

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 6th meeting
held at the Legislative Council Chamber
on Friday, 14 December 2007, at 5:50 pm**

Members present:

Hon TAM Yiu-chung, GBS, JP (Chairman)
Hon Emily LAU Wai-hing, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Martin LEE Chu-ming, SC, JP
Hon Fred LI Wah-ming, JP
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon CHEUNG Man-kwong
Hon CHAN Yuen-han, SBS, JP
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon LEUNG Yiu-chung
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, SBS, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Dr Hon YEUNG Sum, JP
Hon LAU Kong-wah, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon CHOY So-yuk, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP

Hon Audrey EU Yuet-mee, SC, JP
Hon Vincent FANG Kang, JP
Hon LI Kwok-ying, MH, JP
Dr Hon Joseph LEE Kok-long, JP
Hon Daniel LAM Wai-keung, SBS, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Dr Hon KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Hon CHEUNG Hok-ming, SBS, JP
Hon WONG Ting-kwong, BBS
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon Albert Jinghan CHENG, JP
Hon KWONG Chi-kin
Hon Mrs Anson CHAN, GBM, JP

Members absent:

Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Dr Hon David LI Kwok-po, GBM, GBS, JP
Dr Hon LUI Ming-wah, SBS, JP
Hon Margaret NG
Hon James TO Kun-sun
Hon Bernard CHAN, GBS, JP
Hon SIN Chung-kai, SBS, JP
Hon LAU Chin-shek, JP
Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon LI Fung-ying, BBS, JP
Hon Albert CHAN Wai-yip
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon TAM Heung-man

Public officers attending:

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| Professor K C CHAN, SBS, JP | Secretary for Financial Services and the Treasury |
| Mr Stanley YING, JP | Permanent Secretary for Financial Services and the Treasury (Treasury) |
| Miss Amy TSE, JP | Deputy Secretary for Financial Services and the Treasury (Treasury) 1 |
| Mr Alfred FOK | Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch) |
| Mr Francis HO, JP | Permanent Secretary for Transport and Housing (Transport) |
| Mr Philip YUNG, JP | Deputy Secretary for Transport and Housing (Transport)1 |
| Mr Clement LEUNG, JP | Deputy Secretary for Financial Services and the Treasury (Treasury)2 |
| Mr WAI Chi-sing, JP | Director of Highways |
| Mr WAN Man-lung, JP | Principal Government Engineer (Railway Development) Highways Department |
| Mr Malcolm GIBSON | Head of Project Engineering MTR Corporation Limited |
| Ms Maggie SO | Senior Manager (Projects and Property Communications) MTR Corporation Limited |
| Mr Thomas CHOW, JP | Director of Leisure and Cultural Services |
| Mrs Doris FOK | Acting Assistant Director for Leisure and Cultural Services (Leisure Services) 2 |
| Mr C H YUE, JP | Director of Architectural Services |
| Mr Danny SUNG | Acting Assistant Secretary for Home Affairs (Recreation and Sport)1 |
| Ms Carol YIP, JP | Deputy Secretary for Labour and Welfare (Welfare)2 |
| Mr D C CHEUNG | Principal Assistant Secretary for Labour and Welfare (Welfare)4 |
| Miss Nancy LAW, JP | Deputy Director of Social Welfare (Administration) |
| Ms LEUNG Kwai-ling | Principal Social Welfare Officer (Social Security) |
| Mr NG Wai-kuen | Chief Social Security Officer (Social Security) Social Welfare Department |

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| Mr Kenneth NG | Senior Statistician Social Welfare Department |
| Mrs Carrie YAU, JP | Permanent Secretary for Home Affairs |
| Mr Donald TONG, JP | Deputy Secretary for Home Affairs (1) |
| Mrs Ella TAM | Deputy Director of Information Services 2) |
| Ms Joey LAM | Deputy Commissioner for Tourism Tourism Commission |
| Mr WONG Chi-hung | Senior Engineer (Equestrian Events) Transport Department |
| Mr Anthony LAU | Executive Director Hong Kong Tourism Board |
| Ms Gilly WONG | General Manager (Destination Marketing) Hong Kong Tourism Board |

Clerk in attendance:

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

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| Miss Becky YU | Chief Council Secretary (1)1 |
| Mrs Mary TANG | Senior Council Secretary (1)2 |
| Ms Alice CHEUNG | Senior Legislative Assistant (1)1 |
| Mr Frankie WOO | Legislative Assistant (1)2 |

Action

The Chairman advised that this meeting was to deal with those items which had not been dealt with at the previous meeting which was held on the same day at 3 pm.

Item No. 2 - FCR(2007-08)38

RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE MADE ON 22 and 30 NOVEMBER 2007

2. As there were requests for separate discussion on PWSC(2007-08)54 and 59, the Chairman put FCR(2007-08)38 except the said two items to the vote. The Committee approved the proposal.

**PWSC(2007-08)59 11YD Mass Transit Railway West Island Line -
funding support**

3. Ms Emily LAU was concerned that in the absence of objective funding criteria, the proposed funding support for the MTR Corporation Limited (MTRCL) to construct the West Island Line (WIL) project would open the floodgate for other non-governmental projects undertaken by profit-oriented organizations. The Permanent Secretary for Transport and Housing (Transport) (PS(T),THB) said that the basic principles for providing capital grants for non-governmental organizations were outlined in paragraph 14 of the Administration's paper. As each project had its own characteristics and benefits to the community, it would not be practical to set out specific threshold indicators for determining the suitability of capital grants from the Government. The Administration would take into account a variety of factors in deciding the funding and flexibility would be exercised as appropriate. In the case of the WIL project, the Government proposed to provide a capital grant as financial support for the project as it would bring significant transport and economic benefits to the community. The grant was meant to bridge the funding gap between the estimated revenue derived from WIL and the capital cost for its implementation, and would provide incentive for MTRCL to embark on the project which it would otherwise not undertake because of financial non-viability. Funding approval would need to be sought from the Finance Committee for making this grant to MTRCL for the project. A two-stage approach would be adopted for seeking funding from the Legislative Council to cover the design phase expenditure estimated at \$400 million and subsequently the remaining funding gap estimated at about \$5.6 billion arising from the construction, operation and maintenance of WIL.

4. Dr YEUNG Sum said that Members of the Democratic Party (DP) would support the funding proposal. He noted that the Government had in the past mainly relied on granting property development rights as the means for providing financial support to bridge the funding gap for most of the railway projects. However, due to a lack of suitable sites along or adjacent to the WIL alignment, the Administration had sought to provide a capital grant as an upfront payment to induce MTRCL to embark on the project which it would otherwise not undertake. In the interest of residents of the Western District who had been urging for the provision of WIL for almost 20 years, DP Members would support the proposal but request that the vent shafts of railway stations should be designed in such a way that their emissions would not affect the neighbouring community. Concessionary fares should also be provided for the elderly and the handicapped, given that part of the capital cost was funded by the Government. PS(T),THB said that members' views would be taken into consideration in the detailed design of the WIL project. The Head of Project Engineering, MTRCL added that Environmental Impact Assessment would be conducted on the WIL project and efforts would be made to ensure that vent shafts would be located in such a way to minimize the impacts on adjacent buildings.

5. Dr Fernando CHEUNG said that MTRCL had repeatedly declined to offer concessionary fares for the elderly and the handicapped on grounds that it was a listed company operating on commercial principles. He therefore questioned why MTRCL

was not seeking funding for the WIL project through the normal process of raising funds from its shareholders, which was the usual practice of listed companies, but relying on a capital grant from the Government on grounds that the project was meant for public interests. He considered it quite unfair that MTRCL could benefit in both ways. PS(T),THB explained that the capital cost of WIL was about \$8.9 billion, including the costs of design and construction of the railway works, procurement of rolling stock, and the reprovisioning of Government facilities affected by WIL. MTRCL had indicated that the revenue derived from WIL could only cover the operation cost and part of the capital cost, resulting in an estimated funding gap of about \$6 billion. In the absence of public funding, WIL would unlikely be financially viable.

6. Dr Fernando CHEUNG said that the provision of capital subvention by the Government for the construction of WIL would be seen to be an intervention into the market, particularly when MTRCL had maintained that WIL was not financially viable. This would run contrary to the free market principle. He further enquired about the monitoring mechanism on the financial performance of WIL, and whether the profits would be ploughed back to the Government if WIL became profitable, particularly when it was connected to the South Island Line in future. PS(T),THB explained that the revenue which could be derived from the operation of WIL had been taken into account in considering the proposed provision of capital subvention to MTRCL. The revenue was estimated to be \$2.9 billion as compared to the funding gap of \$6 billion. As MTRCL would have to bear all the commercial risks associated with the construction and operation of the railway line in future, the Government had no obligations to provide any further financial support to MTRCL should the patronage and the corresponding revenue arising from WIL turned out to be substantially lower than those assumed in determining the funding gap amount. Hence, if the revenue from the operation of WIL turned out to be higher than expected, MTRCL would not have to repay the Government.

7. Ms Emily LAU enquired if the capital funding from the Government would enable it to have a better say in the management of MTRCL, particularly with regard to the provision of facilities in WIL stations. PS(T),THB said that the Government and MTRCL would be working together in the design stage of WIL and efforts would be made to ensure that the necessary facilities, such as public lavatories, would be included in the design. The Deputy Secretary for Financial Services and the Treasury (Treasury)2 (DS(Tsy)2) said that the funding from the Government would be in the form of a capital grant and would not involve any transfer of shares to the Government. The shares of Government in MTRCL would remain at 76% after the capital injection. Nor would there be any issuance of bonds or raising of funds from shareholders on the part of MTRCL as the project was considered not financially viable. The grant was intended as an upfront payment to lower the capital costs of the project in order to provide the incentive for MTRCL to embark on the project which it would otherwise not undertake at all given the financial non-viability.

8. Ms Emily LAU was not convinced that the proposed capital grant could not have resulted in an increase of shares of MTRCL on the part of the Government.

DS(Tsy)2 said that the present proposal was meant to provide \$400 million funding to cover the design phase expenditure of the WIL project which was essential for defining the project scope and ascertaining the project costs. The copyright of the design would belong to the Government if the project was not implemented. Mr LEUNG Kwok-hung however pointed out that the copyright ownership of the design of WIL would not provide any monetary gains on the part of the Government.

9. As the WIL project was expected to bring about significant social and economic benefits to the public but was considered not financially viable, Ir Dr Raymond HO said that Members of the Alliance would support that capital subvention should be granted to fund the project, which had been long awaited by residents of the Western District. He nevertheless took the opportunity to remind MTRCL the need to ensure that access to WIL was barrier free for the benefit of the aged and the handicapped.

10. Mrs Selina CHOW said that Members of the Liberal Party would support the proposal which was meant to provide funding to cover the design phase expenditure of WIL, an infrastructure project which was long awaited by residents of Western District. The funding proposal would spearhead the WIL project and allow it to proceed.

11. Mr CHEUNG Hok-ming said that Members of the Democratic Alliance for Betterment and Progress of Hong Kong would support the proposal which was long awaited by the community. They would hope that the funding would also cover feasibility studies on the provision of barrier-free access and other amenities.

12. Mr LEUNG Kwok-hung said that the controversy over the use of public funds to subsidize WIL would not have arisen if the rail merger had not taken place. He was dissatisfied that MTRCL had not provided concessionary fares, screen doors and other amenities for the benefit of the public on grounds that it had to operate under commercial principles. However, when it came to funding, MTRCL did not attempt to raise funds from its shareholders in line with the practice of listed companies but resorted to seek capital subvention from the Government. He opined that the \$400 million funding for the design phase of WIL should have been borne by MTRCL which was running a profitable business. Alternatively, the Government could consider buying back MTRCL in view of the sound fiscal condition. He also expressed concern about possible fare increases with the commissioning of WIL on grounds of its financial non-viability. PS(T),THB reiterated that the raising of funds from shareholders for the design and construction of WIL project had not been considered on grounds of its financial non-viability and limited returns. The Head of Project Engineering, MTRCL said that WIL would be difficult to build and thus an expensive railway. As the financial viability of WIL was not high, funding support from the Government was needed in the design stage. With the completion of the detailed design, the Government would engage independent financial consultants to assess the project cost in order to determine the final figures for funding support. The second stage would cover the remainder of the funding gap for the WIL project. He also confirmed that MTRCL would provide improved access as well as public

lavatories in the WIL stations.

13. The Chairman put PWSC(2007-08)59 to the vote. 22 members voted for the proposal, two members voted against and one member abstained. The individual results were as follows:

For :

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| Mr James TIEN Pei-chun | Ir Dr Raymond HO Chung-tai |
| Mrs Selina CHOW LIANG Shuk-ye | Mr CHEUNG Man-kwong |
| Miss CHAN Yuen-han | Mr CHAN Kam-lam |
| Mrs Sophie LEUNG LAU Yau-fun | Dr Philip WONG Yu-hong |
| Mr WONG Yung-kan | Mr Jasper TSANG Yok-sing |
| Mr Howard YOUNG | Mr LAU Kong-wah |
| Mr LAU Wong-fat | Ms Miriam LAU Kin-ye |
| Mr Tommy CHEUNG Yu-yan | Mr LI Kwok-ying |
| Mr Daniel LAM Wai-keung | Mr Jeffrey LAM Kin-fung |
| Dr KWOK Ka-ki | Mr CHEUNG Hok-ming |
| Mr WONG Ting-kwong | Mrs Anson CHAN |

(22 members)

Against :

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| Mr LEUNG Kwok-hung | Dr Fernando CHEUNG Chiu-hung |
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(2 members)

Abstention :

Ms Emily LAU Wai-hing
(1 member)

14. The Committee approved the proposal.

PWSC(2007-08)54 412RO Sun Yat Sen Memorial Park and Swimming Pool Complex

15. Ms Emily LAU enquired if visitors to the Sun Yat Sen Memorial Park would be allowed to bring their pets to the Park. Dr KWOK Ka-ki echoed that more park facilities should be allowed for pets. The Director of Leisure and Cultural Services (DLCS) said that the current design of the Sun Yat Sen Memorial Park had not provided for facilities for pets. Whether visitors should be allowed to bring their pets to the Park would very much depend on the views of residents nearby. In light of members' concern, the Administration would consult the Central and Western District Council (C&WDC) on whether the Park should be open to pets and if so, whether the Park should be fully open to pets or whether a designated area should be set aside for the purpose. If it was agreed that an area be set aside for pets, some basic facilities such as water hose and rubbish bins would be provided. These facilities were not expected to bring about much increase to the project's cost estimates. Ms LAU agreed that District Councils should be consulted on the opening of parks within their districts for use by pets.

16. Dr KWOK Ka-ki expressed support for the proposed construction of the Sun Yat Sen Memorial Park which was long awaited by residents of the Central and Western District. He enquired if the Park would be open round the clock with lighting provided at night and whether consideration could be given for the provision of a cycling track. He added that the waterfront area should be put to best use for the enjoyment of the public. DLCS said that the Administration had attached great importance to the design of the Sun Yat Sen Memorial Park as not many parks were situated by the waterfront. A waterfront promenade similar to that at the Tsim Sha Tsui East would be provided for the enjoyment of the public. There would be sufficient lighting to enable visitors visiting the park to have a good view of the harbour at night. There would be 52 benches provided within the Park and of these, 28 benches each with a seating capacity of eight would be provided along the waterfront promenade. It was intended that the Park would be open round the clock unless C&WDC raised objections. While the present design did not include a cycling track, this could be considered taking into account the views of C&WDC and the public.

17. The Chairman put PWSC(2007-08)54 to the vote. The Committee approved the proposal

Item No. 3 - FCR(2007-08)39

HEAD 170 – SOCIAL WELFARE DEPARTMENT

- ♦ **Subhead 179 Comprehensive social security assistance scheme**
- ♦ **Subhead 180 Social security allowance scheme**

18. The Chairman informed members that the Panel on Welfare Services was consulted on the proposal at its meeting on 12 November 2007.

19. Dr Fernando CHEUNG, Chairman of the Panel on Welfare Services, said that the Panel did not object to the proposed upward adjustments of 2.8% to the standard payment rates under the Comprehensive Social Security Assistance (CSSA) Scheme and the rates of the Disability Allowance (DA) under the Social Security Allowance (SSA) Scheme to take account of inflation. However, it was pointed out that adjustment to CSSA standard payment rates under the present adjustment mechanism had failed to catch up with the increase in prices of consumer goods. In this connection, the Panel passed a motion requesting the Government to adjust CSSA standard payment rates according to the year-on-year movement of the Social Security Assistance Index of Prices (SSAIP) of the latest month and to make adjustment in the same manner every half year in the future, as well as to introduce a catch-up mechanism, so that CSSA standard payment rates could follow inflated prices more closely.

20. Dr Fernando CHEUNG held the view that given the strong economic upturn and the improving fiscal position, the proposed upward adjustment of 2.8% to the standard payment rates under the CSSA Scheme and the DA rates under the SSA

Scheme was too meagre. Besides, the 2.8% increase had not been able to catch up with the soaring inflation since the prices of food and daily necessities, including transportation fares, had been on the rise. He urged the Administration to revert back to the forecast methodology of rates adjustment. He also stressed the need to review the method of assessing the CSSA standard rate which had not been reviewed since 1996. The Deputy Secretary for Labour and Welfare (Welfare)2 (DS(W)2) said that the Administration did not consider it appropriate to revert to the inflation forecast methodology for adjusting the standard payment rates of CSSA and SSA rates having regard to the observations and recommendations made by the Director of Auditor in 1999. If the forecast methodology was adopted, and should there be a significant over-estimation, it would be difficult for CSSA and SSA recipients to adapt to a significant downward adjustment of the CSSA standard payment rates and SSA rates to make up for the over-adjustments in the following year. She added that the 2.8% increase in standard payment rates under the CSSA Scheme and the DA rates under the SSA Schemes was worked out having taken into consideration the movements in SSAIP for the past 12 months and other economic indicators. Apart from the standard rates under CSSA Scheme, there were other forms of assistance under the SSA Scheme available. The estimated average monthly payment rate for a four-member CSSA family was about \$9,344 and the standard payment rates were subject to review under the established mechanism on a regular basis.

21. Miss CHAN Yuen-han said that a recent survey on consumer goods had revealed that there was an 11.9% increase in some of the food items. This was much higher than the proposed 2.8% increase in CSSA standard payment rates and SSA rates. She opined that there were inherent flaws in the existing adjustment mechanism on CSSA standard payment rates and SSA rates which had to be addressed as otherwise the rates of adjustments could not adequately reflect the latest price movements. DS(W)2 said that the Administration did not see the need for changing the existing adjustment mechanism which had worked effectively. However, if recent movements in SSAIP and other economic indicators pointed to likely high inflation, consideration could be given under the existing system to seeking approval for any inflationary adjustments to the standard payment rates ahead of the new annual adjustment cycle. She assured members that the Administration was fully aware of the difficulties faced by those in need, and would monitor the situation closely. Miss CHAN requested that the review of inflationary adjustments to the standard payment rates should be made as early as possible and ahead of the annual adjustment cycle.

22. Mr LEUNG Kwok-hung supported the setting up of a social security fund to offset any over-estimation in the standard payment rates under the CSSA Scheme and the SSA scheme using the forecast methodology. He was dissatisfied that despite the improving fiscal conditions, the Government had neglected those who were in genuine need.

23. Ms Emily LAU shared the concern about the significant increase in prices of food items in recent months which might have adverse impact on the livelihood of low-income families. She enquired if other means of assistance were available for

the needy to tide over the difficult situation. DS(W)2 said that alleviation of poverty was one of the Administration's primary concerns and measures would be taken as appropriate to assist needy families. For example, an early review on the Transport Subsidy Scheme and the set-up of the Child Development Fund. Financial assistance would also be given to the needy elderly to improve their homes. Ms LAU sought elaboration on the measures to alleviate poverty and the time frame for the additional round of adjustment of CSSA. DS(W)2 said that the Administration was well aware of the plight of needy families in times of inflation. It had been closely monitoring the price movements and the movements of SSAIP. It would brief the Legislative Council on the movement of SSAIP by mid-2008.

24. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 4 - FCR(2007-08)40

HEAD 53 – GOVERNMENT SECRETARIAT: HOME AFFAIRS BUREAU

♦ Subhead 700 General non-recurrent

New Item “Promotion of Olympism”

25. The Chairman informed members that the Panel on Home Affairs (HA Panel) was consulted on the proposal at its meeting on 9 November 2007.

26. In the absence of Miss CHOY So-yuk, Chairman of HA Panel, the Chairman reported the deliberation of the Panel. He said that the Panel was in general supportive of the Administration's plan to seek additional funding for the promotion of Olympism to tie in with the Beijing 2008 Olympic and Paralympic Games and the staging of the 2008 Olympic and Paralympic Equestrian Events in Hong Kong. As a co-host city, Hong Kong should make the best efforts in promoting the Equestrian Events and enhancing community interest in the equestrian sport. There was suggestion that additional resources should be provided to the Hong Kong Tourism Board (HKTB) and the Hong Kong's Economic and Trade Offices (HKETOs) to launch publicity and promotional programmes. The Administration should also provide a detailed breakdown of expenditure items, information regarding the publicity programmes for the promotion of Olympism, as well as measures to facilitate the participation of members of the public from different districts in the promotional activities and the experiencing of Olympic co-host city atmosphere. The required information had been circulated vide LC Paper No. CB(2) 536/07-08(01).

27. Miss CHAN Yuen-han supported that measures should be implemented to facilitate public participation in the promotional activities in different districts to experience the atmosphere of Olympic co-host city. The Permanent Secretary for Home Affairs (PSHA) said that cooperation would be sought from District Councils on the staging of publicity and promotional activities across the territory. The Deputy Secretary for Home Affairs (1) said that District Councils would also help encourage the public to take part in the publicity and promotional programmes e.g. by

providing transport services to facilitate the under-privileged to attend the Live Sites. To enable people living in different districts to enjoy the Olympic/Paralympic carnival atmosphere, the Administration would be exploring with the private sector and the Housing Authority the possibility of setting up celebration sites at selected locations for live broadcast of the competition events, delivering Olympic information, and organizing activities. Additional funding and information on the promotion of Olympism and sports would be provided to the schools. PSHA added that efforts would be made to facilitate those from remote districts to take part in the promotional activities.

28. Mr James TIEN declared interest as the Chairman of HKTB. He said that Members of the Liberal Party would support the proposal. Given that about 200 000 to 300 000 people would participate in the Torch Relays, Mr TIEN held the view that the publicity and promotional efforts should not be confined to Hong Kong. Opportunity should be taken to promote Hong Kong overseas as an Olympic co-host city in an attempt to raise its international profile and to attract more visitors. Therefore, he considered that the Commerce and Economic Development Bureau rather than the Home Affairs Bureau should be given the funding so that additional resources could be made available to HKTB and HKETOs to launch publicity and promotional programmes. He was glad that the Administration had taken on board his suggestion made at the meeting of the HA Panel on 9 November 2007 and agreed to provide \$9 million funding to HKTB to promote Hong Kong overseas as an Olympic co-host city. He further enquired about the economic benefits which could be derived from the funding proposal as these had not been set out in the Administration's paper.

29. PSHA said that in response to Mr James TIEN's suggestion, the Administration had earmarked additional resources for the provision of overseas publicity and promotional programmes targeting at key overseas markets. In addition, videos/announcements in the public interest had been produced and broadcast for the promotion of Olympism/Olympic Games/Paralympic Games/Equestrian Events targeting local/Mainland/overseas audience and visitors in general. Promotional pamphlets in different languages were also provided at HKETOs to promote Hong Kong overseas as an Olympic co-host city. PSHA added that he did not have information in hand regarding the economic benefits which could be derived from the funding proposal, but he would seek the assistance of the Government Economist to see whether such information could be made available.

30. Ms Emily LAU said that at first the public was under the impression that no additional expenditure would be incurred as Hong Kong became an Olympic co-host city, but now a funding of \$150 million was required. According to the breakdown of estimated expenditure set out at Enclosure 2 to the Administration's paper, large sums of money were spent on publicity and ceremonial events. She said that there might be a need for the Director of Audit to have a closer look at these expenditure items to ensure that these were value for money. In response, PSHA stressed that the Administration had been very prudent in spending public money. All the publicity and promotional activities would be uploaded onto the Government's one-stop website

to facilitate public participation from different sectors of the community. There would be a high degree of transparency in the use of funds, which would be closely monitored. DLCS further explained the reasons for the high cost in organizing publicity programmes and ceremonial events. Taking the live television broadcast of the Torch Relays for the Olympic and Paralympic Games as an example, he said that the filming would take around nine to 10 hours to complete for the Olympic relay. The use of helicopters and installation of rooftop receptors would also be required for the live broadcast. As regards publicity programmes, he said that venue decoration, hiring of video walls, lighting, public address systems and electrical works etc. would incur public expenditure. He also emphasized that for an Olympic co-host city to live up to its name, Hong Kong would need to be dressed up to enhance the Olympic festive atmosphere and to provide an attractive backdrop for visitors and residents.

31. Ms Emily LAU remained of the view that a more detailed breakdown on the expenditure items should be provided to facilitate monitoring by the Director of Audit. DLCS said that the publicity programmes and events would be outsourced according to the normal tendering procedures and cited some detailed breakdown on the expenditure items.

32. While supporting efforts to promote Olympism and the staging of the Paralympic Equestrian Events in Hong Kong, Dr Fernando CHEUNG opined that resources should be allocated to promote the integration between able-bodied and the disabled. There was also a need for the Administration to ensure barrier-free access to facilitate disabled persons to participate in the activities. PSHA said that the publicity programmes to promote Olympism and the staging of the Paralympic Equestrian Events in Hong Kong would provide a platform for the integration between able-bodied and the disabled and the acceptance of diversity. In this connection, the Administration would not only focus on the promotion of Olympism in devising the publicity and promotional programmes, but also on the concepts of integration and equality as enshrined in the Paralympic Spirits. Disabled persons would be encouraged to participate in the promotional activities for the Paralympic Equestrian Events in Hong Kong.

33. Mr LEUNG Kwok-hung said that he failed to see the need for Hong Kong to spend \$150 million to promote the Beijing 2008 Olympic and Paralympic Games when only the 2008 Olympic and Paralympic Equestrian Events would be held in Hong Kong. He opined that the funding should more appropriately be spent on the provision of barrier-free access and other facilities for the disabled. PSHA said that continued efforts had been made in providing barrier-free access and other facilities to the disabled. The funding of \$150 million was meant to launch the publicity and promotional programmes more effectively to tie in with major events such as the Torch Relays and Live Sites. Funding from other sources were being sought to meet the financial needs of activities in relation to the 2008 Olympic and Paralympic Equestrian Events. These activities aimed at involving the public in the celebration for the Olympic and Paralympic Games, arousing their interest in the Games and creating an atmosphere for all to experience.

34. The Chairman put FCR(2007-08)40 to the vote. 16 members voted for the proposal and two members abstained. The individual results were as follows:

For :

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| Mr James TIEN Pei-chun | Ir Dr Raymond HO Chung-tai |
| Miss CHAN Yuen-han | Mr CHAN Kam-lam |
| Mrs Sophie LEUNG LAU Yau-fun | Dr Philip WONG Yu-hong |
| Mr WONG Yung-kan | Mr Jasper TSANG Yok-sing |
| Mr Howard YOUNG | Mr LAU Kong-wah |
| Mr Tommy CHEUNG Yu-yan | Mr LI Kwok-ying |
| Mr Jeffrey LAM Kin-fung | Mr CHEUNG Hok-ming |
| Mr WONG Ting-kwong | Mrs Anson CHAN |

(16 members)

Abstention :

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| Ms Emily LAU Wai-hing | Mr LEUNG Kwok-hung |
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(2 members)

35. The Committee approved the proposal.

36. The meeting was adjourned at 7:50 pm.

Legislative Council Secretariat

10 April 2008