

立法會
Legislative Council

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seen by the Administration)

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Finance Committee of the Legislative Council

**Minutes of the 27th meeting
held at the Legislative Council Chamber
on Friday, 28 May 2010, at 3:00 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
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan
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 LAU Kong-wah, JP
Hon Miriam LAU Kin-yee, 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 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 Andrew LEUNG Kwan-yuen, SBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon Ronny TONG Ka-wah, SC
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 CHAN Hak-kan
Hon Paul CHAN Mo-po, MH, JP
Hon CHAN Kin-por, JP
Dr Hon Priscilla LEUNG Mei-fun
Dr Hon LEUNG Ka-lau
Hon CHEUNG Kwok-che
Hon WONG Sing-chi
Hon WONG Kwok-kin, BBS
Hon IP Wai-ming, MH
Hon IP Kwok-him, GBS, JP
Dr Hon PAN Pey-chyou
Hon Paul TSE Wai-chun
Dr Hon Samson TAM Wai-ho, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Tanya CHAN
Hon Albert CHAN Wai-yip
Hon WONG Yuk-man

Members absent:

Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon Fred LI Wah-ming, SBS, JP
Hon WONG Yung-kan, SBS, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon CHEUNG Hok-ming, GBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, 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 Alice LAU, 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 Kenneth CHEN, JP	Under Secretary for Education
Ms Esther LEUNG, JP	Deputy Secretary for Education
Ms Nancy SO	Controller, Student Financial Assistance Agency
Ms Teresa CHEUNG	Deputy Controller, Student Financial Assistance Agency
Ms LUNG Siu-kit	Assistant Director of Social Welfare (Social Security)
Mr CHAN Wing-hoi	Chief Social Security Officer (Social Security), Social Welfare Department
Mr Jeremy GODFREY	Government Chief Information Officer
Mr Bassanio SO	Deputy Government Chief Information Officer (Policy and Customer Service)
Mr Kingsley WONG	Senior Systems Manager (Digital Inclusion), Office of the Government Chief Information Officer
Mr CHEUNG Hing-wah	Deputy Director of Social Welfare (Services)
Mr FUNG Man-lok	Assistant Director of Social Welfare (Youth and Corrections)
Ms Doris CHEUNG, JP	Deputy Secretary for Transport & Housing (Transport) 5

Mr TUNG Hon-ming	Assistant Director of Marine (Shipping)
Mr CHICK King-fai	General Manager (Shipping Registry & Seafarers), Marine Department
Mr LAI Tung-kwok, SBS, IDSM, JP	Under Secretary for Security
Ms Sally WONG, JP	Commissioner for Narcotics, Security Bureau
Mr Eric LEE	Principal Assistant Secretary for Security (Narcotics) 2
Mr Charlix WONG Shing-hei	Assistant Director of Accounting Services (Provident Funds), The Treasury

Clerk in attendance:

Mrs Constance LI	Assistant Secretary General 1
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Staff in attendance:

Ms Anita SIT	Chief Council Secretary (1)5
Miss Joanne FONG	Senior Council Secretary (1)7
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Christy YAU	Legislative Assistant (1)1

Action

The Chairman advised that at the request of the Administration, an additional meeting had been scheduled for 5:05 pm to deal with any unfinished business on the agenda of this meeting.

No. 1 - FCR(2010-11)15

HEAD 173 – STUDENT FINANCIAL ASSISTANCE AGENCY
Subhead 700 General non-recurrent
New Item “Subsidies for Internet Access”

HEAD 47 – GOVERNMENT SECRETARIAT :
OFFICE OF THE GOVERNMENT CHIEF
INFORMATION OFFICER

Subhead 700 General non-recurrent
New Item “Internet Access for Needy Students”

2. The Chairman advised that under this item the Finance Committee's (FC's) approval was sought for the creation of a new commitment of \$280 million for providing subsidies for Internet access charges for needy families, and a new commitment of \$220 million for facilitating needy students and parents to gain access to the Internet for learning. The Panel on Education had been consulted on the proposal at its meeting on 12 April 2010.

Operation of the Subsidy Scheme

3. Mr WONG Yuk-man opined that as he had once suggested to the Secretary for Welfare and Labour, the Administration should include an Internet access subsidy in the School Textbook Assistance Scheme for needy school children, especially those from families receiving the Comprehensive Social Security Assistance (CSSA). In this way, the provision of Internet access subsidy could become a standing policy benefitting needy students.

4. Under Secretary for Education (USED) explained that as mentioned in the Administration's paper FCR(2010-11)15, the Administration estimated that around 300 000 low-income families could benefit from the proposed household-based subsidy scheme for Internet access charges (Subsidy Scheme) in the 2010/11 school year, including 80 000 CSSA families and 220 000 families passing the existing means test of the Student Financial Assistance Agency (SFAA). He clarified that the Internet access subsidy was meant to be a recurrent subsidy, and not one-off in nature. While the full subsidy rate under the Subsidy Scheme for the first year, i.e. the 2010/11 school year, was \$1,300, the Administration would review the subsidy rate in subsequent years with reference to the latest prices of Internet access services in the market. In addition to the Subsidy Scheme, the Administration also proposed to implement a five-year programme (the Programme) under the present proposal. The Administration would engage a non-profit-making organisation (NPO) to

provide economical Internet services and computer hardware and complementary services such as parent education and technical support by collaborating with private service providers and community organisations. Needy families could make use of the Internet access subsidy to subscribe for the Internet services provided by the NPO or other Internet services on the market.

5. Ms Starry LEE said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the proposal, and welcomed the initiatives to provide students from low-income families with Internet learning opportunities. She was concerned how the Administration would ensure that the Internet access subsidy would be used for helping needy students to gain access to the Internet and not for other purposes. Ms LEE also asked what follow-up actions the Administration would take in respect of those parents found to have abused the subsidy. The Chairman asked if any penalty would be imposed on those parents.

6. USEd responded that the Internet access subsidy would be granted on a non-accountable basis, and thus the Administration would not put in place a mechanism to monitor the use of the subsidy by the recipient families. In deciding to adopt the arrangement, the Administration had given due consideration to various relevant factors, including the service need of eligible families and the administrative cost involved. The Administration believed that the families receiving the subsidy would use the subsidy for their children's e-learning. Regarding support services for parents, the Administration would provide information to parents about the Subsidy Scheme, Internet access services provided under the Programme and e-learning initiatives at schools.

7. Ms Starry LEE opined that a mechanism should be put in place to prevent abuse of funds and to facilitate the tracking of the implementation situation of the Subsidy Scheme. USEd advised that while the Administration would not monitor the use of the subsidy by recipient families, it would keep track of the implementation of the Subsidy Scheme and the Programme to ensure that their objectives were met. Ms LEE said that she would follow-up the matter when the Subsidy Scheme and the Programme were reviewed at the next opportunity.

Selection of a non-profit-making organization for the Programme

8. Dr Priscilla LEUNG said that in view of the many diverse tasks to be undertaken by the NPO under the Programme, the Administration should exercise caution in selecting a suitable organization, and closely monitor its performance and operation so as not to give rise to conflict of interests. She

considered it prudent for the Administration to select a reputable organization to operate the Programme.

9. The Government Chief Information Officer (GCIO) advised that the Office of the Government Chief Information Officer (OGCIO) would adopt an open and transparent process in selecting its non-governmental partner for undertaking the Programme. OGCIO had published a Request For Proposals (RFP) inviting proposals from interested organizations to operate the Programme. On 26 May 2010, OGCIO had briefed 59 people from 23 organizations about the RFP, including the selection criteria. OGCIO would publish a set of frequently asked questions and answers for reference by the proponents to facilitate submission of quality proposals. A selection panel would be set up within the Government to evaluate the proposals.

10. Dr Priscilla LEUNG requested that the NPO should include in its business plan details of the training programmes to enhance the technical know-how of parents and students from low-income families and their knowledge about the safe and healthy use of the Internet.

11. USED advised that apart from making available affordable Internet access services and computers to the target families, the NPO would also provide training and technical support to the parents, with a view to enhancing their knowledge about the use of the Internet in learning at school and at home. GCIO advised that OGCIO had been conducting an Internet education programme since last year to enable parents to be aware of and knowledgeable about the Internet. Numerous home visits had been arranged for that purpose, and the selected NPO was expected to continue with this approach to make sure parents had the necessary knowledge and skills to guide their children in using the Internet.

12. Ms Miriam LAU expressed concern whether any NPOs in Hong Kong had the capability of providing the required range of services under the Programme. GCIO advised that to ensure success of the Programme, the Administration would need to draw on the resources of the industry and the non-governmental organization sector. The collaborative efforts in the District Cyber Centre Scheme were exemplary, under which services were provided by commercial organizations, industrial associations and non-governmental organizations to deliver computers and provide Internet access. OGCIO was confident that there would be proposals from organizations capable of delivering quality services for the Programme.

13. In response to the Chairman's enquiry, GCIO advised that among the 23 organizations attending the OGCIO's briefing on the RFP, some were

non-governmental organizations involved in the Computer Recycling Programme and had experience in providing computers to needy families.

Operation of the non-profit-making organization

14. Mr IP Wai-ming expressed support for the proposal. He asked how the Administration would monitor the operation of the NPO under the Programme. He was particularly concerned that the NPO would incur high administrative costs. Mr WONG Yuk-man and Mr Albert CHAN expressed similar concerns. Mr CHAN said that needy families should not be deprived of quality Internet access services because of payment of high salaries to the administrative staff of the NPO.

15. GCIO advised that the NPO would operate as a business entity and its operation would be overseen by OGCI. OGCI and the NPO would enter into an agreement which would set out the responsibilities and obligations of the NPO, including the need for OGCI's approval of its annual business plan and the submission of regular reports. In evaluating a business plan, OGCI would pay particular attention to the level of the NPO's administrative cost. It was estimated that the total administrative cost for the five-year Programme would not exceed \$22.5 million, which was about 2.5% of the total operating costs of the NPO covering the startup funding provided by the Government and the costs in acquiring Internet access services and facilitating the acquisition of computers. GCIO added that the NPO would collaborate with the private sector and community organisations to operate with low administrative cost in making available economical and suitable computers to needy students through affordable acquisition options.

16. Mr Albert CHAN enquired whether there would be any mechanism to prevent the Internet Service Providers (ISPs) from charging excessive bills on the target families of the Programme. He asked if it was possible to include conditions in the service contracts with the ISPs to stipulate that the maximum Internet access charges including the add-on services would not exceed the monthly Internet access subsidy. GCIO said that he envisaged that the Internet services offered under the Programme would be charged at a flat rate or at a fixed price each month rather than on a usage sensitive basis. If the NPO or its business collaborators wished to offer Internet services under the Programme on a usage sensitive basis, OGCI would ensure that there would be a cap on the charges of the services.

17. In reply to Mrs Sophie LEUNG's enquiry, GCIO advised that the computers and notebooks to be distributed by the NPO to needy school children would be bundled with software applications, including anti-virus software and

firewall. The Administration would ensure the parents and children of target families were educated with Internet safety under the educational activities organized by the NPO.

18. Mrs Sophie LEUNG referred to paragraph 27 of the Administration's paper which stated that the Administration had made certain assumptions about the future operation of the NPO up to 2015-2016 for the purpose of budgetary planning. She opined that the Administration should report on the changes to the assumptions to Members at an appropriate juncture. GCIO responded that there was bound to be changes in the Internet world during the course of the five-year Programme. The selected NPO should take into account the changing circumstances in the Internet world in revising its business plan, including its proposals on resource allocation. Revisions to the business plan would have to be agreed with OGCIO, which would report regularly the changes and priorities in resource allocation to the relevant Legislative Council Panel.

Time gap between the launch of the Subsidy Scheme and the Programme

19. Ms Miriam LAU noted that the Internet access subsidy would be disbursed from August 2010, whereas the services to be provided under the five-year Programme were planned to commence a year later. Ms LAU questioned if the time discrepancy would pose problems to the operation of the Programme, as by the time the NPO came into operation, the recipient families under the Subsidy Scheme would already have acquired computers and subscribed for Internet access services. Mr IP Wai-ming expressed a similar concern.

20. USEd advised that through the existing Computer Recycling Programme, the Administration had already been providing support to students from CSSA families and students receiving assistance under the School Textbook Assistance Scheme administered by the SFAA with recycled computers and one-year free Internet connection or solely one-year free Internet connection. About 20 000 families had benefited from the Computer Recycling Programme by the end of March 2010. The Administration would ensure smooth transition between the Computer Recycling Programme and the five-year Programme.

21. As regards the time gap between the introduction of the Internet access subsidy and the commencement of the Programme, GCIO advised that OGCIO had been liaising with the ISPs to encourage them to provide good value Internet services to the families receiving the subsidy.

Action

22. Ms Cyd HO said that some families had enrolled for the one-year free Internet service under the Computer Recycling Programme and the relevant contracts might not yet expire when the Subsidy Scheme commenced operation in the 2010/11 school year. She enquired about the arrangements for these families under the Subsidy Scheme. The Controller, SFAA advised that SFAA would disburse the Internet access subsidy to the families after their contracts on the one-year free Internet service had expired. Depending on the result of the means test of the families, those with contracts expiring within the first half of the school year would receive the subsidy they were eligible to for the whole year, while those families with contracts expiring in the second half of the school year would receive half of the eligible amount of subsidy.

Reporting arrangements

23. Ms Audrey EU said that she supported the proposal as she and some other Members had incessantly called for the provision of Internet access subsidies for needy school children. She would follow up the implementation of the Subsidy Scheme and the Programme at the Panel on Education.

24. Responding to the Chairman's enquiry about the Administration's intended reporting arrangements, GCIO responded that OGCIO intended to report on the Subsidy Scheme and the Programme to the Panel on Information Technology and Broadcasting (ITB Panel) on an annual basis as part of its regular reports on digital inclusion. The Chairman questioned whether it was appropriate for the Administration to report only to the ITB Panel since the policy issues relating to the Subsidy Scheme and the Programme fell within the purview of the Panel on Education. She said that it would be not be desirable for the Administration to report separately to different Panels on the same subjects. Dr TAM Wai-ho, Chairman of the ITB Panel, agreed with the Chairman. At the Chairman's request, the Administration agreed to report to the Panel on Education at its meetings on the implementation of the Subsidy Scheme and the Programme, and all other Members would be invited to attend the discussions.

25. Mr Albert CHAN noted from the Administration's paper that a mid-term review of the Programme would be conducted to facilitate assessment and planning on the way forward beyond the five-year Programme. He enquired about the timeframe for submitting a report on the mid-term review to Members. GCIO advised that while the mid-term review would be conducted in three years after the implementation of the Programme, OGCIO was prepared to submit a progress report on the Programme on an annual basis, and the first progress report would be submitted in the first or second quarter of 2011. The

Chairman requested the Administration to include in the first progress report the result of the selection of the NPO for implementing the Programme.

Promotion of e-learning

26. Ms Cyd HO requested the Administration to expedite the development of e-learning materials and the promotion of e-learning at school, which would help reduce the cost of school textbooks in the long run. She considered that bringing in competition in the market was an effective way to reduce the cost of school textbooks. USEd said that the Administration attached great importance in developing new modes of teaching and learning for the education community. With the provisions approved earlier by FC on the promotion of e-learning in the school sector, a pilot scheme was underway to promote e-learning at school. Besides, there was an annual recurrent provision of \$300 million to support schools in using information technology in education under the implementation of the IT in Education Strategies since 1997-98. The Hong Kong Education City provided a platform to promote e-learning through the development of e-learning resources. The development of the e-learning market would provide more options of services to parents and schools.

27. The Chairman put the item to vote. The Committee approved the proposals.

Item No. 2 - FCR(2010-11)16

HEAD 170 – SOCIAL WELFARE DEPARTMENT

Subhead 700 General non-recurrent

Item 470 Partnership Fund for the Disadvantaged

28. The Chairman advised that the Committee's approval was sought for an increase in the non-recurrent commitment by \$200 million to \$400 million for the Partnership Fund for the Disadvantaged (PFD).

29. Mr WONG Sing-chi, Chairman of the Panel on Welfare Services, reported that the Panel had discussed the proposal at its meeting on 12 April 2010 and Panel members unanimously supported the proposal.

30. While supporting the proposal, Mr WONG Kwok-hing expressed concern about the small number of projects (i.e. 12 projects) approved under PFD for the unemployed since the inception of the Fund in 2005, as set out in

Enclosure 4 to FCR(2010-11)16. He asked whether the Administration would encourage the welfare NGOs to implement more projects for the unemployed.

31. In response, the Deputy Director of Social Welfare (Services) (DD(Services), SWD) advised that in launching the Sixth Round of applications in the second half of 2010-2011, the Administration would give priority to certain types of projects as set out in paragraph 9 of the Administration's paper. Projects that aimed at enhancing the employment skills of the disadvantaged were one of those types of projects.

32. Mr WONG Kwok-hing suggested that the Administration should help employable recipients of CSSA to enter the job market. Under PFD, the Administration could take the lead in encouraging NGOs to organize flea markets in new towns, such as Tung Chung and Tin Shui Wai, where the unemployment rate was high. This would create more job opportunities and boost the employment rate in these areas.

33. DD(Services), SWD responded that he understood that there were separate policies and measures to help employable CSSA recipients to join the job market. In the context of PDF, the Administration could convey Mr WONG Kwok hing's suggestion to the participating organizations at a briefing meeting to be held in September 2010, so that these organizations could take it into consideration when drawing up their project applications. It should however be noted that Mr WONG's suggestion would involve various issues including the views of the collaborating business partners and the availability of land, etc.

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

Item No. 3 - FCR(2010-11)17

HEAD 100 – MARINE DEPARTMENT

Subhead 700 General Non-recurrent

Item 429 Sea-going Training Incentive Scheme

35. The Chairman advised that the Committee's approval was sought for an increase in the commitment for the Sea-going Training Incentive Scheme (the Scheme) from \$9 million by \$19.2 million to \$28.2 million for extending its operation up to 2013-2014.

Action

36. Mr Paul TSE, Deputy Chairman of the Panel on Economic Development, reported that the Panel had discussed the proposal on 26 April 2010. While Panel members supported the proposal in general, they urged the Administration to strengthen measures to attract more young people to join the sea-going profession, so as to address the serious manpower shortage problem of Hong Kong's maritime industry in the next 10 years or so. On Panel members' concern about the low percentage (46.7%) of the graduates from the Maritime Services Training Institute (MSTI) who had opted to work in ocean going vessels since the launch of the Scheme from 2004 to 2008, the Administration had provided information after the meeting clarifying that a substantial percentage (89.4%) of the MSTI graduates had opted to work on board vessels or taken up jobs related to the maritime industry.

37. Mr WONG Kwok-hing expressed strong support for the proposal. He considered that the Administration should provide financial incentives and apprenticeship to attract more young people to join the sea-going profession, especially those young people who were unemployed or semi-employed, secondary school leavers and Associate Degree-holders. He also suggested that the Administration could liaise with Mr WONG Yung-kan in its publicity campaign to the young people of fishermen descent.

38. The Deputy Secretary for Transport & Housing (Transport)5 (DS(T)) responded that the Administration had been working closely with the Marine Department and the representatives of the industries concerned to promote the sea-going profession with a view to attracting more young people to join the profession. As part of its publicity efforts, the Administration had been conducting promotion talks in secondary schools and participating in career expos. The Administration would follow up with Mr WONG Yung-kan on promoting the Scheme to the fisheries industry.

39. Ms LI Fung-ying expressed support for the proposal. She said that while it was encouraging to see an increased annual intake of the MSTI maritime study programme since the launch of the Scheme in 2004, the young people of today still found the sea-going profession unappealing because they did not want to leave home for too long and they were put off by the low remuneration in the profession. In this connection, she enquired what incentive measures would be taken to encourage Scheme participants to stay in the profession upon the cessation of monthly subsidy payments under the Scheme.

40. In response, DS(T) advised that of those who had completed training under the Scheme, 60.4% of deck cadets and 71.8% of engineer cadets had obtained the Class 3 Certificate of Competency (CoC), which was the entry

qualification of a sea-going career for officers or engineers serving on board merchant ships. Most of the remaining Scheme participants did not leave the profession, but were preparing for re-taking the Class 3 CoC examination. According to past experience, a cadet before acquiring the Class 3 CoC qualification only received a monthly income in the range of \$4,000 to \$5,000 from shipping companies. With the monthly subsidy of \$5,000 under the Scheme, the total monthly income for a cadet was around \$10,000. After acquiring the Class 3 CoC qualification, an officer/engineer would receive a much higher monthly salary of about \$15,000. In the circumstance, few officers/engineers with the Class 3 CoC qualification would leave the profession for remuneration reasons.

41. In reply to Ms LI Fung-ying's enquiry, DS(T) advised that the Marine Department had been maintaining contacts with the cadets after their completion of training under the Scheme. The Department also maintained a website to provide updated information on the maritime industry.

42. Ms Miriam LAU said that being a member of the Hong Kong Maritime Industry Council, she was well aware of the problem of an ageing seafaring elite in Hong Kong's maritime industry. In the past few decades, few young people were willing to join the sea-going career because of the low salaries during cadetship training. However, cadetship training was a pre-requisite for attaining the professional qualifications, but the professional examinations were difficult. While the introduction of the Scheme in 2004 was an encouraging start to address the problem, more efforts were needed from the Government and the industry to attract young people join the industry and develop home-grown sea-going professionals. It was also important for the Marine Department to maintain close contacts with the cadets and the employers. Ms LAU stated that the Hong Kong Maritime Industry Council strongly supported the Scheme, and she appealed to members for their support as well.

43. Ir Dr Raymond HO expressed support for the proposal. Pointing out that there had not been significant growth in the number of marine engineers over the past 10 to 20 years, he urged the Government to provide more training programmes for young people to join the profession through collaboration with education institutes. He also suggested more publicity on the promising career opportunities in the maritime industry to young people, and invite experienced marine professionals to give talks to students. Moreover, he considered it important to provide incentives for the cadets to take professional examinations to become marine professionals.

Action

44. DS(T) responded that although the Scheme participants were mostly graduates of MSTI, there was growing interest in the Scheme among the graduates of Hong Kong Polytechnic University and the Hong Kong University of Science and Technology. In the long run, this would enhance the overall academic background of the practitioners in the maritime industry. The Administration would step up publicity about the promising prospect of the sea-going career, and the fact that cadets who had gone through a period of onboard sea-going training were also qualified to pursue a wide range of maritime-related jobs at sea and ashore.

45. Mr Andrew LEUNG declared that MSTI was one of the institutes of the Vocational Training Council of which he was the chairman. Mr LEUNG expressed support for the proposal, as it would provide more onboard training opportunities for interested young people to pursue the maritime career. In his view, the effectiveness of the Scheme was evidenced by the increasing annual intakes of the Scheme, including female cadets and university graduates. He considered that apart from meeting the manpower need of the local maritime industry, the Scheme could also contribute to training professionals to prepare for the future commissioning of the Kai Tak cruise terminal.

46. While expressing support for the proposal, Mr WONG Kwok-kin opined that the Administration should strengthen its efforts in addressing the acute manpower shortage problem in the maritime industry. He said that the Hong Kong Seamen's Union had been discussing for a long time with the Government seeking assistance in providing manpower training for the sustainable development of the industry. As a major international maritime centre, Hong Kong had a strong demand for home-grown sea-going professionals to take up managerial and technical posts in the Marine Department and in large shipping companies. He concurred with Ir Dr Raymond HO that the Administration should strengthen publicity about the promising prospects and career progression of the sea-going career to young people, informing them of the wide range of job opportunities after acquiring the knowledge and skills from the sea-going training. Apart from the Scheme, the Administration should come up with more incentives and other initiatives to attract more local young people to the industry.

47. DS(T) responded that the Administration spared no efforts in conducting promotional and publicity activities to enhance public awareness of the sea-going career. For instance, the annual Career Expo introduced to the public the various onshore marine-related jobs, while the Marine Department also conducted school visits to promote the maritime industry. Free copies of marine-related publications including a book entitled “飄洋過海，我的航海日子” written by the Director of MSTI about his personal experience of a

sea-going life were distributed to secondary schools for leisure reading of students.

48. In reply to the Chairman's enquiry about the importation of foreign maritime professionals, DS(T) advised that currently there were maritime professionals imported through the relevant admission schemes. The Administration would see if it was necessary to relax the importation of maritime professionals so as to address the manpower shortage in the industry, as appropriate. Mr WONG Kwok-kin said that effective port management was important to the status of Hong Kong as a regional maritime centre. It was highly unsatisfactory for Hong Kong to import foreign maritime professionals to manage its port because of the shortage of home-grown maritime professionals.

49. Mr LEUNG Kwok-hung expressed concern about the decline of Hong Kong's maritime industry. He commented that as employers in the maritime industry could recruit foreign cadets at lower wages, home-grown cadets would lose their competitiveness upon completion of cadetship training. He opined that the Administration should provide training programmes that would equip local cadets with higher skills to enhance their competitiveness in the maritime labour market. DS(T) said that there was a strong demand for home-grown maritime professionals in Hong Kong's maritime industry, and the current proposal was one of the initiatives to address the manpower shortage problem. The success of the Scheme was also attributable to the co-operation of shipowners who had been providing jobs and internships for home-grown cadets. The shipowners were willing to take on the some 230 cadets who would benefit from the Scheme in the next four years.

50. Ms Miriam LAU said that Hong Kong's maritime industry was not doomed or on the decline. This was reflected by the Central People's Government's support for Hong Kong to strengthen and promote its position as an international maritime centre. Today, the Hong Kong Shipping Register had reached some 50 million Gross Register Tonnage, compared to around 5 million Gross Register Tonnage in 1997. The major challenge faced by the industry today was the shortage of home-grown seafaring professionals. According to international shipping regulations, staff serving onboard ocean-going vessels could be recruited globally. Cadets were paid only around US\$300 per month. The young people in Hong Kong would find this level of income unattractive. However, with the introduction of the Scheme in 2004, the number of people joining the sea-going profession was increasing. It was evident that the Scheme was effective in attracting local young people to join the profession by undergoing the cadetship training.

Action

51. Mr CHAN Kam-lam said that Members of the Democratic Alliance for the Betterment and Progress of Hong Kong supported the proposal. As an international maritime centre, Hong Kong was in great demand for home-grown sea-going professionals. He opined that the sea-going profession was an attractive career with good prospects. He urged the Administration to provide not only the basic maritime training but also other value-added training, to equip the graduates for undertaking more and higher responsibilities onboard vessels. He also considered it important for the Administration to enhance publicity to clear the misunderstanding of the public about the profession and to attract more young people to join the profession.

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

Item No. 4 - FCR(2010-11)18

**HEAD 151 – GOVERNMENT SECRETARIAT :
SECURITY BUREAU**

Subhead 700 General non-recurrent

New Item “Injection into the Beat Drugs Fund”

53. The Chairman advised that the Committee's approval was sought for a new commitment of \$3 billion for injection into the Beat Drugs Fund (BDF) to support various sectors of the community in combating drug abuse on a sustainable and long-term basis. The Panel on Security had discussed the proposal at its meeting on 13 April 2010.

54. Mr LAU Kong-wah, Chairman of the Panel on Security, reported that during Panel discussion, Panel members expressed grave concern about the adequacy of the funding support for drug treatment and rehabilitation centres ("DTRCs") under BDF. The Administration responded that there would be a substantial increase in the maximum level of grant for each application and each organisation, and the Administration would consult the Action Committee Against Narcotics (ACAN) on the level of increase. Panel members had no objection to the proposed injection into BDF.

55. Mr WONG Kwok-hing said that he supported the funding proposal in view of the severity of the drug abuse problem. He enquired what mechanisms would be in place to monitor the use of funds granted under BDF. The Under Secretary for Security (US for S) advised that the proposed injection of \$3 billion would increase the capital base of BDF from \$350 million to \$3.35 billion. The investment proceeds from the increased capital base would

provide a steady and sustained funding source to finance worthwhile community-driven anti-drug projects. In the past, constrained by the size and the need to keep intact the capital base of \$350 million, only around 15% of the funding sought was granted in the annual funding exercises on average. With the proposed injection, BDF would be in a better position to respond to community's needs and support more anti-drug projects. US for S further advised that the Administration had put in place stringent selection procedures. To enhance transparency, the Administration would make public the priority types of projects to be supported by BDF. Interested parties were required to submit their proposals in writing, and state clearly the targets and expenditure items of the proposed projects. After compilation of relevant documents by BDF Secretariat, the proposals would be passed onto the assessment panels formed by ACAN for assessment. The BDF Association would approve the relevant grants taking into account the advice of the assessment panels. Grantees of BDF would be required to submit half-yearly progress reports and full reports upon completion of the projects. For large-scale projects, ACAN members would be invited to monitor the progress of the projects. Reports on the approved projects would also be made available to the public for viewing at the Hong Kong Jockey Club Drug Info Centre and on the website of the Narcotics Division (ND). US for S added that the operation of BDF would be subject to the examination of the Audit Commission, and the Fund was last audited in 2002. US for S assured members that the Administration would ensure that funds of BDF would be expended effectively in the anti-drug campaign.

56. At the request of Mr WONG Kwok-hing, US for S agreed to encourage the grantees of BDF to use environmental-friendly and recycled materials in their publicity and other activities under the approved projects.

57. Ms Cyd HO referred to Enclosure to FCR(2010-11)18, and sought information on the contents of the past projects approved under BDF. The Commissioner for Narcotics (C for N) agreed to provide the information.

(Post-meeting note: The Administration's reply was issued to members on 22 June 2010 vide LC Paper No. FC127/09-10.)

58. Pointing out that the facilities of many DTRCs were too simple to reach an acceptable standard, Ms Cyd HO urged the Administration to expedite the grant of funds for the necessary capital works of DTRCs to meet the licensing standards under the Drug Dependent Persons Treatment and Rehabilitation Centres (Licensing) Ordinance (Cap. 566). Ms HO also considered it necessary for the Administration to improve the educational services for the rehabilitating drug abusers living in DTRCs. She pointed out

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that the current arrangement of group tutorials with a teacher to student ratio of 2:40 in DTRCs was not satisfactory. In this connection, she enquired if funds would be granted under BDF for enhancing the educational services in DTRCs and whether the Security Bureau would collaborate with the Education Bureau (EDB) in this regard.

59. C for N responded that the proposed injection of \$3 billion into BDF would enable BDF to increase the level of financial support to DTRCs for them to improve and expand their educational facilities and services, including acquisition of more teaching facilities, recruitment of more teachers, and curriculum improvement as appropriate. She informed members that EDB was considering the provision of more recurrent subsidies and professional assistance to DTRCs for enhancing their educational services. EDB would also help those rehabilitated drug abusers to be admitted to the mainstream schools upon discharge from DTRCs. For those who were not interested in pursuing further studies, EDB would provide pre-employment training to them and help them in job-seeking.

60. Citing his experience as a former member of the assessment panel for vetting BDF applications, Mr James TO expressed concern about the future workload of the assessment panel members given the expanded scope and increased number of anti-drug projects that would be funded by BDF after the \$3 billion injection. In response, US for S and C for N advised that the Administration had recently reviewed the arrangements for handling applications and monitoring approved projects with ACAN and its subcommittee members. It was decided that for projects that sought funding of \$500,000 or above, they would be considered by a large assessment panel comprising the whole ACAN (with 17-18 members) and ACAN's subcommittee members, totalling about 30 people. For smaller projects, they would be considered by a small assessment panel which comprised about three ACAN and/or its subcommittee members. BDF secretariat would provide administrative support to the members in the assessment of applications and monitoring of projects.

61. Mr James TO urged the Administration to exercise vigilance in vetting funding applications and to approve only worthwhile projects. He considered that to ensure proper use of public funds, large capital items such as vehicles proposed for use in time-limited projects should not normally be funded by BDF.

62. In response, US for S assured members that the Administration and ACAN would continue to ensure that only worthwhile and quality anti-drug projects would be funded by BDF. He advised that there was no target in

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terms of the amount of funding to be disbursed or the number of projects to be approved in any annual funding exercise of BDF. The Administration would be prudent in conducting each funding exercise, and would ensure that the assessment panel members were well briefed on the guiding principles in assessing the applications.

63. Dr PAN Pey-chyou supported the proposed injection of \$3 billion into BDF as seed money to generate investment returns for supporting community efforts in combating drug abuse on a sustainable and long-term basis. He commented that the Administration had underestimated the drug abuse problem in the past, and thus had not done enough to combat the problem. He considered that as it was not conclusive as to which approach was most effective in combating the problem at this stage, the Administration and ACAN should adopt an open mind in vetting proposed projects. The Administration/ACAN should encourage more pilot and innovative research projects. Since the anti-drug campaign was a matter requiring collaborative efforts of various sectors in the society, funding support under BDF should not be confined to one or two particular sectors.

64. In response, US for S advised that constrained by the size of BDF in the past, the annual funding exercises of BDF were highly competitiveness and many worthwhile projects had not been selected for provision of grants and thus could not be carried out. Following the injection of \$3 billion, BDF would be able to support projects which were piloting, visionary and worthwhile. The Administration would also place great emphasis on research projects as the data and analyses obtained through these projects would provide good references for formulating the direction and approach for the anti-drug campaign.

65. At 5:00 pm, the Chairman announced the adjournment of the meeting, and that the next meeting would start at 5:05 pm to continue the discussion of FCR(2010-11)18 and to deal with the remaining items on the agenda.