

**立法會**  
**Legislative Council**

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**Finance Committee of the Legislative Council**

**Minutes of the 12th meeting  
held at the Legislative Council Chamber  
on Friday, 20 February 2009, at 5:05 pm**

**Members present:**

Hon Emily LAU Wai-hing, JP (Chairman)  
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)  
Hon Albert HO Chun-yan  
Hon LEE Cheuk-yan  
Hon Fred LI Wah-ming, JP  
Hon James TO Kun-sun  
Hon CHEUNG Man-kwong  
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 LAU Kong-wah, JP  
Hon LAU Wong-fat, GBM, GBS, JP  
Hon Miriam LAU Kin-ye, GBS, JP  
Hon TAM Yiu-chung, GBS, JP  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon Albert CHAN Wai-yip  
Hon Audrey EU Yuet-mee, SC, JP  
Hon WONG Kwok-hing, MH  
Hon LEE Wing-tat  
Dr Hon Joseph LEE Kok-long, JP  
Hon Jeffrey LAM Kin-fung, SBS, JP  
Hon Andrew LEUNG Kwan-yuen, SBS, JP  
Hon LEUNG Kwok-hung  
Hon CHEUNG Hok-ming, SBS, JP  
Hon WONG Ting-kwong, BBS  
Hon KAM Nai-wai, MH

Hon Cyd HO Sau-lan  
Hon Starry LEE Wai-king  
Dr Hon LAM Tai-fai, BBS, JP  
Hon CHAN Hak-kan  
Hon CHAN Kin-por, JP  
Dr Hon Priscilla LEUNG Mei-fun  
Dr Hon LEUNG Ka-lau  
Hon WONG Kwok-kin, BBS  
Hon IP Wai-ming, MH  
Hon IP Kwok-him, GBS, JP  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Dr Hon PAN Pey-chyou  
Hon Paul TSE Wai-chun

**Members absent:**

Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP  
Dr Hon David LI Kwok-po, GBM, GBS, JP  
Dr Hon Margaret NG  
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 Frederick FUNG Kin-kee, SBS, JP  
Hon Vincent FANG Kang, SBS, JP  
Hon Alan LEONG Kah-kit, SC  
Hon Ronny TONG Ka-wah, SC  
Hon CHIM Pui-chung  
Hon Paul CHAN Mo-po, MH, JP  
Hon Tanya CHAN  
Hon CHEUNG Kwok-che  
Hon WONG Sing-chi  
Hon WONG Yuk-man  
Dr Hon Samson TAM Wai-ho, JP

**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)
Ms Bernadette LINN, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) <sup>1</sup>

Ms Elsie YUEN	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Ms Florence HUI, JP	Under Secretary for Home Affairs
Mr Jonathan McKINLEY	Deputy Secretary for Home Affairs (2)
Mr SO Kam-shing, JP	Deputy Secretary for Home Affairs (3)
Miss Janet WONG	Principal Assistant Secretary for Home Affairs (Recreation and Sport)
Mr Benny WONG, JP	Deputy Director of Environmental Protection (1)
Dr Ellen CHAN, JP	Assistant Director of Environmental Protection (Environmental Infrastructure)
Ms Connie HO	Senior Treasury Accountant (Business Services), Environmental Protection Department
Mr CHENG Yan-chee, JP	Deputy Secretary for Financial Services and the Treasury (Financial Services) <sup>1</sup>
Mr Arthur YUEN, JP	Executive Director (External), Hong Kong Monetary Authority
Ms Linda TSE	Senior Manager (External), Hong Kong Monetary Authority
Mr Christopher WONG, JP	Deputy Secretary for Commerce and Economic Development (Commerce and Industry)
Ms Wendy CHEUNG	Principal Assistant Secretary for Commerce and Economic Development (Commerce and Industry)
Mr SHUN Chi-ming	Assistant Director of Hong Kong Observatory (Aviation Weather Services)
Mr Paul CHENG	Principal Assistant Secretary for Security (B)
Mr YAU Chi-chiu	Assistant Commissioner of Correctional Services (Operations)
Mr William WONG	Electronics and Data Communication Manager, Electrical and Mechanical Services Department
Mrs Jessie TING, JP	Deputy Secretary for Security (1)
Mr David LAU	Principal Assistant Secretary for Security (A)
Mr Luke AU YEUNG Ho-lok, CMSM	Deputy Commissioner of Customs and Excise
Mr Daniel CHEUNG Chi-kwong	Senior Staff Officer (Information Technology), Customs and Excise Department

Ms Amy TSE Suk-han

Senior Systems Manager (Information  
Technology Management Group),  
Customs and Excise Department

**Clerk in attendance:**

Mrs Constance LI

Assistant Secretary General 1

**Staff in attendance:**

Ms Anita SIT

Chief Council Secretary (1)4

Mr Simon CHEUNG

Senior Council Secretary (1)5

Ms Alice CHEUNG

Senior Legislative Assistant (1)1

Mr Frankie WOO

Legislative Assistant (1)2

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Action

**Item No. 3 - FCR(2008-09)65**

**HEAD 53 - GOVERNMENT SECRETARIAT: HOME AFFAIRS BUREAU**

• **Subhead 700 General non-recurrent**

**New Item "Injection into the Arts and Sport Development Fund"**

Mr IP Kwok-him, Chairman of the Panel on Home Affairs, reported that the Administration had briefed the Panel on the funding proposal at its meeting on 9 January 2009. While Panel members supported the Administration's proposal, they considered that the injection of \$150 million was inadequate and the following motion was passed at the meeting --

"That this Panel strongly requests the Government to increase the amount to be injected into the Arts and Sport Development Fund to \$200 million, and allocate the Fund in a fair manner to enable greater participation by the public in arts and sports activities."

2. At that Panel meeting, some members also urged the Administration to --
  - (a) enhance the nurturing of the budding artists and talented sportsmen, and give more support for the arts programmes undertaken by non-mainstream arts bodies and disabled persons;
  - (b) actively address the venue shortage problem of performing arts bodies; and

- (c) formulate a long-term strategy on Hong Kong's arts and cultural development so as to tie in with the development of the West Kowloon Cultural District (WKCD).

3. Mr IP further said that the Panel held a special meeting on 6 February 2009 to gauge the views of deputations on the proposal. Representatives from 46 arts and sports organizations gave their views at that meeting, and 14 written representations were received. While supporting the Administration's proposal to inject funds into the Arts and Sport Development Fund (ASDF), the deputations expressed concern about inadequacy of the Administration's financial support, uneven allocation of resources among arts and sports organizations, lack of transparency of the assessment mechanism for funds allocation and shortage of performing venues and sports facilities which could meet international standards. These organisations also urged for formulation of a policy for the long-term development of arts and sports in Hong Kong.

4. Mr WONG Kwok-hing said he was very disappointed at the Administration's decision not to award the historic North Magistracy building to the Chinese Artists Association for use as a cultural centre for Cantonese Opera, as this reflected the Administration's lack of support to the development of Cantonese Opera in Hong Kong. Mr WONG also expressed disappointment that the Administration did not provide a suitable venue for the martial monks from Sha Lin Temple to set up a martial art school in Hong Kong. As a result, the martial arts school could only be set up in the remote Tai O. Mr WONG criticised that the Administration did not have any policy and did not provide any assistance to facilitate the development of the sport in Hong Kong.

5. In response, the Under Secretary for Home Affairs (Under Secy for HA) said that while she could understand the public sentiments towards the decision of awarding the historic building to the Savannah College of Arts and Design instead of the Chinese Artists Association under the Revitalizing Historic Buildings Through Partnership Scheme, she believed that the Advisory Committee on the Revitalization of Historic Buildings had taken the decision after considering all relevant factors, including the organization's track records in heritage conservation. She assured members that the Administration had all along attached great importance to the development of the Cantonese Opera in Hong Kong. She pointed out that Cantonese Opera was the only art sector which was supported by a fund of its own, i.e. the Cantonese Opera Development Fund. The Administration would inject \$30 million to the Fund in 2009-2010. As regards performing venues, apart from pursuing the continuation of the Sunbeam Theatre, the Administration was providing other venues for priority use by the Cantonese Opera sector. Moreover, with about 300 seats, the Xiqu Activity Centre which would be set up at the old Yau Ma Tei Theatre and Red Brick Building would be a suitable site for small and medium-sized Cantonese opera troupes. In addition, improvement works to the 1 031-seat Ko Shan Theatre would be implemented shortly by constructing a new annex to it, which would contain a theatre of about 600 seats. A Xiqu Centre was also planned for WKCD.

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6. As regards the promotion of Wushu in Hong Kong, the Deputy Secretary for Home Affairs (2) advised that as for other sports, the approach taken by the Administration was to nurture elite sportsmen, support major events and promote the wider participation in the sport. Wushu was part of the elite training programmes of the Hong Kong Sports Institute Limited which was financially supported by the Administration. Distinguished Wushu sportsmen were sponsored to take part in major games and competitions worldwide. To promote Wushu, the Administration had granted the Hong Kong Wushu Union a subsidy of some \$3.4 million in 2008-2009. He would be happy to provide further details of the Administration's provisions in support of Wushu in the past five years for members' reference.

7. Mr KAM Nai-wai criticised that the Administration's paper did not mention the motion passed by the Panel of Home Affairs at its meeting on 6 February 2009. He commented that the Administration had not provided adequate support for arts and sports development, and this was in contradiction with its commitment to preparing athletes for major games, promoting wider participation in the sports, constructing the WKCD and holding the 2009 East Asian Games. He said that increased investment in arts and sports development would create employment opportunities, and help revitalising the economy. Mr Paul TSE also expressed concern that the Administration had not responded to the motion passed by the Panel on Home Affairs.

8. In response, Under Secy for HA clarified that the Administration had responded to the views and concerns expressed by the Panel on Home Affairs at its meeting on 6 February 2009 in Annex 3 to the Administration's paper. The Administration had taken note of members' request for increasing the injection to the ASDF and for a more balanced distribution of funds for arts and sports development. She advised that it was the third time that the Administration sought to inject funds to ASDF since its setting up in 1997. The Administration would, where appropriate, make further injections to ASDF in future. She explained that apart from one-off injections, financial support was provided to the arts groups on an ongoing basis. In addition to the financial support for the arts sector provided by the Arts Development Fund which amounted to about \$86 million each year, the subvention for nine major performing arts groups amounted to about \$272 million, while the annual provision for the Hong Kong Academy for Performing Arts amounted to about \$227 million per annum. As regards the sports sector, government subvention to the Hong Kong Sports Institute Limited was in the range of \$100-200 million per annum.

9. Referring to paragraph 6 of the Administration's paper that the robust development of the arts sector was crucial to the success of WKCD, Mrs Regina IP enquired about the types of art performing facilities in WKCD, and whether these facilities would cater for the needs of the small and medium-sized performing arts groups. Under Secy for HA advised that the small and medium-sized performing arts groups were providing a wide variety of performances in different forms including plays, musicals and operas. As for WKCD, it was still in the early

planning stage, and the initial plan was to provide 15 performing venues of different types and sizes in WKCD. The Administration would conduct three stages of public engagement exercise to gauge public views before finalizing the development plan of WKCD. In this connection, the Administration would adopt a liberal, open and comprehensive approach in the development of WKCD. The Deputy Secretary for Home Affairs (3) added that, according to the initial plan of WKCD, there would be two 800-seat medium-sized theatres, a 400-seat theatre and four 250-seat theatres, which would provide venues for small and medium-sized groups to stage their performances.

10. Mr LEE Wing-tat urged the Administration to review its financial support for small and medium-sized arts groups. He said that while the Leisure and Cultural Services Department (LCSD) had an annual provision of about \$2.5 billion, only a very small portion of the funds, i.e. \$100 to 200 million, was allocated to the arts sector. The small arts groups could only be provided with a small subsidy, which made them hard to survive. This would adversely affect the long-term development of budding artists and small and medium-sized arts groups.

11. Mr LEE Wing-tat further said that the Administration had been reluctant in formulating policies in support of street performances and display of arts exhibits in public venues. He criticized LCSD for adopting a "Cannot Do" attitude in this regard. In comparison with major cities such as London and New York, Hong Kong lagged far behind in the development of street performances and display of arts exhibits in public venues. Ms Cyd HO expressed similar concerns and hoped that the Administration could remove the barriers for staging performances in public areas.

12. Under Secy for HA advised that LCSD was providing more than 10 000 arts and cultural performances each year. At present, the Administration was in the course of reviewing the policy on street performance and display of arts exhibits in public venues. The District Councils and the Panel on Home Affairs would be consulted in due course.

13. Mr LEE Cheuk-yan considered it necessary for the Administration to monitor closely the governance of the subvented arts groups. The recent dismissal of a Principal Dancer by the Hong Kong Dance Company revealed that poor governance could adversely affect the livelihood and development of artists. Under Secy for HA responded that the arts groups in receipt of Government subsidies were required to operate in accordance with established rules and regulations. The Administration would approach the management of the Hong Kong Dance Company to understand the matter.

14. Noting that the annual expenditure on local arts development only accounted for 0.5% of the total public expenditure, or 0.1% of the Gross Domestic Product, Ms Cyd HO expressed concern that the Administration's investment on local arts development was insignificant when compared to the substantial investment on WKCD. She suggested that the Administration should consider allocating vacant

public premises such as abandoned schools, for use as training venues of local arts groups. She also enquired about the number of professional performing arts groups supported by the Government.

15. Under Secy for HA clarified that the Administration's expenditure on promoting arts development accounted for 1% of total public expenditure, which compared favourably with western countries such as France. To resolve the venue problems of local arts groups, the Administration was exploring various options including the Revitalizing Historic Buildings Through Partnership Scheme. The Art Centre at Mei Ho House, Shek Kip Mei was one example under the Scheme. She assured members that the Administration also attached much importance to supporting the growth of professional arts groups. A review was being conducted in this respect, which complete in about 10 months' time.

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

#### **Item No. 4 - FCR(2008-09)64**

#### **HEAD 44 - ENVIRONMENTAL PROTECTION DEPARTMENT**

- **Subhead 297 Fees for operation of waste facilities**

17. Ms Audrey EU, Chairman of the Panel on Environmental Affairs, reported that the Administration's funding proposal had been discussed at the Panel's meeting on 21 January 2009. In view of the high inflation rate in 2008-2009 and the contract provisions which allowed for the adjustments of the operation fees according to the fluctuation of price indices, Panel members accepted the supplementary provision of \$70 million to meet the increased operation fees of waste management facilities. At the request of the Panel, the Administration had provided additional information on the operating expenses of the waste management facilities in 2008-2009 and the contractual arrangements for adjustment of operation fees according to the fluctuation of price indices.

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



**Item No. 5 - FCR(2008-09)63****HEAD 106 - MISCELLANEOUS SERVICES**

- **New Non-Recurrent Subhead "Contribution to the Ninth Replenishment of the Asian Development Fund"**

19. Mr CHAN Kam-lam, Chairman of the Panel on Financial Affairs, reported that the Administration had consulted the Panel on the funding proposal at its meeting on 5 January 2009. Panel members supported the proposed contribution of HK\$206.1 million over nine years to the Asian Development Fund (ADF), in line with the consensus burden sharing formula. Nevertheless, some Panel members expressed concern about Hong Kong's participation and representation in the Board of Governors, and the availability of an effective mechanism to monitor and evaluate the use of the ADF. At the request of Panel members, the Administration had provided supplementary information in this regard.

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

**Item No. 6 - FCR(2008-09)69****CAPITAL WORKS RESERVE FUND****HEAD 708 - CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT****Hong Kong Observatory**

- **New Subhead "Replacement and Upgrading of meteorological facilities for the Hong Kong International Airport"**

21. Mr Jeffrey LAM, Chairman of the Panel on Economic Development, reported that the Panel was consulted on the funding proposal at its meeting on 16 December 2008. The Panel supported the proposal and urged the Administration to expedite the replacement and upgrading of the meteorological facilities, in particular the Terminal Doppler Weather Radar, and to enhance the maintenance of the existing meteorological facilities to ensure aviation safety. Panel members also sought for details of the six non-directorate posts to be created. The supplementary information provided by the Administration was circulated to Panel members on 9 January 2009.

22. In response to the Chairman's enquiry, the Deputy Secretary for Commerce and Economic Development (Commerce and Industry) clarified that, according to the "user pays" principle, the costs for replacing and upgrading the meteorological facilities would be fully recovered from the Airport Authority (AA) for aircraft landing at the Hong Kong International Airport through the payment of charges for aviation weather service to the Hong Kong Observatory, and from the airlines for overflying aircraft. As a result of the proposal and taking into account

other on-going aviation weather services, it was anticipated that the charges collected from AA would gradually increase to around \$99 million a year in 2013.

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

**Item No. 7 - FCR(2008-09)67**

**CAPITAL WORKS RESERVE FUND  
HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND  
EQUIPMENT**

**Correctional Services Department**

- **New Subhead "Replacement of Radio Communications System of the Correctional Services Department"**

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

**Item No. 8 - FCR(2008-09)68**

**CAPITAL WORKS RESERVE FUND  
HEAD 710 – COMPUTERISATION**

**Customs and Excise Department**

- **New Subhead "Implementation of Information System Strategy Projects for the Customs and Excise Department"**

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

26. The meeting was adjourned at 6:05 pm.