

Presentation to the Finance Committee of Legislative Council
by Mr TSANG Tak-sing, JP, Secretary for Home Affairs,
on 25 March 2011

Chairman,

The Home Affairs Bureau (HAB) is responsible for quite a diversified policy portfolio covering a total of eight Heads of Expenditure. Our priority areas with additional resources provided in the new financial year are as follows:

Youth Development

2. HAB and Home Affairs Department (HAD) will make provisions to enhance support for youth development activities. We will encourage youth groups and organisations to organise more such activities throughout the year and tie in with the direction and theme set by the Commission on Youth. This serves to enable young people to realise their potential, enhance their sense of belonging to the society and increase their opportunities to participate in social affairs.

Service Corps

3. The Chief Executive announced in his 2010-11 Policy Address the establishment of the Service Corps as a new initiative in youth development. We will subsidise young people aged between 18 and 29 to serve in underprivileged areas in the Mainland for six to 12 months. Through the Service Corps, we hope to cultivate among young people the spirit to serve others and to enable them to gain personal growth, to enhance understanding of the nation and broaden horizon.

Supplementary Legal Aid Scheme Expansion

4. Legal aid service is an integral part of Hong Kong's legal system. Having studied the recommendations of the Legal Aid Services Council on the expansion of the Supplementary Legal Aid Scheme (SLAS), and taken into account the views of the Panel on Administration of Justice and Legal Services and relevant stakeholders, including the legal profession, we have finalized the Administration's position, and will consult the Panel on our proposals on 28 March 2011. Subject to the Panel's comments, we will proceed to draft legislative amendments to put in place the above proposals for expansion of SLAS, with a view to submitting the legislative proposals to the Legislative Council for consideration and approval later this year. We will also seek the approval of the Finance Committee to inject \$100 million into the SLAS Fund to facilitate the expansion of the scope of SLAS.

Community Care Fund

5. HAB will continue to provide secretariat service for the Steering Committee and its sub-committees in 2011-12 on, among other things, collating community views, mapping out assistance programmes, allocating funding and monitoring the implementation of the programmes. The Home Affairs, Education, Medical and Welfare Sub-committees are considering proposals on and priority of assistance programmes under their purview for consideration and endorsement by the Executive Committee and Steering Committee respectively.

Building Management

6. We have four priority areas in 2011-12 regarding building management, namely promoting building care culture, implementing the Building Management Professional Advisory Service Scheme, examining the regulation of the property management industry, and reviewing the Building Management

Ordinance.

7. On the promotion of building care culture, we are launching a series of new public engagement initiatives to provide appropriate support for various stakeholders and raise their awareness of building care culture. These initiatives include three major elements. First, we are establishing a panel of advisors to provide owners with impartial and authoritative advice; second, we are organising training courses in collaboration with tertiary institutes for office-bearers of owners' corporation (OC); and third, we are putting in place a platform for owners to share experience, thus promoting mutual help.

8. As for the implementation of the Building Management Professional Advisory Service Scheme, a pilot scheme was launched in April last year to invite property managers, in collaboration with Liaison Officers, to provide owners of old buildings with free professional advice and follow-up services on property management. The scheme was well received by owners. We will enhance the Building Management Professional Advisory Service Scheme in the next three years to strengthen support to owners of old buildings. We will identify target clusters of buildings in dilapidated condition in the urban areas with the largest number of old private buildings, and will engage property management companies to provide owners and OCs of these buildings with one-stop professional consultancy service and advice on building management and maintenance. The number of target buildings will increase from the current 50 to about 400 every year (i.e. 8 000 units).

9. We have obtained an additional annual provision of \$16 million involving five Liaison Officer posts for promoting building care culture and implementation of the Building Management Professional Advisory Service Scheme in the next three years.

10. As regards the regulation of the property management industry, in December last year, we commenced a public consultation exercise in this regard, which just ended on 15 March. During the consultation, we received views from various stakeholders, including owners, OCs, property management companies, related professional bodies, Legislative Council members, District Council members, and members of the public. We will collate and analyse the views received during the consultation period and expect that the key parameters of the proposed regulatory framework would be formulated by the middle of this year.

11. Regarding the review of the Building Management Ordinance, we have established the Review Committee on the Building Management Ordinance to commence the review of the Ordinance. The Committee will study the existing problems commonly found in respect of building management, and examine if these problems can be resolved through amending the Ordinance. The Committee will also make recommendations to the Government on measures to enhance the operation of OCs and to protect the interests of individual owners. The Committee plans to submit an interim report to HAB by end this year or early next year.

Enhancements of Remuneration Package for District Council Members

12. The coming District Councils (DC) Election will be held in end 2011. It is our established practice to review and announce the remuneration package for DC members about one year before the commencement of the DC Election, so that potential candidates are aware of the remuneration package before deciding whether to run in the Election. The review of the remuneration package was completed in 2010 according to plan. The Finance Committee of the Legislative Council approved the enhancements of the remuneration package at its meeting on 3 December last year. The enhancements will be implemented

in two phases. For example, the rate of Operating Expenses Reimbursement (OER) has been increased by 15% since January this year. And, with effect from January 2012, we will introduce an annual accountable Medical Allowance (MA) of \$26,970 and an End-of-Term Gratuity equivalent to 15% of the honorarium for DC members, and an Entertainment Expenses Reimbursement (EER) for DC Chairmen. We believe that the enhanced package would not only facilitate the DC members to discharge their duties more effectively, but also attract potential candidates to run in the Election and serve the community. We estimate that the annual additional expenditure arising from the increase in OER, and the introduction of MA for DC members and EER for DC Chairmen will be around \$34.14 million. The payment of the End-of-Term Gratuity will entail an expenditure estimated at about \$83 million for each DC term.

Enhanced Support Services for New Arrivals from the Mainland and Ethnic Minorities

13. As announced in the 2010-11 Policy Address and the 2011-12 Budget, HAD will set up a dedicated team to strengthen and integrate the support services for the new arrivals from the Mainland and ethnic minorities to help them integrate into the community as early as practicable. The Government will make good use of district networks and the services of district organisations and non-government organisations to better facilitate the integration of new arrivals and ethnic minorities into the community. Moreover, HAD will encourage new arrivals from the Mainland and ethnic minorities to continue to interact with the community, and to foster a sense of understanding, friendship and mutual help in the neighbourhood for the promotion of social harmony.

14. In 2011-12, HAD will be allocated with additional resources of \$9.6 million to create additional posts and to implement three major initiatives. First, HAD will launch the district-based integration programmes for ethnic minorities or new arrivals from the Mainland in districts with higher service demands.

Second, HAD will commission a non-government organisation to organise activities for prospective migrants from the Mainland. We will arrange those who were new arrivals to share experience with prospective migrants, to help them better understand the local environment before they come to live here. Third, HAD will implement an ambassador scheme. We will introduce services to ethnic minorities and new arrivals from the Mainland by arranging those with similar backgrounds and experiences to reach out to them, and to make referrals to Government departments where necessary.

Continued strengthening of our cultural software

15. It is estimated that government spending in respect of the culture and the arts will be over \$2.8 billion in 2010-11 (excluding expenditure on capital works).

16. To strengthen our cultural software and complement the development of the West Kowloon Cultural District, we have earmarked \$486 million for the five financial years from 2010-11 for enhancing the support for local arts groups, enriching the Hong Kong Arts Festival, providing internship and training opportunities for arts administrators, supporting students' participation in cultural activities, subsidising various projects in relation to the development and preservation of Cantonese opera, and stepping up the promotion of public arts, etc.

Arts Capacity Development Funding Scheme

17. The Finance Committee of the Legislative Council approved the injection of \$1.5 billion into the arts portion of the Arts and Sport Development Fund (ASDF) in July 2010, providing seed money to generate investment returns to support arts development. The Government, in collaboration with the Advisory Committee on Arts Development, is planning a new funding scheme

titled Arts Capacity Development Funding Scheme, making use of the investment returns of the ASDF and introducing matching grant elements, to promote the long-term development of local arts and culture.

18. The new funding scheme aims to open up a new avenue for arts groups and practitioners to seek funding support for arts initiatives/projects which are not covered by existing funding sources, especially those of a larger scale and a longer time frame as well as those that will strengthen the overall capacity of arts groups and practitioners. The new funding scheme aims to facilitate content development, build audience, promote arts education and strengthen capacity building of local arts groups.

19. Matching grant is new to the arts and cultural sector. It aims to enhance the support for small and medium arts groups, to strengthen their fundraising ability and to provide incentive for them to explore various funding sources. In addition, the funding scheme will help garner community support for the arts and encourage community participation in arts and culture. The initiative will help raise community resources, promote public and corporate support for the arts as well as nurture a tripartite partnership among the Government, arts groups and the private sector in the promotion of arts and culture in Hong Kong.

Enhancing cultural exchange with Guangdong, Macao and Taiwan

20. The Government has been promoting cultural exchange in addition to strengthening our cultural software and developing a new funding scheme. In this regard, Hong Kong has been co-operating closely with the Mainland. This year, we will put forward a number of cultural exchange activities. Apart from participating in the 12th Greater Pearl River Delta Cultural Co-operation Meeting, we will jointly organise with the Guangdong Province and Macao a number of new, large-scale co-operation events, including the joint presentation of a

Cantonese Opera performance and a large-scale dance show, and the co-organisation of major cultural exhibitions. Our local arts groups participated actively in the Expo last year, staging over 100 performances and various arts exhibitions in Shanghai. We hope to encourage exchange between artists in Hong Kong and their counterparts in the Mainland through these co-operation opportunities, and to enhance the public's appreciation of and participation in culture, thereby bringing our co-operation to the next level.

21. The "Hong Kong – Taiwan Cultural Co-operation Committee" was also established under the "Hong Kong – Taiwan Economic and Cultural Co-operation and Promotion Council" last year to further promote cultural exchange between Hong Kong and Taiwan and to serve as the counterpart of the "Cultural Co-operation Committee" under the "Taiwan – Hong Kong Economic and Cultural Co-operation Council". The two committees have decided to organise the first cultural co-operation forum in May this year in Hong Kong. Representatives of the cultural and creative industries will be invited to take part in it. The forum is expected to further enhance the exchange, liaison and co-operation of the two sides.

Promotion of Sports Development

22. In the 2011-12 Budget, the Financial Secretary proposes to set up a \$7 billion "Elite Athletes Development Fund" (EADF), using its investment return to replace the current subvention mode for the Hong Kong Sports Institute (HKSI) and making HKSI a world-class training centre.

23. Upon completion of the \$1.8 billion redevelopment project of HKSI by the end of 2013, its long-term objective will be to support up to 500 full-time athletes, and to provide them with a better training environment and facilities. The EADF will cater for the long-term development needs of the HKSI, including financial support to athletes, training programmes, sports science and

sports medicine, as well as education and employment counselling support.

24. Our key task now is to identify the operating mode for the EADF that best suits the needs of the HKSI, at the same time ensuring that public money will be properly spent. We will then seek approval from the Legislative Council Finance Committee to set up the fund.

25. The HKSI not only supports 14 elite sports, but also provides comprehensive support to about 230 athletes of non-elite sports and disabled athletes. In future, HKSI will be able to support more sports, and will identify students and young people with potential for development through the Talent Identification Programme.

26. Meanwhile, we can use the investment return from the ASDF to fund other sports programmes (including team sports), enhance the feeder programme and help athletes prepare for and participate in international events such as the Olympic Games and the Asian Games. The Leisure and Cultural Services Department will continue to provide subvention to more than 50 National Sports Associations through the Sports Subvention Scheme to promote the development of different sports programmes. The budget for 2011-12 is over \$200 million.

27. On sports venues, we will continue to build and plan new facilities. Apart from the on-going 15 capital works projects with a total investment of over \$9 billion, we will also proceed with the planning of more facilities, including the Multi-purpose Stadium Complex at Kai Tak.

28. This concludes my opening remarks. My colleagues and I will be glad to answer questions from Members. Thank you.