

**立法會**  
***Legislative Council***

LC Paper No. FC229/18-19  
(These minutes have been  
seen by the Administration)

Ref : FC/1/1(10)

**Finance Committee of the Legislative Council**

**Minutes of the 10<sup>th</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 4 January 2019, at 3:00 pm**

**Members present:**

Hon CHAN Kin-por, GBS, JP (Chairman)  
Hon CHAN Chun-ying, JP (Deputy Chairman)  
Hon LEUNG Yiu-chung  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Tommy CHEUNG Yu-yan, GBS, JP  
Prof Hon Joseph LEE Kok-long, SBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon WONG Ting-kwong, GBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon CHAN Hak-kan, BBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Hon Claudia MO  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Steven HO Chun-yin, BBS  
Hon WU Chi-wai, MH  
Hon YIU Si-wing, BBS  
Hon MA Fung-kwok, SBS, JP  
Hon Charles Peter MOK, JP  
Hon CHAN Chi-chuen  
Hon CHAN Han-pan, BBS, JP

Hon LEUNG Che-cheung, SBS, MH, JP  
Hon Kenneth LEUNG  
Hon Alice MAK Mei-kuen, BBS, JP  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung, JP  
Hon Dennis KWOK Wing-hang  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Dr Hon Helena WONG Pik-wan  
Hon IP Kin-yuen  
Dr Hon Elizabeth QUAT, BBS, JP  
Hon Martin LIAO Cheung-kong, SBS, JP  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, SBS, JP  
Hon CHUNG Kwok-pan  
Hon Andrew WAN Siu-kin  
Hon CHU Hoi-dick  
Hon Jimmy NG Wing-ka, JP  
Dr Hon Junius HO Kwan-yiu, JP  
Hon HO Kai-ming  
Hon LAM Cheuk-ting  
Hon Holden CHOW Ho-ding  
Hon SHIU Ka-fai  
Hon Wilson OR Chong-shing, MH  
Hon YUNG Hoi-yan  
Dr Hon Pierre CHAN  
Hon CHEUNG Kwok-kwan, JP  
Hon HUI Chi-fung  
Hon LUK Chung-hung, JP  
Hon LAU Kwok-fan, MH  
Dr Hon CHENG Chung-tai  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho  
Hon Gary FAN Kwok-wai  
Hon AU Nok-hin  
Hon Vincent CHENG Wing-shun, MH  
Hon Tony TSE Wai-chuen, BBS  
Hon CHAN Hoi-yan

**Members absent:**

Hon James TO Kun-sun  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Frankie YICK Chi-ming, SBS, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon Alvin YEUNG  
Hon SHIU Ka-chun  
Hon Tanya CHAN  
Hon Kenneth LAU Ip-keung, BBS, MH, JP

**Public officers attending:**

Ms Alice LAU Yim, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Carol YUEN, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Mike CHENG Wai-man	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Paul WONG Yan-yin	Principal Assistant Secretary for the Environment (Energy)
Mr Harry LAI Hon-chung, JP	Deputy Director of Electrical and Mechanical Services (Regulatory Services)
Mr CHAN Pak-cheung	Chief Engineer (Energy Efficiency B), Electrical and Mechanical Services Department
Mr LAU Kong-wah, JP	Secretary for Home Affairs
Mr Paul CHENG Ching-wan	Principal Assistant Secretary for Home Affairs (Recreation and Sport) 1
Ms Linda LAW Lai-tan	Principal Assistant Secretary for Home Affairs (Recreation and Sport) 2

**Clerk in attendance:**

Ms Anita SIT

Assistant Secretary General 1

**Staff in attendance:**

Ms Angel SHEK

Chief Council Secretary (1)1

Ms Ada LAU

Senior Council Secretary (1)7

Mr Frankie WOO

Senior Legislative Assistant (1)3

Miss Yannes HO

Legislative Assistant (1)7

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Action

The Deputy Chairman presided over the meeting for FCR(2018-19)68 as the Chairman had other commitments. The Deputy Chairman reminded members of the requirements under Rule 83A and Rule 84 of the Rules of Procedure. He also declared that he was an advisor of the Bank of China (Hong Kong) Limited.

**Item 1 — FCR(2018-19)68**

**RECOMMENDATION OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 7 NOVEMBER 2018**

**PWSC(2018-19)30**

**HEAD 705 — CIVIL ENGINEERING**

**Civil Engineering — Multi-purpose**

**45CG — District Cooling System at the Kai Tak Development**

2. The Deputy Chairman advised that this item sought the approval of the Finance Committee ("FC") for the recommendation of the Public Works Subcommittee ("PWSC") made at its meeting on 7 November 2018, i.e. the recommendation in PWSC(2018-19)30 to increase the approved project estimate of 45CG by \$1,039.8 million from \$3,905.7 million to \$4,945.5 million in money-of-the-day ("MOD") prices for implementing the remaining works under Phase III ("Phase IIIR") of the District Cooling System ("DCS") at the Kai Tak development ("KTD"). The item had been discussed by PWSC for 50 minutes, and the Administration had provided two supplementary information papers.

Financial estimates and cost recovery*Project cost*

3. Mr Gary FAN followed up on his concern raised at the PWSC meeting on how the capital and operating costs of DCS would be recovered over the estimated project life of 30 years. He asked for the specific data including the financial analysis, the assumptions made, and the annual estimates of the charges to be borne by users over the 30-year period.

4. The Principal Assistant Secretary for the Environment (Energy) ("PAS(E)") explained that the total cost of the DCS project was estimated to be \$4,945.5 million, and the funding approval now sought of \$1,039.8 million was for the remaining works under Phase III of DCS. As works for the project had to be carried out by phases, the Administration tendered out the works in phases and accordingly sought funding approval from FC in phases. The capital cost incurred by the Government would be recovered from users through charges over the 30 years of operation of DCS. These comprised the two components of capacity charge and consumption charge which, in addition to being subject to annual adjustments under the District Cooling Services Ordinance (Cap. 624) ("DCSO"), would also be reviewed at least once every five years with a view to achieving the cost recovery objective. PAS(E) added that the consultancy study on the project had estimated an internal rate of return of 4.94%, and the Administration had used this as the target.

5. Dr Helena WONG noted that some buildings to be connected to DCS in Phase IIIR were private developments, and enquired if the developers concerned would be required to share out the capital cost. As these included also the Sung Wong Toi Station and the Kai Tak Station which were properties of the MTR Corporation Limited ("MTRCL"), Dr WONG asked if MTRCL would share out the capital cost of the project to ensure proper spending of public money.

6. PAS(E) advised that DCS was designed for non-domestic developments, and users would have to pay both the capacity charge, which was equivalent to the recovery of the capital cost of DCS as well as operation and maintenance costs, and the consumption charge in accordance with the actual consumption of consumers. As with other users of DCS, MTRCL would also have to pay both charges.

7. Ms Claudia MO and Mr AU Nok-hin asked about the requirement for non-domestic developments to connect to DCS. PAS(E) advised that non-domestic developments were required by their land lease conditions to

provide facilities to connect to DCS, but there was no such requirement in the land leases for domestic developments as the energy efficiency effect of DCS for domestic developments was limited. Although subscription of the system was not mandatory, PAS(E) said that the Administration was confident of its usage having regard to the relatively lower cost for using DCS as compared with other cooling systems.

8. Dr Helena WONG enquired whether DCS would be sustainable after 30 years and whether profits would be generated thereafter. The Deputy Director of Electrical and Mechanical Services (Regulatory Services) ("DD of EMS (RS)") said that the life span of plant buildings was 50 years in general, while that of electrical and mechanical facilities might vary but they could be replaced. As for the generation of profits, PAS(E) said that there was no estimate at this stage.

9. Mr WU Chi-wai recalled 35 years having been used as the basis for the pay-back period when DCS was first discussed. He enquired whether the different completion dates of developments in KTD during the life span of DCS of 30 years, both in respect of phases already completed and the remaining phases, would impact on the pay-back period resulting in the non-recovery of part of the capital cost and hence a loss in public money. In response, PAS(E) affirmed that the different completion dates had been taken into account when estimating the cost recovery period.

10. As part of DCS had already come into operation, Mr WU Chi-wai enquired about the current financial status of DCS, including the tariff and charges collected, the costs for the operation and maintenance of the system, and the electricity and water charges, in order to ascertain whether its operation matched the target and progress of the recovery of capital and operation cost of DCS over a 30-year period as estimated by the Administration. PAS(E) undertook to provide a written response.

*[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC123/18-19(02) on 27 February 2019.]*

11. Ms Claudia MO sought explanation on the project cost of DCS which had increased progressively from \$1,671 million in MOD prices in 2009 to \$4,945.5 million in 2019. PAS(E) said that the increase of the total project cost to \$4,945.5 million had been explained to PWSC in 2013 as stated in paragraph 13 of PWSC (2013-14)12; the \$1,039.8 million now sought was for the remaining works of Phase III of the project. He reiterated that as DCS was a large-scale project which called for a cautious

approach, the Administration had taken forward the project by phases and called tenders by phases.

12. Mr CHAN Chi-chuen expressed doubt on whether DCS could achieve cost recovery in 30 years. Given that the Cruise Terminal at Kai Tak was already using the system, Mr CHAN asked if data was available to show its usage and the charges collected so far.

13. PAS(E) said that the financial estimates were made on the rate of return of the entire DCS, and statistics on cash flow figures would only be meaningful when all users had been connected for a longer period. He pointed out that it was not appropriate to divulge information on the charges on individual users, and the Cruise Terminal was not a commercial operation. It was owned by the Government and the charging mechanism would follow Government's internal financial procedures as explained to the Bills Committee on the District Cooling Services Bill. In response to Mr CHAN Chi-chuen on whether 30 years was a safe estimate, PAS(E) said that the internal rate of return of 4.94% was estimated by financial consultants having regard to those of similar projects.

14. Mr CHU Hoi-dick asked for the reason for the increase in the estimated capital cost of the proposed works for Phase IIIR from \$1,039.8 million as stated in paragraph 13 of PWSC(2015-16)62, to \$1,281.8 million as stated in paragraph 13 of PWSC(2018-19)30. He also asked for an itemized breakdown of the original estimate of \$1,039.8 million for the remaining phases of work. PAS(E) undertook to respond in writing.

*[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC123/18-19(02) on 27 February 2019.]*

### *Charges*

15. As DCS in KTD served both Government and private developments, Mr WU Chi-wai enquired if the former had to pay charges. He also asked if the charges collected would be used for the maintenance of the system, whether the maintenance and replacement costs would come from the 10% contingency fund, and the contingency plan if the 10% contingency fund was exhausted. PAS(E) affirmed that financial arrangements were in place for the settlement of nominal charges within the Government, and the charges to be collected had already taken into account the maintenance and replacement costs during the 30-year period.

16. Mr YIU Si-wing referred to the statement by the Administration on the DCS charges being set at a competitive level comparable to the costs of using water-cooled air-conditioning system ("WACS"), and asked for data on the savings in electricity tariff.

17. PAS(E) said that DCS charges were lower on average when compared to WACS and traditional air-cooled air-conditioning system. Indeed, a school visited by members had advised that it made savings in electricity tariff.

18. Mr YIU Si-wing enquired whether the few users now connected would impact on the internal rate of return of the high capital cost of the project. PAS(E) said that a mechanism for five-yearly reviews was in place. Nevertheless, he stressed that the actual figures were not significantly different from the forecast so far.

19. Mr LEUNG Yiu-chung expressed worries that users might have to pay high charges pursuant to the five-yearly reviews, and asked if there were contingency plans if the number of users fell short of expectation.

20. PAS(E) said that the mechanism was to conduct five-yearly reviews which was not tantamount to an automatic adjustment of charges, and DCSO prescribed reference to be made to changes in the Composite Consumer Price Index and the electricity tariff rate. The usage of DCS so far matched with the estimates. PAS(E) pointed out that the major expenses were in the capital cost which had already been committed, and no significant changes were envisaged. He added that the Bills Committee on the District Cooling Services Bill also agreed with the target of 30 years for the cost recovery period.

21. Mr Gary FAN referred to the supplementary information provided by the Administration on 28 August 2018 vide LC Paper No. CB(1)1356/17-18(01), and sought further clarification on the capacity charge and the consumption charge. He noted that the capacity charge rate was \$123.74 per kilowatt refrigeration in 2018-2019, and asked for the financial modelling and the charges applicable for the production of 284 megawatt cooling capacity per annum.

22. In response, PAS(E) said that an overall assessment of the annual income was not possible at that stage as only a few users had been connected to DCS. He reiterated that the internal rate of return was 4.94%, and indications so far were that this target would be achieved.



*Uncommitted balance*

23. Mr CHU Hoi-dick noted that the uncommitted balance from previous phases of work of \$242 million happened to be exactly the difference of the cost of Phase IIIR of \$1,281.8 million as stated in paragraph 13 of PWSC(2018-19)30 and the estimated increase in project cost of \$1,039.8 million as stated in paragraph 13 of PWSC(2015-16)62. He questioned if it was just incidental for the amount now sought of \$1,039.8 million to be the same as that estimated in 2016, i.e. even though the savings of \$242 million during the period between 2016 and 2019 should not have been known in 2016. He also enquired about footnote 2 of PWSC(2018-19)30 which stated that the \$242 million was made up partly of savings in surplus provision for price fluctuation of \$167.6 million.

24. DD of EMS (RS) confirmed the accuracy of the uncommitted balance of \$242 million. He explained that the savings were the results partly of a lower tender price than estimated for one of the phases of works, and partly because of fewer unexpected incidents resulting in bigger savings.

25. Mr CHU Hoi-dick considered the explanation unacceptable. He reckoned that surplus provision for price fluctuation should only arise either as a result of works being completed ahead of schedule or a lower rate of inflation. He pointed out that surplus contingencies should not be confused with surplus provision for price fluctuation. Mr CHU sought further clarification from the Administration.

26. In response, the Permanent Secretary for Financial Services and the Treasury (Treasury) ("PS(Tsy)") agreed that the provision for contingencies was different from the provision for price fluctuation. She explained that the latter was necessary because works were undertaken over a long period and tendered at different junctures. The Administration had taken into account the possibility of price fluctuation during the period when seeking funding approval of FC for the project. An uncommitted balance in the provision for price fluctuation might result if the actual contract price turned out to be lower than the estimate. As regards Mr CHU's query on whether the amount of \$1,039.8 million was incidental, PS(Tsy) referred to paragraph 13 of PWSC(2018-19)30 which stated that the estimated capital cost of the proposed works for Phase IIIR was \$1,281.8 million, which was higher than the original estimate of \$1,039.8 million. This higher amount would have been sought had there not been an uncommitted balance of \$242 million. She did not have the figures in hand but trusted that the

supplementary information to be provided by the Administration on the capital cost required would show the details.

27. In response to Mr CHU regarding footnote 2 of PWSC(2018-19)30, PAS(E) undertook to provide the source and an itemized breakdown of the provision for price fluctuation of the \$167.6 million which could be released from Phases I, II, IIIA, IIIB & IIIC of DCS.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC123/18-19(02) on 27 February 2019.]

Cooling capacity

28. In response to Mr Gary FAN, DD of EMS(RS) advised that DCS would provide 284 megawatts of refrigeration cooling capacity, involving 1,400 million kilowatt-hour cooling energy consumption, for over 40 users per annum when it came into full operation.

29. Mr Tony TSE enquired about the year in which DCS would reach its maximum capacity as this would impact on the internal rate of return. DD of EMS (RS) estimated that this would be achievable in 2025-2026 when all scheduled users were connected to DCS.

30. Mr AU Nok-hin pointed out that despite the Administration having planned for a contingency of an extra 10% cooling capacity on top of the provision of 284 megawatts of DCS in KTD, the total cooling capacity thus available would only add up to 312.4 megawatt. This might not be sufficient to cater to the need of developments outside the service boundary of DCS and such developments might want to be connected to the system. He enquired if the DCS had the flexibility to cater to such need.

31. Mr Christopher CHEUNG was likewise concerned with the capacity of DCS to cope with increases in demand. He pointed out that the maximum annual saving in electricity consumption of 85 million kilowatt-hour was only an estimate by the Administration, and enquired if developments which had commenced usage of DCS had so far recorded savings of this scale. Furthermore, as areas surrounding KTD were developing rapidly, he enquired if the Administration would increase the capacity of DCS and if not, whether another large-scale cooling system would be developed to cater to the need of commercial developments nearby.

32. In response to Mr AU, PAS(E) explained that the cooling capacity had been estimated on the basis of the scale of developments concerned and a range of other factors. While DCS could cater for an additional demand of 10% to meet the need of users within a short distance from KTD and they could make applications to the Electrical and Mechanical Services Department ("EMSD"), the cooling capacity of DCS had its design limit. He supplemented that works for laying pipes and electrical and mechanical facilities could be undertaken in one go for KTD as it was a new development area, but the capital cost would be significantly different if existing roads had to be re-opened for the laying of pipes and related works for users outside KTD.

33. As regards Mr Christopher CHEUNG's concern, DD of EMS (RS) advised that the estimated saving in electricity consumption of 35% was based on overseas experience. Since less than a quarter of the developments had been connected to DCS, an overall assessment would not be possible until the system had come into full operation. Nevertheless, an analysis conducted on some users such as schools had indicated savings in electricity tariff. At Mr CHEUNG's request, PAS(E) said that the Administration would monitor developments as well as the demand for cooling service in the vicinity of KTD.

34. Mr Tony TSE indicated support for the funding proposal. He enquired if the trend for providing DCS to major developments and the possibility of further expansion of DCS for KTD after Phase III had regard to the latest progress of building developments and the changes in the plot ratio of KTD.

35. PAS(E) acknowledged that the scale of DCS had been designed for some time, and that the existing DCS would not be able to meet the growth in projected cooling demand of user buildings including the New Acute Hospital; the addition of total commercial floor area arising from the increase in development intensity of KTD as announced in the 2017 Policy Address; and the Kai Tak Sports Park. The Administration had explained to the District Councils concerned the need for another site for an additional DCS. In response to Mr TSE's further enquiry, PAS(E) said that it would not be possible to use the northern or southern chiller plant rooms for the expansion as the capacity of these plant rooms had reached their respective design limit.

36. Noting that many changes had taken place since the planning of KTD, Mr WU Chi-wai asked whether the 10% extra contingency capacity would have to rely on the reserve capacity of the pipes or whether such capacity had already been built-in. Furthermore, he asked if the efficiency

of DCS could be increased to cope with an increase in demand exceeding 10%.

37. PAS(E) confirmed that the pipes could cope with an extra 10% contingency capacity and this had been provided for when planning for DCS. DD of EMS (RS) added that while the capacity for the pumping of water could be increased, the cooling capacity of the plants was limited by physical constraints and the maximum extra contingency capacity was 10%. In the event of the contingency fund being exhausted and the addition of plants becoming necessary, the need for extra funding would be envisaged.

#### Project monitoring

38. Mr AU Nok-hin referred to the incident in July 2018 when flooding of seawater occurred in the plant of DCS, and was worried about possible recurrence. Although EMSD had explained subsequently that it was a problem with the contractor and electronic monitoring devices had since been installed, Mr AU did not consider the incident acceptable for a new project and requested further explanation.

39. Mr LEUNG Yiu-chung also expressed concern about the incident and sought further details including whether the incident involved a poor quality of condenser gasket, works defect, faulty operation process or insufficient monitoring.

40. The Chief Engineer (Energy Efficiency B), Electrical and Mechanical Services Department explained that the incident was caused by the failure of the contractor in following fully the instructions of the supplier when replacing the condenser gasket. Although the contractor had conducted tests after the replacement and the condenser gasket had since been working well, the leakage occurred several months after the replacement probably on account of the displacement of the rubber lining of the gasket. He stressed that such an incident was rare. DD of EMS (RS) supplemented that EMSD had reviewed the situation and would enhance monitoring of the project through increased inspections and surprise checks.

#### Consumer protection

41. Dr KWOK Ka-ki was concerned with the protection of the rights of users during the project life of DCS. He enquired about:

- (a) the interval for the adjustment of the rate of charges;

- (b) whether users would have a choice of ceasing usage of the system in the event of the system becoming faulty in less than 30 years whereupon high charge rates might be set to cover replacement costs; and
- (c) whether users could participate in the management of the system to oversee issues relating to management, maintenance, award of contracts, etc.

42. PAS(E) said that for (a), a range of factors would be considered during the five-yearly reviews, and adjustments to the rate of charges would only be made on a need basis. On (b), the financial estimates had already taken into account the need for the maintenance and replacement of facilities. As for (c), DCS was being operated by a professional contractor under the monitoring of EMSD. In addition, EMSD had set up a customer liaison group to enhance communication with users and gauge their views on the operation of DCS and necessary improvement by the contractor. PAS(E) added that the contractor would maintain regular contact with users.

43. Dr KWOK Ka-ki expressed disappointment at the lack of channels for users to participate in the award of contracts and consider their cost effectiveness. He sought clarification on the duration of the management contract. PAS(E) reiterated that the financial estimates on the cost recovery period of 30 years had duly taken into account factors including the maintenance of the plants and the replacement of facilities. The expenditures were within those estimated for the project, and the works undertaken were in accordance with the Government's tender process and were monitored by EMSD. He clarified that the management contract signed with the contractor covered the period up to 2027.

44. Dr KWOK Ka-ki asked if the Administration could guarantee the smooth operation of DCS within the 30-year period, or otherwise bear the necessary costs. He also enquired if there were contingency plans for mishaps within the 30-year period.

45. PAS(E) reiterated that the financial analysis had estimated a project life of DCS of 30 years. While users could increase, decrease or terminate usage of DCS in accordance with the terms of the contract, he believed that users would continue to use the system given that it was more economical than the installation of traditional air-conditioning systems. DD of EMS (RS) added that the various plants had different life spans, and the major ones generally lasted for 30 years.

Overall urban planning

46. Dr CHENG Chung-tai said that the project was a major energy-saving infrastructure representing a breakthrough in urban planning by the Administration. He expressed concern on whether the Administration had set any specific target which could convince FC members of the worthiness of the project. He asked if related facilities were in place such as those of green buildings target set by the Government in Singapore.

47. PAS(E) affirmed that the Administration had formulated a policy to promote green buildings as part of Government's efforts to take forward energy efficiency and conservation. For Government buildings, a circular memorandum on Green Government Buildings had been issued to set out the requirements for all new Government buildings. For private buildings, the bill to amend the Inland Revenue Ordinance (Cap. 112) was passed by the Legislative Council ("LegCo") in November 2018 to enhance a tax concession for the capital cost of procuring building energy efficiency installations. To be qualified for this concession, a building should achieve a higher energy efficiency performance than that stipulated in the law.

48. Dr CHENG Chung-tai asked if the Administration would enhance its efforts in environmental monitoring, such as by comparing DCS in KTD with older commercial/industrial areas in Kwun Tong. He stressed the need to focus on the social value of projects in addition to their cost effectiveness. PAS(E) said that EMSD would update the information on its website as suggested.

Voting on FCR(2018-19)68

49. At 5:01 pm, the Deputy Chairman put item FCR(2018-19)68 to vote. At the request of members, the Deputy Chairman ordered a division. The Deputy Chairman declared that 40 members voted in favour of and no member voted against the item. Six members abstained from voting. The votes of individual members were as follows:

*For:*

Mr Tommy CHEUNG Yu-yan	Prof Joseph LEE Kok-long
Ms Starry LEE Wai-king	Mr CHAN Hak-kan
Mr WONG Kwok-kin	Mr Michael TIEN Puk-sun
Mr Steven HO Chun-yin	Mr WU Chi-wai
Mr MA Fung-kwok	Mr Charles Peter MOK
Mr CHAN Han-pan	Mr LEUNG Che-cheung

Mr Kenneth LEUNG	Ms Alice MAK Mei-kuen
Mr Dennis KWOK Wing-hang	Mr Christopher CHEUNG Wah-fung
Dr Fernando CHEUNG Chiu-hung	Dr Helena WONG Pik-wan
Mr IP Kin-yuen	Dr Elizabeth QUAT
Mr Martin LIAO Cheung-kong	Mr POON Siu-ping
Mr CHUNG Kwok-pan	Mr Andrew WAN Siu-kin
Dr Junius HO Kwan-yiu	Mr HO Kai-ming
Mr LAM Cheuk-ting	Mr Holden CHOW Ho-ding
Mr SHIU Ka-fai	Mr Wilson OR Chong-shing
Ms YUNG Hoi-yan	Dr Pierre CHAN
Mr LUK Chung-hung	Mr LAU Kwok-fan
Dr CHENG Chung-tai	Mr KWONG Chun-yu
Mr Jeremy TAM Man-ho	Mr Vincent CHENG Wing-shun
Mr Tony TSE Wai-chuen	Ms CHAN Hoi-yan
(40 members)	

*Abstained:*

Mr LEUNG Yiu-chung	Ms Claudia MO
Mr CHAN Chi-chuen	Mr CHU Hoi-dick
Mr Gary FAN Kwok-wai	Mr AU Nok-hin
(6 members)	

50. The Deputy Chairman declared that the item was approved.
51. The meeting was suspended at 5:06 pm, and resumed at 5:13 pm.

**Item 2 — FCR(2018-19)69**

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

**Subhead 700 — General non-recurrent  
Funding Support for Sports Development**

**New Item — "Major Sports Events Matching Grant Scheme"**

**New Item — "Injection into Arts and Sport Development Fund  
(Sports Portion)"**

**New Item — "Injection into Elite Athletes Development Fund"**

**New Item — "District Sports Programmes Funding Scheme"**

52. The Chairman presided over the meeting for FCR(2018-19)69.  
The Chairman said that this item sought the approval of FC for:

- (a) a new commitment of \$500 million for the implementation of the Major Sports Events Matching Grant Scheme ("Matching Grant Scheme");
- (b) a new commitment of \$1 billion for injection into the Arts and Sport Development Fund ("ASDF") (Sports Portion);
- (c) a new commitment of \$6 billion for injection into the Elite Athletes Development Fund ("EADF"); and
- (d) a new commitment of \$100 million for the implementation of the District Sports Programmes Funding Scheme ("District Funding Scheme").

The item had been discussed by the Panel on Home Affairs ("HA Panel") on 28 May 2018 and 25 June 2018 for a total of one hour and 42 minutes, and the Home Affairs Bureau ("HAB") had provided two supplementary information papers.

53. At the invitation of the Chairman and on behalf of Mr KWOK Wai-keung, the Chairman of HA Panel, Mr AU Nok-hin briefed members on the salient points of the Panel's discussion as set out in the ensuing paragraphs.

54. Mr AU Nok-hin said that HA Panel discussed the funding proposals for injections into ASDF (Sports Portion) and EADF at its meeting held on 28 May 2018, and the funding proposals for the Matching Grant Scheme and the District Funding Scheme at its meeting held on 25 June 2018. Members were generally in support of the four funding proposals. For the Matching Grant Scheme, some members were concerned with how the Administration could guarantee that the athletes or teams involved in the matches concerned were genuinely world-class, and whether the "M" Mark System would include other sports which might not yet have generated much public interest. As for the injection of \$1 billion into ASDF (Sports Portion), some members raised concern about the proposal for using not only its investment returns but also its capital base in future; some members considered that the Administration should maintain the capital base of the fund intact in the long run and study the means for increasing the annual investment returns.

55. On the proposal for an injection of \$6 billion into EADF, some members were concerned that the Hong Kong Sports Institute ("HKSI") might be overly reliant on Government funding and urged the Administration to encourage more sponsorships and donations from the



business sector and community. Members also considered that the Administration should enhance its funding support for non-elite sports and athletes. As for the District Funding Scheme, members were concerned with whether the funding allocation of \$100 million would be sufficient for all the district sports associations ("DSAs") in Hong Kong to organize multiple sports programmes for five years. Members also urged the Administration to address the shortage of sports facilities in Hong Kong. HA Panel members did not object to the submission of the four funding proposals to FC for consideration.

### Major Sports Events Matching Grant Scheme

#### *Monitoring of "national sports associations"*

56. Mr Andrew WAN expressed concern on the monitoring of "national sports associations" ("NSAs") by the Administration. By reference to the question he asked at a meeting of LegCo pertaining to staffing expenses under the Five-Year Strategic Plan ("the Plan") of the Hong Kong Football Association ("HKFA"), he enquired:

- (a) whether it was appropriate for staff remuneration for HKFA to constitute over 80% of the funding, whether a ceiling would be set, and the duties of the 27 posts stated in the reply to the said question by the Secretary for Home Affairs ("SHA"); and
- (b) whether NSAs including HKFA could be requested to make public their annual financial estimates including the remuneration and fringe benefits of staff including the Chief Executive Officer ("CEO"), Head Coach and other administrative staff.

57. Mr LAU Kwok-fan also enquired if the Administration could be more meticulous in examining the expenses of NSAs such as HKFA to ensure that funding support was appropriately spent on administrative staff and technical/professional staff respectively.

58. SHA said that the Government attached great importance to the monitoring and governance of NSAs and had commenced a comprehensive review which included, among other things, the financial support provided to NSAs for sports development as well as the monitoring of NSAs. To ensure the prudent use of public funds, the Administration would monitor the operation of NSAs including their use of funding for organizing sports events, the remuneration and fringe benefits of their staff, etc. The

Administration would make public the review findings which would be available in 2020.

59. On funding support for HKFA, the Principal Assistant Secretary (Recreation and Sport)1 ("PAS(R&S)1") said that its objective was to ensure HKFA's appointment of staff required to discharge the duties for football development. Apart from CEO, other staff involved included the Head Coach, Technical Director, Women's Football Manager, Grassroots Football Manager, Futsal Manager and other support staff such as those for the new Football Training Centre in Tseung Kwan O. HKFA was required to submit annual funding applications, which would cover staffing requirements and their remuneration, to the Football Task Force ("FTF") for endorsement. FTF was comprised of independent members knowledgeable to the local football sector and would provide advice to HAB. He added that no target was set on the percentage to be spent on staff remuneration.

60. Mr Andrew WAN welcomed the Administration's review on the governance of NSAs and asked whether NSAs in receipt of subvention were required to submit financial statements to the Government. On the funding support for HKFA, he enquired whether the Administration would set a ceiling on the percentage of staff remuneration to be subvented. He also pointed out that of the target spectators of 1 500 per event in the Hong Kong Premier League as stated in the Plan, only 1 200 spectators were recorded. He asked how the Administration could monitor and ensure the achievement of targets set by NSAs and provide assistance where necessary.

61. PAS(R&S)1 replied that, pursuant to the subvention agreement signed between the Leisure and Cultural Services Department ("LCSD") and respective NSAs, NSAs were required to provide their audited annual financial statements to LCSD. In addition, for funding support under ASDF which was project-based, NSAs were required to provide financial estimates on each application. As such, the financial monitoring of NSAs was already in place.

62. As for HKFA, PAS(R&S)1 said that the Plan was subject to very strict scrutiny as HKFA was required to submit annual funding applications to HAB which in turn would forward the applications to the FTF for examination of, amongst other things, the appropriateness of the staff remuneration levels. PAS(R&S)1 said that HAB had reported to HA Panel a few months ago that an interim review conducted on the Plan had shown that the number of spectators of some events was not ideal. However, HAB noted simultaneously that HKFA had done well in

promoting women and youth football. The overall assessment was that HKFA had performed well in many respects, and HAB had asked for improvement in certain aspects.

63. In response to further enquiry from Mr Andrew WAN, PAS(R&S)1 said that LCSD would assess performance of each subvented NSAs on an annual basis. For NSAs which performance fell short of the requirements, LCSD would provide them with advice and assistance as appropriate. He pointed out that the review being undertaken by the Government aimed at, among other things, enhancing the corporate governance of NSAs including the composition of their management committees, appointment of independent directors, etc.

64. Mr LAU Kwok-fan expressed strong support for the development of elite sports and district sports, and pointed out that the remarkable achievements of Hong Kong athletes in major international events in recent years had raised the concern and popularity of sports amongst Hong Kong citizens. He was, nevertheless, worried about complaints regarding the unfair selection of athletes by NSAs for participation in international competitions, and enquired how the Administration handled such complaints and the circumstances under which subsidies for NSAs found to have misbehaved might cease.

65. SHA reiterated that the Government attached great importance to the governance of NSAs. Insofar as the selection of athletes for participation in international sports events was concerned, it was the prerogative of the Sports Federation & Olympic Committee of Hong Kong, China ("SF&OC") and respective NSAs. Having due regard to the Olympic Charter, the Government would not intervene with the selection criteria and process but require that the selection mechanism should be fair and transparent. Should there be any complaints, for instance the recent concerns regarding the selection of swimming athletes representing Hong Kong to participate in the Asian Games, the Government would look into the case.

66. Mr LAU Kwok-fan urged the Administration to review and address the problem expeditiously. He considered that the Administration should be more open and interact more with LegCo Members when handling complaints, and safeguard the interests and well-being of complainants.

67. Mr KWONG Chun-yu, Mr WU Chi-wai, Mr CHAN Chi-chuen and Mr LEUNG Yiu-chung expressed similar concerns. Mr KWONG asked whether the Administration would intervene if there were complaints and whether any penalty would be inflicted on NSAs should the complaints be

found substantiated. As significant sums of public funds were involved, he highlighted the need for the Administration to perform its monitoring role in the event of unfair selection to ensure fair treatment to athletes. Mr CHAN saw a need for the Administration to require subvented NSAs to enhance the transparency of their operation including their financial position. He enquired if the financial statements of NSAs were in the public domain, whether their transparency could be increased, and whether there was a mechanism to cease the granting of subvention to NSAs.

68. SHA restated that NSAs had established criteria and guidelines for the selection of athletes for participation in international events and such information was available on their websites. In addition, SF&OC also had its established procedures. The Government would not intervene in the selection process. However, if the selection process was found to be unfair, or in the event of complaints, suggestions and enquiries, the Government would follow up the matter with NSAs concerned.

69. Mr LAM Cheuk-ting reiterated his concern about the selection of athletes for participation in international events. Referring to the selection of swimming athletes representing Hong Kong to participate in the 2018 Asian Games, he said that notwithstanding that the Hong Kong Amateur Swimming Association had made public its selection criteria, malpractices regarding the selection of athletes and the allocation of swimming lanes at public swimming pools continued to exist in the swimming sector; these were unfair to elite athletes.

70. Dr Fernando CHEUNG said that the governance of NSAs was highly unsatisfactory. He considered that the Administration should specify basic requirements and standards on issues such as the composition and structure of the governing boards. He suggested that reference be made to the Best Practice Manuals governing the management of non-governmental organizations in the welfare sector which receive government subvention.

71. SHA assured members that the Government would duly consider views expressed by members on the monitoring of NSAs in the course of the review and make public the review results.

#### *The "M" Mark System*

72. Ms Claudia MO asked for the reason for specifying the different attendance rates for eligible events for the "M" Mark System as stated in paragraph 7 of FCR(2018-19)69, and how the problems of malpractices and profiteering in the sale of tickets could be addressed.

73. The Principal Assistant Secretary (Recreation and Sport)2 ("PAS(R&S)2") explained the rationale for proposing the different attendance rates. The seating capacity of the Hong Kong Stadium was 40 000 spectators, past experience showed that a successful event should at least be able to attract 15 000 paid admissions there. On the other hand, indoor venues such as the Hong Kong Coliseum and the Queen Elizabeth Stadium had much less seating capacity and tournament held in these venues often had qualification rounds over a few days. With this consideration, a minimum of 8 000 accumulated paid admissions per event had been proposed for these venues. In response to Ms Claudia MO, PAS(R&S)2 advised that the alphabet "M" stood for "Major", i.e. "Major sports events". She also confirmed that NSAs were required to submit auditors' reports to confirm the paid admissions.

74. Mr MA Fung-kwok indicated strong support for the funding proposals to enhance sports development. He cited the recent case of the WTA Elite Trophy Zhuhai in the Mainland which received a total sponsorship of RMB40 million from the public and private sectors, and said that it set a good example for the Administration to explore more events worthy of support. He considered that events such as rowing and aviation activities were attractive. However, as these events were held at sea or in the open air instead of in stadiums or football pitches, he enquired how the Administration would assess whether or not such events should be supported. He considered that the Administration should formulate more favourable and supportive policy to enable such events to acquire the "M" Mark status.

75. Mr MA Fung-kwok also pointed out that although the "M" Mark System had supported 12 major sports events in 2018, only three such events involved financial sponsorship while the remaining nine were only on acquisition of the "M" Mark status. He also considered the total funding support of \$11 million in 2018 far from ideal, and asked if improvements were envisaged with the proposed changes in funding arrangements.

76. In response, PAS(R&S)2 said that all events with "M" Mark status were qualified events. Currently, a requirement was in place for the surplus from an "M" Mark event to be returned to the Government if it had not been deployed for "M" Mark event(s) of the same series within two years. In response to views on this requirement, the Administration had proposed enhancing flexibility in the use of event surplus. As regards the nine events involving the acquisition of the "M" Mark status, PAS(R&S)2 said that venue subsidy was made by the Government in the use of LCSD venues and the Hong Kong Coliseum. The Administration envisaged that

the number of applications under the "M" Mark System would increase significantly with the introduction of the afore-stated flexibility.

77. Mr AU Nok-hin further enquired if only 12 major sports events in a year matched the target of the Matching Grant Scheme, the number of applications not approved and the reasons, whether the application criteria would be relaxed to facilitate applications by NSAs, and the reason for some event organizers not having applied for subsidy.

78. PAS(R&S)2 advised that there was one unsuccessful application under the Matching Grant Scheme in which the organizer applied for support for a cricket tournament. As the organizer was subsequently unable to secure commercial sponsorship, it was not possible for the Government to provide the matching grant. To enable more major sports events to be held in Hong Kong, the Government had proposed to expand the scope of the Matching Fund Grant to cover competitions organized by NSAs, and which involved world-class athletes and could attract a huge audience.

79. Commenting on the unsuccessful application, Mr AU Nok-hin suggested that the Administration should review and relax the approval criteria. He also considered it important for Hong Kong athletes to participate in major events such as the Premier League Asia Trophy which attracted an overwhelming number of audience. He was disappointed with only four British teams participating in the event in 2018 without any teams from Hong Kong, and enquired if the Administration could establish a mechanism to ensure the participation of Hong Kong athletes.

80. PAS(R&S)2 affirmed that the scoring system would award additional marks to events with participation of Hong Kong athletes, both in respect of obtaining the "M" status and funding support.

81. In assessing whether an event should be supported, Mr WU Chi-wai considered it more important to have regard to the standard and international status of the sports concerned rather than the size of the audience. He also sought clarification on whether there were differences in the amount of subsidy NSAs would get when their athletes obtained gold, silver and bronze medals respectively, and whether the difference in not winning a gold medal would be so big as to impact on the development of the sports concerned in Hong Kong.

82. PAS(R&S)2 said that under the existing "M" Mark Scheme, the status of the event in the international sports calendar was the most important factor for consideration of support, e.g. higher scores were

awarded if the event was a world championship. She pointed out that some events such as the Longines Masters of Hong Kong might not be that familiar to the Hong Kong community but was supported under the Matching Grant Scheme because it was of international significance to the sport concerned. The support for these events would be strengthened under the new funding proposal. In addition, the Administration proposed to expand the scope of the "M" Mark System to support exhibition matches which might not be featured in the international sports calendar. The objective was to give the Hong Kong audience more opportunity to enjoy top performance of world class athletes and/or teams.

83. PAS(R&S)1 added that regarding the eligibility of support to elite sports, achievements of both senior and junior athletes of NSAs would be taken into account, and that different scores were applicable to different levels of sports events, and that such scores could be accumulated over a period of four years. Generally speaking, there was no difference in scores awarded for gold, silver and bronze medallists.

84. Mr CHAN Chi-chuen expressed concern on some major international events such as the Hong Kong Gay Games 2022 being ineligible for funding support because these were not initiated by NSAs. He enquired if consideration could be given to applying flexibility to support such events in future. SHA said that events currently supported were organized by NSAs which were knowledgeable about the rules and resources required. The Government's main role was in the provision of venues or resources.

#### Arts and Sport Development Fund (Sports Portion)

85. Mr MA Fung-kwok expressed worries about the financial status of ASDF (Sports Portion). With an injection of \$1 billion to the existing balance of less than \$1.5 billion, and based on an average annual investment return rate of 4% and an annual expenditure of about \$140 million as estimated by the Administration, the funds would be exhausted very soon resulting in a need for the capital base to be used.

86. In response, SHA said that the current financial position of ASDF (Sports Portion) indicated the need to inject funds into its capital base. At the same time, the Government had also proposed that the future use of ASDF should not be limited to its investment returns, such that the capital base could also be used if necessary to provide funding support for sports projects in a more flexible manner. He agreed that more could therefore be done to encourage the organization of more major events in Hong Kong,

and envisaged that the completion of the Kai Tak Sports Park would help in this respect.

87. Mr LUK Chung-hung considered it important for the Administration to formulate, in addition to the current three policy objectives in the promotion of sports, a new policy on the industrialization of sports development to ensure its sustained development, with the Commerce and Economic Development Bureau to assume the role in addition to HAB. He suggested that funding support from ASDF (Sports Portion) should be provided to the Radio Television Hong Kong ("RTHK") or other news media to produce sports and publicity programmes on popular sports such as football. There would be enhanced publicity for the respective sports once these programmes gained popularity. Hence, commercial sponsorship would be attracted which would contribute to the industrialization and self-sustainability of the respective sports. He had approached RTHK for matters relating to live broadcast of football matches but unfortunately learnt that RTHK was in lack of funds.

88. Mr LAU Kwok-fan also suggested allocating a dedicated frequency channel for sports to facilitate the broadcasting by RTHK of sports events such as inter-school matches and football competitions.

89. In reply, PAS(R&S)1 advised that consultation had been made with RTHK which agreed with the direction on promoting sports events in Hong Kong. RTHK had increased the broadcast of non-commercial sports events such as inter-school competitions. However, it might not be appropriate for the Government to subsidize the broadcast of sports events with commercial elements, such as the Hong Kong Premier League, as the broadcast of these events would be commercial decisions of the organizers concerned. He understood the restrictions faced by RTHK and would explore further with RTHK.

90. Mr LUK Chung-hung enquired about, in the context of broadcast of sports events, the yardstick used by the Administration in considering an event as one containing commercial elements. In response, PAS(R&S)1 briefly mentioned that for instance, the Hong Kong Premier League was a professional football competition and was different from the 1<sup>st</sup> Division and 2nd Division football competitions which were amateur events. Mr LUK said that the Administration should be more open-minded in evaluating commercial elements of sports events with regard to providing subsidies to their broadcast. He considered that professionalization was not equal to commercialization. He noted that media were paid to broadcast the Hong Kong Premier League.



91. PAS(R&S)1 assured members that HAB was supportive of sports development and had dedicated resources to launch publicity programmes during the Asian Games and Olympic Games to further promote sporting culture in Hong Kong with the hope that more citizens could enjoy such sports events.

#### Elite Athletes Development Fund and District Sports Programmes Funding Scheme

##### *Sufficiency of funding*

92. Ms Claudia MO pointed out that the \$6 billion proposed for EADF was significantly higher than the \$100 million proposed for the District Funding Scheme. She enquired if the Administration would reduce the former to \$5 billion, thereby making available an additional \$1 billion to the latter to promote district sports development.

93. Mr MA Fung-kwok shared similar concern about inadequate funding for the District Funding Scheme. While he applauded the injection of \$6 billion into EADF, he highlighted that many elite athletes came from schools and districts before their admission to HKSI. He considered the \$100 million for the District Funding Scheme inadequate, in particular as potential elite athletes had to rely on coaches, DSAs and schools for training.

94. SHA shared members' views on the need for enhancing financial support for both elite athletes and other athletes, and said that the Administration accordingly had proposed funding support for both sectors. He stressed, nevertheless, that the two were not mutually exclusive. EADF was available to ensure that HKSI had sufficient resources to support elite sports. While investment return and interests from the capital base of EADF used to form the source of funding from the Government to HKSI, such investment income had been fluctuating and became insufficient to meet the increasing funding requirements of HKSI. As such, an injection of \$6 billion was proposed to support the development of elite sports. As significant resources were so allocated internationally, any inadequacy in resources would adversely affect the performance of elite athletes in Hong Kong.

95. SHA further said that the Government also attached great importance to the promotion of sports in the community and had therefore recommended a new commitment of \$100 million for this purpose. The allocation of resources to districts was very important for promoting sports in the community and the grooming of talents to ensure the development of

more elite athletes. DSAs welcomed the proposed District Funding Scheme and the proposed allocation amount would serve as a starting point for the new Scheme. Noting that the funding requirements of the new Scheme would depend on the demands and capabilities of DSAs, the Government would review the Scheme after its initial implementation, and would not rule out the possibility of increasing the funding provision if there existed such a demand from the districts.

*Support for small-scale district sports organizations*

96. Mr Gary FAN noted that the District Funding Scheme would only apply to the 21 DSAs in the 18 districts in Hong Kong which were receiving subvention from the Home Affairs Department ("HAD"). He enquired if the Administration would consider opening up applications to other small-scale district sports organizations to enhance competition among them and promote new and a wider variety of sports programmes.

97. PAS(R&S)1 pointed out that the District Funding Scheme was a new scheme. It would initially cover the 21 DSAs which were subsidized by HAD, had experience in organizing sports programmes with government funding, and had abilities to use government funding appropriately. He added that in reviewing the Scheme after its initial implementation for the first few years, consideration would be given to expanding the scheme to cover other district sports organizations. In the meantime, other district sports organizations could co-organize sports programmes with the 21 DSAs under the scheme.

98. Mr Gary FAN again urged the Administration to consider opening up the scheme to some other district sports organizations to promote competition among district sports organizations and diversity of sports programmes. PAS(R&S)1 undertook to consider this suggestion during the review.

99. In response to Mr LEUNG Yiu-chung on how the Administration could support small-scale district sports organizations which also organized programmes such as leisure classes and sport fun days, PAS(R&S)1 explained that the proposal for the funding allocation was made based on the operation, events organized and the resources of DSAs which received support from District Council Funds for Community Involvement Projects ("CI Funds"). He pointed out that the scale of the 21 DSAs varied, and the total funding of \$17 million received by DSAs from CI Funds in 2017-2018 comprised allocations ranging from below \$1 million to \$4 million. The Government's estimate was that DSAs would apply for funding having regard to their own capabilities and the scale of the sports

events and programmes, and as such, had proposed not to distribute the funding evenly amongst the 18 districts.

*Grants for athletes*

100. Mr LUK Chung-hung pointed out that Tier A and A\* elite athletes who were Olympic Games and Asian Games medallists received monthly grants of over \$30,000. Although this amount was insufficient for professional athletes, their income could be supplemented by commercial sponsorship or income from advertisements. However, Tier B and C elite athletes only received monthly grants of \$14,000 and \$10,000 respectively, notwithstanding the requirement for them to perform well in National Games and Asian Games. He considered such amounts clearly insufficient. Having regard to the injection of \$6 billion for EADF, Mr LUK enquired if the rates of the grants could be enhanced so that elite athletes did not have to be worried about their livelihood and could concentrate on their training. He also asked if monthly grants could be provided to potential elite athletes.

101. PAS(R&S)1 said that the support to elite athletes at HKSI including strength and conditioning, sports science, sports medicine, training, overseas trips, accommodation and meals were all funded by EADF. As such, the Government considered the existing rates of grants appropriate. As for potential elite athletes, the Government had launched recently the Five-Year Development Programme for Team Sports where athletes who were selected for the Hong Kong Team in eight team sports were eligible for monthly grants of \$4,000. This new Programme would be reviewed in one to two years' time.

102. While indicating support for the funding proposal for EADF, Dr Fernando CHEUNG expressed concern on the disparity in treatment between elite athletes and those with disabilities. He noted that there had been improvement lately with the launching of the Pilot Scheme for Elite Vote Support System for Disability Sports, and many athletes funded by the pilot scheme had won medals at the Asian Para Games. However, he saw a need to close gaps such as the monthly grants of \$30,000 for Tier A elite athletes but \$20,000 for those with disabilities, and the former being assessed through a marking scheme once every four years but the latter once every two years. He urged the Administration to expedite efforts in narrowing the above-stated differences, and also provide support to assist athletes with disabilities to return to their jobs.

103. PAS(R&S)1 said that a review was underway with a view to devising a long-term Elite Vote Support System for disability sports. The

Government had maintained close contact with athletes with disabilities and their NSAs, and would give due regard to their views. There was no conclusion on the grants for disabled athletes at this stage.

### Related concerns

#### *Venues*

104. Mr Michael TIEN indicated support for funding for sports development but expressed worries about related facilities such as the inadequacy of venues. He referred to the cancellation of a cycling competition in the previous month because of traffic problems, and sought response on his suggestion for the construction of a multi-purpose indoor venue in Yan O on Lantau Island which could cater to a large audience. His understanding was that HAB was in support of the proposal.

105. SHA agreed that venues were important for sports development in Hong Kong apart from resources, and the Government was making every effort in this respect. In addition to works commencing soon on the Kai Tak Sports Park, another sports park was also planned for in Sha Tin. Yan O was another possibility but no development plan had yet been made. He advised that each bureau would make its own assessment and proposals to facilitate overall assessment from the respective policy angles. In response to Mr TIEN, SHA said that the Development Bureau would be responsible for the overall planning of land use for the Yan O reclamation and coordinating all proposals received.

#### *Overall review*

106. Mr AU Nok-hin took the view that the various funds relating to sports development were repetitive and confusing. He enquired if the Administration would review the funds and rationalize them.

107. SHA said that the Government had established different channels and platforms to enable stakeholders in various districts and sectors to take part in sports activities. For example, LCSD had been actively promoting popular activities in the 18 districts, and youth training programmes now launched by NSAs were initially district-based. The new District Funding Scheme had been proposed to better equip DSAs to promote more sports activities. SHA considered the existing mechanism appropriate when viewed from a multi-dimensional angle, but agreed that the arrangements could be looked into in the future where appropriate.

108. At 6:56 pm, the Chairman declared that the meeting be extended by 15 minutes.

Voting on FCR(2018-19)69

109. At 7 pm, the Chairman put the four recommendations pertaining to FCR(2018-19)69 to vote seriatim: (a) Major Sports Events Matching Grant Scheme; (b) Injection into Arts and Sport Development Fund (Sports Portion); (c) Injection into Elite Athletes Development Fund; and (d) District Sports Programmes Funding Scheme.

*The first voting: Major Sports Events Matching Grant Scheme*

110. The Chairman declared that the majority of the members present and voting were in favour of this recommendation. The recommendation was approved.

*The second voting: Injection into Arts and Sport Development Fund (Sports Portion)*

111. The Chairman declared that the majority of the members present and voting were in favour of this recommendation. The recommendation was approved.

*The third voting: Injection into Elite Athletes Development Fund*

112. At the request of members, the Chairman ordered a division. The Chairman declared that 23 members voted for and 1 member voted against the recommendation. Eight members abstained from voting. The votes of individual members were as follows:

*For:*

Mr Tommy CHEUNG Yu-yan	Ms Starry LEE Wai-king
Mr WONG Kwok-kin	Mrs Regina IP LAU Suk-yee
Mr Michael TIEN Puk-sun	Mr Steven HO Chun-yin
Mr MA Fung-kwok	Mr Charles Peter MOK
Ms Alice MAK Mei-kuen	Dr Fernando CHEUNG Chiu-hung
Dr Elizabeth QUAT	Mr HO Kai-ming
Mr Holden CHOW Ho-ding	Mr SHIU Ka-fai
Mr Wilson OR Chong-shing	Ms YUNG Hoi-yan
Dr Pierre CHAN	Mr CHAN Chun-ying
Mr LUK Chung-hung	Mr LAU Kwok-fan
Mr Gary FAN Kwok-wai	Mr Vincent CHENG Wing-shun

Mr Tony TSE Wai-chuen  
(23 members)

*Against:*

Mr James TO Kun-sun  
(1 member)

*Abstained:*

Mr LEUNG Yiu-chung  
Mr CHAN Chi-chuen  
Mr Andrew WAN Siu-kin  
Dr CHENG Chung-tai  
(8 members)

Ms Claudia MO  
Dr Helena WONG Pik-wan  
Mr CHU Hoi-dick  
Mr AU Nok-hin

113. The Chairman declared that the recommendation was approved.

*The fourth voting: District Sports Programmes Funding Scheme*

114. The Chairman declared that the majority of the members present and voting were in favour of this recommendation. The recommendation was approved.

115. The meeting ended at 7:07 pm.

Legislative Council Secretariat  
30 August 2019