

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 25th meeting
held at the Legislative Council Chamber
on Monday, 17 August 2009, at 2:30 pm**

Members present:

Hon Emily LAU Wai-hing, JP (Chairman)
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan
Hon Fred LI Wah-ming, SBS, JP
Dr Hon Margaret NG
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 Wong-fat, GBM, GBS, JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
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 Vincent FANG Kang, SBS, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Dr Hon Joseph LEE Kok-long, 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
Hon CHEUNG Hok-ming, GBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon Ronny TONG Ka-wah, SC
Hon CHAN Hak-kan
Hon CHAN Kin-por, JP
Hon Tanya CHAN
Dr Hon Priscilla LEUNG Mei-fun
Hon WONG Sing-chi
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

Members absent:

Hon Albert HO Chun-yan
Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon LAU Kong-wah, JP
Hon Albert CHAN Wai-yip
Hon CHIM Pui-chung
Hon KAM Nai-wai, MH
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king
Dr Hon LAM Tai-fai, BBS, JP
Hon Paul CHAN Mo-po, MH, JP
Dr Hon LEUNG Ka-lau
Hon CHEUNG Kwok-che
Hon WONG Yuk-man
Hon Paul TSE Wai-chun
Dr Hon Samson TAM Wai-ho, JP

Public officers attending:

Ms Julia LEUNG Fung-ye, JP	Acting 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) ¹

Ms Elsie YUEN	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Stephen LAM Sui-lung, GBS, JP	Secretary for Constitutional and Mainland Affairs
Mrs Elina CHAN NG Ting-ting	Principal Assistant Secretary for Constitutional and Mainland Affairs (1)
Miss Jennifer MAK, JP	Director of Administration, Administration Wing, Chief Secretary for Administration's Office
Miss Shirley YUNG	Deputy Director of Administration (1), Administration Wing, Chief Secretary for Administration's Office
Mr Wilfred WU	Principal Executive Officer (Administration), Administration Wing, Chief Secretary for Administration's Office

Clerk in attendance:

Mrs Constance LI	Assistant Secretary General 1
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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	Senior Legislative Assistant (1)3

Item No. 1 - FCR(2009-10)40

HEAD 184 – TRANSFERS TO FUNDS

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

The Chairman said that the special meeting was convened at the request of the Administration to consider an urgent funding proposal of injecting \$50 million to the Disaster Relief Fund for providing emergency relief to the typhoon victims in Taiwan.

2. The Secretary for Constitutional and Mainland Affairs (SCMA) thanked members for attending the special meeting when the Legislative Council (LegCo) was in recess. He said that in the past week, Taiwan had been severely struck by Typhoon Morakot which had brought exceptionally heavy rainfall leading to the worst flooding and landslides in 50 years in southern Taiwan. As at 7:00 am of

17 August 2009, death toll caused by flooding had reached 126, with another 61 missing and 45 persons injured. Subject to confirmation, more than 400 residents of Hsiaolin Village were believed to have been buried by landslides. A few thousand typhoon victims in Kaohsiung and Pingtung counties were waiting for emergency relief at present. Apart from inflicting serious loss to agricultural/fisheries products, Typhoon Morakot had damaged more than 240 roads and 50 river banks. The financial loss was estimated to be over 12 billion New Taiwan Dollars. He hoped that Members belonging to different political parties or groupings would support the Administration's proposal for making a donation of HK\$50 million to the Taiwanese authorities via the Chung Hwa Travel Service (CHTS) for providing immediate relief to the typhoon victims in Taiwan.

3. Mr WONG Kwok-hing said that he was shocked and saddened with the vast damage Typhoon Morakot had brought to southern Taiwan, and he would support the funding proposal. In view of the emergency nature of the donation, he was concerned when the relief donation could be handed to CHTS, and whether the Administration would support non-governmental relief organizations such as the Hong Kong Red Cross to participate in the emergency relief work in Taiwan.

4. SCMA advised that after obtaining the approval from the Finance Committee (FC) on the injection of funds and thereafter the advice of the Disaster Relief Fund Advisory Committee (DRFAC) on making the donation, the Administration would immediately arrange to make the \$50 million donation to Taiwan via CHTS. He estimated that the donation would reach CHTS in one or two days. As regards support to relief organizations, he advised that the Financial Secretary, as administrator of the Disaster Relief Fund, had been authorized by FC to approve individual disbursement of \$8 million or below, and FC's approval would be required for individual grants exceeding this limit. In response to Mr WONG Kwok-hing's further appeal for immediate delivery of the donation, SCMA undertook to deliver the donation to CHTS as soon as possible. The Director of Administration (D of Adm) supplemented that while applications from relief organizations had not yet been received in this connection, the Administration was maintaining close liaison with these organizations. Normally, DRFAC could approve such applications within one or two days.

5. Mr IP Kwok-him stated that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the proposal of injecting \$50 million to the Disaster Relief Fund for providing emergency relief to typhoon victims in Taiwan. Commenting that the donation was rather modest in view of the loss suffered by Taiwan after the typhoon, Mr IP enquired whether the donation would be used to support specific items or to provide relief to typhoon victims in Taiwan generally. SCMA responded that it would be up to the Taiwan authorities to put the \$50 million donation to effective use.

6. Mr Ronny TONG enquired how the amount of the \$50 million donation was arrived at and whether it was proposed by the Taiwan authorities. He also asked

whether there was any concrete plan for the relief work and whether there would be a monitoring system similar to that adopted for the Sichuan relief work. SCMA advised that the amount of the \$50 million donation was proposed by the Administration, and the amount was for providing emergency relief for disaster victims. It would not be necessary to set up a trust fund for the reconstruction work as in the case of Sichuan. Referring to paragraph 4 of the Administration's paper, SCMA said that the Administration would obtain relevant information from the Taiwan authorities on the use of the \$50 million donation when the disaster relief and rehabilitation work in Taiwan was more or less settled.

7. Mr Fred LI said that Members belonging to the Democratic Party supported the funding proposal. Since the damage caused by the typhoon might become even more serious in the coming days, he enquired whether additional funding commitments from FC would be required when the balance of \$32.71 million in the Disaster Relief Fund was exhausted. He also asked whether arrangements would be made for experts/professionals within the Government departments to take part in the relief work in Taiwan.

8. SCMA explained that as an established practice, the Administration would top up the Disaster Relief Fund to \$50 million at the beginning of a financial year. Since the proposed injection of \$50 million would be used for providing relief to typhoon victims in Taiwan, the remaining balance of \$32.71 million would be used for providing support to relief organizations applying to the Fund. The Administration would keep watch on the developments in Taiwan, and seek supplementary provisions from FC if necessary. As regards sending experts/professionals within Government departments to assist in the relief and reconstruction works in Taiwan, he said that although the Administration had indicated to CHTS that it would be willing to consider all kinds of requests for assistance, the Taiwan authorities had not raised any such request through CHTS.

9. Ms Miriam LAU said that Members belonging to the Liberal Party supported the funding proposal. She asked about the basis of setting the relief donation for Taiwan at \$50 million, and whether it would be more useful for the Administration to provide excavators and medical materials/equipment to the affected areas in Taiwan.

10. SCMA responded that the Administration had carefully considered all relevant factors before deciding to offer a \$50 million donation for Taiwan's typhoon victims. The amount was considered appropriate, which was the third largest donation of its kind made from the Fund, next to the \$214 million donation for snowstorm victims in February 2008 and the \$300 million donation for Sichuan earthquake victims in May 2008. As for donation of medical materials/equipment, the Administration had indicated willingness to consider such requests from the relief organizations.

11. Mr Jeffrey LAM said that he supported the funding proposal and further requests for additional funding if necessary. He recalled that the Government Flying Service had deployed helicopters to participate in the rescue work shortly after the outbreak of the earthquake in Sichuan in May 2008. He wondered whether the Administration could consider providing similar support and also medical items to typhoon victims in Taiwan. SCMA responded that the Taiwan authorities had not raised such requests.

12. Mr LEE Cheuk-yan said that the Hong Kong Confederation of Trade Unions supported the current funding proposal, and was prepared to support further requests if the \$50 million donation was found to be inadequate. He opined that DRFAC should consider extending its role to provide development aid in addition to emergency relief. He also considered it necessary for the Administration to follow up with the Mainland authorities on members' concerns over "bean curd dregs" building projects, freedom of the press as well as the recent arrest of political dissident Mr TAN Zuoren in the Mainland.

13. D of Adm advised that the purpose of setting up the Disaster Relief Fund was to enable the Administration to respond swiftly to immediate relief needs of the victims of natural disasters. At present, the Administration did not find it necessary to set up another fund for reconstruction work or to revise the role and functions of the Disaster Relief Fund. SCMA said that the Administration had already relayed members' concerns about the quality of buildings to the Mainland authorities. To ensure the structural safety of the post-quake reconstruction works, the Administration had taken appropriate measures to ensure that all reconstruction projects funded by Hong Kong would be carried out in strict compliance with the enhanced technical and safety standards laid down by the Central and Provincial Governments. As for the recent event in Chengdu City involving journalists of the Now TV, the Administration had also brought the news sector's concerns to the attention of the Sichuan authorities.

14. Prof Patrick LAU said that Members belonging to the Professionals Forum supported the funding proposal, and hoped that the donation could be put to immediate use for providing emergency relief in Taiwan. He requested the Administration to communicate further with the Taiwan authorities to ascertain the kinds of materials/equipment needed in the disaster areas so that the relief work could be organized more effectively. He also enquired about the assessment criteria and application procedures for relief organizations to obtain funding from the Disaster Relief Fund to carry out disaster relief in Taiwan.

15. SCMA said that DRFAC was willing to consider applications from relief organizations for providing the required materials such as medical equipment and prefabricated houses for disaster victims in Taiwan. D of Adm advised that DRFAC would look at the purpose and the amount sought in each application. Procedurally, the application, with all required information available, would be circulated immediately to DRFAC members for approval. In normal circumstances, approval from DRFAC could be obtained as fast as within 24 hours. In reply to the Chairman,

D of Adm advised that DRFAC was chaired by the Chief Secretary for Administration, with Prof Anthony CHEUNG, Mr V-nee YEH, Mrs Sophie LEUNG, Mr WONG Sing-chi, Mr Victor LO, Mr Irving KOO, Mrs Alice CHONG, the Secretary for Financial Services and the Treasury and the Secretary for Labour and Welfare as its members.

16. Dr Priscilla LEUNG said that the people of Hong Kong would support providing emergency assistance to typhoon victims in Taiwan, but she doubted the adequacy of the \$50 million donation for such purpose. She enquired how the Administration would react if there were further appeals for help from disaster victims in Taiwan. She also considered it necessary for LegCo to know how the funds would be used. As a control measure to guard against abuse of funds, the Taiwan authorities should be requested to provide a detailed breakdown on how the \$50 million donation had been expended.

17. SCMA advised that apart from the \$50 million donation, there was still a balance of \$32.71 million under the Disaster Relief Fund which could be used to cater for disaster relief and rehabilitation programmes of the relief organizations. Applications from relief organizations for providing relief work in Taiwan would be considered in accordance with the established procedures. With the help of CHTS, the Administration would find out how the donation helped in the relief work in Taiwan. The main objective of providing relief support for disaster victims in Taiwan was to convey the message that Hong Kong cared about the sufferings of the disaster victims and the donation was to provide practical relief to the victims. In the present case, the Administration would take a lead by making a \$50 million donation to the Taiwan authorities, which was followed by various relief programmes to be provided by different non-governmental organizations.

18. While expressing support for providing emergency assistance to typhoon victims in Taiwan, Mr LEUNG Yiu-chung said that he was disappointed that only \$50 million would be donated to Taiwan, as compared to a donation of \$250 million for the snowstorm in the Mainland. He asked how the amounts of donations were worked out in different cases and whether evaluation had been made on the uses of such donations. He considered that a fair approach should be adopted in providing relief support for the Mainland and Taiwan.

19. SCMA advised that the snowstorms which broke out in 2008 covered three provinces in the Mainland, affected 77 million people and led to economic loss in the amount of 21 billion Renminbi Dollars. As for Taiwan, it had a population of about 20 million people, and the damage brought by Typhoon Morakot was largely confined to Kaohsiung and Pingtung areas, with a total economic loss estimated to be about 12 billion New Taiwan Dollars. The damage caused to Taiwan by the typhoon was of a relatively smaller scale when compared to the snowstorm in the Mainland. He would convey members' concerns about the use of the donation to the Taiwan authorities, and he believed that the latter would exercise great prudence in the use of the relief donation from Hong Kong. He assured members that the Administration would

obtain information on the use of the donation, and report back to FC. Mr LEUNG Yiu-chung urged that the Administration should actively monitor the use of relief donations to ensure that public monies were properly spent.

20. Ms Audrey EU affirmed the Civic Party's support for the funding proposal. In view the urgency of the relief work, she asked whether the Administration had considered making use of the current balance of the Disaster Relief Fund to provide immediate relief to Taiwan typhoon victims in the first instance, before seeking FC's approval for supplementary provision. She also shared the view of the general public that the \$50 million donation would not be adequate for the purpose. She urged the Administration to liaise further with CHTS on their needs and also facilitate local professionals and international relief organizations such as Médecins Sans Frontières to participate in the relief and re-construction work in Taiwan. She considered that it would be more effective for the relief work to be coordinated by a leading bureau.

21. SCMA responded that the Administration had considered using the balance in the Disaster Relief Fund first, but the funds available would not be sufficient for the purpose. It was therefore decided that FC's approval be sought for an injection of \$50 million to the Fund, while the current balance of \$32.71 million would be reserved for relief organizations applying for funding support to their relief programmes. As for the participation of individuals and organizations in the relief and re-construction work in Taiwan, SCMA said that he would raise this with CHTS.

22. Mr LEUNG Kwok-hung queried that the Administration had not consulted the Taiwan authorities in coming up with the figure of \$50 million, while the Shenzhen Government was reported to have liaised with the Taiwan authorities in providing pre-fabricated houses for the disaster victims. He had the impression that the donation to Taiwan was only a gesture without any serious thoughts about the needs of the Taiwan victims. He considered that what Taiwan needed were actual disaster relief materials and a caring heart from Hong Kong.

23. SCMA said that he had personally communicated with the General Manager of CHTS last week and indicated to him that the HKSAR Government would consider all kinds of requests for assistance to the typhoon victims in Taiwan. He understood that the wish of the Government had been brought to the Mainland Affairs Council of the Taiwan authorities. The intention to offer a \$50 million donation was raised by the HKSAR Government, and accepted by the Taiwan authorities after consideration. He re-iterated that the Administration was also prepared to consider applications from relief organization including those planning to provide relief and medical materials such as prefabricated houses. As for the donation of pre-fabricated houses by the Shenzhen Government, his understanding that this was an agreement reached after discussion between Taiwan's Strait Exchange Foundation and the Mainland's Association for Relations Across the Taiwan Strait.

24. Mr Frederick FUNG shared the concern of some other members that the \$50 million donation was short of a rational basis. He did not find the amount

sufficient for the relief purpose, and urged the Administration to consider increasing it to \$100 million. He referred to paragraph 8 of the Administration's paper and enquired whether the applications from relief organizations would require the approval of FC. He also asked whether the Administration would send officials to Taiwan to ascertain the uses of the donation and provide a report to FC.

25. SCMA said that the Administration considered it appropriate to provide \$50 million donation for Taiwan authorities to carry out the relief and rehabilitation work. The current submission also sought FC's approval for the Financial Secretary to approve grants (each exceeding \$8 million) for emergency relief to typhoon victims in Taiwan upon the advice of DRFAC. Relief organizations might still apply for funding support under the Disaster Relief Fund for their respective relief programmes in Taiwan. The Administration would seek the approval of FC again if supplementary provisions for topping up the Disaster Relief Fund were required. He noted members' concern about the proper use of the donation and would urge the Taiwan authorities to provide a report. Upon receipt of this, the Administration would report back to the FC.

26. In response to the Chairman's enquiry about the reports from the Mainland authorities on the use of Hong Kong's donations for the 2008 snowstorms and the 2008 Sichuan earthquake, D of Adm advised that the report on the donation for the 2008 snowstorms was submitted to FC last year. As for the report about the donations to the 2008 Sichuan earthquake, the Administration was in the course of vetting and clarifying relevant information provided by the relief organizations and the Mainland authorities. Once ready, the report would be forwarded to the LegCo Secretariat for circulation to members. The Chairman urged the Administration to relay to the Mainland and Taiwan authorities that Hong Kong expected a clear and detailed report with financial statements on the actual use of such donations.

(Post-meeting note: In response to the request of the Chairman, the Administration had obtained the consent of the concerned relief organizations to release their evaluation reports in connection with the use of donation for the snowstorm victims. The reports were circulated to members vide LC Paper No. FC154/08-09 on 9 September 2009.)

27. Dr PAN Pey-chyou said that Members belonging to the Hong Kong Federation of Trade Unions supported the Administration's proposal. He opined that it might be more constructive and efficient for the Administration to directly communicate with the higher levels of the Taiwan authorities instead of routing through CHTS on relief arrangements.

28. SCMA advised that the Administration attached great importance to providing timely relief support to those suffering from the attack of Typhoon Morakot in Taiwan. In this connection, the Administration considered it appropriate to liaise with CHTS on the relief work, given the unique role and functions of CHTS as the point of contacts and co-ordination for the relief efforts in Hong Kong. He said that

the Administration could communicate and work directly with the Mainland Affairs Council of the Taiwan authorities, if necessary.

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

30. The meeting was adjourned at 3:43 pm.

Legislative Council Secretariat

30 October 2009