

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 15th meeting
held at the Legislative Council Chamber
on Wednesday, 14 May 2008, at 8:30 am**

Members present:

Hon TAM Yiu-chung, GBS, JP (Chairman)
Hon Emily LAU Wai-hing, JP (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan
Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, SBS, JP
Hon Margaret NG
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 LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP

Hon Audrey EU Yuet-mee, SC, JP
Hon LI Kwok-ying, MH, JP
Hon Daniel LAM Wai-keung, SBS, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Dr Hon Fernando CHEUNG Chiu-hung
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon KWONG Chi-kin
Hon Mrs Anson CHAN, GBM, JP

Members absent:

Hon James TIEN Pei-chun, GBS, JP
Hon Albert HO Chun-yan
Hon Martin LEE Chu-ming, SC, JP
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon LEUNG Yiu-chung
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Albert CHAN Wai-yip
Hon Vincent FANG Kang, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Dr Hon Joseph LEE Kok-long, JP
Dr Hon KWOK Ka-ki
Hon CHEUNG Hok-ming, SBS, JP
Hon CHIM Pui-chung
Hon Albert Jinghan CHENG, JP
Hon TAM Heung-man

Public officers attending:

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)
Miss Jennifer MAK, JP	Director of Administration Adm. Wing, Chief Secretary for Administration's Office

Mr Wilfred WU

Principal Executive Officer
(Administration)
Adm. Wing, Chief Secretary for
Administration's Office

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

Prior to the discussion on the Administration's proposal, Mr LEUNG Kwok-hung suggested that the Legislative Council (LegCo) should lament for the victims from the earthquake in Sichuan (the Earthquake) at the next Council meeting. The Chairman said the Mr LEUNG's suggestion fell outside the remit of the Finance Committee (FC), and that Mr LEUNG might consider putting his request to the President.

2. To express members' deepest sympathy towards the earthquake victims, the Chairman suggested that members should hold a minute of silence at this meeting to mourn the earthquake victims. Members agreed.

Item No. 1 - FCR(2008-09)15

HEAD 184 – TRANSFERS TO FUNDS

◆ **Subhead 990 Payment to the Disaster Relief Fund**

3. The Chairman informed members that the meeting was held at the request of the Administration to discuss the proposal of transferring additional funds from the general revenue to the Disaster Relief Fund (DRF) to provide for emergency relief to the earthquake victims in the Mainland.

4. The Director of Administration (D of Admin) thanked members for agreeing to hold this urgent meeting. She said that the Earthquake in Wenchuan County, Sichuan Province had already caused about 9 000 deaths and the toll was expected to increase. The Earthquake had also resulted in the collapse of about 500 000 houses and disruption of the transportation system. There was an urgent need to provide emergency relief to the earthquake victims. The Administration had been in contact with the Central People's Government (CPG) to understand the situation and seek advice on how the Hong Kong Special Administrative Region Government (HKSARG) could help and contribute towards the disaster relief work. CPG's advice was that aid from HKSARG would best be channelled towards the earthquake victims through the disaster relief headquarters (DRH). Hence, the Administration proposed to inject an additional \$350 million into DRF, comprising \$300 million to DRH as contribution to its disaster relief and rehabilitation work, and \$50 million for application by major relief organizations for providing emergency relief to the earthquake victims.

5. Dr YEUNG sum expressed support for the proposal. Given the severity of the Earthquake, which was worse than the Tangshan earthquake in 1976, he opined that additional funds should be provided for emergency relief where necessary, particularly for application by major relief organizations in view of their credibility and experience in undertaking disaster relief work. His views were shared by Prof Patrick LAU and Mr CHEUNG Man-kwong. Dr YEUNG said that he was glad that CPG had adopted an open and transparent approach in respect of media coverage of the situation after the earthquake.

6. Mr CHAN Kam-lam said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the proposal. He agreed with other members that more funds should be provided for the relief work. He appealed to the public for their support for donation campaigns undertaken by relief agencies and various community groups.

7. Mr Daniel LAM said that Heung Yee Kuk supported the proposal. He expressed his deepest sympathy to the earthquake victims, and held the view that the proposed \$350 million was far from adequate. He would support for additional funding for the relief work in future where necessary.

8. Mr Howard YOUNG said that Members belonging to the Liberal Party supported the proposal, particularly the provision of grants for application by relief organizations. He however stressed the need for timely approval of DRF applications to ensure that relief organizations could have the necessary funds to carry out the disaster relief work. D of Admin confirmed that the Administration would endeavour to expedite the processing procedure for DRF applications as far as practicable. This included seeking the advice of the Disaster Relief Fund Advisory Committee (DRFAC) expeditiously upon receipt of the applications. Taking the DRF applications for previous snowstorm relief work as an example, the DRF Secretariat had obtained prompt approval from DRFAC through circulation of papers. She assured members that the existing approval mechanism could cater for timely

approval of any contingent DRF applications.

9. As the quake toll was expected to mount, Ms Miriam LAU asked whether the Administration could ascertain the need for additional funding in providing emergency relief. Ms Emily LAU expressed support for the proposal given the fast deteriorating situation of the earthquake-stricken areas. She shared Ms Miriam LAU's concern about the possible requests for additional funding by CPG/relief organizations. Mr LEUNG Kwok-hung asked if the Administration had made contacts with CPG and major relief organizations, such as Hong Kong Red Cross, in understanding the needs of earthquake victims. Mr LAU Kong-wah opined that the Hong Kong Economic and Trade Offices (ETOs) in the Mainland might also help to coordinate emergency relief for earthquake victims. Mr Frederick FUNG however held the view that it would be better for CPG, rather than relief organizations, to coordinate disaster relief work in view of CPG's accessibility to and understanding of the overall situation.

10. D of Admin responded that the Administration would maintain close liaison with CPG and relief organizations to keep track of the situation. If further assistance was required for the earthquake-stricken areas, the Administration would seek FC's approval for additional funds. She also confirmed that the relevant Hong Kong ETOs in the Mainland would collate information on the latest situation of the earthquake-stricken areas, particularly about cases that involved Hong Kong citizens so that prompt assistance could be provided.

11. Mr LAU Kong-wah enquired about the nature of calls for assistance/enquiry from Hong Kong residents who were stranded in earthquake-stricken areas. D of Admin said that up to 7:00 am on 14 May 2008, the Security Bureau had received 72 calls for assistance and 274 general enquiries, mainly regarding loss of contact with their Mainland relatives in the earthquake-stricken areas. Of these, 38 cases had already been settled while others were being followed up. In addition, one reported injury of a Hong Kong citizen in the earthquake-stricken area was received, whose condition had already been stabilized after medical treatment. Mr LAU requested the Administration to provide details of the 72 calls for assistance. As it was expected that some of the Hong Kong citizens sustaining injuries at the earthquake-stricken areas might need financial assistance for returning to Hong Kong for medical treatment, he enquired whether there were Government funds to accommodate such needs on a temporary and reimbursement basis. D of Admin responded that she would have to seek such information from the Security Bureau after the meeting.

Other forms of emergency relief

12. Mr LAU Kong-wah opined that medical assistance to the earthquake victims would be urgently required after the rescue operation. He enquired if HKSARG was prepared to offer assistance in this respect. D of Admin responded that the Administration had already offered to CPG possible medical assistance from HKSARG. The Hospital Authority (HA) had formed a volunteer team, consisting of

some 20 medical professionals, which would be sent to Sichuan shortly after confirmation of the arrangements. The team would serve as a spearhead to understand the situation and assess the kind of assistance and amount of manpower resources further required. The Administration would maintain close liaison with the team in determining whether and how medical assistance should be delivered to the earthquake victims. In addition, the Auxiliary Medical Services were on stand-by to provide relief assistance where necessary.

13. Prof Patrick LAU doubted the adequacy of seeking only 20 medical professionals from HKSARG to provide medical assistance in the earthquake-stricken areas. He urged the Administration to deploy more manpower in this regard. In response, D of Admin stressed that the HA volunteer team was only a spearhead to initially assess the needs of earthquake victims. The team would advise on additional manpower required for the medical relief work.

14. Mr LEUNG Kwok-hung opined that relief materials, such as food, water, disinfectants, communication equipment and lifting devices, were far more important than monetary donations in providing emergency relief to the victims. He asked whether CPG had requested for donations in kind apart from monetary contribution, and whether relief organizations could purchase relief materials first and seek reimbursement from HKSARG later. Mr LEUNG also suggested HKSARG to assist in recovering the transportation and communication infrastructure in the earthquake-stricken areas.

15. D of Admin reiterated that HKSARG would maintain close liaison with CPG and major relief organizations in providing the needed emergency relief to the earthquake victims. CPG's advice was that assistance would best be made in the form of monetary donation. Separately, relief organizations would carry out their own disaster relief work, which would normally include distribution of relief materials. They could apply for funding under DRF where necessary.

16. Mr Howard YOUNG suggested that the Administration should liaise with the Hong Kong Red Cross to see whether cross-boundary blood donation could be made by Hong Kong citizens for earthquake victims. Mr CHEUNG Man-kwong echoed that if this was feasible, a blood donation campaign could be organized specifically for this purpose.

Control mechanism

17. While noting that relief organizations were required to submit detailed breakdowns to account for the use of relief funds, Ms Emily LAU expressed concern that evaluation reports on the use of funds for emergency relief to snowstorm victims in February 2008 were still outstanding after a lapse of some five months. Ms LAU emphasized the importance of ensuring proper use of relief funds, and that evaluation reports should be provided to FC once available. Her views were shared by Ms Audrey EU. In response, D of Admin confirmed that the relevant Mainland authorities and relief organizations had been requested to submit evaluation reports on

DRF grants for emergency relief to snowstorm victims, setting out the uses and beneficiaries. In fact, the Guizhou Provincial Government (one of the two provinces that received the DRF grants) had submitted a preliminary report, which was being examined by the Administration.

18. Given the urgent need for providing emergency relief to victims of the earthquake, Mr CHEUNG Man-kwong opined that the Mainland authorities should be given trust and flexibility in the use of the DRF grants. He believed that the existing control mechanism could adequately guard against misuse of funds. Mr Frederick FUNG agreed that it was necessary to provide prompt relief to the earthquake victims, while evaluation reports could be provided afterwards by the relevant mainland authorities/relief organizations on the use of relief funds.

Fund-raising for emergency relief in the Mainland

19. Prof Patrick LAU commented that since many Members had organized or participated in fund-raising campaigns, LegCo as a whole should contribute towards the disaster relief work for the earthquake victims. The Chairman advised that Mr LAU could raise his suggestion for consideration by the House Committee.

20. Ms Audrey EU said that Members belonging to the Civic Party (CP) supported the funding proposal. She also expressed appreciation of the Administration's prompt response to CP's application for fund-raising to support the disaster relief work for the earthquake victims, which was approved on the same day of application. Ms EU opined that this good practice should be applied to other fund-raising applications, such as those in relation to the cyclone disaster in Myanmar. Mr Frederick FUNG hoped that the Administration could also process expeditiously the fund-raising application from the Hong Kong Association for Democracy and People's Livelihood.

21. Miss CHAN Yuen-han said that Members belonging to the Hong Kong Federation of Trade Unions supported the funding proposal. She commented that while the Social Welfare Department had expedited the approval process for fund-raising applications, other departments had not applied the same for fund-raising applications at locations under their jurisdictions. As many local community organizations were eager to organize fund-raising campaigns for the earthquake victims, she urged the Administration to expedite the process for granting approval to such applications. D of Admin noted Miss CHAN's view, and added that the Administration had placed donation boxes at various Post Offices and District Offices and would open a designated bank account for collection of public donations. Donations so collected would be channelled to relief organizations for providing emergency relief to the earthquake victims.

Cyclone disaster in Myanmar

22. Ms Emily LAU expressed concern about the latest situation in Myanmar after the recent cyclone disaster. She said that she had written to the relevant bureaux

requesting for the provision of relief work to Myanmar. She hoped that the Administration would lend its support to the cyclone victims as far as practicable. Mr CHEUNG Man-kwong echoed that as a global citizen, HKSAR should assist the victims in Myanmar with equal sympathy and efforts as those offered to the earthquake victims in the Mainland.

23. D of Admin said that some major relief organizations had indicated that they would be submitting DRF applications for providing disaster relief work to the victims in Myanmar. Such applications, once received, would be processed expeditiously. In addition, the Administration had contacted the Consul General (CG) for Myanmar in Hong Kong to understand the situation in Myanmar, and sent its condolences to the victims. The Administration would provide relief assistance if necessary upon request of the CG for Myanmar.

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

25. The meeting was adjourned at 9:25 am.

Legislative Council Secretariat

4 September 2008