Action Plan for Enhancing Drinking Water Safety in Hong Kong

86. Mr CHAN Chi-chuen supported the proposed creation of posts. Noting that the Administration had formulated the Action Plan for Enhancing Drinking Water Safety in Hong Kong ("the Action Plan") with a view to safeguarding the drinking water quality in Hong Kong, he enquired about the details of the Action Plan, including the existing drinking water standards in Hong Kong and the benchmarks set by the authorities for enhancing water quality.

87. Permanent Secretary for Development (Works) ("PSD/W") replied that after the "excess lead in drinking water" incident in 2015, DEVB and WSD had spared no effort in taking follow-up actions on the recommendations of the Commission of Inquiry into Excess Lead Found in Drinking Water, including the formulation of the Action Plan which was announced on 21 September 2017. The Action Plan comprised five components, i.e. "drinking water standards and enhanced water quality monitoring programme", "plumbing material control and commissioning requirements for new plumbing installations", "Water Safety Plans" ("WSP"), "water safety regulatory regime" as well as "publicity and public education".

88. PSD/W further advised that the Government had adopted Guideline Values/Provisional Guideline Values of the World Health Organization's Guidelines for Drinking-water Quality as the drinking water standards in Hong Kong. Moreover, WSD had enhanced the current programme for monitoring the drinking water quality in the territory. Commencing from December 2017, WSD randomly collected drinking water samples at consumers' taps for testing. The water samples collected would be tested for six metals (viz. lead, cadmium, chromium, nickel, copper and antimony) which could be present in the internal plumbing system. As water quality from consumers' taps would be affected by the construction as well as the subsequent operation and maintenance of their internal plumbing systems, the Action Plan thus included: strengthening the regulatory control of plumbing materials, reviewing legislation to explore the introduction of a registration regime for relevant parties involved in the design and construction of the inside services as well as their involvements and responsibilities, and tightening up the commissioning requirements for new plumbing installations. In addition, the Action Plan would promote the implementation of WSP for Buildings to building owners and property management agents for assessing the contamination risks of their water supply facilities through a systematic approach and implementing control measures correspondingly, so as to enhance drinking water safety.

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Proposed creation of two supernumerary directorate posts to head the new Special Duty Unit in the Water Supplies Department

89. Mr CHAN Chi-chuen noted from paragraph 30 of the Government's paper that the Administration expected that some of the project-oriented tasks would be completed in three years' time while other tasks which were more permanent in nature could continue to be housed under SDU or other branches of WSD afterwards, hence the initial recommendation for the proposed posts to be time-limited for three years. He enquired whether the Administration could commit that the creation of the two proposed posts would ensure that the various tasks under the Action Plan could be taken forward smoothly within three years, including completing the review of the Waterworks Ordinance (Cap. 102) and the Waterworks Regulations (Cap. 102A).

90. PSD/W remarked that implementing the Action Plan to enhance the drinking water safety in Hong Kong entailed a great deal of work to be carried out in a short period of time in WSD. He advised that he could not commit that the Administration could complete the implementation of the various tasks under the Action Plan within three years. That said, the holders of the proposed posts would be responsible for steering the relevant work and supporting the Director of Water Supplies to take forward the Action Plan in the most effective and efficient manner. Under the current proposal, the directorate structure of SDU would be time-limited for three years initially. Notwithstanding this, the Administration would review and work out in due course the future arrangement of SDU taking into account the actual operational experience and its duties. Moreover, the Administration would submit an interim review report to LegCo setting out the work progress of the Action Plan.

Creation of a permanent post of Principal Government Engineer in the Works Branch of the Development Bureau

91. Mr Holden CHOW and Mr Gary FAN were concerned about the extensive scope of work to be handled by the proposed post and its projected heavy workload. They asked how the Administration could ensure that the holder of the proposed post could discharge the various duties effectively. Mr FAN opined that the Administration should seriously review the workload of the proposed post for proper distribution of work.

92. PSD/W responded that the proposed post would be responsible for overseeing/performing duties including (a) formulating and implementing

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procurement policies for works contracts and consultancies; (b) serving as a board member of the Central Tender Board, the Engineering and Associated Consultants Selection Board and the Architectural and Associated Consultants Selection Board; (c) devising policies to assist the local professional establishments (including both consultants and private small practitioners) and contractors to seize job opportunities outside Hong Kong; (d) devising and implementing policies relating to lift and escalator safety; and (e) assisting PSD/W in directing, coordinating and determining the need for supporting services to the Works Group of Departments as well as housekeeping the Electrical and Mechanical Services Department.

93. PSD/W further advised that Hong Kong was facing shortage of labour and an aging workforce. With a view to promoting the sustainable development of Hong Kong's construction industry, the Government had proposed to set up a \$1 billion Construction Innovation and Technology Fund ("the Fund") in the 2018-2019 Budget. DEVB would seek funding for the proposed establishment of the Fund from LegCo in the future. Since the existing directorate officers in DEVB(WB) had already been fully engaged in their duties with Deputy Secretary (Works) 1 ("DS(W)1") and Deputy Secretary (Works) 2 ("DS(W)2") being stretched beyond their limits, the Administration considered that there was a need to rationalize the workload distribution of the two works policies divisions by creating a permanent directorate post to take over part of the work under the existing portfolio of DS(W)1 and DS(W)2.

Supply of treated water to remote villages

94. Dr Elizabeth QUAT was concerned that there was no access to treated water supply in some remote villages (such as Mui Tsz Lam Village in Ma On Shan), thereby affecting the daily lives of the residents. The residents of those villages could only get fresh water from storage cisterns in the villages and the hillside streams nearby. The water quality was prone to contamination while the water sources might become exhausted or scarce on the heel of very hot weather. Dr QUAT considered that the Administration was duty-bound to provide all residents with safe water supply across the territory (including remote villages). She was disappointed that no progress had been made despite the Administration having followed it up for years. She asked whether the holders of the proposed posts would be tasked to study the provision of treated water supply to remote villages, and urged the Administration to construct a treated water supply system for Mui Tsz Lam Village as soon as possible.

95. Mr Holden CHOW expressed a similar view and pointed out that the District Council had put forward to the Administration for many years

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the request of providing treated water supply to Tai Long Village and Nim Shue Wan Village on Lantau Island to meet the needs of the villagers.

96. PSD/W replied that the proposed creation of posts was not directly related to the improvement of treated water supply to remote villages. Nevertheless, the Administration had all along been mindful of the water supply to these remote villages (including their existing water sources and quality) and conducted review regularly. Various factors would be taken into account in the review, including the cost effectiveness of providing treated water supply. He said that the Administration was currently studying the options of providing treated water supply to Mui Tsz Lam Village and it would consult the District Council on a recommended option in due course.

Voting on the item

97. The Chairman put the item to vote. At the request of Mr Gary FAN, the Chairman ordered a division, and the division bell rang for five minutes. Nineteen members voted for the item and no members expressed objection. The Chairman declared that the Subcommittee agreed to recommend the item to FC for approval. The votes of individual members were as follows:

For

Mr WONG Ting-kwong	Dr Priscilla LEUNG
Mr Charles Peter MOK	Mr CHAN Chi-chuen
Mr KWOK Wai-keung	Dr Fernando CHEUNG
Dr Elizabeth QUAT	Mr POON Siu-ping
Mr Alvin YEUNG	Mr CHU Hoi-dick
Mr HO Kai-ming	Mr Holden CHOW
Mr SHIU Ka-chun	Ms YUNG Hoi-yan
Dr Pierre CHAN	Mr CHAN Chun-ying
Mr Jeremy TAM	Mr Gary FAN
Mr Tony TSE	
(19 members)	

98. No members requested that the item be voted on separately at the relevant FC meeting.

(Post-meeting note: After the meeting, Dr KWOK Ka-ki informed the Secretariat by letter of his request for the item to be voted on separately at the relevant FC meeting.)

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EC(2018-19)14 Proposed creation of two permanent posts of one Government Engineer (D2) and one Chief Engineer (D1) in the Civil Engineering and Development Department with immediate effect upon approval of the Finance Committee to take forward and manage technical studies, and site formation and infrastructure works associated with public housing developments on a long-term basis

99. The Chairman remarked that the staffing proposal was to create two permanent posts of one Government Engineer (D2) and one Chief Engineer (D1) in the Civil Engineering and Development Department ("CEDD") with immediate effect upon approval of FC to take forward and manage technical studies, and site formation and infrastructure works associated with public housing developments on a long-term basis.

100. The Chairman pointed out that the Administration consulted the Panel on Housing on the staffing proposal on 9 January 2018. Members of the Panel supported the Administration's submission of the proposal to ESC for consideration. Some members were concerned whether sufficient supporting staff would be available to tie in with the creation of the two proposed posts. Some members also asked about the division of responsibilities between the Housing Department and CEDD in the delivery of public housing projects after the creation of the two posts, and whether the holders of the posts would be responsible for carrying out district consultations for public housing development projects. The Administration had responded to the above at the meeting.

Setting up a new Housing Branch under the Civil Engineering Office

101. Regarding the setting up of a new Housing Branch under the Civil Engineering Office ("CEO") of CEDD, Mr CHAN Chi-chuen enquired whether the Administration would add a new programme under "Head 33 - Civil Engineering and Development Department" in the Controlling Officer's Report of the 2019-2020 Estimates of Expenditure, say "Programme (9) Housing"; if so, he enquired about the specific targets and benchmarks for evaluating the work performance of the new Housing Branch.

102. Deputy Director of Civil Engineering and Development Department ("DDCED") replied that the capacity of the two deputy directors of CEO had been over-stretched and they had no spare capacity to provide adequate

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and appropriate steer to all ongoing and upcoming public housing development projects. Therefore, the Government considered it necessary to create a permanent directorate post (designated as "Deputy Head of Civil Engineering Office (Housing)" ("DH(H)")) to oversee development projects under the long-term public housing supply. In addition, the scope and complexity of the duties of the proposed posts rendered it difficult for CEDD to quantify their work performance, so CEDD considered it inappropriate to draw up work benchmarks for the proposed posts. On the other hand, creating the two proposed posts involved conducting technical studies at existing and new sites and implementation of site formation and infrastructure works in support of public housing developments, which were similar to the current ambit of CEDD. Hence, the Government had no plans to add a new programme for the proposed new Housing Branch in the Controlling Officer's Report of the Estimates of Expenditure.

103. Noting that CEDD had paid on-cost amounting to \$81 million to the Hong Kong Housing Authority ("HA") in respect of the site formation and infrastructure works for public housing developments at Chung Nga Road and Area 9, Tai Po, Mr CHAN Chi-chuen asked whether the proposed Housing Branch would conduct a study on reducing the on-cost payable to HA for entrusted works. He also enquired about how the proposed DH(H) post would effectively supervise the work progress of HA.

104. DDCED explained that, for potential public housing sites, CEDD had been conducting technical studies to support rezoning exercises, necessary statutory processes and public consultation, and carrying out site formation and infrastructure works in a timely manner so as to deliver the formed sites to HA for public housing developments. CEDD would pay on-cost to HA for the latter's work in undertaking design, contract administration and construction supervision related to the entrusted works. He assured members that CEDD would from time to time communicate closely with HA in respect of the progress of the entrusted works.

Justifications for creating the two proposed permanent directorate posts

105. Dr Fernando CHEUNG enquired whether the Administration had proposed to create the two permanent directorate posts in view of the possible technical difficulties arising from future housing development projects in the Green Belt/on slopes. The Chairman also requested the Administration to provide details of the technical difficulties involved in public housing sites as well as the names of the relevant works sites.

106. DDCED indicated that as most of these potential sites required amendment of land uses in the concerned Outline Zoning Plans under the

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Town Planning Ordinance (Cap. 131), relevant bureaux and departments were required to establish the viability of public housing developments through comprehensive traffic, environmental, geotechnical and other engineering studies to support zoning amendments. At present, CEDD was undertaking 59 public housing development projects. In order to address the long-term public housing demand, CEDD had further been tasked by the Transport and Housing Bureau ("THB") to undertake technical studies, site formation and infrastructure works for 11 new potential sites in 2018-2019. As CEDD at present did not have adequate manpower to carry out such work and the relevant public housing sites involved various technical difficulties, such as difficult terrain, traffic and major resettlement need, CEDD needed additional directorate officers to examine and take forward those projects.

107. DDCED further advised that, instead of focusing on land use reviews on the "Green Belt", the Government had been adopting a multi-pronged approach to increase housing land supply in order to identify potential sites suitable for residential use. As regards the technical requirements involved in public housing sites, the level of difficulty varied with the circumstances of each construction site.

Planning for welfare facilities in newly completed public rental housing estates

108. Dr Fernando CHEUNG was concerned about the unsatisfactory planning of newly completed public housing estates, hence resulting in the failure to construct/provide adequate transport infrastructure and ancillary community facilities (such as schools, healthcare and social welfare facilities, open spaces, etc.) before the intake of residents. He pointed out that the works progress was unsatisfactory in some sites earmarked for the construction of schools or community services complexes in new public housing development projects. The Chairman expressed a similar concern. Dr CHEUNG enquired about how the proposed posts would supervise the service planning for newly completed public housing estates with a view to addressing residents' demand for various community facilities.

109. The Under Secretary for Transport and Housing took note of members' views and advised that the Government briefed the Panel on Welfare Services on 11 June 2018 on the planning of social welfare services for newly completed public rental housing estates and deprived communities. THB was exploring with the Labour and Welfare Bureau on ways to expedite the development of appropriate social welfare service packages in tandem with the completion of new public housing

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development projects.

Voting on the item

(At 6:37:30 pm, the Chairman directed the members to be summoned as a quorum was not present. A quorum was present at 6:37:50 pm.)

110. The Chairman put the item to vote. She was of the view that the majority of the members voting were in favour of the item. She declared that the Subcommittee agreed to recommend the item to FC for approval. No members requested that the item be voted on separately at the relevant FC meeting.

111. The meeting ended at 6:38 pm.

Council Business Division 1
Legislative Council Secretariat
26 July 2018