# 立法會 Legislative Council

LC Paper No. FC324/17-18 (These minutes have been seen by the Administration)

Ref: FC/1/1(12)

## **Finance Committee of the Legislative Council**

# Minutes of the 13<sup>th</sup> meeting held at Conference Room 1 of the Legislative Council Complex on Friday, 12 January 2018, at 3:15 pm

### **Members present:**

Hon CHAN Kin-por, GBS, JP (Chairman)

Hon Michael TIEN Puk-sun, BBS, JP (Deputy Chairman)

Hon James TO Kun-sun

Hon LEUNG Yiu-chung

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 Steven HO Chun-yin, BBS

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, 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 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 Alvin YEUNG

Hon Andrew WAN Siu-kin

Hon CHU Hoi-dick

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

Hon YUNG Hoi-yan

Dr Hon Pierre CHAN

Hon CHAN Chun-ying

Hon Tanya CHAN

Hon CHEUNG Kwok-kwan, JP

Hon HUI Chi-fung

Hon LUK Chung-hung

Hon LAU Kwok-fan, MH

Dr Hon CHENG Chung-tai

Hon KWONG Chun-yu

Hon Jeremy TAM Man-ho

#### **Members absent:**

Hon Frankie YICK Chi-ming, SBS, JP

Hon Jimmy NG Wing-ka, JP

Hon Kenneth LAU Ip-keung, BBS, MH, JP

### **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 Caspar TSUI Ying-wai, JP Under Secretary for Labour & Welfare Mr Gordon CHONG Principal Assistant Secretary Labour and Welfare (Welfare) 4 Miss Cecilla LI Deputy Director of Social Welfare (Administration) Senior Statistician (Social Welfare), Mr Andrew KWAN Social Welfare Department Ms Connie YEUNG Kwong-yim Deputy Director of Housing (Development and Construction) Chief Civil Engineer (Public Works Mr Kenneth LEUNG Tak-yan Programme), Transport and Housing Bureau Mr Edward TSE Cheong-wo Project Director (3), Architectural Services Department Assistant Director of Leisure and Mrs Doris FOK LEE Sheung-ling Cultural Services (Leisure Services) Acting Chief Architect (3), Housing Mr Leslie YUEN Kin-cheung Department Deputy Secretary for Development Miss Joey LAM Kam-ping, JP (Works) 1 Head of Greening, Landscape and Ms Deborah KUH Wen-gee Tree Management Section, Development Bureau Head of Tree Management Office, Ms Yasmin CHIR Cheuk-yin Development Bureau Director of Architectural Services Ms Sylvia LAM YU Ka-wai, JP Ms Alice YEUNG Lai-fong Assistant Director of Architectural Services (Architectural)

#### **Clerk in attendance:**

Ms Anita SIT

Assistant Secretary General 1

#### **Staff in attendance:**

Mr Derek LO Chief Council Secretary (1)5
Ms Ada LAU Senior Council Secretary(1)7

Mr Raymond SZETO Council Secretary (1)5

Miss Queenie LAM Senior Legislative Assistant (1)2 Mr Frankie WOO Senior Legislative Assistant (1)3

Ms Michelle NIEN Legislative Assistant (1)5

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#### <u>Action</u>

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

Item 1 — FCR(2017-18)45

HEAD 170 — SOCIAL WELFARE DEPARTMENT

Subhead 179 — Comprehensive social security assistance scheme

Subhead 180 — Social security allowance scheme

- 2. The Chairman said that this item invited the Finance Committee ("FC") to approve a 1.4% increase in standard payment rates under the Comprehensive Social Security Assistance ("CSSA") Scheme and the rates of allowances under the Social Security Allowance ("SSA") Scheme with effect from 1 February 2018 and note the financial implications of an extra \$637 million each year arising from that. The Labour and Welfare Bureau ("LWB") sought the views of the Panel on Welfare Services ("the Panel") on the proposal at the meeting on 13 November 2017.
- 3. At the invitation of the Chairman, Mr SHIU Ka-chun, the Chairman of the Panel, briefed members on the outcome of the Panel's discussion on this financial proposal. Mr SHIU said that while supporting the proposal in principle, the Panel had passed three motions, urging the Government to conduct an overhaul of the CSSA system; to immediately review the adjustment mechanism for rent allowance under the CSSA Scheme, so that the level of rent allowance could cover the actual rent paid by 90% of CSSA households living in private housing; and to immediately shelve the arrangement of raising the eligible age for elderly CSSA from 60 to 65.

## Proposed increase

- 4. Dr Fernando CHEUNG, Mr KWONG Chun-yu, Dr KWOK Ka-ki, Mr SHIU Ka-chun, Mr Abraham SHEK, Dr Helena WONG, Mr LEUNG Yiu-chung, Mr Jeremy TAM, Mr Wilson OR, Mr Christopher CHEUNG and Mr CHAN Chi-chuen considered that both the proposed rate of increase and the actual amounts were too meagre for recipients to meet their needs for living in the midst of soaring commodity Mr Abraham SHEK opined that the proposed increase prices and rents. humanitarian considerations. Mr Christopher lacking in was CHEUNG, Dr Helena WONG, Mr LEUNG Yiu-chung and Dr KWOK Ka-ki considered that the rate of increase was "insulting" and "shameful" for recipients.
- 5. <u>Mr WU Chi-wai</u> enquired about the calculation method for adjustments of various non-standard payments in the form of special grants under the CSSA Scheme.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC167/17-18(01) on 1 March 2018.]

6. <u>Under Secretary for Labour and Welfare</u> ("USLW") took note of members' views. He said that as always, apart from adjusting allowances under these two schemes in accordance with the established mechanism, the Administration would also provide requisite assistance for people in need through various support measures that fell outside existing policies, such as programmes under the Community Care Fund ("CCF"). With an ageing population trend, the Administration, before launching any welfare policy initiatives, had to consider its financial sustainability. He said that the expenditure incurred by the Administration on welfare services had increased by about 70% in the past five years.

# Need for reviewing the Social Security Assistance Index of Prices

7. Mr KWONG Chun-yu opined that it was at odds with reality and lacking in flexibility for the Administration to adjust standard payment rates under the CSSA Scheme and rates of allowances under the SSA Scheme, according to any inflation/deflation occurring in the Social Security Assistance Index of Prices ("SSAIP") in the past 12 months. Mr KWONG pointed out that the rates of increase in prices and rents in recent years had greatly outpaced the adjustments made in accordance with the changes in SSAIP. Mr KWONG, Mr SHIU Ka-chun, Mr LEUNG Yiu-chung, Mr Jeremy TAM, Mr CHAN Chi-chuen and Mr Wilson OR

considered it necessary to conduct a comprehensive review of the adjustment mechanism of SSAIP and even the entire CSSA Scheme, so that the rates of adjustment could accurately reflect the increases in prices and rents. Mr OR suggested that the review should be conducted by an independent third-party organization. Mr SHIU suggested that the median expenditure of members of the public should be used as a reference for calculating rates of allowance. Mr CHAN Chi-chuen expressed support for Mr SHIU's suggestion.

- 8. <u>Dr KWOK Ka-ki</u> opined that the Administration should consider adjusting standard payment rates under the CSSA Scheme and rates of allowances under the SSA Scheme based on the movement of Consumer Price Index A ("CPI(A)") or salary increases of civil servants in the lower and middle ranks. <u>Dr KWOK</u> and <u>Mr CHAN Chi-chuen</u> considered that the Administration should review the weighting system of SSAIP at a more frequent interval, instead of once every five years. <u>Dr KWOK</u> also urged the Administration to provide targeted assistance to people of different age groups, such as children and the elderly, with regard to their special needs in meals and healthcare.
- 9. <u>Mr Jeremy TAM</u> and <u>Mr Wilson OR</u> enquired about the conditions to be fulfilled before the Administration would review the entire CSSA Scheme and the SSA Scheme mechanism. <u>Mr Alvin YEUNG</u> urged USLW to relay members' dissatisfaction to the Secretary for Labour and Welfare.
- 10. USLW said that the Administration was of the view that:
  - (a) it was scientific to determine the adjustment rate in tandem with SSAIP movement, and the Administration would also review the weighting system of SSAIP every five years;
  - (b) the principles of and considerations for adjusting standard payment rates under the CSSA Scheme and rates of allowances under the SSA Scheme were different from those for adjusting salaries of civil servants, so the two should not be compared. He supplemented that the rates of increase of various social security allowances in 2018 were determined on the basis of the 12-month moving average (1.4%) of SSAIP for the period ending October 2017, which was higher than the 12-month moving average (1.3%) of CPI(A) (excluding the category of housing). Regarding the review of the CSSA Scheme and the SSA Scheme, the Administration considered it more appropriate to discuss it at

- meetings of the Panel. He also advised that the Administration currently had no plans to comprehensively review the CSSA Scheme and the SSA Scheme; and
- (c) noting the financial burden arising from increases in rents and other commodities on CSSA recipients, the Administration provided additional assistance for relevant CSSA recipients through other relief measures, such as the CCF programme of Subsidy for CSSA Recipients Living in Rented Private Housing, to complement the CSSA Scheme.
- 11. Senior Statistician (Social Welfare), Social Welfare Department supplemented that SSAIP was compiled by the Census and Statistics Department ("C&SD") on a monthly basis based on its weighting system (i.e. relative importance of individual items of goods and services) and the monthly average retail prices of individual items of goods and services covered by SSAIP which consisted of all items covered in CPI(A) compiled by C&SD, except those items of goods and services which were covered by special grants under the CSSA Scheme or provided free by the Government. SSAIP reflected the moving average of price changes of items covered by it in the past 12 months. In general, there were upward and downward movements in the prices of the items covered by SSAIP. As at the end of October 2017, although the rate of increase in the prices of individual items (such as food) was higher, the prices of other items fell (such as the downward adjustment of electricity tariffs, the special fuel rebate, etc.), resulting in a moderate overall increase.
- 12. <u>Mr Jeremy TAM</u> enquired about the individual rate of increase or decrease of items covered by SSAIP in the adjustment. <u>USLW</u> said that he would provide such supplementary information after the meeting.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC167/17-18(01) on 1 March 2018.]

#### Rent allowance

13. <u>Mr SHIU Ka-chun</u> enquired whether the Administration would review the mechanism of providing the rent allowance under the CSSA Scheme. <u>Mr SHIU</u> requested the Administration to state the methodology and data used by it to support its claim that an increase in the rent allowance would push up rents in the private market.

14. In response, <u>USLW</u> said that the Administration had to exercise extreme care in increasing the rent allowance under the CSSA Scheme to avoid further spurring an increase in private property rents. He reiterated that the Administration expected to provide, through CCF, additional assistance for CSSA households living in rented private housing and paying a rent exceeding the maximum rates of the rent allowance under the CSSA Scheme, so as to relieve their financial burden in face of rent increase. CCF had improved the programme concerned as the basis of a possible model for regularization in future.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC167/17-18(01) on 1 March 2018.]

#### Allowances under the SSA Scheme

- 15. <u>Mr LEUNG Che-cheung</u> enquired why eligible elderly persons had not yet received the payment of the Higher Old Age Living Allowance ("OALA") which had been implemented since 1 May 2017. <u>Mr WU Chi-wai</u> and <u>Mr Wilson OR</u> enquired about the operation of Higher OALA, including the implementation timetable.
- 16. Deputy Director of Social Welfare (Administration) replied that as the computer system of the Social Welfare Department ("SWD") required enhancement in 2017, work involving the payment of Higher OALA could only proceed after the completion of the enhancement in January 2018 and confirmation that the new computer system could function properly. said that the Administration would inform the elderly of the arrangements and procedures for applying for Higher OALA gradually between April and June in 2018 to prepare for the initial granting of payments in June The Administration had to check the date on which elderly persons became eligible for Higher OALA before it could determine the amounts of backpay to be disbursed to eligible recipients. She supplemented that elderly persons who were receiving OALA but not eligible for Higher OALA would also be notified by the Administration by letter. If they were now eligible, they could apply for Higher OALA in 2018. Administration would also, through different channels, publicize the implementation of the policy to make the policy known to the elderly persons and their families.

- 17. <u>Mr CHAN Chi-chuen</u> considered that the asset tests under OALA were stringent and requested the Government to review the entire system, including relaxing the asset ceiling substantially. <u>Mr Wilson OR</u> opined that the Administration should consider providing certain one-off relief measures for the elderly and the disadvantaged.
- 18. <u>USLW</u> said that in addition to the CSSA Scheme and the SSA Scheme, the Administration had also provided other relief measures for elderly persons with financial needs and raised the asset ceiling of OALA in recent years.
- 19. As some members expressed their views on different welfare policies when speaking, the Chairman reminded members that questions and discussions on policy matters should be raised at the relevant panels, instead of FC.

## Raising the eligible age for elderly CSSA

20. <u>Dr Fernando CHEUNG</u> and <u>Mr SHIU Ka-chun</u> were opposed to the Administration's policy of raising the eligible age for elderly CSSA from 60 to 65. <u>Dr CHEUNG</u> was concerned about the opportunities for elderly persons aged between 60 and 64 to join the labour market and that while their basic needs remained unchanged, the payments they received would decrease because of the policy change. <u>Dr CHEUNG</u> queried the justifications of the Administration for implementing this new policy and requested the Administration to shelve the policy immediately. <u>Mr SHIU Ka-chun</u> requested the Administration to provide information on the total number of persons who were aged between 60 and 64 at the time of appointment by LWB and SWD in the past two years.

# 21. In response, <u>USLW</u> said that:

- (a) elderly persons aged between 60 and 64 who were receiving CSSA before the new policy took effect would not be affected by it;
- (b) the CSSA payments of disabled persons or persons in ill health would also not be affected by the new policy, i.e. they would, regardless of their age, receive CSSA payments which were higher than those applicable to able-bodied adults;

- (c) in order to adhere to the new policy to be implemented by the Administration, the Labour Department would continue to provide various types of employment support for mature persons; and
- (d) apart from making changes to the policy initiative on CSSA payments for elderly persons, the Administration had also improved other policies on welfare services for elderly persons at the same time, such as lowering the eligibility age for the Elderly Health Care Voucher from 70 to 65 and waiving the fees and charges for public healthcare services for eligible elderly persons receiving OALA payments with more financial needs, with a view to strengthening the support for elderly persons on various fronts.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC167/17-18(01) on 1 March 2018.]

## Voting on FCR(2017-18)45

22. There being no further questions from members, the Chairman put item FCR(2017-18)45 to vote. The Chairman declared that he thought the majority of the members present and voting were in favour of the item. The item was approved.

Item 2 —FCR(2017-18)46

RECOMMENDATION OF THE PUBLIC WORKS
SUBCOMMITTEE MADE ON 1 NOVEMBER 2017

PWSC(2017-18)18

Head 711 — Housing

Recreation, Culture and Amenities — Open spaces

440RO —District open space adjoining public housing development at Anderson Road

23. The Chairman advised that this item sought FC's approval for the recommendation of the Public Works Subcommittee made at its meeting held on 1 November 2017, i.e. the recommendation in PWSC(2017-18)18 regarding the upgrading of 440RO to Category A at an estimated cost of \$201 million in money-of-the-day prices for the development of a district open space ("DOS") adjoining the public housing development at Anderson Road. The Chairman declared that he was an independent non-executive director of The Bank of East Asia Limited.

### Facilities and management of DOS

- 24. Noting that the Housing Authority ("HA") was responsible for the construction of the DOS, <u>Mr CHAN Chi-chuen</u> enquired whether the responsibility for the repair and maintenance of the DOS after completion would rest with the Administration or HA and about its opening hours.
- 25. Chief Civil Engineer (Public Works Programme), Transport and Housing Bureau ("CCE(PWP)/THB") replied that, being a public works project, the DOS would be handed over by HA to the Administration upon completion and would be repaired and maintained by the Leisure and Cultural Services Department ("LCSD") and other relevant departments. In response, Assistant Director of Leisure and Cultural Services (Leisure Services) ("ADLCS(LS)") said that the 7-a-side artificial turf soccer pitch opened daily from 7:00 am to 11:00 pm, while other outdoor facilities were open throughout the day.

## Artificial turf soccer pitches

- 26. <u>Mr CHAN Chi-chuen</u> asked about the hire charges of the 7-a-side artificial turf soccer pitch. <u>Mr LEUNG Che-cheung</u> advised that for members of the public, the artificial turf soccer pitch, requiring payment of charges for use, might be less attractive than the hard-surface soccer pitch. <u>Mr LEUNG</u> asked about the reasons of the Administration for providing an artificial turf soccer pitch in the DOS.
- 27. <u>ADLCS(LS)</u> responded that the rental rate of an artificial turf soccer pitch was \$144 for a session of 90 minutes, including floodlighting. She explained that there were currently 21 7-a-side hard-surface soccer pitches but only three 7-a-side artificial turf soccer pitches in Kwun Tong. As the usage rate of artificial turf soccer pitches was high, the Kwun Tong District Council also supported the provision of a 7-a-side artificial turf soccer pitch in the proposed DOS. She supplemented that the provision of an artificial turf soccer pitch in the DOS was to address the local demand for this type of sports facilities.
- 28. <u>Dr Pierre CHAN</u> pointed out that with only Futsal and 11-a-side matches held by the Federation Internationale de Football Association ("FIFA"), the provision of 7-a-side artificial turf soccer pitch facilities would not be an effective means to attract the youth to use such facilities and to promote the soccer sport at the district level. In this connection, <u>Dr CHAN</u> opined that the Administration should focus on public consultation first when planning for soccer facilities under its policy of striving for the promotion of the soccer sport. Noting that Ethylene

Propylene Diene Monomer ("EPDM") was used on a trial basis as infills for the soccer pitch at Po Tsui Park in Tseung Kwan O and would be used as infills for the artificial turf soccer pitch at Hing Wah Street West, Dr CHAN enquired whether EPDM, used for trial at Po Tsui Park, would be used as infill materials for the proposed artificial turf soccer pitch and about the cost implication of using EPDM as filling material.

- Mr LUK Chung-hung criticized the practice of LCSD in procuring materials for artificial turf soccer pitches as bureaucratic and behind the times. Mr LUK pointed out that the fourth-generation artificial turf, for which organic fillers were used as infill materials, was used even in the training venue of Kitchee, the championship team of the Hong Kong Premier League. As 7-a-side soccer pitches would not be used to hold international matches, Mr LUK opined that LCSD should dare to make a new attempt on the choice of infill materials. He asked whether the Administration had consulted the Hong Kong Football Association ("HKFA") in this regard.
- 30. In response, <u>ADLCS(LS)</u> said that the filler made of organic materials mentioned by Mr LUK Chung-hung was also one of the ingredients of third-generation artificial turf pitch material recognized by FIFA. LCSD and the Architectural Services Department ("ArchSD") would use relatively new materials in new suitable venues. She remarked that both HKFA and the Hong Kong Rugby Union supported the use of third-generation artificial turf in artificial turf soccer pitches. She advised that as the Administration considered it necessary to conduct a more in-depth study on the organic filling materials mentioned by Mr LUK Chung-hung, of which there was only one supplier in Hong Kong, coupled with the relatively tight timeframe for the implementation of the project, such materials could not be used for the artificial turf soccer pitch in this project.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC191/17-18(01) on 14 March 2018.]

# Other facilities

31. Mr Jeremy TAM asked whether the public could ride balance bikes in the DOS. Mr TAM suggested that as regards the design of facilities in the DOS, the Administration could consider adopting a multi-purpose approach to cater for activities which had become popular in recent years, such as the balance bikes.

- 32. <u>Deputy Director of Housing (Development and Construction)</u> ("DDH(D&C)") and <u>ADLCS(LS)</u> advised that:
  - (a) members of the public could use balance bikes in roller skating rinks or cycling venues provided in LCSD facilities;
  - (b) members of the public could not use balance bikes in the proposed DOS, as the aforesaid two facilities would not be provided there; and
  - (c) LCSD would balance the needs of different users for the multi-purpose open area to be provided in the DOS. If balance bike activities would not cause disturbances and danger to other users, it would study whether it was suitable to allow children to use balance bikes in the multi-purpose open area.
- 33. Mr LEUNG Che-cheung enquired whether the energy efficient features proposed to be adopted for the project would cover the whole area of the DOS, including the 7-a-side soccer pitch. Acting Chief Architect (3), Housing Department ("ACA(3)/HD") replied that the coverage of such energy efficient features did not include the lighting system of the 7-a-side soccer pitch.
- 34. Noting the reasons of the Administration for failing to lengthen the jogging track, Mr WU Chi-wai suggested that the space for constructing the jogging track should be used for expanding the lawn area. In addition, Mr WU urged the Administration to widely and flexibly use standardized modular components of children's play facilities to shorten the time required to repair them in future. Mr WU asked whether the Administration, when procuring energy efficient features and artificial turf, had stipulated in procurement contracts that suppliers were required to provide the latest and standard-compliant products in the market at the time of delivery.
- 35. <u>DDH(D&C)</u> advised that due to the topographic constraint of the site, the Administration had to design the facilities of the DOS by balancing the needs of different users. In response to Mr WU Chi-wai's suggestion on procurement contracts, she said that the Administration had been keeping the development of such products in view and would require contractors to provide products based on contract terms in procurements.

- 36. Mr CHAN Chi-chuen asked whether a pet zone would be provided in the DOS; if not, whether the Administration would consider allowing people to use the DOS with their pets during specified hours and/or providing pet-friendly facilities in designated areas. The Chairman requested the Administration to relay Mr CHAN's suggestion to the District Council ("DC") concerned for consideration.
- 37. <u>ADLCS(LS)</u> responded that as restrained by the site area, the Administration could not include a pet zone without affecting other facilities and the spaces occupied by such facilities. The Administration had to consult the DC concerned on its acceptance of making the DOS open to users with their pets during part of its opening time. The Administration agreed to relay members' requests to the DC concerned.
- 38. Mr Wilson OR requested the Administration to consider afresh providing parking spaces in the DOS. ACA(3)/HD responded that the current design of the DOS, which covered an area of 1.4 hectares only, could not accommodate parking spaces, but through the booking arrangement, a vehicle carrying a person with impaired mobility could move straight into the DOS and leave after dropping the person off. Parking spaces closest to the DOS were located in On Tat Estate and On Tai Estate.

#### Public consultation

- 39. Quoting LC Paper No. PWSC43/17-18(01), Mr CHU Hoi-dick said that the Administration had scheduled to meet with relevant stakeholders on the children's play facilities in the proposed DOS in December 2017. Mr CHU enquired about the detailed contents and outcome of the meeting. He suggested that the Administration, when planning for sitting-out facilities of the same type, should consult the public first and collect their views to improve the project details before submitting papers on funding application to the Legislative Council ("LegCo").
- 40. While being supportive of the item, <u>Ir Dr LO Wai-kwok</u> acknowledged the importance of public consultation and urged the Administration to present a complete picture of the public consultation results in its paper to be submitted to LegCo.

41. <u>ACA(3)/HD</u> replied that the Administration held a public engagement workshop on the DOS in mid-December 2017, inviting the participation of residents of On Tat Estate and On Tai Estate, local social welfare organizations, Legislative Council Members of the Kowloon East constituency and local DC members. Through the workshop, the Administration had received views and suggestions on children's play facilities and other fitness facilities from various parties, and had incorporated them into relevant tender documents. <u>DDH(D&C)</u> supplemented that in addition to this project item, the Administration had held workshops for other projects as well, so as to collect the public's views on the projects.

## Project cost

- 42. Mr CHAN Chi-chuen pointed out that according to the paper provided by the Administration (PWSC(2017-18)18), the updated capital cost estimate of the proposed works was \$201 million, which was lower than the estimate set out in the paper provided in the 2016-2017 session. Mr CHAN enquired about the breakdown of items under the "on-cost payable to HA" included in the capital cost of the works and the reasons for entrusting the implementation of the works to HA.
- 43. <u>CCE(PWP)</u>, <u>THB</u> explained that a lower price adjustment factor was used in 2017 following the downward trend reflected in the latest labour market data and prices of construction materials. Therefore, the latest project cost estimate in September 2017 prices (i.e. \$201 million) was lower than that in September 2016 prices (i.e. \$208.5 million) as presented in PWSC(2017-18)5 in May 2017. He said that the on-cost was 12.5% of the construction cost, including design (4.8%), contract administration (4.8%) and administration overhead (2.9%) of the project. An account of that was also given in LC Paper No. PWSC43/17-18(01).
- 44. Mr Wilson OR enquired about the method of calculating the amount required for contingencies and the principles governing the use of the provision for contingencies. Project Director (3), Architectural Services Department explained that as regards the scale of this item, it was the Administration's established practice to reserve 10% of the total project cost for contingencies in order to cater for additional expenditures arising from unforeseen circumstances during the construction stage and such contingencies would be used on an actual cost basis, if necessary.

45. At 5:58 pm, FC voted on whether a <u>motion</u> proposed to be moved by Mr CHAN Chi-chuen under paragraph 37A of the Finance Committee Procedure should be proceeded with forthwith. At the request of members, the <u>Chairman</u> ordered a division. <u>The Chairman</u> declared that members had decided not to proceed with the motion forthwith.

## Voting on FCR(2017-18)46

46. There being no further questions from members, the Chairman put item FCR(2017-18)46 to vote. The Chairman declared that he thought the majority of the members present and voting were in favour of the item. The item was approved.

Item 3 — FCR(2017-18)47
RECOMMENDATION OF THE ESTABLISHMENT
SUBCOMMITTEE MADE ON 8 NOVEMBER 2017

EC(2017-18)8

HEAD 25 — ARCHITECTURAL SERVICES DEPARTMENT
Subhead 000 — Operational expenses

47. The Chairman advised that this item sought FC's approval for the recommendation of the Establishment Subcommittee made at its meeting held on 8 November 2017, i.e. the recommendation in EC(2017-18)8 regarding the creation of one permanent post of Chief Landscape Architect ("CLA") to head a new Landscape Division ("LD") under the Architectural Branch ("ArchB") in ArchSD upon approval by FC to strengthen the provision of professional landscape architectural support to ArchSD in handling landscape design and tree management planning matters.

# Responsibilities of the proposed post

48. Mr CHAN Chi-chuen enquired about the tasks of the CLA in controlling the costs of landscape works and the costs of post-construction maintenance. He opined that the Administration should be committed to preserving the original vegetation and trees in the locations of public facilities and formulating a proposal to maximize the survival rate of the original vegetation after its transplantation.

- 49. Mr CHAN Chi-chuen enquired how the CLA managed the performance of contractors who carried out landscape works for the Administration and about the overseas experience based on which the landscape technology for public works projects could be advanced. Mr CHAN requested the Administration to provide information on the criteria adopted for assessing the performance of contractors or sub-contractors carrying out landscape works for government buildings and enquired whether such criteria were made known to the public.
- Director of Architectural Services ("DAS") replied that LD was 50. responsible for steering the landscape architecture of public works projects and coordinating public project development to meet the public's demand for greening, as well as implementing the policy of the Administration to adopt a higher standard and quality of landscape architectural works in public works projects. The CLA assisted Assistant Director of Architectural Services (Architectural) in completing the landscape and greening works of public works projects, including project cost control and the implementation timetable. She further explained that in implementing projects, the officers led by the CLA could save the expenses on production simplification and installation through the standardization, Besides, in selecting vegetation to be homogenization of components. planted within public facilities, they could also select suitable species with regard to the environmental conditions for planting, so as to reduce the expenses on maintenance, including re-planting, in future. She advised that the Administration had extensively adopted the landscape technology of "living roofs greening" with satisfactory results in recent years, after conducting a joint study with members in the local industries and other stakeholders.
- Deputy Secretary for Development (Works)1 ("DSDEV(W)1") replied that the Administration would first check the existing species and quantities of plants at project sites when taking new development projects forward and would consider how to preserve or transplant suitable trees as far as possible in design and planning. Officers of the Landscape Architect ("LA") grade in the Planning Department or the Lands Department would examine the arrangement for retaining trees in development projects.

52. <u>DAS</u> explained that through the process of outsourcing public facilities' repair and maintenance to the principal contractor, the Administration indirectly obtained the service provided by the landscape sub-contractors who worked under the principal contractor. Therefore, contractors performing landscape works for government building contracts were evaluated regularly during the contract period under the contractor performance reporting system of the Development Bureau ("DEVB"). She undertook to provide supplementary information after the meeting.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC124/17-18(01) on 31 January 2018.]

- 53. Mr CHAN Chi-chuen enquired about the tasks of the CLA in both promoting best practices and formulating guidelines on the use of pesticides within public facilities. Mr CHAN was concerned that staff members using pesticides within public facilities always failed to clearly indicate to the public the areas within which pesticides had been sprayed and to erect notices therein in a timely manner.
- Referring to the code of practice for the safe and proper use of pesticides in areas under LCSD as stated in LC Paper No. FC43/17-18(01), Mr CHU Hoi-dick enquired whether DEVB's code of practice and guidelines on the use of pesticides in landscape architecture projects were consistent with those of LCSD; if not, what the details are.
- 55. <u>DSDEV(W)1</u> advised that apart from the use of pesticides, physical methods (such as the installation of insect traps), planting methods and biological control methods would also be used to repel pests. She added that, besides LCSD, the Agriculture, Fisheries and Conservation Department also had similar safety guidelines, to which DEVB would make reference. After gaining an understanding of the situation mentioned by Mr CHAN Chi-chuen, the Administration would provide a consolidated response.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC124/17-18(01) on 31 January 2018.]

56. Mr LAU Kwok-fan said that as the CLA had to steer project operation and coordinate various policy bureaux and stakeholders in respect of greening/landscape policies and initiatives, he hoped that the candidate would have practical working experience in design and planning, instead of specializing in clerical work.

#### Tree management work

- 57. Mr HUI Chi-fung enquired how the CLA should allocate time between landscape design and tree management. Mr HUI opined that tree management work involved tree care, preservation and relief, which fell within the jurisdiction of the profession of arborists. Mr HUI enquired whether the CLA was competent for the work of the professional arborist and opined that the Administration should add a requirement for arborist qualifications in respect of the proposed post. Ms Claudia MO enquired whether the CLA and the team led by the CLA had to be responsible for identifying and removing risky trees.
- DAS advised that while ArchSD was responsible for maintaining about 200 000 trees, part of the tree management work had to be undertaken by outsourced contractors. Hence, ArchSD had to oversee the work of tree contractors, including the provision of guidelines and formulation of indicators for outsourced contractors to follow. As a result, ArchSD officers also had knowledge of arboricultural work. LA grade officers in LD to be led and steered by the CLA included three Senior Landscape Architects ("SLAs") and nine LAs or Assistant LAs. Some of LD's SLAs possessed the qualification of Certified Arborist. DSDEV(W)1 advised that tree management departments were responsible for regularly reviewing the growth of trees in Hong Kong and, depending on the need, implementing mitigation measures on risky trees, including removing them.
- 59. Expressing concerns about cases in which some members of the public had planted trees in inappropriate ways, <u>Dr CHENG Chung-tai</u> enquired how the CLA would change these practices. <u>DSDEV(W)1</u> replied that in selecting tree species for public works projects, LA would reserve sufficient room for planting trees in design and planning with regard to the growing space required, with a view to reducing the number of cases in which trees were planted in inappropriate ways.

### Need for creation of the proposed post

60. Mr CHAN Chi-chuen enquired about the specific indicators used by the Administration for assessing the effectiveness of the work of LD and the CLA, as well as the differences between the establishment and non-establishment of LD in the implementation of landscape and greening works.

- 61. Mr HUI Chi-fung requested the Administration to state ArchSD's workload, the insufficiency of its existing manpower to handle it and the public's comments on its performance in the implementation of landscape and greening works. Mr HUI opined that the Administration should consider allocating more resources to retain trees. Mr HUI said that he did not support this item.
- 62. <u>DAS</u> advised that the number of public works projects taken up by ArchSD had doubled in recent years, with an increase in greening works required in each of them. Given that each division of ArchSD was led by a directorate officer who was in the same profession as other professionals in it, the Administration considered that LD should also be led by a CLA specializing in landscape architecture.
- 63. <u>DSDEV(W)1</u> advised that it was difficult to quantify or assess LAs' performance with data. She explained that in public works, LAs were responsible for providing professional comments on landscape and greening works and their implementation, including the selection of tree species and, in so doing, the consideration of a proposal on their future maintenance, which was regarded by her as the upstream work in landscape and greening works. If the upstream work was well done, it would be relatively easy for the future tree management work to achieve fruitful outcomes. Such factors should also be considered in assessing the performance of the CLA and LD.

# Manpower supply and training of LAs

- 64. Mr LAU Kwok-fan expressed support for the item and was concerned about the possibly inadequate number of LAs to meet the market demand in Hong Kong. DSDEV(W)1 advised that there were 200-odd Certified LAs recognized by the Hong Kong Institute of Landscape Architects and 77 LAs employed by the Administration in Hong Kong. Courses in Landscape Architecture were offered in local universities and the Vocational Training Council and it was believed that qualified manpower would increase in the future.
- 65. Mr HUI Chi-fung requested the Administration to set out the respective numbers of CLA posts to be increased in different departments/divisions. The Administration said that it would provide such information after the meeting.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC124/17-18(01) on 31 January 2018.]

#### Other concerns

- 66. <u>Ms Claudia MO</u> enquired whether more greening facilities would be provided in completed project facilities, including the LegCo Complex. <u>DSA</u> replied that greening elements would be added to completed facilities in accordance with the requests and suggestions of DCs or building users. She also quoted several examples of completed facilities to illustrate the fruitful outcomes of greening works.
- 67. Mr CHU Hoi-dick said that after Typhoon Hato had hit Hong Kong, the Administration cut down some old trees at Silver Mine Bay for safety He requested the Administration to state the specific reasons. justifications for the existence of safety risks. Mr CHU suggested that the Administration should engage members the community of discussions decision-making before removing trees of historical significance, and take follow-up actions in respect of those to be removed, leaving a commemoration to the community. He enquired about the departments that were responsible for communicating with the community.
- 68. <u>DSDEV(W)1</u> responded that in general, apart from natural ageing, the safety risk posed by trees after a natural disaster was also a factor that the Administration would take into account in deciding to remove them. Before a decision was made to fell risky trees, experts of the Tree Management Office ("TMO") would make inspections to confirm that no other treatments were more appropriate than the removal of them. As regards the specific circumstances of the case mentioned by Mr CHU Hoi-dick, the Administration would provide supplementary information after the meeting. She concurred with the view of Mr CHU on community engagement. She explained that during the design stage of new projects, the department in charge would be responsible for consulting the community.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC124/17-18(01) on 31 January 2018.]

# Work of the Tree Management Office

69. <u>Mr HUI Chi-fung</u> was concerned about the effectiveness of TMO's work, the formulation of a qualifications framework for arborists, the resource input in the enactment of a tree ordinance and the likelihood of creating an Arborist grade. <u>Mr HUI</u> was of the view that the Administration should increase its resource input in TMO.

<u>Dr CHENG Chung-tai</u> and <u>Mr LAU Kwok-fan</u> enquired how TMO coordinated the tree management work with other bureaux or departments, including LD of ArchSD.

70. <u>DSDEV(W)1</u> advised that in addition to the promotion of the "right tree right place" planting strategy to members of the public, DEVB would also issue technical guidelines to tree management departments, with an expectation that fewer people would plant trees in inappropriate ways. She advised that TMO's current manpower and resource allocation were adequate.

## Voting on FCR(2017-18)47

71. There being no further questions from members, the Chairman put item FCR(2017-18)47 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 22 members voted in favour of and 4 members voted against the item. The votes of individual members were as follows:

For:

Prof Joseph LEE Kok-long
Mrs Regina IP LAU Suk-yee
Mr Steven HO Chun-yin
Mr Charles Peter MOK
Mr CHAN Han-pan
Ms Alice MAK Mei-kuen
Mr IP Kin-yuen
Ir Dr LO Wai-kwok
Mr HO Kai-ming
Mr Wilson OR Chong-shing
Mr CHAN Chun-ying
(22 members)

Mr WONG Ting-kwong

Ms Claudia MO
Mr YIU Si-wing
Mr CHAN Chi-chuen
Mr LEUNG Che-cheung
Mr KWOK Wai-keung
Mr POON Siu-ping
Mr Alvin YEUNG

Mr Holden CHOW Ho-ding

Ms YUNG Hoi-yan Dr CHENG Chung-tai

Against:

Mr James TO Kun-sun Mr HUI Chi-fung (4 members)

Mr LAM Cheuk-ting Mr KWONG Chun-yu

- 72. The Chairman declared that the item was approved.
- 73. During the discussion on FCR(2017-18)46, <u>the Chairman</u> suspended the meeting at 5:15 pm for members to take a short break. The meeting resumed at 5:30 pm.

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74. The meeting ended at 7:23 pm.

Legislative Council Secretariat 16 August 2018