

**立法會**  
***Legislative Council***

LC Paper No. FC29/10-11  
(These minutes have been  
seen by the Administration)

Ref : CB1/F/1/2

**Finance Committee of the Legislative Council**

**Minutes of the 34th meeting  
held at the Legislative Council Chamber  
on Thursday, 19 August 2010, 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  
Dr Hon David LI Kwok-po, GBM, GBS, 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  
Dr Hon Philip WONG Yu-hong, GBS  
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, SBS, JP  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon Vincent FANG Kang, SBS, JP  
Hon WONG Kwok-hing, MH  
Dr Hon Joseph LEE Kok-long, SBS, JP  
Hon Jeffrey LAM Kin-fung, SBS, JP  
Hon Andrew LEUNG Kwan-yuen, GBS, JP

Hon WONG Ting-kwong, BBS, JP  
Hon KAM Nai-wai, MH  
Hon Cyd HO Sau-lan  
Hon Starry LEE Wai-king, JP  
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  
Hon Paul TSE Wai-chun  
Hon LEUNG Kwok-hung  
Hon Tanya CHAN  
Hon WONG Yuk-man

**Members absent:**

Hon Albert HO Chun-yan  
Hon LEUNG Yiu-chung  
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 Frederick FUNG Kin-kee, SBS, JP  
Hon Audrey EU Yuet-mee, SC, JP  
Hon LEE Wing-tat  
Hon CHEUNG Hok-ming, GBS, JP  
Hon Ronny TONG Ka-wah, SC  
Hon CHIM Pui-chung  
Hon Paul CHAN Mo-po, MH, JP  
Hon CHEUNG Kwok-che  
Hon WONG Sing-chi  
Dr Hon PAN Pey-chyou  
Dr Hon Samson TAM Wai-ho, JP  
Hon Alan LEONG Kah-kit, SC  
Hon Albert CHAN Wai-yip

**Public officers attending:**

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|-------------------------|--|
| Ms Julia LEUNG Fung-yee | 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) <sup>1</sup>                               |
| Mr Vincent CHUK         | Acting Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch) |
| Miss Agnes WONG, JP     | Acting Director of Administration, Chief Secretary for Administration's Office                                 |
| Miss Helen TANG         | Deputy Director of Administration (1), Chief Secretary for Administration's Office                             |
| Mr Wilfred WU           | Principal Executive Officer (Administration), Chief Secretary for Administration's Office                      |

**Clerk in attendance:**

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| Mrs Constance LI | Assistant Secretary General 1 |
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**Staff in attendance:**

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| Mr WONG Siu-yee | Chief Council Secretary (1) <sup>4</sup>      |
| Mr Simon CHEUNG | Council Secretary (1) <sup>7</sup>            |
| Mr Frankie WOO  | Senior Legislative Assistant (1) <sup>3</sup> |
| Ms Christy YAU  | Legislative Assistant (1) <sup>1</sup>        |

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**Item No. 1 - FCR(2010-11)40**

**HEAD 184 – TRANSFERS TO FUNDS**

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

The Chairman advised that the special meeting was convened at the Administration's request to consider the proposal for a supplementary provision of \$50 million for injection into the Disaster Relief Fund (DRF), and the delegation of authority by the Finance Committee to the Financial Secretary to make grants each in excess of \$8 million for the purpose of providing emergency relief to mudslide victims in Gansu Province upon the advice of the DRF Advisory Committee.

2. Mr IP Kwok-him said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the proposal. He expressed deep condolences to those who died in the mudslides in the Zhouqu County of Gansu Province, and considered that Hong Kong people should express their concern and sympathy by contributing towards the relief work in Zhouqu. He sought clarification on whether the \$50 million donation to the Provincial Government of Gansu was meant for specific programmes or general emergency relief work.

3. Director of Administration (D of Admin) advised that in view of the large-scale emergency relief programmes launched by the Provincial Government of Gansu and the volatile situation in the disaster-stricken areas, the Administration considered that there should be sufficient flexibility for the Gansu authorities to determine the uses of the donations from Hong Kong. Similar to donations to other governments for natural disasters in places outside Hong Kong, the provision sought would be used for general emergency relief work.

4. Mr WONG Kwok-hing also expressed deep condolences and sympathy to the victims in Zhouqu. Both Mr IP Kwok-him and Mr WONG Kwok-hing opined that given the scale of the disaster and the need for post-disaster reconstruction, the Administration should consider increasing the amount of relief donation and offering financial assistance for the post-disaster reconstruction work in the Zhouqu County. Expressing similar views, Prof Patrick LAU enquired whether the five previous injections into DRF mentioned in the Administration's paper had been used to support post-disaster reconstruction work.

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5. D of Admin responded that the Administration would keep in view the development of the mudslide disaster in Gansu. If necessary, the Administration would consider offering further assistance. She explained that as the remit of DRF was to provide emergency relief for victims of disasters, if a decision was taken in future to provide assistance to the reconstruction work in Gansu, separate provisions, say in the form of a trust fund, might be needed, similar to that for the reconstruction of Sichuan following the earthquake in 2008.

6. Mr Fred LI said that the Democratic Party supported the funding proposal. He enquired whether the \$50 million injection was meant only for undertaking emergency relief work in Gansu, and whether international relief organisations could apply for grants outside of this amount for carrying out relief work in Gansu. In response, D of Admin advised that the Administration intended to donate \$50 million to the Provincial Government of Gansu for their emergency relief work. Discounting this amount, the DRF still had a balance of \$53.99 million, and international relief organisations intending to undertake emergency relief work in Gansu or other places could apply for funding support from the DRF. She supplemented that on the advice of the DRF Advisory Committee, the Administration had already granted \$3.1 million to The Amity Foundation on 11 August 2010 for its emergency relief projects for mudslide victims in Gansu and flood victims in Sichuan. The Administration had so far not received funding applications from other relief organisations.

7. Prof Patrick LAU expressed concern that rapid urbanisation and over-development in some places in the Mainland had adverse impact on the natural environment, and mudslide was one of such consequences. He said that Hong Kong had accumulated rich knowledge and experience in slope-stabilization works, following a serious landslide on 18 June 1972 at Kotewall Road. He considered that Hong Kong could offer to share its expertise and experience in mudslide prevention work with the relevant Mainland authorities. The Chairman requested the Administration to take note of Prof LAU's suggestion. D of Admin noted the suggestion.

8. Mr Tommy CHEUNG said that Members belonging to the Liberal Party supported the Administration's funding proposal.

9. Mr WONG Yuk-man noted that due to the urgency of the funding proposal, the Administration had not been able to brief the relevant Panel on the proposal. He opined that the massive landslides and mud-rock flows in Gansu were, to some extent, man-made calamities. His understanding was that since 2005, there had been small scale landslides in the area. Despite repeated

warnings, including the one from the National Development and Reform Commission in 2009, there was still excessive logging along the Gannan River, poor town planning and excessive construction works, making massive landslides in the region inevitable. He said that Mainland officials and local people were aware of the risks and had not taken sufficient remedial actions to avoid such tragedies. He urged the Mainland authorities to tackle the problem. He also expressed concern about the monitoring of the use of the relief donation to the Provincial Government of Gansu.

10. D of Admin took note of Mr WONG Yuk-man's views and concerns, and advised that in line with the arrangements in previous cases of donations made to government authorities in other places in support of their disaster relief programmes, the Provincial Government of Gansu would be required to provide an evaluation report on the use of the relief donation after completion of their relief programme.

11. Mr LEUNG Kwok-hung said that given the sound financial position in the Mainland and with the quantitative easing policy, the Gansu authorities should not have difficulties in obtaining sufficient funding for its relief and reconstruction works. He therefore considered that the donation from Hong Kong was merely a friendly gesture given the robust economy in the Mainland. He asked whether the Administration was aware that Wenchuan County in Sichuan Province was also hit by massive mudslides. He was concerned that such mudslides might adversely affect the progress of the post-quake reconstruction support work there. As poor planning and excessive construction works were causes of the mudslides in the Zhouqu County, Mr LEUNG suggested that the Administration should consider sending planning and engineering experts to assist the Gansu authorities in improving town planning and construction standards, especially with regard to conservation of the natural environment.

12. D of Admin responded that the Administration was aware that mudslides had also happened in Sichuan Province, which might affect the progress of reconstruction of the Provincial Road 303 (Yingxiu to Wolong section) and the Mianmao Highway (Hanwang to Niuquangou section) supported by Hong Kong. The Administration would monitor the position closely to see whether emergency relief assistance from Hong Kong was required for the Wenchuan County, and would provide Members with further information as appropriate.

13. Mr Jeffrey LAM said that Members belonging to the Economic Synergy supported the funding proposal, noting that the death toll in Zhouqu was high and that many people were still missing. Since the barrier lakes in

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Zhouqu might pose further risks, Mr LAM requested the Administration to liaise with the Gansu authorities and offer to provide assistance in the reconstruction work such as providing housing for the mudslide victims, setting up a disaster warning system and enhancing the knowledge of the local people on mudslide prevention. D of Admin took note of Mr LAM's views.

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

15. The meeting was adjourned at 3:02 pm.

Legislative Council Secretariat

18 January 2011