

**立法會**  
***Legislative Council***

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**Finance Committee of the Legislative Council**

**Minutes of the 9th meeting**  
**held at the Legislative Council Chamber**  
**on Friday, 23 February 2001, at 2:30 pm**

**Members present:**

Dr Hon Philip WONG Yu-hong (Chairman)  
Hon NG Leung-sing (Deputy Chairman)  
Hon Kenneth TING Woo-shou, JP  
Hon James TIEN Pei-chun, JP  
Hon Cyd HO Sau-lan  
Hon Albert HO Chun-yan  
Ir Dr Hon Raymond HO Chung-tai, JP  
Hon LEE Cheuk-yan  
Hon Martin LEE Chu-ming, SC, JP  
Hon Eric LI Ka-cheung, JP  
Hon Fred LI Wah-ming, JP  
Dr Hon LUI Ming-wah, JP  
Prof Hon NG Ching-fai  
Hon Margaret NG  
Hon Mrs Selina CHOW LIANG Shuk-ye, JP  
Hon James TO Kun-sun  
Hon CHEUNG Man-kwong  
Hon HUI Cheung-ching  
Hon CHAN Kwok-keung  
Hon CHAN Yuen-han  
Hon CHAN Kam-lam  
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP  
Hon LEUNG Yiu-chung  
Hon SIN Chung-kai  
Hon Andrew WONG Wang-fat, JP  
Hon WONG Yung-kan

Hon Jasper TSANG Yok-sing, JP  
Dr Hon YEUNG Sum  
Hon YEUNG Yiu-chung  
Hon LAU Chin-shek, JP  
Hon LAU Kong-wah  
Hon LAU Wong-fat, GBS, JP  
Hon Mrs Miriam LAU Kin-yee, JP  
Hon Ambrose LAU Hon-chuen, JP  
Hon Emily LAU Wai-hing, JP  
Hon CHOY So-yuk  
Hon Andrew CHENG Kar-foo  
Hon SZETO Wah  
Hon Timothy FOK Tsun-ting, SBS, JP  
Hon LAW Chi-kwong, JP  
Hon TAM Yiu-chung, GBS, JP  
Dr Hon TANG Siu-tong, JP  
Hon Abraham SHEK Lai-him, JP  
Hon LI Fung-ying, JP  
Hon Henry WU King-cheong, BBS  
Hon Tommy CHEUNG Yu-yan, JP  
Hon Michael MAK Kwok-fung  
Dr Hon LO Wing-lok  
Hon WONG Sing-chi  
Hon Frederick FUNG Kin-kee  
Hon IP Kwok-him, JP  
Hon LAU Ping-cheung  
Hon Audrey EU Yuet-mee, SC, JP

**Members absent:**

Hon David CHU Yu-lin  
Dr Hon David LI Kwok-po, JP  
Hon Bernard CHAN  
Hon Howard YOUNG, JP  
Hon Albert CHAN Wai-yip  
Hon LEUNG Fu-wah, MH, JP

**Public officers attending:**

Miss Denise YUE, JP  
Mr Stanley YING, JP  
Mr K K LAM

Mrs Fanny LAW, JP

Secretary for the Treasury  
Deputy Secretary for the Treasury  
Principal Executive Officer (General),  
Finance Bureau  
Secretary for Education and Manpower

Mr Raymond YOUNG, JP	Deputy Secretary for Education and Manpower
Ms Michelle LI	Principal Assistant Secretary for Education and Manpower
Mr Peter CHEUNG, JP	Secretary-General, University Grants Committee
Mr Joseph LAI, JP	Deputy Secretary for Education and Manpower
Mr Gordon LEUNG	Principal Assistant Secretary for Education and Manpower
Mr Andrew C S POON	Assistant Director of Education
Mr Stephen PANG	Commissioner for Rehabilitation
Mrs Carrie LAM, JP	Director of Social Welfare
Mr S H PAU, JP	Director of Architectural Services
Mr HO Wing-him, JP	Deputy Secretary for Health and Welfare
Mr K C LAU	Principal Assistant Secretary for Works
Mr P W CHAN, JP	Assistant Director of Water Supplies
Mrs Lily TSANG	Business Manager of Water Supplies Department
Mr NG Tim-bo	Senior Engineer of Water Supplies Department
Mr Alex MA	Assistant Director of Information Technology Services

**Clerk in attendance:**

Ms Pauline NG	Assistant Secretary General 1
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**Staff in attendance:**

Miss Polly YEUNG	Chief Assistant Secretary (1)3
Ms Eleanor CHOW	Senior Assistant Secretary (1)4
Ms Sarah YUEN	Senior Assistant Secretary (1)SC

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In relation to Item No. 1 - FCR(2000-01)73, which was a re-submission of a proposal withdrawn at the last meeting of the Finance Committee (FC) on 9 February 2001, Members agreed to the Chairman's suggestion for deferring the item to the later part of the meeting to enable Mrs Fanny LAW, Secretary for Education and Manpower (SEM) to answer members' questions personally at the meeting. In response to Mr LAU Chin-shek's query, the Chairman confirmed that Mrs LAW was not on the original attendance list of Government representatives, but had decided to shorten an earlier appointment so as to attend the meeting. She was expected to arrive at around 3 pm.

**Item No. 2 - FCR(2000-01)74**

**HEAD 146 - GOVERNMENT SECRETARIAT :  
EDUCATION AND MANPOWER BUREAU**

**◆ Subhead 700 General other non-recurrent  
New Item "Grant to the Language Fund"**

2. Members noted that the proposal was discussed at the meeting of the Panel on Education on 15 January 2001.

3. Miss Emily LAU enquired about the effectiveness of the Language Fund, and whether any review had been conducted since the establishment of the Fund in 1994. In reply, the Deputy Secretary for Education and Manpower (3) (DS(EM)3) highlighted a number of successful projects funded by the Language Fund, namely, the three-year Putonghua Summer Immersion Course Subsidy Scheme where nearly 70% of its participants had attained one or two grades higher in the Mainland's National Putonghua Proficiency Test thereafter, the very popular Big Book programme, and the programme on Effective Teaching and Learning of Chinese Language in Primary School - Comprehensive and Effective Learning of Chinese Characters and Pleasurable Learning of Chinese Writing which was presently adopted by at least 25% of primary schools. DS(EM)3 pointed out that the Administration was well aware of the community's concern about language standards, and one of the major tasks of the Standing Committee on Language Education and Research (SCOLAR) in the coming year was to embark on a comprehensive review on Hong Kong's language strategy with a view to making recommendations to the Government. A public consultation exercise would be conducted in due course. Worthwhile recommendations arising from the review might be funded by disbursements from the Language Fund.

4. Miss Emily LAU asked if the Administration had only recently recognized the importance of early exposure to a foreign language and hence, the need to strengthen language teaching and learning at an early age. In reply, DS(EM)3 said that there were different theories relating to learning a foreign language and it was hoped that the aforesaid review could help shed light on the necessary supporting measures. Miss LAU however considered that the Administration should first ascertain the best approach in teaching and learning a foreign language before seeking resources to implement the necessary measures. In response, DS(EM)3 explained that part of the purpose of the grant presently sought was for financing projects for teachers and existing projects which had proved successful. Moreover, the review itself would also require additional resources for conducting relevant pilot schemes.

5. Mr YEUNG Yiu-chung referred to the Government's changing policy on language and shared Miss Emily LAU's concern that the Administration seemed to be still groping for good practices in enhancing language teaching and

learning. In reply, DS(EM)3 stressed that the direction of the Government's language policy was very clear and the Administration was only fine-tuning the implementation details. He pointed out that the Administration was committed to the promotion of mother-tongue teaching and the objective was that young people should be proficient in both Chinese (including Putonghua) and English.

Admin

6. Mrs Selina CHOW was concerned about the funding earmarked for English teacher training and called for additional funding for this area. In reply, DS(EM)3 advised that the total amount of grant from the Language Fund for teacher training in fact amounted to over \$43 million. Besides, the Education Department (ED) and the University Grants Committee (UGC) also organized many pre-service and in-service training programmes for language teachers. At Mrs CHOW's request, DS(EM)3 agreed to provide a breakdown of the funding to be provided for different teacher training projects under the Language Fund and of the total provision for teacher training including funding from ED and UGC.

Admin

7. Mrs Selina CHOW referred to criticisms on teacher training projects under the Language Fund, and asked whether the education sector had been consulted on the effectiveness of the funded projects in general. In reply, DS(EM)3 said that the SCOLAR had already decided to establish a focus group to review the projects in a comprehensive manner. Moreover, an evaluation mechanism was also a requirement for certain projects. Members noted that the priority areas listed out in the paper were still being developed. At Mrs CHOW's request, he agreed to report to the Education Panel the amount of funding earmarked for each of the initiatives or priority areas under the Language Fund when such information was available.

8. In reply to Miss Emily LAU on whether the recruitment of competent language teachers was the key to enhancing students' language proficiency, DS(EM)3 pointed out that there might not be one single solution as many other factors were at play, such as the overall language environment, the teaching method and the learner's attitude and ability. On ensuring the quality of language teachers, DS(EM)3 advised that in recognition of the importance of the quality of language teachers, SCOLAR was already actively exploring ways to recruit and retain good language teachers in local schools.

9. On further details of the Funding Scheme for Workplace English Training, DS(EM)3 reported that under the scheme, \$50 million had been set aside to promote the importance of English in the community and to improve the English standard among the workforce in Hong Kong. \$40 million was for subsidizing individuals to attend English courses, while the remaining \$10 million was for companies to develop their own training programmes. So far, the Language Fund had received over 15 000 applications, about 13 000 of which had been approved. In addition, over some \$2 million had been earmarked for development of 18 training courses.

10. Mr LEE Cheuk-yan commented that there were too many education-related funds and enquired about the difference between the Language Fund and the Quality Education Fund (QEF). In reply, DS(EM)3 explained that QEF had a much wider scope while the Language Fund was more focussed on enhancing the language proficiency of the community by continuing past successful projects, implementing new initiatives recommended by the SCOLAR and conducting research on language teaching and learning. As such, the target of QEF was schools and that of the Language Fund was the entire community. Addressing Mr LEE's query that a school might apply for funding from both Funds for the same project, DS(EM)3 pointed out that abuse of the Funds would be quite unlikely as secretariat support to each of the two Funds was provided by the Education and Manpower Bureau and any possible abuse could be readily detected.

11. The Committee approved the proposal.

**Item No. 1 - FCR(2000-01)73**

**HEAD 190 - UNIVERSITY GRANTS COMMITTEE**

**◆ Subhead 492 Grants to UGC-funded institutions**

12. Members noted that the proposal was discussed further by the Panel on Education at its meeting on 19 February 2001, and noted the following documents tabled at the meeting -

- (a) a letter from a lecturer of the University of Hong Kong (HKU) addressed to the Chairman (FC61/00-01); and
- (b) a table entitled "Enrolment and Annual Operating Expenditures of Selected U.S. Universities" obtained by Mr Albert HO from the Department of Economics of the Hong Kong University of Science and Technology (HKUST).

13. Mr CHEUNG Man-kwong pointed out that the UGC had given the impression to the UGC-funded institutions that should FC's approval not be given at this meeting, there would not be any allocation of funds for the institutions for the next triennium. In fact, the institutions should have funds to maintain their operations up to the end of the current triennium in June 2001. Thereafter, the required funding would be appropriated through the Appropriation Bill. The need to approve the proposal at this meeting was merely for the purpose of including the funding in the draft Estimates, which could be amended. He considered that the Administration/UGC had exerted undue pressure on the Heads of the UGC-funded institutions to accept the proposed reduction in funding. Mr CHEUNG pointed out that if the present proposal was negatived, UGC would be compelled to negotiate on behalf of the universities

for a higher level of funding with the Government.

14. In response, the Secretary-General, UGC (SG, UGC) stressed the universities' need for financial certainty in order to plan ahead for their activities such as academic enrolment and staff recruitment. This also explained the need to provide funding on a triennial, instead of an annual basis, to enable the institutions to formulate their academic development plans well in advance. SG, UGC pointed out that if the current proposal was voted down, the universities would have to face great uncertainty as they had to await for further proposals from the Government. He disagreed that the Heads of Institutions had been pressurized or coaxed into accepting the present proposal.

15. SEM further advised that the present proposal was primarily a re-submission of the previous one. It also addressed and provided further information on key points raised at the last meeting of FC and the Panel. SEM highlighted the Administration's undertaking that it would review the current funding methodology, so that student mix and student unit cost by levels could be taken into account in determining funding for UGC-funded institutions in the 2004/05 to 2006/07 triennium, subject to the availability of resources. SEM however considered it inappropriate to consider the proposed funding for universities in the context of the Estimates. .

16. Dr YEUNG Sum referred to recent remarks by the Financial Secretary (FS) that the student cost for local universities was even higher than that of world-renowned universities such as Harvard University. Dr YEUNG considered such remarks unfair and disrespectful towards the tertiary education sector in Hong Kong and sought SEM's view. SEM queried the relevance of the question. In reply to the Chairman on the relevance of the question to the proposal, Dr YEUNG Sum explained that as FS was the principal official in charge of public finance, his open comments that the current expenditure on university education was not good value for money might have influenced SEM in apportioning funding to the UGC sector. The Chairman allowed the question to be asked and requested SEM to respond to the question. SEM confirmed that negotiation for triennial funding had commenced over 10 months ago on the basis of the 1996 agreement with the universities and as such, the present funding proposal had in no way been influenced by FS's recent remarks.

17. Mr LAU Chin-shek questioned the reasons underlying the Heads of Institutions' acceptance, though with reluctance, of the proposed reduced funding and whether the Heads had taken into account the well-being of their staff and students. He was also concerned that the future working relationship between the universities, UGC and the Government would be strained as a result of the present cut in funding.

18. In reply, SG, UGC considered it inappropriate to speculate on the basis on which Heads of Institutions had formed their view. He nevertheless reported that

at his meeting with the Heads of the UGC-funded institutions (Lingnan University was represented by the President's deputy) on 21 February 2001, he had re-affirmed the following pledges -

- (a) Upon FC's approval of the present proposal, UGC would distribute to the institutions its savings in the order of \$250 million expected to be achieved by the end of the current triennium.
- (b) The Government would review the current funding methodology in order that student mix and student unit cost by levels could be taken into account in determining funding for the 2004/05 to 2006/07 triennium, subject to the availability of resources.
- (c) Should the UGC sector encounter any genuine financial difficulties, the Government would identify scope for additional funding allocation to the UGC.

19. SG, UGC further reported that the Heads of Institutions had requested him to convey their views that -

- (a) they were very dissatisfied with the overall reduction in funding for the tertiary sector;
- (b) they considered that there would be great uncertainty if the present proposal was not approved; and
- (c) the Government should fulfil its pledges as early and as thoroughly as possible.

20. Responding to Mr LEUNG Yiu-chung's query about the timing of his meeting with the Heads of Institutions shortly before this FC meeting, SG, UGC pointed out that he had not met with the Heads before the relevant Panel meeting on 19 February 2001 to avoid any false impression that UGC was putting pressure on them. He added that he had not even discussed with the Heads of Institutions how UGC would apportion the central savings of \$250 million.

21. SG, UGC also informed members that Mr Edward CHEN, President of Lingnan University, was dissatisfied with the overall reduction in funding but had no intention to block the passage of the present proposal. He had made clear in his two letters addressed to LegCo Members the distinctive characteristics of and problems faced by the Lingnan University as a Liberal Arts university.

22. Mr NG Leung-sing declared that he was a Member of the Council and Court of Lingnan University. Referring to the special characteristics of Lingnan University, he considered that the mechanism by which UGC apportioned funding to individual institutions should be critically reviewed. SG, UGC



UGC

assured members that UGC would follow up the matter with Lingnan University. SEM advised that UGC would conduct another study similar to the one conducted in 1995 to examine, inter alia, the accountability and relationship between the Education and Manpower Bureau, UGC and the University management. The study was expected to be completed by mid 2002.

23. In response to members' concern about the difficulties faced by staff, SEM referred to the views expressed by staff associations at the meeting of the Education Panel on 19 February 2001 and pointed out that many of the concerns raised were management-related rather than attributable entirely to resource constraints. To better understand their concerns, she would meet with staff representatives of the UGC-funded institutions on 27 February 2001. UGC would also step up communication with university staff and students so as to enhance their understanding on the operations of the UGC sector.

24. Mr LEUNG Yiu-chung was of the view that to a large extent, the reduction in funding had compelled UGC-funded institutions to adopt management practices which had led to staff grievances. He also sought the Administration's assurance that there would not be any staff lay-off as a result of the reduction in funding.

25. In response, SG, UGC pointed out that the UGC sector had made a lot of efforts in the past few years to trim down costs and this process could not be expected to be entirely painless. He also referred to the voluntary redundancy scheme recently announced by HKUST as a means to cut cost. SEM stressed that the Administration was not in a position to give an undertaking on behalf of individual UGC-funded institutions as they had their discretion in deciding the best method to save costs and increase productivity.

26. Miss Cyd HO sought clarification on whether UGC-funded institutions had been permitted to offer less postgraduate places with a view to reducing costs. In reply, SG, UGC advised that in requesting the institutions to increase their postgraduate places by 20%, the Government had determined the relevant funding requirement on the basis of the overall student unit cost while the UGC had adopted the weighted student unit cost approach. He confirmed that the institutions had to provide the number of postgraduate places as agreed although UGC might accept some minor deviation from the agreed number.

27. Mr YEUNG Yiu-chung reiterated his concern about the different funding methodologies being adopted by the Government and UGC which had resulted in a differential in funding. He considered that the UGC-funded institutions were already experiencing genuine financial difficulties and sought the Administration's confirmation on its undertaking to identify scope for additional allocation to the UGC during the 2001/02 to 2003/04. Mr CHEUNG Man-kwong expressed doubt on whether the Administration could ultimately provide additional allocation to the UGC.

28. In response, SEM recapitulated that if the institutions had duly implemented the 1996 agreement to achieve a 10% point-to-point reduction in average student unit cost by the end of the 1998/99 to 2000/01 triennium, then, the student unit cost for the next triennium would only be 1% less than the 2000/01 level. However, if the institutions had not taken measures to trim down the student unit cost during the last and the current triennia in line with the agreement, they would face a greater reduction in student unit cost in 2001/02.

29. On whether the Administration could make a commitment to provide financial assistance to the institutions, SEM pointed out that as the Government drew up its Estimates of Expenditure on an annual basis while funding was allocated to the UGC sector on an triennial basis, it would not be possible to quantify at this stage the funding which could be made available in the next triennium. Nevertheless, she re-affirmed the pledge that the Government would endeavour to identify savings for further allocation to the UGC should the institutions experience genuine financial difficulties.

30. Miss Audrey EU and Mr Andrew WONG expressed serious concerns about phenomena such as large tutorial groups which were not conducive to quality education. Whilst SEM responded that she had no information at hand on the size of tutorial groups at the various institutions, SG, UGC commented that the size of tutorial groups might not necessarily be resource-related. At present, the average teacher to student ratio at UGC-funded institutions was one to 12.4 which was compatible with the prevailing ratios overseas.

31. Miss Margaret NG stated that she would vote against the present proposal as she considered the reduction in funding incompatible with the objective to achieve quality university education. She was of the view that if the universities were able to achieve savings, they should be ploughed back into the tertiary sector for other worthwhile purposes instead of being cut back. Miss NG expressed strong objection to any possible direction by the Government to seek to control individual institutions through the UGC. She also deplored FS's comments about high student unit costs of local universities and considered the comparison with overseas universities untenable.

32. Mr Albert HO referred to the document he tabled relating to the operating expenditures per student in selected US universities and pointed out that contrary to FS's remarks, the student costs listed therein compared less than those in local universities. He stressed that the proper use of public funds did not necessarily mean that funding had to be cut to achieve cost-effectiveness.

33. In reply, SEM said that as circumstances differed, a strict cost comparison between US and local universities would not be too meaningful. She nevertheless recalled that as early as 1996, there had been calls from LegCo Members urging the Government to critically review the cost-effectiveness of government funding for university education. Regarding the present proposal,

SEM and SG, UGC reiterated that it was the result of lengthy negotiation. The UGC, comprising 22 non-government members half of whom were from overseas, was in a position to make independent decisions based on members' experience and professional judgement. It had come to the view that the modest reduction in funding would not affect the overall quality of teaching and learning in the institutions.

34. Mr James TIEN also considered a strict comparison between the annual operating expenditures per student of selected US universities with those of local universities inappropriate. He expressed some reservation on whether the proposed reduction in funding would necessarily result in a decline in the quality of education. Instead, he commented that despite considerable resources being put into university education in the past ten years or so, many employers were of the view that the university graduates were not of a very good standard.

35. On behalf of Members of the Hong Kong Confederation of Trade Unions, Mr LEE Cheuk-yan objected to the present proposal. He was not convinced that reduced funding would have no impact on the quality of university education and pointed out that the cut in funding would inevitably affect the well-being and morale of staff. He also referred to a recent report in "the Economist" in which Hong Kong's rating fell behind that of Singapore, partly due to Hong Kong's education system. He was gravely concerned that the savings achieved as a result of the cut in funding in the short term could not make up for Hong Kong's economic loss in the long run.

36. Miss Cyd HO echoed some members' concern about the quality of education being compromised as a result of the cut in funding. She considered that although the Heads of Institutions had accepted reluctantly the proposed funding reduction, there should be greater transparency in how the institutions would cope with the reduction in resources.

37. Whilst agreeing that public funds should be put to the best use, Miss Emily LAU reiterated her concern about the relatively low level of public investment in higher education. She urged that a credible mechanism should be put in place to ensure that on one hand, UGC-funded institutions would operate with greater transparency and be more accountable in their use of public resources, and on the other hand, academic freedom and institutional autonomy would be safeguarded.

38. In response, SEM stressed that the Administration had not reduced public expenditure on education, as shown in the increase of 43% from 1996-97 to 2000-01, while the spending as a percentage of gross domestic product also increased from 3.2% to 4.2%. She considered the present proposal part of a rationalization process whereby more resources would be deployed to the basic education sector and called upon members to draw a distinction between trimming costs to enhance productivity and cutting core expenditure as the

former was beneficial to the organization while the latter might be damaging. On the accountability of the universities, SG, UGC advised that the universities were subject to their respective legislation and had their own governing councils. The UGC also monitored their effective use of resources and the quality of their programmes. The existing arrangements would be looked into in the forthcoming review scheduled to be completed in mid 2002. In reply to Miss Cyd HO on whether the views of staff and students would be represented in the forthcoming review of higher education, SG, UGC advised that the detailed arrangements were yet to be finalized.

39. Ms Audrey EU doubted how the UGC, as the resource allocator, could represent the interests of all the eight universities when they had to compete for limited resources from UGC. Mr Andrew WONG was also concerned that the reduction in student unit cost in 1996 had heralded the mass production of university graduates at the expense of quality and reiterated his query that UGC was in fact implementing agreed government policies through its resource allocation. As the funding methodology was to be reviewed, Mr WONG enquired whether the new funding formula would be implemented as soon as it was agreed upon, instead of until the 2004/05 to 2006/07 triennium.

40. In response, SG, UGC emphasized the intermediary role of UGC and the existing system founded on mutual trust between the institutions and UGC. UGC represented the tertiary sector in negotiating funding with the Government, but once the total funding had been agreed, it should be abided by. As funding was allocated to the institutions on a triennial basis, UGC had no plan at this stage to change the funding formula, if one was agreed upon, in the course of a triennium.

41. Mr Frederick FUNG recapitulated his personal experience that the General Education Unit of the University of Hong Kong had already been hard hit by the cut in funding for the current triennium and urged against any further reduction in funding.

42. Professor NG Ching-fai declared his interest as a staff member of the Baptist University and expressed his appreciation for members' deep concern about funding for the tertiary sector. He recapitulated his repeated calls that as the institutions had made strenuous effort to cope with the reduced funding for the current triennium, any further reduction in the next triennium would deal a heavy blow to the institutions and jeopardise Hong Kong's development into a knowledge-based economy. Professor NG informed members that on being consulted, the Heads of Institutions had expressed disappointment and dissatisfaction with the proposed reduction in funding. However, they considered that if the present proposal was not approved, the universities would have to face great uncertainty. Professor NG urged the Administration/UGC to re-open dialogues with the institutions and review the allocation of resources to the tertiary sector. On the basis of the pledges made by SEM and SG, UGC, Professor NG stated that he would accept the present proposal with grave

reservation.

43. Mr Martin LEE stated that Members of the Democratic Party would not support the proposed reduction in funding as this would inevitably compromise the quality of university education and he urged members to vote against the present proposal. He shared the view that the savings achieved by the institutions should be ploughed back to them for other worthwhile purposes. He considered the pledge to distribute UGC's central savings of some \$250 million to needy institutions far from sufficient. Mr LEE also ruled out fears that if FC rejected the present proposal, the institutions would be deprived of any funding, as he believed that the Administration would certainly revert to FC with another submission.

44. Mr YEUNG Yiu-chung stated that Members of the Democratic Alliance for Betterment (DAB) of Hong Kong were dissatisfied with the present funding methodology used by the Government which had led to a shortfall of some \$1 billion in funding to the UGC sector. However, they would closely monitor the Government's undertaking to identify scope for additional allocation to the UGC. Mr YEUNG summed up the position of Members of DAB that they would support the present proposal as they had been given to understand that a majority of the Heads of the UGC-funded institutions were in support of the present proposal, albeit with grave reservation.

45. The Chairman put the proposal to vote. 29 members voted for the proposal, 22 voted against and none abstained:

*For:*

Mr Kenneth TING Woo-shou  
Dr Raymond HO Chung-tai  
Dr LUI Ming-wah  
Prof NG Ching-fai  
Mr HUI Cheung-ching  
Mrs Sophie LEUNG LAU Yau-fun  
Mr WONG Yung-kan  
Mr YEUNG Yiu-chung  
Mr LAU Wong-fat  
Miss CHOY So-yuk  
Mr TAM Yiu-chung  
Mr Abraham SHEK Lai-him  
Mr Henry WU King-cheong  
Dr LO Wing-lok  
Mr LAU Ping-cheung  
(29 members)

Mr James TIEN Pei-chun  
Mr Eric LI Ka-cheung  
Mr NG Leung-sing  
Mrs Selina CHOW LIANG Shuk-yee  
Mr CHAN Kam-lam  
Mr Andrew WONG Wang-fat  
Mr Jasper TSANG Yok-sing  
Mr LAU Kong-wah  
Mr Ambrose LAU Hon-chuen  
Mr Timothy FOK Tsun-ting  
Dr TANG Siu-tong  
Ms LI Fung-ying  
Mr Tommy CHEUNG Yu-yan  
Mr IP Kwok-him

*Against:*

Miss Cyd HO Sau-lan	Mr Albert HO Chun-yan
Mr LEE Cheuk-yan	Mr Martin LEE Chu-ming
Mr Fred LI Wah-ming	Miss Margaret NG
Mr James TO Kun-sun	Mr CHEUNG Man-kwong
Mr CHAN Kwok-keung	Miss CHAN Yuen-han
Mr LEUNG Yiu-chung	Mr SIN Chung-kai
Dr YEUNG Sum	Mr LAU Chin-shek
Miss Emily LAU Wai-hing	Mr Andrew CHENG Kar-foo
Mr SZETO Wah	Mr LAW Chi-kwong
Mr Michael MAK Kwok-fung	Mr WONG Sing-chi
Mr Frederick FUNG Kin-kee	Ms Audrey EU Yuet-mee

(22 members)

46. The Committee approved the proposal.

**Item No. 4 - FCR(2000-01)76**

**LOTTERIES FUND**

**HEAD 341 - NON-RECURRENT GRANTS**

◆ **Subhead 035 Architectural Services Department**

47. Members noted that the Panel on Welfare Services had discussed the proposal on 8 January 2001.

48. Miss Emily LAU said that she supported the proposal to provide day and residential services for the disabled. However, she expressed concern about the long waiting list for some of the rehabilitation services as set out at Enclosure 1 to the paper and asked about the progress of the existing and planned provision for such services.

49. In response, the Director of Social Welfare (DSW) explained that for existing and planned provision of the required services, the main difficulty was in identifying suitable sites for constructing purpose-built rehabilitation complexes. As such, some of the planned rehabilitation services would occupy only two storeys of a building in a newly developed public housing estate instead of being accommodated in a rehabilitation complex. DSW said that the provision of rehabilitation services had sometimes been delayed due to strong public resistance from residents in the proximity, as in the case of the ex-staff quarters site of the Castle Peak Hospital. DSW further confirmed that the Administration had secured funds and sites for the planned provision of various type of rehabilitation services as listed in Enclosure 1 to the paper but additional funding would be required to meet the shortfall in provision. Where necessary, the Social Welfare Department would seek to bid for more resources in its annual resources allocation exercise.

50. Noting that the Hong Kong Jockey Club Charities Trust (HKJCCT) had expressed an interest to meet 20% of the total capital cost of the two complexes in return for their naming rights, Mr James TIEN asked whether the Government would top up the difference in the event that total capital cost of the two complexes exceeded the budget. He also sought information on the arrangements for the naming rights of the two complexes.

51. DSW advised that the HKJCCT had yet to confirm its contribution, pending the selection of non-governmental organizations by SWD to manage the new complexes. In the present case, the Administration had taken a fast-track approach to seek funding approval from FC before completion of the detailed plans in order that these two projects could proceed as soon as possible. Under the proposal, the capital cost of the two complexes would be fully financed by the Lotteries Fund. If the HKJCCT decided to meet 20% of the total capital cost, the allocation from the Lotteries Fund to cover the capital costs of the respective projects would be reduced correspondingly. As regards the naming right of a building financed by the Lotteries Fund, a person/organization would be entitled to the privilege provided that he/it had sponsored the construction of a building at an amount prescribed by the Lotteries Fund.

52. The Committee approved the proposal.

**Item No. 5 - FRC(2000-01)77**

**HEAD 170 - SOCIAL WELFARE DEPARTMENT**

**◆ Subhead 180 Social security allowance scheme**

53. Members noted that the Panel on Welfare Services had discussed the proposal on 12 February 2001.

54. The Committee approved the proposal.

55. The Committee was adjourned at 5:00 pm.