

立法會
Legislative Council

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Finance Committee of the Legislative Council

Minutes of the 13th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 1 February 2019, at 2:30 pm

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP

Hon CHAN Chi-chuen
Hon CHAN Han-pan, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Hon Dennis KWOK Wing-hang
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, BBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-kiwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Dr Hon Pierre CHAN
Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LUK Chung-hung, JP
Hon LAU Kwok-fan, MH
Hon Kenneth LAU Ip-keung, BBS, MH, JP
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho
Hon Gary FAN Kwok-wai
Hon AU Nok-hin

Hon Vincent CHENG Wing-shun, MH
Hon Tony TSE Wai-chuen, BBS
Hon CHAN Hoi-yan

Members absent:

Hon LEUNG Yiu-chung
Hon Martin LIAO Cheung-kong, SBS, JP
Hon YUNG Hoi-yan

Public officers attending:

Ms Alice LAU Yim, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Carol YUEN, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Mike CHENG Wai-man	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Alan SIU Yu-bun, JP	Director of Administration and Development
Ms Christina CHEUNG Kam-wai, JP	Law Officer (Civil Law), Department of Justice
Ms Theresa JOHNSON	Law Draftsman, Department of Justice
Ms Fanny IP Fung-king	Deputy Law Draftsman II, Department of Justice
Mr Herbert LI Kam-yiu	Deputy Law Officer (Civil Law) (Civil Litigation), Department of Justice
Ms Phyllis WONG Hwa-yih	Senior Assistant Law Officer (Civil Law) (Civil Litigation) ² , Department of Justice
Mr Kevin YEUNG Yun-hung, JP	Secretary for Education
Mrs HONG CHAN Tsui-wah	Deputy Secretary for Education (5)
Ms Jenny CHAN Yuen-han	Principal Assistant Secretary for Education (Education Infrastructure)
Dr SO Kwok-sang	Secretary General of Hong Kong Examinations and Assessment Authority
Mr Caspar TSUI Ying-wai, JP	Under Secretary for Labour and Welfare

Miss Cecilla LI, JP	Deputy Director of Social Welfare (Administration)
Mr Alex WONG Kwok-chun	Assistant Director of Social Welfare (Subventions)
Mr LAM Bing-chun	Principal Social Work Officer (Information Systems and Technology), Social Welfare Department
Mr NG Chi-kwong	Senior Systems Manager (Information Systems and Technology), Social Welfare Department
Mr Maurice LOO Kam-wah, JP	Deputy Secretary for Development (Planning and Lands) ²
Ms Jasmine CHOI Suet-yung	Principal Assistant Secretary for Development (Planning and Lands) ³
Mr YU Tak-cheung, JP	Deputy Director of Buildings
Ms Clarice YU Po-mei	Assistant Director of Buildings (Corporate Services)
Mr Robert CHENG	Senior Professional Officer (Information Technology), Buildings Department

Clerk in attendance:

Ms Anita SIT	Assistant Secretary General 1
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Staff in attendance:

Ms Angel SHEK	Chief Council Secretary (1) ¹
Ms Ada LAU	Senior Council Secretary (1) ⁷
Miss Bowie LAM	Council Secretary (1) ¹
Miss Queenie LAM	Senior Legislative Assistant (1) ²
Mr Frankie WOO	Senior Legislative Assistant (1) ³
Miss Yannes HO	Legislative Assistant (1) ⁷

Action

The Chairman reminded members of the requirements under Rule 83A and Rule 84 of the Rules of Procedure.

**Item 1 — FCR(2018-19)73
RECOMMENDATION OF THE ESTABLISHMENT
SUBCOMMITTEE MADE ON 19 DECEMBER 2018**

EC(2018-19)17

HEAD 92 — DEPARTMENT OF JUSTICE

Subhead 000 — Operational expenses

2. The Chairman advised that this item sought the approval of the Finance Committee ("FC") for the recommendation on EC(2018-19)17 made by the Establishment Subcommittee ("ESC") at its meeting held on 19 December 2018, i.e. the creation of one Principal Government Counsel (DL3) ("PGC") post each in the Civil Division ("CD") and the Law Drafting Division ("LDD") of the Department of Justice ("DoJ") to better cope with the substantial increase in workload arising from existing and new initiatives in the two Divisions. Some members had requested separate voting on the recommendation at the FC meeting. Members noted that ESC had spent about two hours on deliberation of the item and the Administration had also provided several information papers. FC had also spent one hour 25 minutes on discussion of this item at the last meeting.

Professional development in the Department of Justice

3. Dr Priscilla LEUNG declared that she was teaching in the Law School of a local university. While expressing strong support for the item, Dr LEUNG was concerned whether the proposed additional manpower would suffice in coping with the rising workload. She considered that DoJ should make timely arrangements to recruit and groom young legal professionals for higher responsibilities.

4. In response, Director of Administration and Development, DoJ ("D of A&D") advised that :

- (a) DoJ had all along adopted a prudent approach whereby new posts would only be created upon proven needs and after exhausting other alternatives such as internal redeployment;
- (b) the establishment of PGC in CD and LDD had remained unchanged since the 1980s and could no longer cope with the increasing volume, complexity and scope of work of the two Divisions; and

- (c) DoJ had put in place proper training/development and succession plans to prepare promising officers for directorate posts.

Proposed Principal Government Counsel post in Civil Division

5. Mr Gary FAN sought clarification on the proportion of judicial review ("JR") cases related to town planning issues. Of the 903 ongoing JR cases handled by CD in 2017, he enquired on the number of cases handled by the Litigation Team of the Planning, Environment, Lands & Housing Unit ("PEL&H"), and those to be handled by the proposed PGC in the Civil Litigation unit ("CLU") of CD.

6. Law Officer (Civil Law) and Senior Assistant Law Officer (Civil Law) (Civil Litigation)² of DoJ said that :

- (a) the proportion of JR cases related to town planning issues was about 4%;
- (b) as land use and town planning were involved, such cases were taken up by the Litigation Team of PEL&H where there were legal personnel specialized in such matters; and
- (c) the up-to-date number of ongoing JR cases handled by CD was over 1 400, about 10% of which were handled by PEL&H and the remaining 90% by CLU.

7. Referring to the number of new civil litigation cases handled by CD each year, Mr AU Nok-hin commented that there had not been any sharp increase in recent years, and that the increased workload was mainly due to the backlog of cases.

Proposed Principal Government Counsel post in Law Drafting Division

Issues related to manpower and drafting

8. Mr Tony TSE expressed support for the item, and enquired about the consequence if the proposed Deputy Law Draftman ("DLD") post (at PGC rank) was not approved. Law Draftsman ("LD") of DoJ advised that currently, LDD had adopted a pragmatic approach whereby the two DLDs could only give priority to ensuring that the draft legislative provisions effectively reflected the desired policy intent and that the Chinese and English texts had the same meaning, over ensuring the highest level of clarity and readability of the bilingual text. Clearance and quality

assurance might also not be provided at the early stage of the drafting process.

9. In reply to members' questions about the complexity of legislative proposals, LD said that:

- (a) apart from proposed legislation to establish a Trade Single Window and to introduce a new statutory corporate rescue procedure, the Building Management (Amendment) Bill and the proposed legislation relating to private equity funds and investment vehicles were highly complex; and
- (b) in 2018, about 9 500 pages of legislation had been drafted including the legislative proposals on budget-related initiatives and local legislation for the national anthem law.

10. Mr Kenneth LEUNG was gravely concerned about the clarity and readability of the Chinese text of legislation, and considered the Chinese version often incomprehensible. LD acknowledged the importance of clarity and readability of bilingual legislation, and said that DoJ would continue to explore options to achieve the highest level of quality in drafting.

11. Mr Holden CHOW expressed support for the item. He enquired whether the Administration had any plan to introduce legislation to regulate virtual currency. LD advised that the formulation of relevant policies was a matter for the responsible bureau. If it was decided that legislation was required, the policy bureau would issue drafting instructions to LDD for drafting of the proposed legislation.

Concerns about local legislation for national security

12. Dr Helena WONG was concerned whether the drafting of legislation to implement Article 23 of the Basic Law ("BL23 legislation") would be one of the major drafting exercises to be undertaken by the proposed DLD. In response, LD said that the Government's position on BL23 legislation had been clearly stated by the Chief Executive and other officials. The additional DLD post had been proposed for addressing the rising workload as a result of increasing volume, complexity and scope of legislative drafting, not for any specific legislative project(s).

13. The Chairman referred to the question raised by Mr James TO at the last FC meeting and the Administration's reply that the proposed DLD post was not created for any particular item of legislation. He further

remarked that as far as he understood, the Administration had in fact ruled out any link between legislating for BL23 and the post.

14. Mr CHAN Chi-chuen and Dr Helena WONG did not subscribe to the Chairman's remarks. Dr WONG stressed the importance of seeking relevant information when scrutinizing financial proposals. Noting from the Administration's paper that local legislation for the national anthem law was cited as one of the major issues handled by LDD in 2018, Mr CHAN contended that BL23 legislation, which was far more complex, would likely be one of LDD's major tasks ahead. He asked whether the Administration would exclude the drafting of BL23 legislation from the job responsibilities of the proposed DLD. Mr CHU Hoi-dick considered the members' concerns valid as the Administration had stated that the proposed DLD would be required to draft major items of the most complex and/or sensitive legislation independently.

15. In this connection, D of A&D highlighted that DLDs, being more senior and experienced officers in LDD, would normally be required to take up legislative drafting of a more complex nature. This requirement was also applicable to the serving DLDs and not specific to the proposed post.

16. Dr KWOK Ka-ki sought assurance that the proposed DLD would not be required to take up drafting of BL23 legislation. He also asked whether the advice or input of LDD had been sought on any proposed BL23 legislation.

17. In explaining the role of LDD and the need for the proposed DLD post, LD said that:

- (a) given the significant increase in the workload of LDD that had to be handled at the DLD level, it was necessary to create an additional DLD post to share and oversee drafting and quality assurance services. The proposed post was not created for any particular item(s) of legislation or legislative project(s);
- (b) the primary function of LDD was to provide drafting services for all legislation proposed by the Government; and
- (c) DoJ was the Government's legal adviser. Its communication with various bureaux/departments was subject to legal professional privilege.

18. On the implications of the staffing proposal, Mr James TO said that as the existing manpower structure in LDD was no longer sustainable in the face of tremendous workload, it was sufficiently clear that the additional DLD would provide LDD with the necessary capability to take forward the drafting of the complex and controversial BL23 legislation when required.

19. Mr Abraham SHEK supported the item and concurred that the proposed DLD would be expected to provide/share out all drafting and quality assurance duties generic to DLDs, rather than being tasked to a specific project. Mr Tony TSE considered that LDD was not in a position to confirm whether or not to proceed with the drafting of certain legislation, as this was a policy decision for the responsible bureau.

20. Dr Junius HO expressed support for the item and concurred with the Administration's explanation. He was of the view that the staffing proposal should be considered independently of any intention or plan to legislate for national security as required under BL23.

21. Mr LAU Kwok-fan and Mr Frankie YICK supported the item so as to provide additional manpower to expedite the updating and drafting of legislation. Referring to the recent occupation of berthing spaces by yachts at typhoon shelters, Mr YICK saw an urgent need to amend relevant legislation to empower the Marine Department to take enforcement action against such malpractice. Both members said that they could not see why some members would associate the staffing proposal with any plan on BL23 legislation.

22. As Chairman of the Panel on Administration of Justice and Legal Services, Dr Priscilla LEUNG recalled that when the staffing proposal was discussed at the Panel meeting in June 2018, no concern was raised about BL23 legislation and the proposal was generally supported by members. She found it highly inappropriate to link consideration of the staffing proposal to BL23 legislation, and said that justifications for the additional DLD post had been clearly explained by LD.

Motion to adjourn discussion on item FCR(2018-19)73

23. At 3:41 pm, Mr AU Nok-hin, when speaking on the item, moved without notice under paragraph 39 of the Finance Committee Procedure ("FCP") that discussion on item FCR(2018-19)73 be adjourned. The Chairman proposed the question and directed that each member might speak once on the motion for not more than three minutes.

24. Mr AU Nok-hin spoke on his motion and gave the following reasons in support of his motion :

- (a) whilst the majority of leave applications for JR related to non-refoulement/torture claims, such cases would not be under the purview of the additional DLO in CLU;
- (b) the proposed DLO post was hardly justified as the number of non-refoulement claims pending clearance by Immigration Department was on the decline; and
- (c) no firm reply had been given by the Administration as to whether the additional DLD would be responsible for drafting BL23 legislation.

25. Ms Claudia MO, Dr Helena WONG, Mr WU Chi-wai, Mr CHAN Chi-chuen and Mr CHU Hoi-dick spoke in support of the motion. Ms MO said that she was dissatisfied with the Chairman's remarks that the Administration had ruled out any connection between the proposed DLD post and BL23 legislation. Dr WONG, Mr CHAN and Mr WU remained concerned that there was no confirmation on the involvement or otherwise of the proposed DLD in legislative work for BL23, and on whether LDD had commenced any preparatory work in this regard.

26. Mr CHEUNG Kwok-kwan, Mr CHAN Hak-kan, Mr LAU Kwok-fan, Mr Steven HO, Dr Junius HO and Mrs Regina IP indicated that they objected to the motion. They did not subscribe to the views of Mr AU Nok-hin and other members seeking to link the proposed DLD post to BL23 legislation. Mrs IP remarked that legislating for BL23 was a constitutional duty of the HKSAR Government. Mr CHAN added that despite the drop in non-refoulement claims, the number of appeal applications exceeded 6 000.

27. Mr AU Nok-hin spoke in reply. The Chairman put to vote the motion that discussion on the item be adjourned. At the request of members, the Chairman ordered a division. The motion was [negatived](#).

Voting on FCR(2018-19)73

28. At 4:07 pm, the Chairman put item FCR(2018-19)73 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 36 members voted in favour of and 14 members voted against

the item. Four members abstained from voting. The votes of individual members were as follows:

For:

Mr Abraham SHEK Lai-him	Mr Tommy CHEUNG Yu-yan
Mr WONG Ting-kwong	Ms Starry LEE Wai-king
Mr CHAN Hak-kan	Dr Priscilla LEUNG Mei-fun
Mr WONG Kwok-kin	Mrs Regina IP LAU Suk-yee
Mr Paul TSE Wai-chun	Mr Michael TIEN Puk-sun
Mr Steven HO Chun-yin	Mr Frankie YICK Chi-ming
Mr YIU Si-wing	Mr MA Fung-kwok
Mr LEUNG Che-cheung	Ms Alice MAK Mei-kuen
Mr KWOK Wai-keung	Mr Christopher CHEUNG Wah-fung
Dr Elizabeth QUAT	Mr POON Siu-ping
Dr CHIANG Lai-wan	Mr CHUNG Kwok-pan
Dr Junius HO Kwan-yiu	Mr HO Kai-ming
Mr Holden CHOW Ho-ding	Mr SHIU Ka-fai
Mr Wilson OR Chong-shing	Dr Pierre CHAN
Mr CHAN Chun-ying	Mr CHEUNG Kwok-kwan
Mr LUK Chung-hung	Mr LAU Kwok-fan
Mr Kenneth LAU Ip-keung	Mr Vincent CHENG Wing-shun
Mr Tony TSE Wai-chuen	Ms CHAN Hoi-yan

(36 members)

Against:

Ms Claudia MO	Mr WU Chi-wai
Mr CHAN Chi-chuen	Dr Fernando CHEUNG Chiu-hung
Dr Helena WONG Pik-wan	Mr IP Kin-yuen
Mr Andrew WAN Siu-kin	Mr CHU Hoi-dick
Mr LAM Cheuk-ting	Mr SHIU Ka-chun
Dr CHENG Chung-tai	Mr KWONG Chun-yu
Mr Gary FAN Kwok-wai	Mr AU Nok-hin

(14 members)

Abstained:

Mr Kenneth LEUNG	Dr KWOK Ka-ki
Mr Alvin YEUNG	Ms Tanya CHAN

(4 members)

29. The Chairman declared that the item was approved.

Item 2 — FCR(2018-19)74
HEAD 156 — GOVERNMENT SECRETARIAT : EDUCATION BUREAU
Subhead 700 — General non-recurrent
New Item — "Funding Support to the Hong Kong Examinations and Assessment Authority"

30. The Chairman said that this item invited FC to approve a new commitment of \$360.8 million to support the effective operation of the Hong Kong Examinations and Assessment Authority ("HKEAA") for four years from 1 September 2018 to 31 August 2022.

31. At the invitation of the Chairman, Mr IP Kin-yuen, Chairman of the Panel on Education, briefed members on the Panel's deliberations on the funding proposal at the meeting held on 7 December 2018. In gist, members supported the submission of the proposal to FC for consideration, and made a number of suggestions to improve the financial sustainability of HKEAA. The Panel also passed two motions urging the Government to provide recurrent funding to HKEAA by paying the Hong Kong Diploma of Secondary Education ("HKDSE") Examination fees for school candidates on a cost-recovery basis, and to subsume the payment under the 15-year free education policy. The Administration's response to the two motions had been issued to members vide LC Paper No. CB(4)400/18-19(01).

Long-term financial sustainability of the Hong Kong Examinations and Assessment Authority

Cost-effectiveness of operations

32. Mr CHAN Chi-chuen and Mr HUI Chi-fung enquired about the timetable and broad direction for formulating a concrete plan on the long-term financial sustainability of HKEAA. Mr YIU Si-wing considered that HKEAA might be facing a structural deficit problem which had implications on its future operation as an independent self-financing body. He enquired on the initiatives, if any, taken by HKEAA to streamline operation and reduce cost, and whether an interim report on the review would be issued. Dr CHENG Chung-tai was concerned that HKEAA might not be able to operate independently from the Government as the latter could exercise influence on HKEAA through funding it.

33. Secretary for Education ("SED") and Secretary General of HKEAA ("SG of HKEAA") advised that :

- (a) the proposed tide-over funding support was aimed to support HKEAA's current mode of operation and cost structure for four years during which it would formulate a detailed proposal in consultation with the Government to ensure financial sustainability;
- (b) the existing operation of the HKDSE Examination and its resources requirements would be critically examined with a view to identifying the most cost-effective assessment methods;
- (c) upon determining the most appropriate model for the HKDSE Examination, different options to ensure financial sustainability would be explored, such as setting up a dedicated fund, converting HKEAA into a government-subsidized body, etc.;
- (d) some preliminary proposals would hopefully be worked out in about two years' time so that HKEAA's need for additional resources, if any, could be addressed in time; and
- (e) meanwhile, HKEAA had been exploring various efficiency initiatives, such as ways to streamline the implementation of School-based Assessment ("SBA").

34. Noting that the number of HKDSE Examination candidates was projected to drop to about 47 400 in 2021-2022, Dr KWOK Ka-ki enquired about cost-saving measures, if any, consequent to the drop in candidates. Mr AU Nok-hin was concerned about HKEAA's efforts in streamlining its manpower structure as the staff cost incurred by HKEAA had risen from \$114.9 million in 2012-2013 to \$155.1 million in 2017-2018 despite the drop in the number of HKDSE Examination candidates from about 82 000 to 59 000 during the same period.

35. In this regard, SG of HKEAA explained that:

- (a) about 75% of the overall cost incurred by HKEAA was fixed/invariable costs, which could not be reduced proportionately with the decrease in the number of candidates. An example was the need to maintain a

reasonable geographical spread of examination centres over the territory despite the decline in candidature;

- (b) while salary increases over the years had led to higher staff cost, HKEAA had taken measures to reduce the number of temporary staff and overtime work;
- (c) additional manpower had been required in the double-cohort years of 2011-2012 and 2012-2013 when both the HKDSE Examination and Hong Kong Advanced Level Examination were held, as well as in 2013-2014 when mid-term reviews were conducted; and
- (d) the number of staff in HKEAA had been reduced from 450 when HKDSE Examination was implemented to less than 360 currently. HKEAA would continue to explore ways to reduce costs and streamline operation.

36. Mr CHAN Chun-ying was concerned about the financial position of HKEAA and sought information on :

- (a) the variable costs which made up 25% of HKEAA's overall cost;
- (b) the amount of cash equivalent to two months' expenses that should be maintained by HKEAA to meet liquidity and operational needs;
- (c) whether HKEAA would seek to invest any cash balance in excess of the aforesaid amount in order to generate income to fund its operations; and
- (d) further details of the expenditure on depreciation.

37. In response, SG of HKEAA informed members that:

- (a) while the bulk of the overall cost was fixed/invariable cost, slight decrease might be found in the expenditure on fees for examination personnel such as paper-setters, moderators and proof-readers, printing and transportation services;
- (b) the amount equivalent to two months' expenses to be maintained by HKEAA was about \$80 million;

- (c) income from bank interest accounted for a small proportion of HKEAA's "other income". Its major income was derived from fees for holding the HKDSE Examination and other entrusted examinations; and
- (d) depreciation cost mainly applied to the information technology ("IT") systems for administration of examinations and premises of HKEAA.

38. To tap other sources of revenue, Mr IP Kin-yuen considered that HKEAA might take measures to suitably promote its fee-charging services, notably its acclaimed assessment services for administering international and professional examinations ("IPEs").

Concerns about certain expenditure items

39. Mr Gary FAN raised concern about the remuneration packages for the senior management staff of HKEAA, and asked whether a salary cut for these staff would be introduced as a cost-saving measure.

40. SG of HKEAA advised that :

- (a) under the existing mechanism, the remuneration package for staff was determined by the HKEAA Council, taking into account relevant factors including HKEAA's overall financial position, performance of the staff concerned, the pay trends in the general market and civil service as revealed in the benchmark study conducted every three years, as well as the competitiveness of remuneration package for retention of quality staff; and
- (b) in recent years, the percentage of salary increase for senior staff had been lower than that for other staff.

41. SED supplemented that the Education Bureau ("EDB") considered the existing mechanism for reviewing staff remuneration on the whole satisfactory. Nevertheless, it was envisaged that the upcoming review would examine the current mode of operation and cost structure of HKEAA holistically.

42. Mr AU Nok-hin sought clarification on the expenditure for using secondary school venues, given that under the Guidelines for Levying Charges for Hire of Accommodation in Aided Schools issued by EDB,

hiring of accommodation by HKEAA for holding specified examinations was free of charge, except air-conditioning charges. In response, SG of HKEAA explained that the expenditure incurred was not for rental, but the nominal payment to schools for preparation of venues, such as arranging furniture and cleaning services.

43. In reply to Mr AU Nok-hin's enquiry on the sharp rise in cost for special examination arrangements ("SEAs"), which was not proportionate to the increase in candidates with special educational needs ("SEN"), SG of HKEAA advised that the increase in cost was not solely due to the number of SEN candidates as the special needs of these candidates varied considerably from braille question papers, speech-to-text software to special centres.

Issues related to the Hong Kong Diploma of Secondary Education Examination fees

44. Mr CHAN Chi-chuen was concerned that non-local candidates sitting for the HKDSE Examination had in fact been subsidized by public funds as they were paying the same fees as their local counterparts. He enquired about the feasibility for HKEAA to charge higher fees on non-local candidates. While highlighting that the operation of the HKDSE Examination would be reviewed, SED remarked that as HKEAA had been able to derive profits from administering various IPEs in Hong Kong to partially offset the aggravating deficit attributed to the HKDSE Examination, local HKDSE Examination candidates might also have been subsidized by fees paid by non-local candidates.

45. Mr Holden CHOW asked whether consideration would be given to charging higher fees for administering other entrusted examinations. SG of HKEAA said that the income derived from administering entrusted IPEs had risen from \$106 million in 2016-2017 to \$115 million in 2017-2018 while the number of non-local candidates for IPEs had stabilized at about 300 000 each year.

46. Mr IP Kin-yuen supported the item, and was of the view that under the 15-year free education policy, the Government should pay the HKDSE Examination fees for school candidates. Meanwhile, additional costs arising from SEAs for SEN candidates should be borne by the Government. Dr KWOK-Ka-ki was concerned about high HKDSE Examination fees and considered that they should be frozen, if not reduced. Mr Charles Peter MOK shared similar views. Dr CHENG Chung-tai said that apart from examination fees, consideration should be given to making available past papers free of charge.

47. SED assured members that issues related to examination fees would be examined in the long-term review. Meanwhile, the Government also provided financial assistance to needy school candidates to cover HKDSE Examination fees.

48. In reply to Mr Charles Peter MOK's question about the Examination Fee Remission Scheme, SED said that about 25% of school candidates sitting for the HKDSE Examination received remission. It might be difficult to confirm the administrative cost for processing such remission as some needy school candidates might also be receiving other financial assistance processed by the Working Family and Student Financial Assistance Agency.

Implementation of the Hong Kong Diploma of Secondary Education Examination

49. Whilst expressing support for the item, Dr Priscilla LEUNG was gravely concerned about the assessment of certain HKDSE subjects, in particular Liberal Studies ("LS"). She commented that many of the questions in the LS examination paper had been inappropriately set, and urged for the abolition of compulsory questions which, in her view, were often politically oriented.

50. SG of HKEAA advised that under existing requirements, examination papers were set in strict compliance with the relevant Curriculum and Assessment Guide drawn up by experts in the subjects. The views of stakeholders were taken into consideration when papers for subsequent cohorts were set.

51. Dr KWOK Ka-ki criticized the existing public examination system under which students' prospect would hinge heavily on their attainment in the HKDSE Examination. He was concerned that many students had chosen to continue their studies overseas in order to avoid the HKDSE Examination, in which very tricky questions were set in the papers for the core subjects of Chinese Language and LS.

52. Mr SHIU Ka-chun was concerned about the difficulties and pressure faced by candidates sitting for listening examinations in centres with poor radio reception, and enquired about measures to tackle this long-standing problem. He also sought information on complaints received in this regard.

53. In reply, SG of HKEAA advised that:

- (a) site inspections to the listening examination centres were conducted by HKEAA to check technical constraints, if any, and make necessary rectifications;
- (b) infra-red ("IR") transmission system was used in examination centres where radio reception was unsatisfactory;
- (c) special adjustments to the assessment might be made if individual candidates' performance had been affected by the relocation to special rooms for better radio reception;
- (d) the number of complaints in respect of the English Language listening examination was higher than that for the Chinese Language listening examination; and
- (e) complaints about broadcast quality had dropped after the implementation of the IR transmission system.

54. Mr IP Kin-yuen considered that the current HKDSE Examination, which comprised written, listening and speaking examinations and SBA etc., was excessively complicated and costly to administer. He highlighted the need to streamline and enhance the modes of assessment. SG of HKEAA took note of the suggestion.

55. The meeting was suspended at 4:32 pm, and resumed at 4:42 pm.

Motions proposed by members under paragraph 37A of the Finance Committee Procedure

56. At 5:47 pm, FC started to vote on whether the motions proposed by members under FCP 37A ("FCP 37A motions") should be proceeded with forthwith. At the request of members, the Chairman ordered a division for each of these FCP 37A motions. The voting results were as follows:

Member proposing the motion	Serial nos. of the motion	Motion be proceeded with forthwith
Mr Gary FAN	001	No
Mr AU Nok-hin	002	No
Dr CHENG Chung-tai	003	No

Mr SHIU Ka-chun	004	No
Mr HUI Chi-fung	005	No

Voting on FCR(2018-19)74

57. At 6:00 pm, the Chairman put item FCR(2018-19)74 to vote. The Chairman declared that the majority of the members present and voting were in favour of the item. The item was approved.

Item 3 — FCR(2018-19)76
CAPITAL WORKS RESERVE FUND
HEAD 710 — COMPUTERISATION
Social Welfare Department
New Subhead — "Redevelopment of Client Information System"
New Subhead — "Redevelopment of Service Performance Management Information System"

58. The Chairman said that this item invited FC to approve the creation of two new commitments for the Social Welfare Department ("SWD"), namely, \$316,877,000 for the redevelopment of Client Information System ("CIS") and \$65,424,000 for the redevelopment of Service Performance Management Information System ("SPMIS").

59. At the invitation of the Chairman, Mr KWONG Chun-yu, Chairman of the Panel on Welfare Services, reported on the Panel's deliberations on the funding proposal at the meeting held on 10 December 2018. Members supported the proposal in principle and considered that the two Systems should be enhanced in order to generate useful management reports for early detection of cases in need of assistance, assessment of service effectiveness and identification of areas for improvement. Some members raised concern about the cost-effectiveness of the redevelopment project at an estimated cost of about \$400 million. According to the Administration, annual savings amounting to \$62 million and \$4.7 million commencing from 2024-2025 and 2023-2024 respectively could be achieved as a result of the redevelopment of the two respective Systems. Besides, the new Systems could facilitate the development of data exchange interfaces with related bureaux/departments ("B/Ds") and organizations, as well as support efficient system enhancements to meet evolving operational needs and the demand for new services and policy initiatives.

Cost-effectiveness of the proposed redevelopment

60. Whilst expressing support for the item, Mr SHIU Ka-chun was concerned about the cost-effectiveness of the redevelopment project. He also drew the Administration's attention to the views raised at the Panel meeting about increasing transparency and making available the management reports generated under the Systems for reference or use by related organizations. Mr AU Nok-hin shared similar concern.

61. Under Secretary for Labour and Welfare ("USLW") advised that :

- (a) the proposed redevelopment of CIS would generate annual savings of over \$62 million from 2024-2025 onwards, while that of SPMIS would generate annual savings of over \$4.7 million from 2023-2024 onwards;
- (b) apart from cost savings, other anticipated benefits would include reduction in manpower and processing time, as well as increased efficiency of operations;
- (c) another major benefit would be improvement in service quality. For example, the redeveloped CIS ("CIS II") would provide an electronic submission platform round the clock for other B/Ds, government-related organizations and non-governmental organizations ("NGOs") to submit referrals and information updates to SWD and minimize manual work on data entry; and
- (d) given the Government's annual subvention for social services, which stood at some \$14 billion in 2017-2018, the recurrent expenditure for the redeveloped SPMIS ("SPMIS II") was of a relatively small percentage.

62. Noting that a dedicated project team would be set up in SWD, Mr Tony TSE sought further information on the estimated non-recurrent staff cost of about \$93,841,000 from 2019-2020 to 2023-2024.

63. Deputy Director of Social Welfare (Administration) ("DDSW(A)") said that apart from staff within SWD, the project team would also comprise staff of the Office of the Government Chief Information Officer ("OGCIO"), as well as contract IT staff. At the request of Mr TSE, she would provide further details on the composition of the project team, as well as the respective expenditure for different categories of staff.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC140/18-19(01) on 27 March 2019.]

Anticipated benefits

64. Mr Charles Peter MOK supported the item and urged for its early implementation which would not only achieve savings but also facilitate data exchange and enhancement of services to the users. He was pleased to note that CIS II and SPMIS II would use the Government Cloud Service ("GovCloud").

65. Mr Holden CHOW supported the item. Noting that one of the expected benefits of CIS II was the integration or interfaces with other standalone SWD systems, he asked whether all the relevant information on a service user could be captured under the new System. He enquired on the feasibility of further integration with systems outside SWD.

66. Mr Tony TSE noted the obsolete nature of CIS and SPMIS and supported the proposed redevelopment. He shared the view that the redeveloped Systems should be equipped with the capacity to expand and support further interface with other systems.

67. In response, USLW and Principal Social Work Officer (Information Services & Technology) explained that:

- (a) through better integration and data exchange functions under CIS II, relevant information could be obtained more readily and workflows would be streamlined, thereby increasing case management efficiency;
- (b) prior feasibility studies revealed a need for enhancing the capabilities of the two Systems to achieve better integration with other systems and greater flexibility to include new functions; and
- (c) in terms of technical capability, both CIS and SPMIS would be redeveloped on new system frameworks and designs, which would support efficient deployment of system enhancements and further integration with other compatible systems.

68. Noting that SPMIS currently captured the service performance returns of 1 838 service units operated by 169 subvented NGOs and 140 departmental service units, Mr AU Nok-hin asked how individual NGOs could benefit from enhanced data exchange with other systems of SWD. He also raised concerns about privacy in the face of greater transparency and sharing of data.

69. In this connection, USLW further advised that :

- (a) the new SPMIS would enable senior management of SWD and NGOs to obtain comprehensive service performance information on subvented and subsidized services, including alerts on underperformed service areas. This would facilitate them in taking prompt remedial action when the situation warranted;
- (b) SPMIS II would enable the generation of more useful service performance management information/reports of welfare services through the use of a versatile reporting tool thereby ensuring the proper use of public resources;
- (c) SPMIS II could support a total of 1 053 functions, as compared to the existing 211. The number of users would also be increased; and
- (d) the Administration was mindful of the need to safeguard privacy and would put in place measures such as encryption of data and restricting access rights to the organization's own data.

Implementation arrangements

70. Mr Tony TSE asked whether the five-year timeframe for redevelopment of the Systems could be compressed so as to keep pace with technological advances. In response, DDSW(A) assured members that effort would be made to expedite implementation while adhering to the relevant guidelines issued by OGCIO.

71. Mr SHIU Ka-chun expressed concern about possible difficulties faced by the welfare sector in using the new Systems, such as the compatibility of individual NGOs' systems with CIS II and SPMIS II. USLW advised that suitable assistance and support, such as training for frontline staff, would be provided by SWD to facilitate NGOs in using the new Systems.

72. Mr SHIU Ka-chun was concerned whether useful information could be generated under the new Systems. He cited as example information on people aged 55 to 59 and those aged 60 to 64, which could shed light on earlier discussions on the Administration's decision to tighten the eligibility age for elderly Comprehensive Social Security Assistance ("CSSA").

73. In clarification, DDSW(A) said that:

- (a) information on CSSA applicants/recipients was captured under another dedicated computer system for administering the CSSA Scheme;
- (b) CIS was primarily a case management system used by staff of SWD for the purposes of case management, handling of case referrals and processing of service applications; and
- (c) SPMIS captured service performance and financial information received from NGOs and departmental service units to facilitate SWD's monitoring, which normally did not contain any data on individuals.

Voting on FCR(2018-19)76

74. At 6:27 pm, the Chairman put item FCR(2018-19)76 to vote. The Chairman declared that the majority of the members present and voting were in favour of the item. The item was approved.

Item 4 — FCR(2018-19)77

**RECOMMENDATION OF THE ESTABLISHMENT
SUBCOMMITTEE MADE ON 9 JANUARY 2019**

EC(2018-19)18

HEAD 80 — JUDICIARY

Subhead 000 — Operational expenses

75. The Chairman advised that this item sought the approval of FC for the recommendation on EC(2018-19)18 made by ESC at its meeting held on 9 January 2019, i.e. the creation of four permanent posts of Deputy Registrar, High Court (JSPS 13) to strengthen the establishment of Judges and Judicial Officers at that level of court; the creation of a permanent post of Principal Executive Officer (D1) to enhance support to the Deputy Judiciary Administrator (Operations)'s Office; as well as the retention of a

supernumerary post of Administrative Officer Staff Grade C (D2) to provide continued directorate support to steer and supervise the work of the Development Office under the Development Division of the Judiciary Administration. No member had requested separate voting on this item at FC meeting.

Voting on FCR(2018-19)77

76. At 6:28 pm, the Chairman put item FCR(2018-19)77 to vote. The Chairman declared that the majority of the members present and voting were in favour of the item. The item was approved.

Item 5 — FCR(2018-19)79

**RECOMMENDATION OF THE ESTABLISHMENT
SUBCOMMITTEE MADE ON 23 JANUARY 2019**

EC(2018-19)20

HEAD 46 — GENERAL EXPENSES OF THE CIVIL SERVICE

**Subhead 081 — Recoverable salaries and allowances (Office of the
Communications Authority Trading Fund)**

77. The Chairman advised that this item sought the approval of FC for the recommendation on EC(2018-19) 20 made by ESC at its meeting held on 23 January 2019, i.e. the re-grading of one permanent post of Chief Telecommunications Engineer (D1) in the Office of the Communications Authority to a Chief Regulatory Affairs Manager (D1) post to cope with the workload of regulating the telecommunications sector arising from the increasingly intertwining technical and economic regulatory issues of much greater diversities and complexities. No member had requested separate voting on this item at FC meeting.

Voting on FCR(2018-19)79

78. At 6:28 pm, the Chairman put item FCR(2018-19)79 to vote. The Chairman declared that the majority of the members present and voting were in favour of the item. The item was approved.

Item No. 6 — FCR(2018-19)78
CAPITAL WORKS RESERVE FUND
HEAD 710 — COMPUTERISATION
Buildings Department
New Subhead — "Electronic Submission Hub"

79. The Chairman said that this item invited FC to approve the creation of a new commitment of \$214,390,000 for the development of an Electronic Submission Hub ("ESH"). The Development Bureau had consulted the Panel on Development on the proposal at the meeting held on 19 December 2018. The Panel had spent about 36 minutes on deliberation of the proposal.

Savings and cost avoidance

80. Mr CHAN Chun-ying, Mr CHU Hoi-dick and Mr AU Nok-hin sought further explanation on the annual cost avoidance of \$7.76 billion on social benefit and a benefit of \$68 million for reduction of green-house gas emissions upon full implementation of ESH.

81. In response, Assistant Director of Buildings (Corporate Services) advised that :

- (a) as the future ESH would enable the acceptance of building plans in Building Information Modelling ("BIM") format, various stakeholders including designers and contractors would be able to carry out planning, design and construction in a virtual environment at an early stage before the carrying out of actual site works. BIM would assist in the building design stage such as clash detection arising from incompatible designs and quantities analysis to enable better construction materials estimation and reduce rework. This would minimize construction waste, increase productivity and enable economical use of materials;
- (b) according to the feasibility study commissioned by the Buildings Department ("BD"), referencing overseas experience on BIM adoption rate and the consequential construction cost reduction rate, the target BIM adoption rate of Hong Kong would be about 50% and the reduction of construction costs would be about 15%; and

- (c) the estimated cost avoidance was of a recurrent nature, and had been worked out by applying 15% to the projected annual total construction costs in the private sector in Hong Kong.

Anticipated benefits

82. Mr Charles Peter MOK supported the item as implementation of ESH would also promote wider use of BIM by the industry, which was conducive to better project management. He was pleased to note that ESH would use GovCloud. Mr Tony TSE expressed support for the item which would contribute to making Hong Kong a smart city.

83. As many different departments and organizations were involved, Mr AU Nok-hin was concerned about the workflow and operation of processing building plans. In response, Deputy Secretary for Development (Planning and Lands) 2 ("DS(P&L)2") said that under the existing Centralised Processing System ("CPS"), upon receipt of hardcopies of building plans and supporting documents, BD would disseminate them to different departments and organizations for processing. Under the proposed electronic submission system, different CPS participants would be able to receive and process the building plans concurrently, thereby reducing a lot of administrative work while improving operational efficiency.

84. Mr Holden CHOW asked whether the implementation of ESH would help prevent cost overruns of major infrastructural projects. DS(P&L)2 explained that the proposed ESH would only deal with the processing of electronic plans and supporting documents for private development projects. Nevertheless, starting from 2018, plans for public works projects with an estimated cost above \$30 million had to be prepared in BIM format with a view to enhancing project design, management and productivity.

Expenditure and implementation of Electronic Submission Hub

85. In reply to Mr CHU Hoi-dick's enquiry on the estimated capital expenditure from 2019-2020 to 2025-2026 for implementing ESH, Permanent Secretary for Financial Services and the Treasury (Treasury) advised that unlike funding proposals for public works projects which were expressed in money-of-the-day prices, the prevailing practice was to present the estimated expenditures for computerization projects including ESH in constant prices, mainly in view of the different natures of the projects.

86. Mr Tony TSE concurred with the phased implementation of ESH to allow time for the industry to prepare and adapt to the new system, and enquired about the provision of training to relevant personnel. Mr CHAN Chun-ying was concerned about the additional costs to be borne by the industry for migration to the electronic mode of submission.

87. In this regard, DS(P&L)2 advised that :

- (a) suitable training would be provided to government staff to equip them with the relevant knowledge and skills;
- (b) training programmes on technologies such as BIM were being organized by the Construction Industry Council to upgrade the technical competence of industry practitioners; and
- (c) to boost the capacity of the industry to adopt new technologies, the Construction Innovation and Technology Fund was set up in October 2018 to provide financial support for, for example, training and acquiring necessary hardware and software for migration to electronic submission.

88. Mr Jeremy TAM asked whether a subcontractor of the MTR Corporation Limited (in the capacity of a developer) could upload plans to the future ESH. In clarification, Deputy Director of Buildings ("DDB") said that the system would receive building plans which were prepared and submitted by registered building professionals for approval by the Building Authority. Users might create personalized accounts and access ESH with passwords.

89. Mr AU Nok-hin was concerned whether ESH, when implemented, would help prevent developers from taking advantage of any grey areas. DDB confirmed that under both the existing and future systems, building plans would be processed in strict accordance with statutory requirements.

90. At 6:56 pm, the Chairman directed that the meeting be extended for 15 minutes.

Voting on FCR(2018-19)78

91. At 7:07 pm, the Chairman put item FCR(2018-19)78 to vote. The Chairman declared that the majority of the members present and voting were in favour of the item. The item was approved.

92. The meeting ended at 7:07 pm.

Legislative Council Secretariat
13 August 2019