

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, 18 July 2011, at 9:00 am**

Members present:

Hon Emily LAU Wai-hing, JP (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 David LI Kwok-po, GBM, GBS, JP
Hon Fred LI Wah-ming, SBS, JP
Dr Hon Margaret NG
Hon James TO Kun-sun
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 Miriam LAU Kin-yee, GBS, JP
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Frederick FUNG Kin-kee, 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, GBS, JP

Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon KAM Nai-wai, MH
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, JP
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
Hon Paul TSE Wai-chun, JP
Dr Hon Samson TAM Wai-ho, JP
Hon Tanya CHAN
Hon WONG Yuk-man

Members absent:

Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)
Hon CHEUNG Man-kwong
Hon LAU Wong-fat, GBM, GBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon LEE Wing-tat
Hon CHEUNG Hok-ming, GBS, JP
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king, JP
Hon Mrs Regina IP LAU Suk-yea, GBS, JP
Dr Hon PAN Pey-chyou
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip

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 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 Jimmy CHAN Pai-ming	Principal Assistant Secretary for Development (Works) 3
Mr CHAN Chi-chiu, JP	Director of Drainage Services
Mr LUK Wai-hung	Chief Engineer (Drainage Projects), Drainage Services Department
Mr Thomas CHOW Tat-ming, JP	Permanent Secretary for Development (Planning and Lands)
Ms Judy CHUNG Sui-kei	Principal Assistant Secretary for Development (Planning and Lands) 1
Mr CHAN Wing-tak	Chief Project Manager 202, Architectural Services Department
Ms Brenda AU Kit-ying	District Planning Officer (Hong Kong), Planning Department
Miss Salina YAN Mei-mei, JP	Deputy Secretary for Home Affairs (3)
Ms Cynthia LIU Chiu-fun	Assistant Director of Leisure and Cultural Services (Performing Arts)
Mr Andrew TSANG Yue-tung, JP	Assistant Director of Home Affairs (2)
Mr CHEUNG Chi-Hoi	Acting Regional Highway Engineer (Urban), Highways Department
Miss Alice AU YEUNG Yuet-wah	Principal Transport Officer (Urban), Transport Department
Mr TSANG Tak-sing, GBS, JP	Secretary for Home Affairs
Ms Grace LUI Kit-yuk, JP	Deputy Secretary for Home Affairs (1)
Ms Candy LAU	Principal Assistant Secretary for Home Affairs (Community Care Fund)
Dr LAW Chi-kwong, SBS, JP	Chairman, Executive Committee on the Community Care Fund
Mr Raymond YOUNG Lap-moon, JP	Permanent Secretary for Home Affairs
Mr Benjamin MOK Kwan-yu	Acting Deputy Secretary for Home Affairs (2)
Mr Godwin FUNG	Acting Chief Executive, Hong Kong Sports Institute

Clerk in attendance:

Mrs Constance LI

Assistant Secretary General 1

Staff in attendance:

Ms Annette LAM

Chief Council Secretary (1)7

Mr Daniel SIN

Senior Council Secretary (1)7

Mr Frankie WOO

Senior Legislative Assistant (1)3

Ms Christy YAU

Legislative Assistant (1)8

The Chairman said that if the meeting could not deal with all the agenda items, an additional meeting would be held at 11:05 am.

Item No. 1 - FCR(2011-12)40

**RECOMMENDATIONS OF THE PUBLIC WORKS
SUBCOMMITTEE MADE ON 14 AND 15 JUNE 2011**

2. The Chairman advised that the Public Works Subcommittee (PWSC) had recommended that two of the items endorsed at the PWSC meeting held on 14 and 15 June 2011, i.e. PWSC(2011-12)23 and PWSC(2011-12)28, should be considered and voted on separately at the Finance Committee (FC) meeting.

PWSC(2011-12)23

160CD – Happy Valley underground stormwater storage scheme

3. The Chairman advised that FC's approval was sought to upgrade 160CD to Category A at an estimated cost of \$1,065.8 million in money-of-the-day (MOD) prices for the construction of an underground stormwater storage tank with a capacity of 60 000 cubic metres, a pump house and the associated drainage works at Happy Valley Recreation Ground.

Underground stormwater storage scheme

4. Mr KAM Nai-wai said that Members belonging to the Democratic Party supported the proposal. Citing the success of the Tai Hang Tung storage scheme and Sheung Wan Stormwater Pumping Station in alleviating flood problems in low-lying urban areas, he urged the Administration to expedite the Happy Valley underground stormwater storage scheme (the Scheme). He said

that some Happy Valley residents and District Council members were concerned whether space had been earmarked during the design stage for the future provision of an MTR station in Happy Valley and a pedestrian subway connecting Happy Valley with Causeway Bay.

5. Director of Drainage Services (DDS) advised that the proposed underground stormwater storage tank would occupy only about 30% of the underground area of the Happy Valley Recreation Ground and there would be sufficient space for future developments of other facilities.

6. Ir Dr Raymond HO declared that he was an honorary advisor to a consultancy firm of the proposed project but he had not been approached for any advice relating to the Scheme. Expressing support for the proposal, he added that at his suggestion about 10 years ago, the Drainage Services Department had adopted the flood storage approach for Tai Hang Tung storage scheme and Sheung Wan Stormwater Pumping Station which had successfully alleviated the flood problems in low-lying urban area in West Kowloon and Mongkok during heavy rainstorms.

7. Miss Tanya CHAN was concerned whether flooding in Happy Valley was likely to worsen in the event of heavy rainstorms while construction works were underway. DDS replied that the main construction works would be carried out in Happy Valley Recreation Ground and would have no negative impact on the existing drainage network. During construction, rainwater would be collected by the existing drainage network and carried downstream for discharging to the Victoria Harbour through the box culvert underneath Canal Road. Mitigation measures such as pumping facilities would be put in place at the work area to mitigate the risks of flooding during heavy rain.

8. Mr Jeffrey LAM said that Members belonging to Economic Synergy supported the proposal to ease the flood problem in Happy Valley which had persisted for many years. He and Mr KAM Nai-wai enquired about the capacity of the stormwater storage tank in withstanding rainstorms upon completion of the works. DDS said that the Scheme would be able to substantially reduce flood risks in Happy Valley. Upon completion of the works, the main drainage systems in Happy Valley and the adjacent areas would generally have a capacity to withstand a rainstorm with an intensity of a 50-year return period. At times of heavy rainstorms, part of the stormwater collected would be diverted to the proposed storage tank for temporary storage as a buffer against overloading the existing drainage network. After the rainstorms, the water in the storage tank would be released back to the box culvert underneath Canal Road for discharge to the sea.

Public consultation

9. Miss Tanya CHAN said that residents of Happy Valley and the management of the St. Paul's Primary Catholic School (the School) had both expressed grave concerns about the safety of students and the likely adverse traffic impact during construction period, as the entry and exit point for construction vehicles was located just opposite the exit of the School at Wong Nai Chung Road. Noting that the proposed project would take seven years to complete and the construction work would have long-term impact on the community, Miss CHAN considered it inappropriate that the local residents were not consulted until May 2011. While she appreciated that the Administration had, at her request, advanced the briefing for local residents to 4 July 2011 before the funding proposal was to be considered by FC on 18 July 2011, she said that for future projects of a similar scale, the Administration should consult the affected local residents at the initial planning stage as early as possible. She opined that where necessary, the Administration should engage the participation of Parent-Teacher Association and other affected stakeholders in the consultation process. Sharing a similar view, Mr KAM Nai-wai urged the Administration to maintain regular communications with local residents and the School so as to properly respond to their concerns in a timely manner.

10. DDS noted the suggestion and advised that the Administration had met with the School Principal and teachers in early June 2011 to understand their views, and to explain the works arrangements as well as mitigation measures to allay their concerns. A briefing session for residents of Happy Valley was held on 4 July 2011. Whilst the School authority had not been able to attend the briefing due to other urgent commitment, the School had been updated in writing on the latest development. Chief Engineer (Drainage Projects) assured members that the Administration would continue to maintain close liaison with the affected parties, and would conduct regular briefings to update local residents, the School and parents on the work progress.

11. The Chairman enquired about the School's stance on the proposed project and reminded the Administration to maintain close dialogue with the School management to address the School's concerns. DDS replied that the School had expressed concerns about the students' safety, traffic impact, as well as the impact of construction noise and dust to the environment. Referring to the successful experience with the Hong Kong West Drainage Tunnel project in which the Administration had built up a trusting relationship with the affected True Light Middle School of Hong Kong, DDS said that the Administration was confident that a similar rapport could be developed with local residents and the School. He added that effective environmental mitigation measures would be

implemented to minimize disturbance to the operation of the School and protect students' safety.

Traffic and environmental impacts

12. Miss Tanya CHAN was worried that the small-leaved banyan trees at the public car park in the project site vicinity, which had low and broad canopy with downward air roots, would be damaged by the dump trucks activities and the temporary shed to be erected to enclose the unloading point. She enquired about the height of the dump trucks and was concerned whether the tree and the roots would be damaged by the dump trucks and construction activities. In response, Chief Engineer (Drainage Projects) advised that dump trucks would roughly be 2 -3 meters in height. The underground pipes (for carrying construction wastes from the project site to the car park where it would be transported away by dump trucks) would be laid 10 metres below ground, and the access manhole would be installed vertically in order to avoid tree roots. He highlighted that appropriate measures pursuant to the updated guidelines issued by the Tree Management Office would be implemented for tree preservation. Moreover, the contractor was required to engage a qualified person to carry out tree inspection on a regular basis. Miss CHAN remarked that detailed tree survey report with monthly photo record of trees throughout the construction period was necessary. She added that the local residents were gravely concerned about impact of the construction on traffic. She urged the Administration to closely monitor the increase in traffic generated by the project and other redevelopment projects in the vicinity, particularly in the years 2014 to 2017.

13. In reply to Mr KAM Nai-wai's enquiry about the disposal of construction waste, DDS advised that construction waste would be disposed at public fill reception facilities and landfill sites. The estimated average and maximum number of dump trucks during the peak construction periods were 8 and 15 per hour respectively, an increase which was not expected to cause any adverse traffic impact. Disposal of construction waste would be allowed during non-peak hours only to minimize possible disruption to existing traffic at Wong Nai Chung Road during construction.

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

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PWSC(2011-12)28

194SC – Community hall at the eastern part of ex-North Point Estate site

78TI – Covered public transport terminus at the eastern part of ex-North Point Estate site

15. The Chairman advised that PWSC(2011-12)28 sought to upgrade 194SC and 78TI to Category A at an estimated cost of \$61 million and \$43.7 million in MOD prices for the construction of a community hall and a covered public transport terminus respectively at the eastern part of the ex-North Point Estate site.

Cantonese opera theatre

16. Miss Tanya CHAN said that the Planning, Works and Housing Committee of the Eastern District Council (EDC) had strongly requested for a Cantonese opera theatre at the site. There were no suitable theatres in the cultural venues on Hong Kong Island which could meet the requirements of Cantonese opera performance following the closure of Sunbeam Theatre in 2012. The existing suitable theatres were located in Kowloon while the performance venue at West Kowloon Cultural District (WKCD) was still under planning. To avoid duplication of resources for providing a large-scale theatre, she asked whether a medium-sized venue of about 600 seats for multi-purpose uses could be accommodated at the site to cater for the needs of performing arts groups.

17. Deputy Secretary for Home Affairs (3) (DSHA(3)) advised that the need for medium-sized theatres should be assessed on a territory-wide basis. In fact, there were already a number of performance venues of different scales being planned or constructed over the territory. Conversion of the Yau Ma Tei Theatre and the Red Brick Building into a Xiqu Activity Centre was scheduled for completion in 2011 and operation in 2012. Meanwhile, construction of an Annex Building for Ko Shan Theatre was underway for completion in 2013, in which a new 600-seat auditorium would be specifically provided for Cantonese opera performances. As for WKCD, much importance was attached to Cantonese opera venue development, and a Xiqu Centre providing over 1 000 seats was scheduled for completion by 2015-2016 under the Phase 1 development. The provision of theatres for Cantonese opera was considered adequate as a whole.

18. Miss Tanya CHAN expressed concern about the constraints of Xiqu Activity Centre in Yau Ma Tei which was converted from a historic building, and suggested that emerging artists and small Xiqu troupes should be invited to try out the facilities there. Noting that the Annex Building for Ko Shan

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Theatre would not come into operation until 2013 while Sunbeam Theatre would be closed in 2012, Miss CHAN enquired about the transitional arrangements to address the shortage of performance venues for Cantonese opera. In response, DSHA(3) said that Cantonese opera performances at Sunbeam Theatre were mainly Cantonese operatic singing performances and Cantonese opera performances staged by non-local troupes. Cantonese opera performances by local troupes currently accounted for about 20% of business of the commercially operated Sunbeam Theatre. The existing performance venues managed by the Leisure and Cultural Services Department (LCSD) should meet the need of theatres for Cantonese opera. She added that the rental of Sunbeam Theatre premises was subsidized by the Cantonese Opera Development Fund (CODF) at \$3 million per year, i.e. a total of \$9 million for a three-year period. Moreover, the Hong Kong Arts Development Council also launched a Sunbeam Theatre Xiqu Performance Venue Subsidy Scheme to support local professional xiqu troupes to stage performances thereat.

19. Mr KAM Nai-wai said that government subsidies were essential to the preservation and promotion of cultural heritage. As audiences of Cantonese opera were mainly elderly, he considered that the site in North Point was more convenient than the performance venues in Ko Shan Theatre and WKCD. He pointed out that the utilization of performance facilities in the Hong Kong Cultural Centre and the Hong Kong City Hall were the most preferred venues for Cantonese opera performance, but these venues were not exclusively used for such performance.

20. DSHA(3) advised that the Administration had been providing continued support for Cantonese opera preservation, promotion and development projects. In 2010, the Administration injected \$69 million into the CODF, including the funding for the "Hong Kong Cantonese Opera Troupe for New Talent" scheme (the Scheme) which aimed to nurture more local budding artists in Cantonese opera. One troupe had been chosen to receive a grant under the Scheme previously and the Administration was planning to support two to three troupes. Besides, the Xiqu Activity Centre in Yau Ma Tei would be operated under a Venue Partnership Scheme, where support to the Venue Partner(s) would be given in various forms including priority use of venue facilities and part of the funding for organizing performances.

21. As regards utilization of performance venues, DSHA(3) advised that the Hong Kong Cultural Centre, which catered for an array of cultural performances and activities, had an extremely high utilization. The existing theatre in Ko Shan Theatre, which was a dedicated venue for Cantonese opera, had a utilization rate of 80%. The Administration would continue to facilitate transport arrangements for Cantonese opera performances in Ko Shan Theatre.

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The new auditorium at the Annex Building for Ko Shan Theatre would enhance the function of the existing theatre in serving as a dedicated performance venue for Cantonese opera. Assistant Director (Performing Arts) (AD(PA)) added that the utilization of performance venues in the Hong Kong City Hall was in the range of 90%-100%. To cater for the needs of theatres for Cantonese opera, reserved time slots at several major performing arts venues managed by LCSD were made available for priority hiring by professional Cantonese opera troupes.

22. Mr WONG Kwok-hing expressed disappointment with the Administration's response. He opined that the Administration could require the developer to incorporate a Cantonese opera theatre in the site. If this was not feasible, the Administration should explore the possibility of providing more seats in the proposed Community Hall (CH) to serve also as a performance venue for Cantonese opera excerpts. Mr KAM Nai-wai made similar requests and expressed regrets that the Administration had ignored the community's strong request for a Cantonese opera theatre in the site.

23. DSHA(3) advised that the multi-purpose hall in the proposed CH would be able to meet the requirements of Cantonese opera excerpts and Cantonese operatic singing performances. Assistant Director (2) (AD(2)) added that the multi-purpose hall would have 450 seats, which could cater for cultural performances such as Cantonese opera excerpts, dramas and singing contests. The developer would be required to construct a standard CH of a total gross floor area of not less than 1 260 square metres providing a minimum of 450 seats.

24. Ms Miriam LAU said that both local residents and Cantonese opera sector would be deeply disappointed by the Administration's decision not to provide a Cantonese opera theatre at the site. Noting that the multi-purpose hall of the proposed CH could cater for Cantonese opera excerpts only, she could not see how the Administration had been making great efforts to promote Cantonese opera in Hong Kong. Though the demand of theatres for Cantonese opera could be accommodated by cultural venues under LCSD in other districts, the elderly living in Eastern District of the Hong Kong Island might not find other convenient locations for viewing Cantonese opera after the closure of Sunbeam Theatre in 2012.

25. Permanent Secretary for Development (Planning and Lands) clarified that the site would only be available in early 2012, and construction of the proposed CH would commence in 2015 for completion in 2017 at the earliest. AD(PA) advised that the existing auditorium in Ko Shan Theatre was a major venue for full-length Cantonese opera performance, which had more than 1,000

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seats. Its utilization was rising and the Cantonese opera sector had proactively been nurturing audiences thereat. To facilitate access, Cantonese opera troupes performing in Ko Shan Theatre would arrange free shuttle for audiences. Regarding alternative venues on Hong Kong Island, the Hong Kong City Hall had reserved time slots for priority hiring by professional Cantonese opera troupes. Located nearest to North Point, the Sai Wan Ho Civic Centre was suitable for staging Cantonese opera. The facilities in the Quarry Bay CH had been upgraded and catered for Cantonese opera excerpts, while the Chai Wan Youth Square with 600 seats suited to the requirements of medium-scale Cantonese opera.

Admin

26. Ms Miriam LAU enquired whether free shuttle services would be provided between Eastern District and Ko Shan Theatre, and whether Cantonese opera troupes would have priority for hiring of cultural venues in Eastern District. AD(PA) advised that Cantonese opera troupes performing full-length repertoire in Ko Shan Theatre could apply for CODF to subsidize their transport arrangements for audiences. The Administration would consider extending the priority venue hiring policy for Cantonese opera performances to more cultural venues.

27. Miss Tanya CHAN said that while Government support in the promotion of Cantonese opera was necessary, she did not consider it appropriate to subsidize theatre rental and transport arrangement by public money. She questioned the Administration's long-term commitment to promote this traditional form of performing art, and called for comprehensive and long-term policies on conservation and development of Cantonese opera. As the Quarry Bay CH and Chai Wan Youth Square did not meet the requirements of professional Cantonese opera performances, she urged the Administration to take full advantage of the site development in North Point to set up a dedicated permanent venue suitable for medium-scale Cantonese opera performance on Hong Kong Island. In response, DSHA(3) explained that the Administration had sought FC's approval twice in 2010 for allocating a total of about \$800 million to improve the hardware and software for the promotion of Cantonese opera. This demonstrated the Administration's long-term commitment to support the development of Cantonese opera. She reiterated that new facilities dedicated for Cantonese opera would come into operation in two to three years' time.

Conference room

28. Mr KAM Nai-wai stressed the need for more conference rooms at new CHs to meet public demand. He requested the Administration to provide two or three conference rooms in the proposed CH, so that these rooms could be

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converted into a larger venue for diverse activities. Making a similar request, Mr WONG Kwok-hing said that he had difficulty to support the funding proposal. He reflected that members of EDC and local residents had expressed grave concern about the shortage of meeting facilities for use by over 100 Owners' Corporations in the district. The Causeway Bay CH at Fuk Yam Road, which was located far away from North Point, was unable to satisfy the demand for conference room. In response, AD(2) explained that the conference room in the proposed CH was designed for multi-purpose to serving different needs e.g. meetings and small-group classes and activities. He added that the utilization of conference rooms at the Causeway Bay CH and Quarry Bay CH was below 50% on average in 2010. To meet the demand for venues for small-scale cultural performances or group activities, full-height sliding partitions with sound insulation would be provided in the multi-purpose hall of the proposed CH so that it could be flexibly converted into two or three smaller venues to meet different needs. Together with the one conference room provided in the proposed CH, a maximum of four rooms could be made available. The provision of the proposed CH was considered adequate. Nevertheless, AD(2) undertook to review if it was technically feasible to provide sound insulation partitions in the conference room of the proposed CH for flexible conversion into smaller venues.

Admin

29. Mr KAM Nai-wai questioned the practicability of converting the multi-purpose hall into two or three smaller venues for different activities. Mr KAM said that Members belonging to the Democratic Party would abstain from voting if the Administration declined his requests for more conference rooms in the proposed CH and expanding the multi-purpose hall to accommodate 600-800 seats for medium-scale Cantonese opera performance. Mr WONG Kwok-hing was worried about the effectiveness of sound insulation partitions if the multi-purpose hall was to be converted into smaller meeting venues.

30. Mr IP Kwok-him expressed support for the project. He said that EDC members supported the project and called for its early implementation. Notwithstanding, there were strong requests from District Councils and the community for more conference rooms at new CHs, and the issue had also been raised at relevant meetings of the Public Works Subcommittee. Citing the Kennedy Town Community Complex as an example, Mr IP said that more conference rooms could in fact be provided in CHs to satisfy the public's need.

31. The Chairman requested the Administration to take note of members' concern about the shortage of meeting venues, and to explore the possibility of opening suitable venues in schools for use by the community.

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

Item No. 2 - FCR(2011-12)41

HEAD 53 – GOVERNMENT SECRETARIAT :

HOME AFFAIRS BUREAU

Subhead 700 General non-recurrent

Item 844 “Injection into the Community Care Fund”

33. The Chairman advised that FC was invited to approve an additional injection of \$1.5 billion into the Community Care Fund (CCF) for launching a new programme to provide a one-off \$6,000 allowance to new arrivals from low-income families who were aged 18 or above and had entered Hong Kong for settlement (the Programme). The Panel on Home Affairs had been consulted on the proposal at its meeting on 8 July 2011.

34. The Chairman referred members to the supplementary information provided by the Administration on the membership and terms of reference of the CCF Steering Committee (Steering Committee), which was tabled at the meeting.

35. Mr IP Kwok-him, Chairman of the Panel on Home Affairs, reported that while Panel members generally supported the proposal to disburse \$6,000 to new arrivals, some members were concerned that the financial eligibility criteria for the Programme were too stringent. There were also views that instead of making an additional injection into the CCF, the Government should strengthen its welfare services for people facing economic hardship and were in need of assistance, including new arrivals. Mr IP opined that the Government should implement the Programme by itself instead of going through the CCF. He further said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the funding proposal and hoped that CCF would assist those low-income families with genuine need, and that the one-off allowance would be disbursed to eligible new arrivals as early as possible.

36. Secretary for Home Affairs (SHA) said that more than 200 000 persons were expected to benefit from the Programme. If the funding proposal was approved by FC, the Administration would take about ten weeks to prepare for the launching of the Programme. The Administration's plan was to commence application around early October 2011 for disbursement of allowance to eligible beneficiaries starting from November 2011.

37. Mr WONG Sing-chi queried the rationale for implementing the Programme through CCF and questioned why the Government did not take forward the initiative by itself. He considered it irresponsible for the Administration to shift the responsibility of launching the Programme to CCF who would then have to take the blame for any deficiencies.

38. SHA responded that the "Scheme \$6,000" granting all holders of Hong Kong permanent identity cards aged 18 or above a sum of \$6,000 was aimed at leaving wealth with the people. Having regard to the objective of the CCF which assisted people facing economic difficulties, in particular those who fell outside the social safety net, the Financial Secretary earmarked \$1.5 billion for an additional injection into the CCF to provide assistance to those who had special needs. The Steering Committee was of the view that the proposal to provide a one-off allowance of \$6,000 to new arrivals from low-income families was in line with the objective of the CCF, and indeed, new arrivals had all along been one of the target beneficiaries of the CCF.

Eligibility criteria for the Programme

39. Mr WONG Sing-chi criticized the eligibility criteria as being too rigid and questioned the rationale for setting the specified income limit for different household sizes. He asked whether the Administration would consider adopting a "dual-track" approach for the means test, i.e. allowing applicants to choose to be means-tested either on an individual or on a household basis.

40. Chairman, Executive Committee on the CCF explained that in drawing up the specified income limit for different household sizes, the Steering Committee had made reference to the median monthly household income for the first quarter of 2011. As the median monthly household income applicable to one-person households (i.e. \$6,500) was considered too low when compared with that for two-person households (i.e. \$14,600), the Steering Committee had decided to adjust upwards the specified income limit applicable to one-person households to become half of that applicable to two-person households, i.e. \$7,300. He further explained that the household-based means test mechanism was in line with other existing Government financial assistance schemes. It was considered not necessary to change the existing means-test mechanism to a "dual-track" approach for the Programme.

41. Mr WONG Yuk-man opined that the Government should take forward the Programme on its own as it was primarily the Government's responsibility to facilitate new arrivals' integration into the community. He also questioned why a household-based means test and asset test were

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introduced to assess eligibility for the one-off allowance when no such criteria were imposed for those receiving the hand-out under "Scheme \$6,000". He asked whether the financial implications would be significant if all the new arrivals aged 18 or above except those specified in paragraph 7 of FCR(2011-12)41 would be granted the one-off allowance. Sharing a similar view, Mr LEE Cheuk-yan said that the financial criteria were discriminatory in nature, were contrary to the objectives of the CCF to assist the needy, and were also inconsistent with the policy of integrating new arrivals into the society. He opined that the means-test was superfluous as the financial implications, according to his assessment, would not be very substantial even if the allowance were to be granted to all new arrivals aged 18 or above entering Hong Kong for settlement and who had been in Hong Kong for less than seven years. He also criticized the income limit of \$7,300 for one-person household as too low.

42. SHA emphasized that there was no discrimination against new arrivals. To ensure that the beneficiaries of the Programme were those from low-income families with genuine need, the overall financial position of the household would need to be taken into account. Providing a one-off allowance to all the new arrivals regardless of their financial position would go against the objective of the CCF which aimed to provide assistance to those facing economic difficulties. He reiterated that the introduction of means test was in line with the CCF's objective, and given the one-off nature of the allowance, the proposed specified income limit had already taken into account the need to adopt more relaxed financial criteria.

43. Mr TAM Yiu-chung declared that he was a non-official member of the Steering Committee and he supported the Programme. He said that the Steering Committee had thorough discussions on the scope and the implementation of the Programme. For reasons explained earlier by the Chairman, Executive Committee on the CCF, the Steering Committee had increased the specified income limit applicable to one-person households to \$7,300. To streamline the application procedures, applicants' families that had already passed the household-based means test and were eligible for the schemes specified in paragraph 6(c)(ii) of FCR(2011-12)41 would not be required to produce further documentary proof on their financial position. For other applicants, they would only be required to declare in writing that their monthly household income was less than the specified income limit.

44. Mr CHEUNG Kwok-che declared that he was a non-official member of the Steering Committee. He commented that it should be the Government's responsibility to implement the Programme rather than going through an injection into the CCF. He criticized that the arrangements of handing out \$6,000 to all Hong Kong permanent identity cardholders aged 18 or above and

to eligible new arrivals under two separate different schemes was divisive. Referring to the estimated number of beneficiaries, he asked about the arrangements if the number of eligible applicants exceeded the estimated number, and if there were un-used funds.

45. SHA said that having regard to the estimated number of beneficiaries, the injection of \$1.5 billion should be sufficient to provide a one-off allowance to eligible new arrivals under the Programme. Any unused funds would be returned to the Treasury. The Administration would seek FC's approval for additional injection under the established procedure should the number of eligible applicants exceed the estimated figures. The earlier injection of \$5 billion into the CCF would not be used to support the Programme.

46. Mr Ronny TONG expressed concern that the operation of the CCF was not transparent and would not be accountable to the Legislative Council which had the role of monitoring public expenditure. Referring to paragraph 9 of the paper, he enquired about the basis of the Administration's estimation of the number and percentage of the three categories of eligible new arrivals, i.e. (a) non-permanent residents aged 18 or above from the Mainland on One-way Permit; (b) non-permanent residents aged 18 or above who had the right to land or on unconditional stay in Hong Kong; and (c) non-permanent residents aged 18 or above who were staying in Hong Kong as dependants.

47. Deputy Secretary for Home Affairs (1) explained that the estimation was based on the assumption that new arrivals in categories (a) and (b) would have greater financial need than those in category (c) who were staying in Hong Kong as sponsored dependants. Hence, in estimating the total amount of disbursements, the Administration had assumed that 90% of the persons from the first two categories and 50% of those from the third category would apply for the allowance and were eligible.

48. Mr Ronny TONG criticized the Administration for the abrupt policy shift from the original proposal of \$6,000 injection into all Mandatory Provident Fund (MPF) accounts to handing out \$6,000 to all Hong Kong Identity Card holders aged 18 and above, including those who had migrated overseas. It was unfair that new arrivals working in Hong Kong who would be able to receive the one-off injection of \$6,000 into their MPF accounts under the original Budget proposal were now deprived of the allowance, and they might also not benefit from the Programme if their household income exceeded the specified income limit. He enquired about the estimated number of this group of new arrivals and what the Administration intended to do for them. SHA replied that the Administration had no such figure on hand.

Action

49. Mr Frederick FUNG echoed the views of Mr Ronny TONG that the abrupt changes in budget proposal had created certain anomalies and unfair situations. Mr FUNG pointed out that there would be cases in which some new arrivals, while eligible for the allowance if they were means-tested on an individual basis, would become ineligible under the household-based means test adopted for the Programme.

50. In response, SHA reiterated that the Programme was a dedicated initiative to provide a one-off allowance to new arrivals to facilitate their integration into the community. Having regard to the one-off nature of the Programme, a relatively relaxed financial criteria had been adopted. Chairman, Executive Committee on the CCF added that the household-based means test mechanism was in line with other standing Government financial assistance schemes, and whether the means test mechanism should be individual-based or household-based would continue to be a topic of discussion for educational, medical and welfare measures for the Government. Mr FUNG maintained the view that if the Programme was a special one-off measure, there should be no need to follow the existing practice of other Government financial assistance schemes.

Bonus payment for late applicants

51. Mr WONG Kwok-hing supported the Programme and considered it appropriate to provide assistance to new arrivals through the CCF. He welcomed the adoption of relaxed financial criteria for the Programme and extending the application deadline to 30 June 2012 to allow sufficient time for new arrivals entering Hong Kong lawfully for settlement on or shortly before the eligibility date (i.e. 31 March 2012) to submit applications. He asked whether the Administration would also consider granting a bonus of \$200 to those eligible new arrivals who chose to receive the allowance at a later stage after the set period, similar to the "Scheme \$6,000".

52. In response, SHA advised that the Programme and the "Scheme \$6,000" were two different initiatives with different scopes and objectives. While the "Scheme \$6,000" aimed to leave wealth with the people and the bonus arrangement could achieve some effect of staggering applications, the Programme was launched to provide financial assistance to the needy new arrivals to facilitate their integration into the community. It was considered inappropriate to grant a bonus \$200 to late applicants under this Programme. Mr WONG Kwok-hing expressed disappointment with the arrangements which he considered discriminatory against new arrivals.

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

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

Subhead 700 General non-recurrent

New Item "Injection into the Elite Athletes Development Fund"

54. The Chairman advised that the Committee was invited to approve a new commitment of \$7 billion for establishing the Elite Athletes Development Fund (EADF). The proposal had been discussed by the Panel on Home Affairs on 13 May 2011. The Chairman said that the Administration had provided supplementary information on the education and career development support to elite athletes, as well as the terms of reference and the membership of the Sports Commission (SC) and the Hong Kong Sports Institute (HKSI).

55. Mr IP Kwok-him, Chairman of the Panel on Home Affairs, reported that Panel members in general supported the proposed establishment of EADF. Some Panel members were concerned whether the Administration would replenish the seed capital of EADF, if part of it was depleted, to sustain the continued operation of the HKSI. Some Panel members called for more flexibility in the education system to facilitate elite athletes to pursue their sports training and academic studies in parallel. There was also a suggestion that more popular team sports, such as football, basketball and volleyball, should be included as elite sports and be provided with support and assistance for development.

56. Mr IP Kwok-him commended HKSI's achievement in enhancing the development of elite sports in Hong Kong and expressed support for the funding proposal. Mr IP opined that apart from providing assistance for Hong Kong's top athletes, it was equally important to promote the culture of sport at community level to sustain the long-term development of sport in Hong Kong. He asked whether additional resources would be allocated for increasing community sports facilities at district level.

57. Secretary for Home Affairs (SHA) said that after the establishment of the EADF, there would be scope to redeploy resources from the sports portion of the Arts and Sport Development Fund, a substantial part of which was currently used on elite athletes' preparation for and participation in major games, to support the development of sport at the community level and to promote greater public participation in sports activities.

58. Mr IP Kwok-him referred to paragraph 8 of the discussion paper, and enquired about the sources of the potential annual increase in commercial and other revenue of up to \$29 million after the completion of the redevelopment of HKSI. Acting Chief Executive, HKSI (Ag CE/HKSI) advised that the redevelopment of HKSI would add revenue-generating facilities including a restaurant and sports residence with about 76 rooms for visiting athletes and sports personnel, and these were expected to bring in steady income. Leasing out facilities to large enterprises for holding sport events was another source of income to help finance the operation of HKSI.

59. Mr IP Kwok-him remarked that the provision of adequate financial resources was crucial for HKSI to achieve its strategic goals. Noting that the proposed \$7 billion would serve as seed money for EADF to generate investment return to support the operation of HKSI, he asked about the actions to be taken by the Administration in case the investment return was not sufficient to meet HKSI's operational funding needs.

60. SHA explained that of the \$7 billion injection to set up EADF, the Administration proposed to deposit \$6 billion with the Hong Kong Monetary Authority to earn an investment return linked to the performance of the Hong Kong Exchange Fund (HKEF). On the basis of HKEF's average annual investment return of 6% for the past six years, the \$6 billion EADF deposit would receive a return of \$360 million per annum. The remaining seed capital of \$1 billion would be deposited with banks to provide readily available liquidity, and also to offer some buffer should there be significant fluctuations in investment return from HKEF. In times of high market volatility, SHA might, having regard to the advice of SC, authorize the use of part of the EADF seed capital to support the continued operation of HKSI as necessary.

61. The meeting was adjourned at 11:00 am. The Chairman said that discussion of the item would continue in the next meeting to be held at 11:05 am.