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Finance Committee of the Legislative Council

**Minutes of the 13th meeting
held at the Legislative Council Chamber
on Friday, 25 April 2008, at 3:00 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
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan
Hon Martin LEE Chu-ming, SC, JP
Dr Hon LUI Ming-wah, SBS, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Yuen-han, SBS, JP
Hon Bernard CHAN, GBS, JP
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon SIN Chung-kai, SBS, JP
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 Chin-shek, 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 Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Vincent FANG Kang, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Dr Hon Joseph LEE Kok-long, JP
Hon Daniel LAM Wai-keung, 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
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
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:

Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon Fred LI Wah-ming, JP
Hon LEUNG Yiu-chung
Hon LI Kwok-ying, MH, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon TAM Heung-man

Public officers attending:

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)
Ms Sharon HO	Principal Assistant Secretary for Transport and Housing (Transport)5
Mr WAI Chi-sing, JP	Director of Highways
Mr CHOW Ying-shun, JP	Project Manager (Major Works) Highways Department
Mr TSE Chin-wan	Assistant Director (Environmental Assessment) Environmental Protection Department
Mr LEE Yan-ming	Chief Engineer/Traffic Engineering (NTW) Transport Department
Mr YUE Chi-hang, JP	Director of Architectural Services
Ms Mable CHAN	Principal Assistant Secretary for Education (Infrastructure and Research Support)
Ms Amy WONG Pui-man	Principal Assistant Secretary (Higher Education) Education Bureau
Mrs Dorothy MA CHOW Pui-fun	Deputy Secretary-General (1) University Grants Committee
Mr CHAN Wing-tak	Chief Technical Adviser (Subvented Projects) Architectural Services Department
Professor CHING Pak-chung	Pro-Vice-Chancellor The Chinese University of Hong Kong
Mr David LIM	Director of Campus Development The Chinese University of Hong Kong
Mr Michael MA	Senior Architect, Campus Development Office The Chinese University of Hong Kong
Mr Paul TANG, JP	Permanent Secretary for Labour and Welfare
Mrs Cherry TSE, JP	Commissioner for Labour
Mr Byron NG	Assistant Commissioner for Labour (Employment Services)
Ms Betty NG	Senior Labour Officer (Employment Services)(Transport Support Scheme)
Miss Helen TANG	Principal Assistant Secretary for Labour and Welfare (Poverty)
Mr Tommy YUEN, JP	Deputy Secretary for Development (Planning and Lands)2
Mr Edward TO	Principal Assistant Secretary for Development (Planning and Lands)3
Mr CHEUNG Hau-wai, JP	Director of Buildings

Mr Ricky YUEN

General Manager (Property Management)
Hong Kong Housing Society

Clerk in attendance:

Mrs Constance LI

Assistant Secretary General 1

Staff in attendance:

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

Item No. 1 - FCR(2008-09)1

**RECOMMENDATIONS OF THE ESTABLISHMENT SUBCOMMITTEE
MADE ON 21 FEBRUARY 2008**

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

Item No. 2 - FCR(2008-09)2

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE MADE
ON 20 FEBRUARY AND 26 MARCH 2008**

2. The Chairman informed members that PWSC(2007-08)88, 83 and 81 would be voted on separately as requested by some members.

3. On PWSC(2007-08)82, Ms Emily LAU noted that having consulted the North District Council, the Administration had proposed to adopt a revised design for the Sports Centre in Area 28A Fanling/Sheung Shui (261RS) to enable the use of natural ventilation in cool and dry seasons and air-conditioning in hot and humid seasons. She suggested that similar design should be adopted for publicly-funded buildings, where practicable, with a view to conserving energy.

4. The Chairman put FCR(2008-09)2 except PWSC(2007-08)88, 83 and 81 to vote. The Committee approved the proposal.

PWSC(2007-08)88 746TH Reconstruction and improvement of Tuen Mun Road

5. While criticizing the aesthetic design of the proposed noise barriers and semi-enclosures to be retrofitted along Tuen Mun Road (TMR), Ms Emily LAU enquired about the measures to be used to boost participation of the industry, universities and professional institutes in the open design competition for noise barriers. The Director of Highways (DH_y) advised that the main objective of the competition, tentatively to be conducted in 2008, was to come up with more aesthetically vibrant designs for noise barriers under different settings in Hong Kong for future reference. To kick-start the preparatory work, the Administration would meet with the Hong Kong Institute of Architects to discuss details in this regard.

6. Ir Dr Raymond HO supported the Administration's funding proposal. He commented that the provision of noise barriers was costly and should be avoided as far as possible through better town planning. To address the current noise problem, he considered that an open design competition for noise barriers should be conducted to help achieve value for money for such traffic noise mitigation measures.

7. Ms Emily LAU noted that according to the Administration's assessment of traffic noise for nearby dwellings, 2 350 of them would still be exposed to traffic noise exceeding 70dB(A) after completion of the proposed retrofitting works. She was keen to ensure that other noise mitigation measures would be provided to these dwellings. In response, DH_y emphasized that all possible direct engineering solutions under the existing policy to reduce noise level had already been exhausted in the current project. As only 1 100 out of 2 350 dwellings would have the noise level reduced by less than 1dB(A), they would not benefit from the proposed retrofitting works. There were also site constraints, such as road bend and inadequate structural capacity at existing bridges, for implementing other noise mitigation measures.

8. Responding to Ms Emily LAU's suggestion to install insulated windows for the 1 100 dwellings as an alternative measure, the Assistant Director (Environmental Assessment) explained that the provision of insulated windows was a passive and costly method not commonly adopted worldwide. Overseas countries usually adopted measures such as by way of town planning and retrofitting of noise barriers. The policy adopted in Hong Kong was already in line with international practices. Ms Emily LAU re-iterated her concern about those dwellings which would continue to expose to excessive traffic noise in future.

9. The Chairman asked if planting of trees could help alleviate traffic noise problem. DH_y replied that trees could not effectively reduce traffic noise. By way of illustration, he advised that reduction of traffic noise by about 1dB(A) could only be achieved by planting of a stripe of 10 metres wide of trees.

10. Mr Albert CHAN pointed out that in the past, noise barriers were retrofitted after completion of road works and there could be a time gap of two to three years. To reduce noise nuisance along TMR in a timely manner, he suggested the Administration to specify in the relevant tender document that, if technically feasible, noise barriers should be retrofitted as early as practicable before commencement of

road works. DHy replied that the early retrofitting of noise barriers would be considered based on the technical feasibility of each works project. For the current project, it might be possible that some noise barriers could be retrofitted before commencement of road works.

11. Ms Emily LAU was gravely concerned that some 5 000 trees would be removed under the proposed works. As it would take many years to make up for the loss by replanting, she doubted whether there were adequate safeguards against tree felling for non-designated projects under the Environmental Impact Assessment Ordinance (Cap. 499) (EIAO). DHy explained that the trees to be felled were those growing on existing slopes which would be cut back to provide space for widening TMR. In planning and implementing public works projects, Government departments were required to fully comply with the technical circular on tree preservation which was applicable to both designated and non-designated projects under EIAO. For the current project, he advised that it was not feasible to replant some of the affected trees according to a study commissioned by the Administration. Nevertheless, planting proposal would be incorporated as part of the project to make up the loss. It was estimated that about 157 000 trees of different species would be planted on the newly formed slopes and flat areas as part of the TMR improvement.

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

**PWSC(2007-08)83 346EP Extension to Sheng Kung Hui Mung Yan
Primary School at King Fung Path, Tuen Mun**

13. Mr CHEUNG Man-kwong and Ms Emily LAU expressed support for the project.

14. Ms Emily LAU enquired whether more energy efficient measures, such as natural ventilation, could be implemented for the current school project. The Director of Architectural Services advised that the project would adopt various forms of energy efficient features, including energy efficient fluorescent tubes with electronic ballast and lighting control by daylight sensor, heat recovery fresh air pre-conditioners for air-conditioned rooms and automatic on-off switching of lighting and ventilation fan inside the lift. Regarding air ventilation, he further advised that under the proposal, air-conditioning would be provided for rooms exposed to traffic noise exceeding the recommended limits whereas natural ventilation would be provided for the remaining facilities. He added that consideration had also been given to the installation of other energy conservation facilities, such as renewable energy facilities and rainwater collection system. However, the installation of such facilities was not recommended due to space constraint on the rooftop of the building where leisure facilities and a green corner would be provided.

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

**PWSC(2007-08)81 53EF 1 500-place student hostel, The Chinese
University of Hong Kong**

16. Mr CHEUNG Man-kwong declared that he was elected by Members of the

Legislative Council as a member of the Council of the Chinese University of Hong Kong (CUHK). He supported the current funding proposal which he considered would ameliorate the problem of hostel inadequacy in CUHK and cater for the boarding needs of its non-local students, the number of which was one of the highest among local institutions.

17. Dr YEUNG Sum said that Members belonging to the Democratic Party were supportive of the funding proposal as they considered it conducive to, inter alia, the implementation of the new secondary school curriculum. He pointed out that there had all along been unmet demand for hostel places for local and non-local students, which would be aggravated by the initiative to increase in phases the non-local student quota from 10% to 20% of the approved student number targets. He therefore urged the Administration to actively promote concerted efforts among relevant Government departments in pressing ahead with various campus development projects for the local university, including hostel, library and teaching facilities, etc.

18. The Principal Assistant Secretary (Higher Education) (PAS(HE)) replied that the Administration had undertaken to actively discuss with the University Grants Committee (UGC), the UGC-funded institutions and relevant Government departments the feasibility to increase the provision of hostels when promulgating its initiative to further develop Hong Kong into a regional education hub. She reported that five hostel projects were in the pipeline so far. The Administration had also kick-started a joint hostel project which was pending identification of a suitable site.

19. Ms Emily LAU enquired about the criteria used for calculating the level of provision of student hostels for local and non-local students. As she was aware, some local students were deprived of their hostel benefits due to a keen demand for hostels from non-local students. PAS(HE) advised that the provision of publicly-funded student hostels applicable to the UGC-funded institutions were as follows:

- (a) all undergraduate students should be given the opportunity to stay in student hostels for at least one year of their courses;
- (b) undergraduates whose daily travelling time exceeded four hours and all research postgraduate students should be provided with student hostel places; and
- (c) all non-local students should be granted student hostel places throughout their studies in Hong Kong.

She pointed out that, despite the above criteria, institutions had complete autonomy in determining how to put their stock of hostels into the best use in their allocation of hostels to students.

20. The Deputy Secretary-General, UGC (DSG, UGC) added that while institutions had the autonomy to allocate publicly-funded hostels to students, some of them would also resort to other means of boarding facilities for their non-local students, such as by providing rented accommodation. UGC would monitor

institutions' allocation of UGC-funded hostel places. Ms Emily LAU commented that the mechanism on hostel allocation should be transparent to ensure fairness. Dr Fernando CHEUNG said that some local institutions had preferential treatment to non-local students on UGC-funded and non-UGC-funded programmes. Ms LAU and Dr CHEUNG urged the Administration to provide detailed information on the allocation of hostel places to local and non-local students from the UGC-funded institutions for follow-up by the Panel on Education.

21. Dr Fernando CHEUNG declared that he was an academic staff member of the Hong Kong Polytechnic University (HKPU). He said that HKPU had recently ceased to provide hostels to its UGC-funded higher diploma students due to shortage of hostel facilities. While commenting that UGC funding should be provided for students of UGC-funded programmes, he considered it timely to review the policy whereby non-local students were provided with boarding facilities throughout their studies in Hong Kong.

22. PAS (HE) clarified that for local students, hostels would be provided to the UGC-funded undergraduates but not higher diploma students under the existing policy. For non-local students, the policy intent was to obviate their need to bear the local expensive rentals so as to attract young talents to study and live in Hong Kong. She said that the Administration would consider views received during its future review of the hostel policy.

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

Item No. 3 - FCR(2008-09)3

HEAD 90 – LABOUR DEPARTMENT

♦ Subhead 700 General non-recurrent

Item 891 Pilot Transport Support Scheme

24. The Chairman informed members that the Panel on Manpower was consulted on this proposal at its meeting on 20 March 2008.

25. Mr KWONG Chi-kin, Deputy Chairman of the Panel on Manpower, said that the Panel generally welcomed the proposed relaxations under the pilot Transport Support Scheme (TSS). Some members, however, urged the Administration to further relax other eligibility criteria under the pilot TSS by extending it to cover all low-income workers in the territory, removing the minimum working hour requirement and abolishing the personal asset limit requirement. Members noted the Administration's advice that the relaxation of the pilot TSS to cover all low-paid workers in the territory would be a departure from the original policy intent. For eligible workers living in the four designated districts, their applications would be approved as long as they had fulfilled the 72 hours' work per month criterion and other requirements. Regarding the personal asset limit requirement, the Administration undertook to look into the matter in its review to be conducted one year after the implementation of the proposed relaxation measures.

Scope of the pilot Transport Support Scheme

26. Ms LI Fung-ying supported the proposed relaxations but re-iterated her concern expressed at the relevant meeting of the Panel on Manpower that having reviewed the pilot TSS, the Administration should consider extending it as a territory-wide policy to ensure parity to all low-income and cross-district workers. Ms LI pointed out that the payout of the pilot TSS since its implementation was only some \$10.5 million in the fiscal year of 2007 out of an approved commitment of \$365 million, and that eligibility of applicants for the pilot TSS would be assessed stringently based on a means test and a low-income threshold. She called on the Administration to consider the common view shared by Members that all low-income workers in the territory should be eligible for the subsidy of the pilot TSS.

27. Mr WONG Kwok-hing, Dr Fernando CHEUNG, Mr LEE Cheuk-yan and Mr LEUNG Kwok-hung expressed similar concern. While welcoming the Administration's proposals to relax the regime of the pilot TSS, Mr WONG Kwok-hing cited a television programme featuring that the problem of working poverty was not confined to the four designated districts. Noting that the payout of the pilot TSS was far below the original estimate, Dr Fernando CHEUNG enquired what measures would be taken to boost the number of beneficiaries. In this connection, Mr LEE Cheuk-yan said that he had been in support of the implementation of the pilot TSS on the understanding that it should start in designated remote districts to help the most needy to find jobs in the city districts, but would be extended subsequently to help all the working poor in the territory. He considered that a minimum wage protection would be the ultimate solution to combat poverty. However, before such protection came into place, the Administration should take other measures to address the plight of the needy who were under high inflationary pressure. Mr LEUNG Kwok-hung echoed that minimum wage protection was the ultimate solution to the problem of working poverty. He considered the pilot TSS a short-term, restrictive and unfair measure to relieve the plight of only some low-income workers. He urged the Administration to press ahead with the implementation of a minimum wage regime to ensure the livelihood of workers. Miss CHAN Yuen-han shared the view that the Administration should pave way for the implementation of a minimum wage regime.

28. The Permanent Secretary for Labour and Welfare (PSLW) responded that the pilot TSS was not meant to cover the daily needs of low-income persons, as these needs should be covered by other existing measures such as the Comprehensive Social Security Scheme (CSSA). For those who had other special needs, they could also apply for other forms of assistance or subsidized services. He stressed that the objective of the pilot TSS was to help the unemployed and low-income employees with financial difficulties living in the four designated remote districts to find jobs, thereby achieving self-reliance. In a recent review, it was concluded that the territorial coverage of the pilot TSS should remain unchanged. It would depart from the original objective if a territory-wide coverage was pursued.

29. On the number of beneficiaries, PSLW advised that the number had been picking up since the inception of the pilot TSS. With the imminent implementation of the proposed relaxations, it was envisaged that the number would surge further.

The Senior Labour Officer (Employment Services) (Transport Support Scheme) (SLO(ES)(TSS)) supplemented that the payout of the pilot TSS during the past few months ranged from one to two millions per month. Since the announcement by the Financial Secretary of the proposed relaxations on 27 February 2008, the number of applications had increased sharply to more than 1 000 and 600 in March and April (up to 25 April) 2008 respectively. As reported by the non-governmental organizations (NGOs) engaged under the pilot TSS, residents in the four designated districts were keen to join the revised TSS which would be relaxed, among others, to cover intra-district travels. It was therefore anticipated that the number of participants would rise sharply with the implementation of proposed relaxations.

30. Ms Emily LAU noted that intra-district travel would entail a relatively high transport cost, and the Administration had therefore proposed to provide subsidy for intra-district travels to eligible residents in the four designated districts. Referring to the example cited by the Administration on intra-district travel between Tung Chung and Ngong Ping which cost \$16 to \$25 per single trip, she said many residents in other districts were also required to incur high transport costs for intra-district travel and they should also be eligible to apply for the pilot TSS. She also questioned why the payout of the pilot TSS was far less than the Administration's original estimate and whether there would be a time limit for disbursing the fund.

31. PSLW responded that the financial commitment of the pilot TSS was worked out on the basis of certain assumptions. The number of applicants had increased following the launching of a series of publicity campaigns. It was anticipated that the number of beneficiaries would increase further after the implementation of the relaxation measures. The Commissioner for Labour (C for L) supplemented that the Government aimed to provide transport subsidies to help the needy to find jobs and work across districts in view of relatively fewer job opportunities in the four designated districts. Though the duration of subsidy was time-limited for individual beneficiaries, there was no time limit for eligible residents to apply for the TSS. The actual number of participants could not be accurately estimated due to the unavailability of personal asset information, and the original financial estimate of \$365 million was based on an estimated number of 80 000 beneficiaries as estimated when the pilot Scheme was introduced, taking into account the profile of the unemployed and low-income employees in the four designated districts.

32. Ms Emily LAU did not subscribe to the Administration's explanation. As there were only some 7 000 applicants joining the pilot TSS, she considered that the Administration should actively consider adopting measures to boost participation to meet its planned target of 80 000 beneficiaries. Dr Fernando CHEUNG said that the unspent approved allocation for the pilot TSS would be adequate to subsidize 40 000 applicants even after extending the subsidy period from six months to 12 months. PSLW re-iterated that there was no time limit for utilizing the approved commitment of the pilot TSS. The Administration would monitor the situation to ensure that the unspent balance of the non-recurrent commitment of \$365 million would be adequate for the purpose of the scheme.

33. Miss CHAN Yuen-han supported the proposed relaxations of the TSS. She remarked that after the Budget announcement, she had attended some meetings in

different districts, and many participants queried the rationale for not extending the pilot TSS to other districts. Miss CHAN expressed grave concern that the working poor had to make ends meet by cutting down their expenses. She cited an example that one of her clients had to commute one hour earlier each day in order to take a non-air-conditioned bus so as to save \$2 for the trip. She criticized the Administration for not acceding to Members' request to extend the scheme to other districts so as to alleviate the burden of high transport costs on all low-income workers.

34. Mr Frederick FUNG said that the proposed relaxation of intra-district travel had already departed from the original policy intent of the pilot TSS recommended by the then Commission on Poverty (CoP), and the subsidy had now become a relief measure for the working poor. Mr FUNG considered that among the 18 districts, Sham Shui Po was the poorest district where many needy people were in dire need of government assistance. He urged the Administration to extend the TSS to all districts. Mr LEUNG Kwok-hung considered that all low-income employees requiring cross-district travels should be eligible for the subsidy under the TSS irrespective of where they lived. The territorial restriction under the relaxed TSS only reflected the Administration's reluctance to help all the working poor.

35. PSLW stressed that there were other forms of assistance and services available to the needy. The relaxed TSS would be reviewed after a period of implementation. On the intra-district coverage, C for L explained that taking into account the vast territorial coverage of the four designated districts which would imply a relatively higher transport cost for intra-district travels, the Administration proposed to relax the eligibility criteria in this regard. She stressed that the relaxation measures were not a departure from the objective of the pilot TSS.

Period of and applications for subsidy

36. Mr LEE Cheuk-yan considered that as the transport subsidy would be regarded as an income supplement for the working poor, it should be given on a long term basis so long as applicants still met the income threshold instead of for only 12 months. Dr Fernando CHEUNG suggested that the subsidy should be provided for at least three years, given that there were fewer job opportunities in the remote districts, and many low-income workers had to work across districts. PSLW remarked that the transport subsidy was not meant to be an income supplement but to provide time-limited assistance to help needy unemployed and low-income employees to develop and consolidate a work habit. The provision of 12 months' subsidy was considered appropriate to achieve this purpose.

37. Mr WONG Kwok-hing asked about the reasons for rejecting 460 applicants and the low number of claims made under the pilot TSS. C for L clarified that only 142 applicants were rejected under the pilot TSS and 318 applications were pending completion of processing as at end-March 2008. The main reasons of refusal were that the applicants were in full-time education/training, receiving other means of assistance or earning an income exceeding the previous threshold of \$5,600 per month. She also advised that under the relaxed TSS, participants were eligible for subsidy within 24 months from the approval date of their applications.

38. Dr Fernando CHEUNG expressed concern that some unscrupulous employers might reduce the salary of those employees receiving transport subsidies under the scheme. He asked whether there were measures to guard against such mal-practice. C for L advised that since the pilot TSS was a short-term relief measure, the risk of a downward pressure on wages was much lower, and no abuse case had been discovered so far. She added that if the workers had their salaries reduced by their employers after receiving the subsidy under TSS, they were encouraged to report to the Labour Department.

39. Mr LEE Cheuk-yan asked whether there was any plan to set up mini offices on outlying islands to provide more accessible assistance to the islands residents. SLO(ES)(TSS) advised that islands residents could approach the service centre located in Sheung Wan for assistance. Those participating NGOs serving residents of Islands District and with close connection with local associations would, on a need basis, provide dedicated services to islands residents..

40. In reply to Mr Frederick FUNG, C for L advised that each eligible applicant would be granted subsidy under the pilot TSS on a once-in-a-life-time basis for a maximum period of 12 months payable within 24 months from the approval date of his/her application.

Review

41. Mr WONG Kwok-hing commented that the Administration should conduct an early review of the scheme. Since a number of public transport operators were also proposing fare increases, he was concerned that the transport subsidies under the TSS would not be able to offset the increase in transport costs. Dr Fernando CHEUNG and Mr LEE Cheuk-yan shared similar concern and requested the Administration to advance the timing for the review so as to benefit more needy persons.

42. Miss CHAN Yuen-han said that while she considered it appropriate to kick-start the pilot TSS in four designated districts where there were fewer employment opportunities, she hoped the Administration would review the scheme as early as possible in order to take into account the latest changes such as high inflation and increased transport costs. PSLW said that it would be appropriate to review the relaxed TSS after it had been in operation for at least one year.

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

Item No. 4 - FCR(2008-09)4

HEAD 141 – GOVERNMENT SECRETARIAT: LABOUR AND WELFARE BUREAU

◆ Subhead 700 General non-recurrent

New Item “Child Development Fund”

44. The Chairman informed members that the Panel on Welfare Services was

consulted on the proposal at its meetings on 14 January and 14 February 2008.

45. Dr Fernando CHEUNG, Chairman of the Panel on Welfare Services, said that the Panel generally supported the funding proposal to set up the Child Development Fund (CDF) and welcomed the Administration's revised measures. The Administration was requested to report to the Panel the progress of the pioneer projects six months after implementation.

46. Miss CHAN Yuen-han expressed support for the setting up of CDF and welcomed the Administration's proposal to lower the age requirement to between 10 and 16. However, she had reservations about requiring the participants to achieve the savings target of \$200 per month, and she hoped there would be flexibility in the arrangements. She also hoped that the Administration could increase the number of target participants as many children were in need of assistance especially in the midst of high living costs and rising inflation.

47. PSLW advised that the CDF aimed to, among others, encourage participating children to accumulate financial assets to facilitate their future development. There would be flexibility to encourage these children to accomplish the savings target. The participating children and their families could agree with the operating NGOs on a lower savings target, and funding could also be provided by other parties on a donation or sponsorship basis for deserving cases. As regards the number of target participants, a minimum of 700 participating children would be admitted to the first batch of seven pioneer projects, and the number could be increased in the second batch. He pointed out that the number of participating children would hinge on service demand and also availability of mentors. The operating NGOs should be given time to build and train up a critical mass of mentors for the projects.

48. Miss CHAN Yuen-han was worried that some disadvantaged children were unable to attain any savings while complementary contribution was not available. She also criticized that given that there were some 200 000 to 300 000 children from a disadvantaged background, the proposed service target of serving 700 children was far below the need.

49. PSLW re-iterated that for deserving cases, operating NGOs could work in partnership with the business sector and individual donors to provide funding support to the participating children. He said that the initial response from the private sector was positive. While a minimum target of 700 participating children was set for first batch of the seven pioneer projects, the Administration estimated that some 13 600 children would benefit from the CDF. A review of the operation of the first batch of CDF pioneer projects would be conducted by an academic institution after three years, and the outcome of the review would form the basis for deciding how the CDF could be further developed into a long-term model to promote the personal development of children from a disadvantaged background.

50. Dr Fernando CHEUNG criticized that with the service target of only 700 children for the pilot projects, the Administration was too slow or reluctant to reduce inter-generational poverty. He was disappointed that only 13% of the fund would be allocated for financial assets accumulation which he considered far from

adequate to help participants realize their personal development plans. He strongly urged that assistance should be rendered to the needy children without delay, and the CDF should cover more eligible children. Dr CHEUNG also urged for an early review of the scheme.

51. PSLW explained that as a first step, the Administration suggested implementing the first batch of seven pioneer projects with an estimated commitment of around \$22.6 million for 700 participating children. Subsequent batches of projects would be rolled out in future before completion of the first batch of pioneer projects in the light of experience. Regarding the review, he advised that the overall effectiveness of the CDF initiatives would be evaluated. To achieve an objective and meaningful assessment, the Administration proposed to conduct the review in three years' time, so that two years would be allowed for participating children to accumulate financial assets and the remaining year for tracking how such assets were used by these children to achieve their development targets. He pointed out that while CDF sought to encourage participating children to develop an asset-building habit, the accumulation of non-financial assets, such as the building up of social networks facilitated by the mentors, were also important assets for the children's future development.

52. Mr Frederick FUNG pointed out that the establishment of CDF was one of the key recommendations of the then CoP. In the United States and the United Kingdom, a common model of CDF was in the form of a mandatory savings target for all children. However, such an approach was not adopted in Hong Kong due to the need for legislative backing and its controversy. Mr FUNG commented that the CDF proposed by the Administration had shifted its focus on mentorship programme rather than financial asset accumulation. Since many mentorship programmes were already conducted by local institutions and were well received by the community, he queried whether it would be value-for-money to allocate a lot more resources for conducting a mentorship programme under CDF.

53. PSLW advised that the proposed CDF model had three key components, i.e. targeted savings, mentorship programme and personal development plans. The model was considered appropriate taking into account the local circumstances. An evaluation of the first batch of the seven pioneer projects would be conducted, and the results of the evaluation would be taken into account in deciding how CDF could be further developed into a long-term model to promote the development of children from a disadvantaged background. The Principal Assistant Secretary for Labour and Welfare (Poverty) supplemented that according to the then CoP, CDF should be implemented by way of an asset-based model, including a targeted savings element and a mentoring scheme. As such, the three key components of the proposed CDF had already incorporated the recommendation of the then CoP.

54. Mr Frederick FUNG noted that only about \$1 million per year would be allocated to each operating NGO to provide service to 100 children under CDF. As NGOs were facing resource and manpower constraints, he doubted if the proposed level of funding would be adequate for participating NGOs to accomplish the mission of CDF.

55. In reply, PSLW advised that the Administration would invite interested NGOs with a good track record on the provision of children and youth services in Hong Kong to run the pioneer projects. They would receive an administrative fee for the operation of CDF pioneer projects, and could also deploy internal resources to strengthen support services in this regard.

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

Item No. 5 - FCR(2008-09)5

**HEAD 138 – GOVERNMENT SECRETARIAT: DEVELOPMENT BUREAU
(PLANNING AND LANDS BRANCH)**

♦ **Subhead 700 General non-recurrent**

New Item "Building Maintenance Grant Scheme for Elderly Owners"

57. Mr LAU Wong-fat, Chairman of the Panel on Development, said that the Panel was consulted on the Building Maintenance Grant Scheme for Elderly Owners (the Scheme) on 25 March 2008. He reported that members present at the meeting generally supported the funding proposal. Nevertheless, some members had urged the Administration to relax the salary limit, exercise discretion for the elderly who had transferred the titles of properties to their children but still residing in the concerned properties, and put in place a monitoring mechanism to guard against abusive use of the grant provided under the Scheme. Mr LAU said that he was supportive of the Scheme.

58. Mrs Anson CHAN enquired about the basis for arriving at the maximum grant of \$40,000 within a period of five years for each elderly owner-occupier. She said that special consideration should be given to contingent cases where the maximum grant had already been provided within the specified duration. Expressing similar concern, Mr James TO urged that special consideration should be given to deserving cases, such as a property jointly owned by an elderly and a grand-child with part of the accommodation rented out for income. He considered that the maximum grant of \$40,000 should be provided to the elderly owners concerned if the income including the rental collected did not exceed \$5,900 per month.

59. The Deputy Secretary for Development (Planning and Lands) 2 (DS(PL)) advised that in determining the level of grant, the Administration had made reference to the cost for complying with the orders concerning building safety issued by the Buildings Department (BD), which was in the region of \$30,000 to \$40,000 per household on average. In general, the proposed grant at a maximum amount of \$40,000 would be adequate for assisting elderly owner-occupiers who were in need to maintain and repair their properties. Those who needed financial assistance exceeding \$40,000 could apply for top-up assistance from the three existing building maintenance related financial assistance schemes. All special cases would be examined by an assessment committee comprising representatives from the BD/Hong Kong Housing Society (HKHS) for a decision.

60. Dr Fernando CHEUNG expressed support for the Scheme. He asked whether the Scheme could be extended to cover people with disabilities (PWD). DS(PL) responded that there were at present a number of schemes providing financial assistance to building owners in relation to building maintenance matters. The Scheme under discussion was to assist the low-income elderly owner-occupiers who were in need of financial assistance to comply with the removal or repair orders issued by the BD. Whilst other proposals might also be considered in the light of operational experience to be gained from the Scheme, the Administration should kick start the implementation of the current Scheme at this juncture. Dr Fernando CHEUNG requested the Administration also to assess the need of PWD for financial assistance to undertake maintenance and repair works of their properties.

61. Mr Frederick FUNG expressed concern as to whether the Scheme would only apply to repair works required for the whole building. He also pointed out that many elderly owners lived in old buildings without owners' corporation or management company. As such, the elderly owner/occupiers might not be aware of their eligibility under the Scheme for upkeeping their properties or complying with the removal or repair orders issued by the BD. He asked whether there would be on-site assistance to these elderly owner/occupiers.

62. DS(PL) clarified that the Scheme would cover a wide scope of works for the common areas of a building and within the premises owned by the eligible elderly owner-occupiers, as long as the works were related to building safety. He advised that HKHS had been assisting those cases where the owners had difficulties to comply with the orders of the BD for undertaking maintenance and repair works, due to an absence of an owners' corporation or a lack of financial means. The General Manager (Property Management), HKHS supplemented that HKHS had been operating the Building Management and Maintenance Scheme since 2005, and had provided one-stop free technical advice to owners of a few thousand buildings to comply with Government orders. In collaboration with the Hong Kong Council of Social Service, HKHS approached elderly owners proactively to find out their building maintenance and repair needs. The outreaching services were provided by its Property Management Advisory Centres with over 100 staff.

63. Mr James TO considered that the proposed salary limit of \$5,900 under the Scheme should be aligned with that for other similar schemes, which was currently set at \$7,900. DS (PL) responded that the Administration had adopted the income limit for the Normal Old Age Allowance (NOAA) for the Scheme, and it would be adjusted if adjustments were made to the income limit for the NOAA. He said that the Administration would review the Scheme 18 months after it was put in operation.

64. Mr Albert CHAN expressed support for the Administration's proposal. However, he expressed reservation about adopting the income limit of the NOAA for the Scheme merely for administrative convenience. He said that the two schemes had different objectives and he hoped the Administration would review the income limit in its future review. He also reminded the Administration to guard against abuses of the Scheme, if an agency was to be entrusted for claiming the grants on behalf of elderly owners/tenants.

65. DS (PL) advised that as the administering agency, HKHS would play an active role throughout the works projects to forestall abusive use of the Scheme. HKHS would provide technical advice and assistance to the elderly owner-occupiers applying for grants under the Scheme and ensure the necessary works were completed before the grants would be disbursed to the contractors. If the project required a down-payment, HKHS would also render necessary assistance.

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

67. As the meeting was scheduled to end at 5:00 pm, members agreed that the remaining item on the starting time of Finance Committee meetings and related meeting arrangements should be dealt with at the next meeting to be held on 9 May 2008 at 3:00 pm.

68. The meeting was adjourned at 5:00 pm.

Legislative Council Secretariat

18 November 2008