

立法會
Legislative Council

LC Paper No. CB(2)3127/05-06
(These minutes have been
seen by the Administration)

Ref : CB2/PL/HA

Panel on Home Affairs

**Minutes of special meeting
held on Monday, 3 July 2006 at 4:30 pm
in the Chamber of the Legislative Council Building**

- Members present** : Hon Tommy CHEUNG Yu-yan, JP (Chairman)
Hon TAM Heung-man (Deputy Chairman)
Hon Albert HO Chun-yan
Hon James TO Kun-sun
Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Daniel LAM Wai-keung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon WONG Ting-kwong, BBS
Hon Patrick LAU Sau-shing, SBS, JP
- Members attending** : Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon CHAN Yuen-han, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon Albert CHAN Wai-yip
Hon WONG Kwok-hing, MH
- Members absent** : Hon Margaret NG
Dr Hon Philip WONG Yu-hong, GBS
Hon LAU Wong-fat, GBM, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon CHOY So-yuk, JP
Hon LI Kwok-ying, MH, JP
Hon CHEUNG Hok-ming, SBS, JP

**Public Officers
attending** : Item I

Mr Patrick C P HO
Secretary for Home Affairs

Ms Esther LEUNG
Deputy Secretary for Home Affairs (3)

Ms Winnie SO
Principal Assistant Secretary for Home Affairs (Culture) 1

Mr CHUNG Ling-hoi
Deputy Director of Leisure & Cultural Services (Culture)

Ms Agnes TANG
Assistant Director (Performing Arts) Leisure and
Cultural Services Department

Mr Darwin CHEN
Chairman, Committee on Performing Arts

Mr FONG Ngai
Assistant Secretary for Home Affairs (Culture)1 /
Secretary, Committee on Performing Arts

Item II

Mr SIU Yu-bun, Alan
Deputy Director of Leisure & Cultural Services (Leisure
Services)

Ms CHAN Yeuk-oi, Olivia
Assistant Director (Leisure Services)2 Leisure and
Cultural Services Department

Mr WONG Man-chiu, Ronnie
Hon. Deputy Secretary General, Sports Federation and
Olympic Committee of Hong Kong, China

**Clerk in
attendance** : Miss Flora TAI
Chief Council Secretary (2)2

Staff in attendance : Ms Joanne MAK
Senior Council Secretary (2)2

Miss Sherman WOO
Legislative Assistant (2)2

Action

I. Committee on Performing Arts Recommendation Report (I)
[LC Paper Nos. CB(2)2492/05-06(01), CB(2)2627/05-06(01) and CB(2)2648/05-06(01)]

Presentation by the Administration

Secretary for Home Affairs (SHA) said that the Culture and Heritage Commission (CHC) had submitted its Policy Recommendation Report to the Chief Executive in April 2003. In its Policy Recommendation Report, CHC had put forward over 100 recommendations which covered policies as well as specific implementation strategies. The Administration had accepted most of the recommendations made by CHC. It had established the Committee on Performing Arts (the Committee), the Committee on Museums, and the Committee on Libraries in November 2004 to follow up the policy recommendations of CHC.

2. SHA further said that the Committee was established to advise SHA on the provision of performing arts services and to follow up on the policy recommendations of CHC which related to performing arts. The Committee had issued a consultation paper in November 2005 proposing changes in the areas of funding mechanism, venue provision and cultural programme presentation by the Leisure and Cultural Services Department (LCSD), based on the relevant policy directions put forward in the CHC Policy Recommendation Report. The consultation exercise had ended on 31 January 2006. During the consultation period, the Committee had held 11 consultation sessions (seven with the performing arts sector and four with the general public and District Councils (DCs)), and had received 52 written submissions.

3. SHA pointed out that the majority of the respondents supported the direction and overall strategy proposed in the consultation paper. The Recommendation Report (I) had been written with reference to the Consultation Paper, and public views had been taken into account as appropriate. SHA said that the Administration wished to seek Members' views on the Recommendation Report (I) and the Government's response.

4. Deputy Secretary for Home Affairs (3) (DSHA(3)) gave a PowerPoint presentation on the Administration's response to the Recommendation Report (I). The presentation materials were issued vide LC Paper No. CB(2)2648/05-06 dated 4 July 2006.

Action

Issues raised by members

The proposed single funding mechanism which would apply to the four performing arts groups currently funded by LCSD and the six 3-year grantees of the Hong Kong Arts Development Council (HKADC)

5. Dr Fernando CHEUNG expressed support for the direction of the current proposals which in his view were concerned with delegating power and involving the participation of the community in the funding mechanism, in the arrangements for provision of venues, and in the programme presentation through the establishment of various committees. He welcomed that the current proposals would streamline and enhance the transparency of the existing funding mechanism. Dr CHEUNG, however, expressed concern whether the proposed establishment of a single funding mechanism, which comprised a new set of assessment criteria, including the artistic output, quantifiable deliverables and community impact, might put too much emphasis on the fame of a performing arts group, box office income, number of performances and market take-up rate, etc. He was concerned that if this was the case, performing arts groups which were relatively new and had not yet been able to win popular support might be at a disadvantage under the proposed mechanism. The Deputy Chairman expressed similar concern as she considered that such criteria might lead to the adoption of commercial principles for assessment of the artistic impact and this would be contrary to the policy of encouraging diversified and balanced development of the arts and cultural sector.

6. SHA explained that the new set of assessment criteria would take into account the following three main elements –

- (a) community impact: the Administration would not prescribe the relevant standards for assessment on its own. It would, instead, seek the views of performing arts groups on what community impact they wanted to achieve and take into account their views in setting the relevant standards for assessment;
- (b) quantifiable deliverables; and
- (c) governance and management: the Administration would consider whether a performing group had made proper use of its funding and achieved a high level of transparency in management.

SHA pointed out that quantifiable deliverables only formed one of the three main elements. He further said that an assessment mechanism should be put in place to enable the performing arts groups to compete for public funding resources in a fair and open environment.

Action

7. The Deputy Chairman further asked how a performing arts group with high artistic standard but only had a small number of audience would be assessed under the proposed funding mechanism. SHA responded that the assessment would not be made in accordance with only one single criterion, e.g. box office income. It would be based on balanced consideration of the nature of the performing arts group concerned, the artistic impact and the three elements explained above.

Proposed establishment of a Funding Committee

8. SHA said that the Administration was planning to establish a Funding Committee before the end of 2006 to advise the Government on both the new set of assessment criteria and the funding level for each of the ten performing groups concerned. He pointed out that the new set of assessment criteria would have to be drawn up in consultation with the ten performing groups.

9. Dr Fernando CHEUNG said that in making appointments to the proposed Funding Committee, the Administration should take into account whether the appointees were committed to the development of the arts and not only their reputation or social connection. He considered that the Administration should not show favouritism and appointed more members of any particular political group to the Funding Committee. He further suggested that the Administration should clearly explain its appointment criteria to the performing arts sector to ease their concern.

10. SHA responded that the Administration would look for persons with credibility and a high reputation in the performing arts sector or in the community for appointment. He added that the Administration might also consider persons who could represent the audience and relevant sectors, such as arts commentators and the academic community for appointment.

11. The Deputy Chairman asked whether there would be elected members on the proposed Funding Committee. SHA responded that the Administration's present plan was that the membership of the Funding Committee would comprise appointed members only. He pointed out that the Funding Committee was only intended to be an executive committee, and the funding assessment criteria would have to be drawn up in consultation with the ten performing groups. He added that the Administration would require each appointee to declare all relevant interests and the Administration would take these into consideration in making appointments. The Deputy Chairman, however, expressed concern that the absence of elected members on the proposed Funding Committee was against the principle of "community-driven" as advocated by CHC. She remarked that it was a retrogression as compared with the composition of HKADC. The Deputy Chairman considered that the Committee should include elected members in order to provide a channel for

Action

the sector to reflect their views on the proposed funding mechanism. SHA said that the Administration would consider this further after listening to more views.

12. The Chairman said that the Liberal Party (LP) would have greater confidence in the neutrality of the proposed Funding Committee if it was entirely made up of government officials, who made assessment and advised on the funding level for individual performing arts groups in accordance with a set of pre-determined assessment criteria. He further said that if the Funding Committee was entirely made up of appointed members, the Administration would inevitably appoint those who were familiar with the arts sector. He said that LP was concerned that such persons might have connections with certain arts groups or organisations, and the appointment of them to the Funding Committee might give rise to conflict of interest.

13. SHA said that details of the Funding Committee had yet to be drawn up. He reiterated that the Funding Committee was only intended to be an executive committee which would conduct its work by following the funding assessment criteria to be drawn up in consultation with the ten performing arts groups. He said that the Administration would also work out the relevant benchmarks in collaboration with all the stakeholders, and the final decision on the funding level under the proposed mechanism would rest with the Administration. He further said that the Administration agreed that politicising the funding mechanism should be avoided. He added that SHA would ultimately be held accountable for the proposed new funding allocation policy and its implementation.

Venue support for performing arts groups

14. Miss CHAN Yuen-han pointed out that the shortage of performing venues in Hong Kong was so serious that it was hindering the development of the performing arts. She said that there was particularly a very high demand for venues capable of accommodating small to medium-scale performances and activities organised by the community, due to the growth in the number of amateur performing arts groups. She criticised the Administration for being rigid and inflexible in its policy on re-deployment of resources. For example, the Administration could have better met the demand for venues by utilising existing venue resources, such as community halls, vacant factory buildings which had been resumed by the Housing Department, public parks and piazzas.

15. Referring to the submission made by Mr KO Chi-sum [CB(2)2627/05-06(01)], Miss CHAN requested the Administration to address the concerns about the serious shortage of performing arts venues raised by Mr KO and to consider his views. Mr Timothy FOK said that the performing arts sector was supportive of the “people-oriented” principle as advocated by CHC and was most concerned about the future mechanism for the allocation of funding and

Action

venues, which at present had been concentrated in the Government. Mr FOK shared Miss CHAN's concern and suggested that the Administration might need to study the shortage problem of performing arts venues by setting up an inter-disciplinary committee. He said that the Administration should take measures to address the Cantonese opera sector's concerns about an acute shortage of venues suited to the performance requirements of Cantonese opera.

16. DSHA(3) responded that the Administration agreed to Mr KO Chi-sum's suggestion that community halls could be made better use of for accommodating small to medium-scale performances. She said that the Administration had already devoted resources to upgrade some community halls to make them suitable for such a purpose. She further said that the Administration would continue to explore the availability of more community facilities which could be upgraded to provide additional venue support. She added that the purpose of the proposed Venue Partnership Scheme was also to make the best use of existing venues through collaboration with arts groups and organisations.

17. SHA said that the Administration was fully aware of the seriousness of the shortage of moderately-equipped performing arts venues capable of accommodating small to medium-scale performances. He said that the Administration had been exploring the use of other non-dedicated venues such as schools to increase the supply of venues for performing arts. He informed members that the Administration had made arrangement with some Year 2000 design schools in Tin Shui Wai to open up their school halls for use by local small-scale performing arts groups during week-ends and public holidays. He said that apart from schools and community halls, the Administration would continue to explore more other non-dedicated venues through inter-departmental efforts for the development of performing arts in Hong Kong. He further said that if the Government's recent proposal to enhance the role of DCs in the management of district facilities had been implemented, DCs would have considerable input in how community halls would be effectively used.

18. The Chairman said that LP was generally supportive of the proposals put forward in the Recommendation Report (I). LP, however, was concerned about the shortage of moderately-equipped performing arts venues. It considered that the business sector might also be interested in operating such venues, if the business was profitable, to meet the growing demand. It suggested that the Administration should consider providing incentives to the business sector by offering concessions in land cost to the operators. SHA said that the Administration would consider the suggestion.

Admin

19. The Chairman also suggested that the Home Affairs Bureau should explore the possibility of converting schools which had been closed down due to inadequate intake of students into performing arts venues in collaboration with the Education and Manpower Bureau.

Action

Admin 20. SHA responded that village schools which had been deserted were being explored for conversion into arts village or workshops for local arts groups. The Chairman suggested that village schools which were dilapidated in condition should be rebuilt for the establishment of a properly-equipped performing arts venue. SHA said that the Administration would also consider the suggestion.

Promotion of the performing arts and strengthening support for budding artists and arts groups

21. Mr WONG Ting-kwong said that opera was very popular in many big cities in the world, and these cities had done very well in their publicity work to promote their opera to tourists. He suggested that Hong Kong should also step up promotion of local performing arts programmes to tourists and visitors by providing publicity materials to hotels for placing at their counters.

22. Deputy Director of Leisure & Cultural Services (Culture) (DDLCS(C)) responded that LCSD had enlisted the assistance of the Hong Kong Tourism Board and the travel industry in promoting local performing arts programmes to tourists and visitors. He pointed out that although publicity materials such as leaflets had been sent to hotels, it was up to individual hotels to decide whether they would like to put the publicity materials at their counters. He said that experience had shown that hotels were selective and preferred to put only publicity materials related to festive programmes at their counters. He further said that the Administration would liaise with Hong Kong Hotels Association on this matter.

23. DDLCS(C) further said that LCSD was trying to step up its publicity efforts of local performing arts programmes on the Internet. He added that LCSD was exploring with relevant Government Departments the creation of a mega website displaying information on all local cultural and entertainment programmes.

24. In response to Mr WONG Ting-kwong's enquiry, DSHA(3) said that the Administration was planning to seek the approval of the Finance Committee after September 2006 for funding injection of \$40 million to the Arts and Sports Development Fund for HKADC to strengthen its support for budding artists and arts groups through funding and venue support. She said that the additional funding would be for arts development use only.

II. Operational problems of National Sports Associations

[LC Paper Nos. CB(2)1101/05-06(01) and CB(2)2492/05-06(02)]

Briefing by the Administration

25. Assistant Director (Leisure Services)2 (AD(LS)2) briefed members on

Action

the operation of National Sports Associations (NSAs) and the Sports Subvention Scheme as set out in the Administration's paper [LC Paper No. CB(2)2492/05-06(02)].

26. The Chairman reminded members that information relating to a relevant complaint case concerning inadequate monitoring of NSAs referred from the Complaints Division had been issued to members vide LC Paper No. CB(2)1101/05-06(01) dated 13 February 2006.

Discussion

27. The Deputy Chairman asked whether LCSD had detected any irregularities in the operation of NSAs or any non-compliance with the funding terms and conditions during its monitoring of the performance of NSAs in the past two years and if so, whether the NSAs concerned had been penalised.

28. AD(LS)2 responded that LCSD had conducted quality assurance checks to ensure that proper accounting procedures were adopted by NSAs and the terms of the subvention agreement were complied with. She said that during the 12 inspection exercises, only minor irregularities such as incurring repeated expenses due to administrative oversight and other relatively minor cases of non-compliance with the guidelines were found. AD(LS)2 said that upon detection of these irregularities, LCSD had stepped in and had required the NSAs concerned to make rectification. She pointed out that as the NSAs concerned had made rectifications accordingly, LCSD had not penalised any one of them.

29. The Deputy Chairman asked what criteria were adopted for determining the amount of subvention and whether the provision of subvention to individual NSAs would be suspended if they were found to have breached the terms of the subvention.

30. AD(LS)2 responded that each year NSAs were required to draw up detailed annual plans of sports programmes to be organised and the estimated budget. LCSD would discuss with NSAs their plans and agree on the amount of subvention to be made. LCSD entered into the subvention agreement with NSAs at the start of each financial year. Deputy Director of Leisure & Cultural Services (Leisure Services) (DDLCS(LS)) stressed that if a NSA was found to have breached any term and condition of the subvention agreement or when complaints were received against the operation of any NSA, LCSD would immediately follow up and, if the NSA concerned was found to have breached any funding term and condition, it would be required to seek rectification as appropriate. He further said that there had been precedents in which the subvention received by a NSA had been suspended until the NSA had improved to the satisfaction of the Administration.

Action

31. Referring to the alleged conflict of interest in relation to the chairman of the Hong Kong Amateur Athletic Association (HKAAA) as recently reported by the press, Mr Andrew CHENG asked whether the Administration would strengthen relevant procedural guidelines for NSAs on procurement practices in the light of the incident. He also asked whether the Administration would disallow a NSA's procurement contract from being awarded to its chairman or office bearers because these persons might be involved in the tendering process. Referring to paragraph 11 of the Administration's paper, Mr CHENG commented that it was inadequate for the Administration to only encourage NSAs to co-opt independent third parties to take part in their procurement work.

32. DDLCS(LS) responded that the Administration attached great importance to maintaining a high degree of impartiality, transparency and credibility in the procedures taken by NSAs in organising sports activities supported by public funding. He said that after taking over the work of providing funding service to NSAs from Hong Kong Sports Development Board in 2004, LCSD had joined hands with the Independent Commission Against Corruption (ICAC) to organise a seminar for NSAs on themes of graft prevention and avoidance of conflict of interest.

33. DDLCS(LS) further said that advice had been sought from ICAC on the appropriate procedures for handling conflicts of interest and potential conflicts of interest in relation to the procurement practices of NSAs. Based on the advice rendered by ICAC, the Administration had imposed a general requirement on NSAs that in any situation of possible conflict of interest, the person concerned had to declare interests involved and refrain from taking part in the discussion or determination of matters concerned. DDLCS(LS) pointed out that this requirement was set out in the guidelines attached to the "Handbook for National Sports Association" and it applied to activities irrespective of whether the activities were supported by public funding or not.

34. DDLCS(LS) further said that in the case of HKAAA, although the activity involved was not supported by public funding, LCSD had immediately followed-up after the case had been reported by the press. DDLCS(LS) informed members that LCSD noted that HKAAA had conducted open tendering in the case. Moreover, the chairman had made declaration of interests as required and had not taken part in the tender assessment process.

35. Mr WONG Ting-kwong asked whether NSAs were required to submit quarterly or year-end progress reports and annual reports on audited accounts and if so, whether LCSD would only randomly select some of these reports to study or study them all. He further asked what actions LCSD would take if it found that there was improper use of public funding.

36. DDLCS(LS) said that LCSD took various measures to ensure proper use of public funding by NSAs. He informed members that in addition to careful

Action

studying of the quarterly progress reports and the year-end annual report on audited accounts, LCSD kept in close liaison with NSAs in programme planning and carried out site inspections on the subvented activities for progress monitoring and assessments of the results achieved. Starting from 2005, LCSD had also conducted quality assurance checks to ensure that proper accounting procedures were adopted by NSAs and the terms of the subvention agreement were complied with.

37. DDLCS(LS) further said that to facilitate the Administration's monitoring, NSAs had to allow unhindered access for the Administration and the Audit Commission to enquire, examine and audit all records and accounts in respect of the subvention. NSAs were also required to accept and act on any advice rendered by ICAC and the Administration to improve public transparency and accountability in their operation. DDLCS(LS) said that if any NSA was found to have conducted their business in an unlawful manner, the case would be referred to law enforcement departments including ICAC to take appropriate actions.

38. In response to Mr WONG Ting-kwong's further enquiry, DDLCS(LS) explained that NSAs were required to appoint auditors to prepare their year-end annual report on audited accounts for submission to LCSD. NSAs were also required to report expenditure position and activity progress to LCSD at quarterly intervals, submit annual audit reports prepared by certified public accountants, seek prior approval for any use of subvention outside the scope of approved budget, etc. In addition, LCSD had its internal audit section comprising about five staff members, which conducted random checks to NSAs to ensure that proper accounting procedures were adopted by NSAs and the terms of the subvention agreement were complied with. DDLCS(LS) added that the internal audit section was able to complete conducting quality assurance checks to all subvented NSAs within a three-year cycle.

39. Mr WONG Kwok-hing asked about the circumstances under which LCSD would take the initiative to conduct study of the procedures of a NSA to ensure that it complied with the terms of the subvention agreement. DDLCS(LS) responded that apart from the random checks conducted by the internal audit section to NSAs, LCSD would conduct study of the procedures of a NSA when it received complaints from the public or when there was alleged improper use of subvention by the NSA. He added that since 2004-05, LCSD had conducted random checks to NSAs in 12 cases.

40. Mr WONG Kwok-hing further enquired about the provision of any official guidelines on the tendering procedures and avoidance of conflict of interest to NSAs. DDLCS(LS) responded that LCSD had provided NSAs with a reference handbook with procedural guides on staff and general administration, accounting and payment procedures, procurement practices, sponsorship and publicity, as well as distribution of complimentary tickets. In

Action

addition, a sample code of conduct on prohibition against acceptance of advantages and the principles of making declaration to avoid conflict of interest had been provided to NSAs to facilitate them to draw up ethical code applicable to their organisations. DDLCS(LS) informed members that all NSAs had drawn up internal code of conduct accordingly and had deposited their code of conduct with LCSD.

41. Mr Albert CHAN considered that the malpractices of some NSAs as earlier reported by the press were only a tip of the iceberg. He expressed dissatisfaction with the lack of improvements in the operations of NSAs despite the fact that their problems had repeatedly been discussed before. He further elaborated on the malpractices of NSAs which, in his view, included bureaucracy, abuse of powers for one's own interests, collusion, covering up for each other, lack of transparency, professionals led by non-professionals, and ageing of leadership.

42. Mr CHAN pointed out that the development of sports could not be enhanced as the system was controlled by bureaucrats who did not know much about sports. He considered that many NSAs had operated like fraternity associations and lacked mechanisms to ensure transparency and accountability in their operation. He said that there were also complaints about manipulations during elections of office bearers conducted by NSAs and the elected ones were very often persons who were close with those in power. He further said that the problem of abuse of powers for one's own interests was also serious with NSAs. He considered that there was also a lack of transparency in the selection of athletes for participation in international competitions. Mr CHAN also pointed out that there was not much turnover of the office-bearers of NSAs and some of them had the same chairmen and vice-chairmen for 20 years. He said that due to all these problems, the development of sports in Hong Kong had been hindered. He added that Hong Kong athletes' achievements in major sporting events and competitions were not commensurate with the level of investments made by the Government for the development of sports.

Admin

43. Mr CHAN requested the Administration to provide information on the duration of service of the chairmen and other office bearers of all NSAs for members' reference. DDLCS(LS) agreed to follow up. Mr CHAN further urged the Administration to conduct a comprehensive review of NSAs and to carry out reforms to rectify the problems as described above in order to raise the sports standard of Hong Kong.

44. DDLCS(LS) reiterated that with the implementation of the one-stop funding service for a period of two years since 2004, LCSD also considered it an appropriate time to seek further improvement to meet increasing community aspirations. He said that the code of conduct would be revisited and updated for renewing emphasis on proper declaration of interest and avoidance of conflict of interest. More elaborated and specific procedural guidelines on

Action

proper procurement practices would be drawn up for NSAs' adoption. On 23 June 2006, LCSD jointly organised a seminar with ICAC again to refresh NSAs and sports organisations on topics of conflict of interest and proper procurement practices with a view to enhancing their conduct of business in a more transparent manner. Elaborated advice and detailed ICAC's 'best practices' modules booklets had been distributed to participants of the seminar.

45. Hon Deputy Secretary General of the Sports Federation and Olympic Committee of Hong Kong, China (SF&OC) agreed that Hong Kong's sports standard was not commensurate with its investment in sports and he considered that this had to do with the fact that none of the sports facilities in Hong Kong were used exclusively for training elite athletes. In fact, the training of elite athletes had been adversely affected as they had to share the use of the sports facilities with the general public, schools and DCs, etc. He considered that LCSD should review its policy on the training of elite athletes. He also agreed with Mr Albert CHAN that the management of some NSAs needed to be improved, and those having aging problem and structural deficiency also needed to be addressed. The above circumstances had already created many problems for SF&OC to resolve.

46. The Chairman shared the concern about the problem of ageing of the management of some NSAs. He asked whether the Administration would consider that there was a need for revamping the election system of NSAs and their membership, such as requiring them to appoint a certain number of professionals including accountants or legal practitioners as their office bearers. He suggested that NSAs should be encouraged to adopt the best practices of corporate governance to enhance the transparency and accountability of their management. Noting that the Administration also considered it an appropriate time to seek further improvement for NSAs, the Chairman asked whether the Administration would also consider the above issues in the exercise. He also asked whether the Administration would consider conducting a comprehensive review of all subvented NSAs and inviting the Audit Commission to recommend to NSAs the best practices being adopted by public-funded organisations for ensuring optimal use of public funding. He said that the Administration should provide a timetable if it decided to conduct such a review.

47. DDLCS(LS) responded that the Administration fully agreed with members that NSAs should keep up with the times and enhance their governance. He said that apart from organising the abovementioned seminar with ICAC, LCSD would continue to invite professional bodies to conduct more seminars for NSAs with a view to enhancing their corporate governance and management standard.

48. The Chairman pointed out that the problems of NSAs discussed at this meeting were not limited to prevention of corruption but included how to

Action

enhance the transparency and accountability in the operations of NSAs and achieve greater cost-effectiveness in their use of public funding. He considered that the Administration should study problems in these areas as well.

49. DDLCS(LS) reiterated that the Administration attached great importance to ensuring that NSAs complied with the terms of the subvention agreement and achieved their targets as set out in their annual plans of sports programmes submitted to LCSD. He added that since providing funding service to NSAs in 2004, LCSD had not found that there was misuse of public funding on the part of NSAs.

50. Mr Timothy FOK declared that he was the chairman of SF&OC. He said that while he welcomed comments on improvements for NSAs, he wished to point out that the office bearers of the 72 NSAs were volunteers and NSAs had been functioning with the provision of limited resources only. He further said that while he agreed that NSAs should further strengthen their management and had to make proper use of public funding, the achievements and contributions made by NSAs to the development of sports should not be denied.

51. There being no other business, the meeting ended at 6:15 pm.