

立法會 *Legislative Council*

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Finance Committee of the Legislative Council

Minutes of the 5th meeting held at the Legislative Council Chamber on Friday, 13 January 2006, at 2:30 pm

Members present:

Hon Emily LAU Wai-hing, JP (Chairman)
Hon CHAN Kam-lam, SBS, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP
Hon LEE Cheuk-yan
Hon Martin LEE Chu-ming, SC, JP
Dr Hon David LI Kwok-po, GBS, JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, SBS, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Yuen-han, JP
Hon Bernard CHAN, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Dr Hon YEUNG Sum
Hon LAU Kong-wah, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Miriam LAU Kin-yee, GBS, JP

Hon CHOY So-yuk, JP
Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Vincent FANG Kang, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon LI Kwok-ying, MH
Dr Hon Joseph LEE Kok-long
Hon Daniel LAM Wai-keung, BBS, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon MA Lik, GBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Dr Hon KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Hon CHEUNG Hok-ming, SBS, JP
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon Patrick LAU Sau-shing, SBS, JP
Hon Albert Jinghan CHENG
Hon KWONG Chi-kin
Hon TAM Heung-man

Members absent:

Hon LAU Chin-shek, JP
Hon LI Fung-ying, BBS, JP

Public officers attending:

Mr Frederick MA Si-hang, JP	Secretary for Financial Services and the Treasury
Mr Alan LAI Nin, GBS, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Miss Elizabeth TSE, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1

Mr Alfred FOK	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr C K WONG, JP	Director of Drainage Services
Mr P K CHAN	Chief Engineer (Sewerage Projects) of Drainage Services Department
Mr Raymond FAN	Deputy Director of Environmental Protection
Dr Malcolm James BROOM	Assistant Director of Environmental Protection (Water Policy)
Professor Arthur LI, GBS, JP	Secretary for Education and Manpower
Mrs Fanny LAW, GBS, JP	Permanent Secretary for Education and Manpower
Ms Bernadette LINN	Deputy Secretary for Education and Manpower (2)
Mr Billy WOO Tak-ying	Assistant Secretary for Education and Manpower (Language Education)
Dr Patrick HO, JP	Secretary for Home Affairs
Mr Eddie POON	Principal Assistant Secretary for Home Affairs
Ms Anissa WONG, JP	Director of Leisure and Cultural Services
Mr Alan SIU, JP	Deputy Director of Leisure and Cultural Services (Leisure Services)

Clerk in attendance:

Ms Pauline NG	Assistant Secretary General 1
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Staff in attendance:

Miss Becky YU	Chief Council Secretary (1)1
Mrs Mary TANG	Senior Council Secretary (1)2
Ms Caris CHAN	Senior Legislative Assistant (1)1
Mr Frankie WOO	Legislative Assistant (1)2

Action

Item No. 1 - FCR(2005-06)37

**RECOMMENDATIONS OF THE ESTABLISHMENT SUBCOMMITTEE
MADE ON 7 DECEMBER 2005**

Mr CHEUNG Man-kwong requested separate voting for EC(2005-06)6 regarding the proposed reorganization of the Chief Executive's (CE's) Office. His request was supported by Mr LEE Cheuk-yan. The Chairman put FCR(2005-06)37 except EC(2005-06)6 to the vote. The Committee approved the proposal.

**EC(2005-06)6 Proposed reorganisation of the Chief Executive's Office
with effect from 1 February 2006 to provide better support
to the Chief Executive**

2. The Chairman said that as members had not given prior notification on their request for separate voting on EC(2005-06)6, public officers responsible for this proposal had not been invited to attend the meeting to answer members' questions. Nevertheless, she would allow members to express their views on the proposal. Mr CHEUNG Man-kwong said that he had made it clear at the Establishment Subcommittee (ESC) meeting on 7 December 2005 that Members of the Democratic Party (DP) were opposed to the proposal. He opined that the Administration often used the strengthening of communication between the Chief Executive in Council (CE in Council) and the Legislative Council (LegCo) as the main excuse for creating additional posts in the CE's Office, but no efforts had been made in this respect following the creation of the posts. He further pointed out that the Chief Executive (CE)'s Office had been in operation for a long time without the proposed posts. By way of illustration, the Media Section had been planning and managing CE's publicity programmes as well as handling press enquiries in the absence of an Information Coordinator. Therefore, DP Members failed to see the need for the proposed posts and would uphold their opposition to the proposal.

3. Mr LEE Cheuk-yan said that when the proposal was discussed at the joint meeting of the Panel on Public Services and the Panel on Constitutional Affairs on 21 November 2005, he had also made it clear that he was opposed to the proposal. He did not see the need for the post of Information Coordinator at D4 level to coordinate public relation (PR) duties for CE's Office when these could be done by staff deployed from the Information Services Department. Besides, there were already directorate posts within CE's Office responsible for coordinating PR related work. He was disappointed that the Administration had declined a funding commitment of only \$2 million for the provision of a 24-hour crisis intervention service for victims of sexual violence, but was willing to spend much more to improve support for the CE's Office, which in his view demonstrated the use of double standards on the part of the Administration. It appeared that the strong governance advocated by CE was not intended to address the livelihood problems faced by the community.

4. Mr LEE Wing-tat said that Finance Committee (FC) should be vigilant about the funding proposal since the proposed creation of two permanent posts of Administrative Officer Staff grade A and Information Coordinator would incur an additional staff remuneration of \$3.6 million per annum. Noting that the duties of these two permanent posts had all along been shared by the existing staff of CE's Office, he failed to see why the incumbent CE had to engage two additional staff to handle the work when the former CE could manage without them. Given that there were only 18 months left in the current term of office of the incumbent CE, there were public concerns whether the proposed posts were intended to pave way for the incumbent CE to seek re-election for the next term of office. He also concurred with

Mr LEE Cheuk-yan that the Administration was very mean in allocating resources for the welfare sector while very generous in the expenditure for the CE's Office. He therefore would not support the proposal.

5. Given that the Government was still suffering from budget deficit, Miss TAM Heung-man questioned why consideration was being given to spending more on the creation of posts. She further queried the need for the proposed posts for the incumbent CE when these were not required by the former CE. She also shared the concern that the creation of posts was intended to assist the incumbent CE in seeking re-election.

6. Mr LEUNG Kwok-hung said that he was opposed to the proposal. He held the view that the proposed creation of an Information Coordinator post was unnecessary and a waste of public resources, and was merely meant to pave way for re-election. He added that as the incumbent CE had advocated for strong and efficient governance, he should be cautious in controlling unnecessary expenditure, particularly when funding cuts had to be made in other policy areas.

7. Mr Albert CHAN questioned the justifications for additional expenditure for the creation of posts in the CE's Office when there were many social problems which had yet to be resolved. The needy and the underprivileged were facing a lot of hardship. He opined that there was no urgency in creating the proposed posts as he failed to see that the incumbent CE was keen to improve communication with LegCo as evidenced by his unwillingness to meet with the pan democratic camp despite repeated requests. Therefore, he would not support the proposal.

8. Mr WONG Yung-kan said that while dissenting views were raised when the proposal was discussed at the ESC meeting, there were other members, including those of the Democratic Alliance for Betterment and Progress of Hong Kong, who were supportive of the proposal. Mr TAM Yiu-chung added that the present discussion was merely repetitive as the points raised by members had already been deliberated at the joint Panel meeting held on 21 November 2005. He hoped that in future, prior notification on request for separate voting should be given so that public officers responsible for the item could be invited to respond to questions. The Chairman concurred that request for separate voting should be made in advance before the relevant proposal was discussed by FC.

9. Mr Howard YOUNG said that Members of the Liberal Party (LP) had indicated their support for the proposal at both the joint Panel meeting as well as the ESC meeting. Their position remained unchanged because the proposed posts were considered necessary for the incumbent CE to strengthen the communication between CE in Council and LegCo. Mr Albert CHENG opined that the need for the proposed posts did not arise in the former CE's Office because of the lack of emphasis on the communication with the media and the community at that time. He stressed that this was an area which attracted repeated criticism in the past.

10. Mr Albert HO held the view that the proposed posts would not help improve the performance of CE. Besides, members should focus on the need for creation of these posts rather than the improvements which could be brought about by the creation. Since the relevant officials were not present to answer members' questions, he suggested that the proposal be withdrawn and re-submitted for discussion at the next meeting when responsible officials would be invited to attend.

11. The Secretary for Financial Services and the Treasury (SFST) said that the staffing proposal had been thoroughly deliberated at the meetings of the Panels and ESC. As the request for separate voting was only raised at the start of the current meeting, it would be unfair to ask the Administration to withdraw the proposal at this stage on grounds that the relevant public officers were not present to answer questions. He assured members that the proposed creation of posts was justified, having regard to the increased responsibilities of the CE's Office.

12. Mr Albert HO however pointed out that discussions at the meetings of Panels and ESC should not pre-empt further discussion by FC, particularly when FC members were not necessarily members of the Panels or ESC. Besides, DP Members had made it clear at the ESC meeting that they were opposed to the proposal and hence the Administration should have been well aware of their stance. While the Administration could choose not to respond to members' questions and proceed to vote on the proposal, he hoped that it would seriously consider withdrawing the proposal and re-submitting the proposal at the next meeting when the relevant public officers could answer members' questions.

13. In response to the Chairman's enquiry, Mr CHEUNG Man-kwong admitted that at the ESC meeting on 7 December 2005, he had indicated that DP Members would not support the proposal but he did not make a request for separate voting. He was aware that public officers would not be invited if prior notification for separate voting on a proposal had not been made before the FC meeting. He therefore gave the DP's stance but he considered that the present arrangement might have to be reviewed. The Chairman said that as it would not be practical to invite all relevant public officers to FC for every proposal, it would be best if members could follow the agreed arrangement and give advance notice for separate voting on ESC or Public Works Subcommittee (PWSC) items. Mr Albert HO said that the Administration should be well aware of the sentiments at ESC/PWSC meetings, and should be prepared to send public officers to FC meetings answer members' questions even if a request for separate voting had not been made. The Chairman pointed out that it had been a standing practice for members to give prior notification for separate voting. However, if members considered that this practice should be reviewed, a separate forum to discuss the necessary changes could be arranged.

14. Mr LAU Kong-wah agreed with the Chairman that the past practice of giving prior notification for separate voting at FC had been working well, but it appeared that DP Members had divergent views. He would request DP Members to rethink on the need for changes to the existing mechanism and revert back to FC after reaching a consensus on the matter.

15. Mr James TIEN said that he was present at the ESC meeting when the proposal was discussed, but he was not aware of any objection to the proposal. Therefore, the Administration was not expected to send the relevant officials to answer members' questions at the current meeting. He said that the need for prior notification for separate voting should be addressed as otherwise public officers would be expected to attend every FC meeting when the ESC/PWSC items were discussed. This would be a significant waste of time and resources on the part of the Administration. He would prefer adhering to the existing practice of giving prior notification for separate voting so that the Administration could send relevant officials to FC meetings. The request for separate voting made by DP Members at the present meeting had undermined the existing arrangement. The Chairman clarified that Mr CHEUNG Man-kwong did indicate objection to the proposal at the ESC meeting, but he did not make a request for separate voting. Nevertheless, such a request could be made afterwards but before the relevant FC meeting. She urged members to consider if changes were needed, but in the meantime she would prefer to adhere to the existing arrangement.

16. Mr Martin LEE said that independent members, particularly those who were neither members of the Panels nor ESC, might not be aware of the proposal until it was submitted to FC, but their views should not be ignored. He said that members might have noticed some important points only at the FC meeting, and it would be perfectly legitimate for them to raise these points for discussion before the proposal was put to vote. It was the Administration's obligation to answer members' questions, and there should not be any restrictions to prevent members from asking questions at any time.

17. Mr CHAN Kam-lam said that ESC and PWSC were formed under FC to examine establishment and works related proposals respectively before these were submitted to FC for further consideration. Only in the case where further elucidation was required would relevant officials be invited to attend FC meetings, but prior notification had to be given. The existing arrangement had been working well but if DP Members considered that there was a need for change, this could be further explored at a separate forum. He did not notice that independent members had encountered any problems with the existing arrangement.

18. As the Chairman of PWSC, Ir Dr Raymond HO concurred that the existing arrangement had been working well. He pointed out that a large number of public officers attended PWSC meetings, particularly when major financial proposals such as those relating to block allocation were discussed. It would be a significant waste of resources if the relevant public officers were expected to be present at the FC meetings when their proposals were voted upon.

19. Ms Margaret NG remarked that recommendations of ESC/PWSC were not binding on FC, which had the final vote on financial proposals. Members who had not attended ESC/PWSC meetings to express their views could still do so at FC meetings and they did not have to abide by the recommendations of the ESC/PWSC.

She also sought clarification from the Clerk on the existing arrangement on the attendance of Government officials at FC meetings.

20. The Clerk said that requests for separate voting could be made at ESC/PWSC meetings when the funding proposals were discussed. Members had been advised that requests for separate voting on any ESC/PWSC items and/or requests for attendance of public officers for these items ought to be made one day before the relevant FC meeting. All papers on ESC/PWSC proposals were circulated to all FC members. All members, including non-ESC/PWSC members were requested to notify the Secretariat if they required further information on the funding proposals when discussion papers for FC meetings were issued. The Secretariat would ensure that the required information was made available to members before the FC meeting. The Clerk also confirmed that PWSC/ESC's support for the proposals was not binding on FC.

21. Dr KWOK Ka-ki declared that he was an independent member. He said that he had participated in the ESC meeting where the present proposal was discussed, but those who were not members of ESC might not have a chance to express their views on the proposal. FC meetings hence provided a forum to ensure that all members would have a chance to deliberate on the proposals before they were put to vote. He considered that the current arrangement of giving at least one day's advance notice for separate voting to facilitate attendance of officials at FC meetings was acceptable. He suggested that perhaps some flexibility should be exercised to allow members to put questions to the Administration even if insufficient notice was given. He did not consider that request for information was a waste of resources. As regards the present proposal on creation of posts at the CE's Office, he considered it more appropriate to defer the proposal to the next meeting to facilitate the attendance of relevant officials to answer members' questions.

22. SFST said that the Administration was committed to explaining to members and the public its policies and funding proposals, and officials would be pleased to attend FC meetings to answer members' questions. Besides, members were provided with the discussion papers several days before FC meetings, and they should have sufficient time to notify the Administration through the LegCo Secretariat about their requests. The crux of the present problem was that no prior notification for separate voting was made and hence relevant officials had not been invited to attend the meeting. He reiterated that it would not be justified to require relevant officials to standby at FC meetings to answer members' questions when their proposals were discussed as this would incur extra time and resources, which could otherwise be devoted to other duties.

23. Mr Martin LEE said that he did not agree with SFST because it was the constitutional duty of FC members to scrutinize financial proposals before they cast their votes. Members could raise questions at any time before the proposal was voted upon. Besides, there was no regulation which prevented members from raising questions which they might have spotted just before FC meetings. Therefore, he could not accept SFST's remarks.

24. Mr LEUNG Kwok-hung said that the Administration had the responsibility to ensure relevant officials were present to answer members' questions on funding proposals, which were an integral aspect of public expenditure that members had a duty to examine.

25. The Chairman said that the existing arrangement for separate voting would need to be examined in the light of members' concern, but this should be discussed in a separate forum. Mr LEE Cheuk-yan and Mr CHEUNG Man-kwong both agreed.

26. The Chairman put EC(2005-06)6 to the vote. 34 members voted for the proposal, 21 members voted against and one member abstained. The individual results were as follows:

For :

Mr James TIEN Pei-chun	Ir Dr Raymond HO Chung-tai
Dr David LI Kwok-po	Dr LUI Ming-wah
Mrs Selina CHOW LIANG Shuk-yee	Miss CHAN Yuen-han
Mr Bernard CHAN	Mr CHAN Kam-lam
Mrs Sophie LEUNG LAU Yau-fun	Dr Philip WONG Yu-hong
Mr WONG Yung-kan	Mr Jasper TSANG Yok-sing
Mr Howard YOUNG	Mr LAU Kong-wah
Mr LAU Wong-fat	Ms Miriam LAU Kin-yee
Miss CHOY So-yuk	Mr Timothy FOK Tsun-ting
Mr TAM Yiu-chung	Mr Abraham SHEK Lai-him
Mr Tommy CHEUNG Yu-yan	Mr Vincent FANG Kang
Mr WONG Kwok-hing	Mr LI Kwok-ying
Dr Joseph LEE Kok-long	Mr Daniel LAM Wai-keung
Mr Jeffrey LAM Kin-fung	Mr MA Lik
Mr Andrew LEUNG Kwan-yuen	Mr CHEUNG Hok-ming
Mr WONG Ting-kwong	Mr Patrick LAU Sau-shing
Mr Albert Jinghan CHENG	Mr KWONG Chi-kin
(34 members)	

Against :

Mr Albert HO Chun-yan	Mr LEE Cheuk-yan
Mr Martin LEE Chu-ming	Mr Fred LI Wah-ming
Ms Margaret NG	Mr James TO Kun-sun
Mr CHEUNG Man-kwong	Mr LEUNG Yiu-chung
Mr SIN Chung-kai	Dr YEUNG Sum
Mr Andrew CHENG Kar-foo	Mr Albert CHAN Wai-yip
Mr Frederick FUNG Kin-kee	Ms Audrey EU Yuet-mee
Mr LEE Wing-tat	Mr Alan LEONG Kah-kit
Mr LEUNG Kwok-hung	Dr KWOK Ka-ki
Dr Fernando CHEUNG Chiu-hung	Mr Ronny TONG Ka-wah
Miss TAM Heung-man	
(21 members)	

Abstention :

Mr CHIM Pui-chung
(1 member)

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

Item No. 2 - FCR(2005-06)38

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE MADE
ON 23 NOVEMBER AND 21 DECEMBER 2005**

28. The Chairman advised that separate voting had been requested for PWSC(2005-06)31. She therefore put FCR(2005-06)38 except PWSC(2005-06)31 to the vote. The Committee approved the proposal.

**PWSC(2005-06)31 340DS Port Shelter sewerage stage 3 – Sai Kung Area 4
and Mang Kung Uk sewerage**

29. Mr LEE Wing-tat said that he had requested separate voting on the proposal as he was concerned about the impact of increased effluent discharge arising from the proposed expansion of the sewerage system on surrounding waters. As the effluent discharged from the Stonecutters Island Sewage Treatment Works (SCISTW) had resulted in the closure of Tsuen Wan beaches, he was afraid that the same might happen again at Sai Kung beaches after the proposed expansion. Despite that the Administration had advised in its supplementary information that the mathematical modelling studies used to predict the potential impact of the increased effluent discharge had indicated that there would be no material impact on the quality of surrounding waters, Mr LEE considered it necessary for the Administration to provide an undertaking that the beaches in Sai Kung would not be closed as a result of the impact arising from the increased effluent discharge.

30. The Assistant Director of Environmental Protection (Water Policy) (AD(WP)) said that unlike SCISTW which was a chemically enhanced primary treatment (CEPT) plant with no disinfection, the Sai Kung Sewage Treatment Works (SKSTW) was a secondary sewage treatment plant with nutrient removal and ultraviolet (UV) light disinfection. The projected future discharge amount of about 18 000 cubic metres per day from SKSTW was also much less than that of over 1.4 million cubic metres per day from SCISTW. Even with the projected future discharge of 18 000 cubic metres per day from SKSTW, the bacteria loading from SCISTW would be more than three million times as great. Besides, the high level of disinfection at SKSTW would prevent pollution of the beaches in the Sai Kung area. He further explained that the mathematical models used for the Harbour Area Treatment Scheme (HATS) Stage 1 and that for the Sai Kung sewerage project were quite different. The former used the "Water Quality and Hydraulic Models" modeling suite which was developed in the 1980s. While the suite was the best available at that time, there were technical

limitations. Since then, a new suite Delft3D which was much more flexible and high powered had been available and adopted for SKSTW in assessing the potential water quality impacts. The results indicated that SKSTW would not produce an adverse impact on the surrounding waters.

31. Mr LEE Wing-tat said that if members were aware of the serious consequence of effluent discharge on the surrounding beaches, they would not have approved the funding proposal for the construction of SCISTW in the first place. As such, members would need to be convinced that the present modelling studies were accurate, and that the increased effluent discharge would not lead to closure of Sai Kung beaches. He also asked if consideration could be given to re-locating the discharge location, which was only 1.5 kilometres from the nearby Kiu Tsui Beach, further away from the inner bay. AD(WP) said that the models used in 1990s had limitations in simulating the complex water movement in the vicinity of Tsuen Wan beaches, resulting in an under-estimation of the impact of HATS Stage 1 on Tsuen Wan beaches. The Administration had also discussed with the Sai Kung District Council (SKDC) the feasibility of extending the outfall, and provided an undertaking that the need for extending the outfall would be considered when upgrading SKSTW.

32. Mr LEUNG Kwok-hung enquired whether the mathematical modelling studies used to predict the potential impact of the increased effluent discharge had taken into account the density of the Hong Kong population. AD(WP) said that while the models were developed overseas, they were adapted, calibrated and verified with more than 10 years of field monitoring data to cater for the situation in Hong Kong. As to whether there was a fallback in case the modeling studies were found to be incorrect, AD(WP) said that another option was to extend the outfall. Water quality would be carefully monitored and if there were signs of deterioration, this possibility could be further pursued. The Director of Drainage Services (DDS) added that the option of extending the outfall would be considered when further expansion of SKSTW was required to cater for extra sewage flows arising from surrounding areas.

33. Mr Albert CHAN enquired about the treatment method at SKSTW and whether the effluent was treated by filtration or disinfection. He also expressed concern about the impact of disinfection on water quality and marine ecology. DDS said that the adverse impact on the water quality of Tsuen Wan beaches was attributed to the fact that the effluent had only gone through CEPT at SCISTW. An Environmental Impact Assessment (EIA) was currently being conducted to ascertain the feasibility of applying disinfection to the treated effluent. It was hoped that the disinfection facilities under HATS Stage 2 could be completed by 2009. As for SKSTW, UV light disinfection would continue to be applied to the final effluent and this would be able to significantly reduce the *E Coli* level in the final Effluent. If the EIA studies indicated that the proposed expansion of SKSTW would give rise to an adverse impact on surrounding waters, consideration would then be given to extending the outfall location to the Port Shelter. At members' request, the Administration would provide the cost of treatment at SKSTW and how it compared with that at SCISTW.

34. Miss CHOY So-yuk said that the proposal had been discussed in detail at the meeting of the Panel on Environmental Affairs (EA Panel). She clarified that the proposal was not to build a new sewage treatment plant, but to provide a separate sewerage system which would collect sewage from the unsewered areas to SKSTW for proper treatment before disposal. The existing SKSTW had sufficient capacity to treat the additional sewage flow from the expanded sewerage system. She also said that SKSTW was using biological sewage treatment which was a much higher level of treatment as compared to CEPT used in SCISTW. As such, the impact of effluent discharge from SKSTW would be much less compared to SCISTW in terms of scale of operation and level of treatment. Besides, the collection of sewage from the unsewered areas would indeed improve the water quality of Port Shelter in the long run and would be beneficial to the long-term development and the environment of Sai Kung. Therefore, she was very supportive of the proposal and would call upon other members to support it.

35. Mr WONG Yung-kan said that at the meeting of the EA Panel, he had raised concerns about the impact of the increased effluent discharge on the surrounding waters and the potential increase in *E Coli* which might affect marine ecology. He was dissatisfied that the affected fishermen had not been consulted and emphasized the need for proper consultation in the future. He agreed that the Administration should be required to provide an undertaking that remedial measures, such as extension of the outfall and/or suspension of sewage treatment, would be taken if the increased effluent discharge caused unacceptable impacts on surrounding waters. The Deputy Director/Environmental Protection (DD/EPD) said that the proposed project aimed at providing the needed sewerage capacity to cope with the additional sewage flow from Sai Kung Area 4, which would be developed for residential, commercial, cultural, recreational and tourism-related uses, including a hotel. The sewage would be collected from the area and conveyed to SKSTW for secondary biological treatment. The effluent would be disinfected by UV light to meet a standard for *E Coli* level of 100 per 100 millimetres (mL) as a monthly geometric mean. The monitoring data in 2004 indicated that the effluent from SKSTW was of a high quality with an average *E Coli* level of 2 per 100 mL. The marine water quality of the surrounding waters would be closely monitored and remedial measures, including extension of the outfall, would be considered as appropriate.

36. Mr LEE Wing-tat said that he was not opposed to the proposal but the past experience with SCISTW was indeed lessons to be learned. Noting that the extension of outfall was a public project under Category C, which would take at least five to six years before the necessary approval could be obtained, he held the view that contingency measures, such as setting a ceiling on the *E Coli* level, might be necessary such that surrounding beaches would be closed when the *E Coli* level reached 100 per 100 mL to prevent further pollution. DDS said that while the upgrading of the SKSTW project was still under Category C, consideration would be given to upgrading the planning of the project when there were changes in the marine water quality of the surrounding waters. DD/EPD said that the current *E coli* limit on water bodies was 610 per 100 mL, but the water quality near Port Shelter was

way below the limit. The Administration would keep a close watch on the water quality at Port Shelter and take necessary action should the water quality be adversely affected by the increased effluent discharge. AD(WP) said that the *E Coli* limit for the final effluent was 100 per 100 mL as a monthly geometric mean and this would be diluted 100 times at 10 metres from the outfall to approximately 1 to 3 per 100 mL. If for some reason the *E Coli* had spread out and reached a level higher than 610 per 100 mL in the surrounding beaches consistently for a period of time, the beaches would be closed. Given the present high water quality in Port Shelter, the high level of treatment at SKSTW, and the relatively small volume of the discharge, the possible need for closure of Sai Kung beaches seemed highly remote. In his recent visit to the Port Shelter, he could not detect any adverse influence from the effluent discharge within 5 metres of the outfall.

37. Ir Dr Raymond HO enquired if the upgrading of the improvement works for SKSTW from Category C to Category B could be expedited by the Administration. DDS explained that this was subject to competing priorities with other projects. At members' request, he agreed to take into account members' views in the programming of the upgrading works.

38. Given that the proposal had been discussed by the EA Panel and the Public Works Subcommittee and the information requested by members had already been provided, and that SKDC had reiterated its support after further consultation, Mr LAU Kong-wah said that he would support the proposal on the condition that the *E Coli* levels of the three closest beaches, namely Kiu Tsui Beach, Hap Mun Bay Beach and Trio Beach, would be maintained at the current level of 17, 3 and 2 per 100 mL respectively while that of the Port Shelter would be less than 10 per 100 mL. At members' request, the Administration agreed to provide quarterly reports on the water quality at Port Shelter one year from the completion of the project.

39. Miss CHOY So-yuk pointed out that the *E Coli* limit of 610 per 100 mL in Hong Kong was stricter than that of the international limit of 1000 per 100mL. The need for a more stringent *E Coli* limit of 100 per 100 mL was requested by members in an attempt to protect the water quality of Port Shelter. This level should not be taken as the ceiling above which beaches would be closed. She further reminded members that *E Coli* was only one of the water quality indicators and hence a lower *E Coli* level might not necessarily mean that the water quality was acceptable. Given that the biological treatment adopted in SKSTW was the most effective way nowadays to treat sewage, and that the treated effluent was of a very high standard, she said that members could be rest assured about the water quality at Port Shelter.

40. Mr WONG Yung-kan said that he was not opposed to the proposal but he hoped that more efforts would be made to protect Port Shelter from pollution since this was one of the few remaining areas with good water quality. As the livelihood of fishermen would be affected by the quality of water of their fishing grounds, he considered it necessary for the Administration to ensure that the *E Coli* level could be maintained at below 100 per 100 mL.

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

42. At this juncture, the Chairman informed members that there were still two items viz. FCR(2005-06)39 and FCR(2005-06)40 on the agenda which had yet to be dealt with. As the Administration had advised that these items were time-critical, and that these had to be voted on at the meeting, the Chairman sought members' view on the feasibility of suspending the meeting at 4:30 pm if the discussion could not be completed before the cut-off time to allow the House Committee (HC) meeting to proceed as scheduled, after which the meeting would be resumed with a view to completing discussion on the two agenda items.

43. Mr CHEUNG Man-kwong said that DP Members would agree to the proposed resumption of the meeting after the HC meeting. Mr LAU Kong-wah said that DAB Members would also agree to the proposed arrangement. Mrs Selina CHOW was concerned that the proposal had deviated from the arrangement earlier agreed by HC. Ms Margaret NG said that it would be up to members to decide whether they would choose to deviate from an agreed practice. Dr YEUNG Sum said that DP Members would like to discuss and vote on FCR(2005-06)39 regarding the injection into the Language Fund as this was a time-critical proposal. The Chairman said that as most members were in favour of the proposed arrangement, she would proceed to suspend the meeting at 4:30 pm and resume it after the HC meeting to continue discussion on the remaining items on the agenda. Mrs Selina CHOW said that she was not opposed to the two funding proposals, but the propriety of the proposed arrangement should be further discussed. With no dissenting voice, the Chairman advised that the meeting would be suspended at 4:30 pm and would resume after the HC meeting.

Item No. 3 - FCR(2005-06)39

HEAD 156 – GOVERNMENT SECRETARIAT : EDUCATION AND MANPOWER BUREAU

♦ Subhead 700 General non-recurrent

New Item “Grant to the Language Fund”

44. The Chairman informed members that the Panel on Education was consulted on the proposal at its meeting on 12 December 2005.

45. Dr YEUNG Sum, Chairman of the Panel on Education, said that the Panel was supportive of the proposed injection of \$1,100 million into the Language Fund to strengthen the teaching and learning of English in secondary schools. However, there was concern that schools which failed to achieve the performance targets in the mid-term review to be conducted at the end of three years under the English enhancement scheme for secondary schools using Chinese as the medium of instruction (CMI schools) (the Scheme) might not be able to obtain further funding. This might have adverse impact on student enrolment in future. Question was also

raised on how the performance targets were set for CMI schools with a large intake of band three students. The Administration was urged to earmark more resources to improve language teaching in primary education.

46. While supporting the proposal, Mr CHEUNG Man-kwong was concerned about the input and output performance targets set under the Scheme, which would be specified in the performance contract for assessing a CMI school's improvement in the quality of English teaching and learning. Since the output performance targets were set having regard to the improvement in the Hong Kong Certificate of Education Examination (HKCEE) results (e.g., additional 10 percentage points of students obtaining a pass or credit in English Language (Syllabus B) in HKCEE), this might put some CMI schools, particularly those with a large number of band three students, in a disadvantaged position and discourage them from applying for funding under the Scheme, thereby defeating the purpose of the Scheme to provide the needed assistance to schools, in particular CMI schools, to improve English teaching and learning.

47. The Secretary for Education and Manpower (SEM) said that the purpose of the Scheme was to help students learn English in a CMI environment. The Education and Manpower Bureau (EMB) would agree with the participating CMI schools on their input and output performance targets, taking into account the school context and the student performance in the past. Mr CHEUNG Man-kwong however pointed out that CMI schools might not be able to ensure that their performance targets could be met since these would very much depend on the performance of students. The Permanent Secretary for Education and Manpower (PSEM) assured members that EMB would exercise flexibility in evaluating the school's achievement against the targets in the performance contract, taking into account the school's efforts and past performance. The mid-term review would identify shortcomings and determine the extent to which the schools should continue to receive funding for the remaining three-year period having regard to their circumstances, including but not limited to the student performance.

48. Miss TAM Heung-man enquired about the disparity in funding between secondary schools using English as the medium of instruction (EMI schools) and CMI schools in the teaching of the English Language. SEM explained that since EMI schools were required to provide an English immersion learning environment, the vast majority of students of EMI schools (85% or more) were capable of learning through English. Hence, EMI schools should not require as much support as CMI schools in professional upgrading and capacity building for the teaching of English. Notwithstanding, funding of \$50 million had been earmarked for the provision of additional support for EMI schools in English Language teaching.

49. Mr CHEUNG Man-kwong said that the application procedures of the Scheme should not be overly complicated lest this would deter applications from schools. The funding mechanism should be carefully worked out to include professional upgrading of teachers and their deployment. While agreeing that application procedures should be made simple, PSEM said that more emphasis would be put on

the professional discourse between the language education experts of the assessment panel and the principal/English language teachers of the schools to improve their teaching plans. The aim was to approve all applications. Upon approval of funding from FC, EMB would issue a notice to all CMI schools and would hold meetings with the Hong Kong Subsidized Secondary Schools Council (HKSSSC) to discuss the funding mechanism. HKSSSC would identify programmes and activities related to English learning which schools could adapt and use to suit their needs, so as to reduce the workload on preparing applications.

50. Miss TAM Heung-man said that she would support measures to improve English proficiency in schools, but was concerned about the impact which the Scheme might have on the workload of teachers who were already over-burdened with their teaching duties. Her view was shared by Ms Audrey EU. While acknowledging that the application procedures for funding might generate some extra workload, SEM held the view that as teachers were committed to improving the language proficiency of their students, they would consider the extra efforts worthwhile.

51. Noting that the performance targets for CMI schools were tailor-made to suit the needs of individual schools, Ms Audrey EU expressed concern that there would be significant staff implications on both the schools and EMB, in particular the latter as a five-day week was being contemplated. SEM said that the Scheme would not be implemented by EMB alone, but with the assistance of schools, education experts, and academics. PSEM added that as the performance targets were to be tailor-made, the schools could include their needs and improvement plans in the school-based applications for future assessment. Retired English Language teachers as well as academics would be engaged to assist in vetting the applications. Courses, such as “Language across the curriculum”, would be provided as appropriate to improve the language proficiency for other subjects. To avoid a bunching effect whereby all schools would submit their applications within the same time, schools would be encouraged to spread out their applications over a two-year period. They would also be advised to present their plans in a simple and concise manner, such as by way of a powerpoint, and elaborate at the meeting, so as to minimize paper work.

52. While supporting the enhancement of language proficiency of students, Dr Fernando CHEUNG expressed doubt on the efficacy of the Scheme. He remained concerned that schools would have to spend a lot of time and efforts in preparing the applications for funding. Schools with not so satisfactory student performance might also be reluctant in submitting funding applications lest they might not be able to meet the performance targets set in the performance contract. With the enrolment of the top 40% of students in EMI schools, it might be difficult for CMI schools to attract students of high quality, the situation was further aggravated by the decline in student population. Besides, as participants of the Scheme would have to maintain their CMI mode for the entire duration of the Scheme (i.e., six years), those CMI schools wishing to convert to EMI schools in the near future might not be keen to apply for funding under the Scheme. He opined that the entire language teaching policy in secondary schools was very confusing, and that there was a need to adopt a holistic and forward-planning approach in language teaching.

53. Mrs Selina CHOW however took a different view. She considered that the Government's language policy was very clear. She also pointed out that some CMI schools were performing very well and were well received by parents. Besides, the provision of CMI and EMI schools aimed at providing students a choice on the medium of instruction. The important point was to ensure the high quality of teachers since parents had aspirations about the English proficiency of their children. As such, there was a need to provide proper training for teachers in the development of curriculum.

54. Referring to the comprehensive review of language education in Hong Kong conducted in 2001, SEM said that the review had examined a host of issues related to language education, and a basket of recommendations had been promulgated after thorough discussions with stakeholders through public consultation. These recommendations had indeed gained extensive public support.

55. Mr Jasper TSANG said that DAB Members would support the proposal. As language learning would be more effective in the early years of education, he opined that more resources should be earmarked for language teaching and learning in primary education. Referring to the comparison on the financial needs of EMI schools and CMI schools in promoting the use of English as set out in paper, he said that while students of EMI schools were capable of learning through English, they lacked the chance to learn subjects using Chinese as the medium of instruction. This might affect their learning in some way and the issue should be further looked into. SEM agreed to the importance of language learning at an early age. In fact, a series of measures were put in place to improve English proficiency at pre-primary and primary levels. These included, among others, a commitment of \$200 million for strengthening support to schools and teachers in language education in primary and pre-primary levels, the provision of Native English-speaking Teachers (NETs) in primary schools, and the provision of additional teachers to implement specialised teaching in the English language in primary schools.

56. At 4:30 pm, the Chairman ordered that the meeting be suspended. The FC meeting was resumed at 5:10 pm.

57. Dr YEUNG Sum said that DP Members would support the proposal, particularly the tailor-made approach in setting the performance targets having regard to the schools' culture and performance. He also agreed that the use of Chinese as the medium of instruction was beneficial to learning, and that language learning would be more effective at a younger age. He enquired if new resources would be earmarked for pre-primary education to improve English language learning, and whether consideration would be given to providing NETs with needed support so that they could integrate in the school community. PSEM advised that overseas immersion courses would also be offered to kindergarten teachers. As for primary schools, an English language teacher in each primary school was assigned to work with the NET in the teaching of English language and there was experience sharing among teachers from different schools.

58. Mrs Selina CHOW said that LP Members would support the proposal. She enquired about the efficacy of the immersion courses in fostering an English learning environment for students. PSEM said that efforts had been made to create an English-rich environment in schools through activities, such as debates and plays. All pre-service English language teachers were currently required to complete a compulsory immersion course overseas for a period of six weeks or more so that they could benefit from learning English in an authentic environment. An overseas immersion programme for serving English language teachers in primary schools would be launched from the 2006/07 school year onwards. Mrs Selina CHOW considered that the creation of an English-rich environment was more useful in improving English proficiency, and that more English-speaking camps should be provided with the assistance of NETs. PSEM said that Language Arts, which included English poems and other literary works, was given renewed emphasis in the school curriculum.

59. Mr LEUNG Yiu-chung noted that instead of formulating policy, the Administration was more inclined to set up funding schemes nowadays. While the establishment of funding schemes might be effective in some policy areas, it might not be the case for education-related initiatives. This was because policies would be implemented across the board while funding schemes were subject to application and only those successful applicants could benefit from the schemes. The Scheme was a typical example since only CMI schools which were well established and with students who had been performing well would likely be more successful than their underperforming counterparts in funding application. This would also create a greater gap among CMI schools and further undermine the competence of underperforming schools, particularly in terms of enrolment of students. He therefore held the view that funding for English enhancement should be equitably allocated to all schools as a matter of policy to ensure that all of them could benefit from the Scheme. He also shared members' concern about assessment of the output performance targets by the results of HKCEE since the latter were not directly related to the efforts put in teaching and there was no guarantee for the achievement of performance targets. Besides, the application procedures for funding and the need to achieve performance targets upon successful application would inevitably impose a lot of additional pressure on teachers. This problem should not be overlooked and hence the Administration should review the propriety of the Scheme.

60. SEM said that the Language Fund was set up in 1994 to support the implementation of language policies, the details of which had been clearly set out in the Consultation Document on "Action plan to raise language standards in Hong Kong" issued by the Standing Committee on Language Education and Research in 2003. PSEM said that CMI schools did not have to compete for funding under the Scheme and their applications would be considered upon submission. The purpose of the Scheme was to provide professional assistance to the schools in the teaching of English. She reiterated that the performance targets were set by the schools themselves having regard to their individual circumstances. The mid-term review would take account of different achievements of the schools, including but not limited

to student performance. Improvement in the HKCEE examination could be one of the criteria used in assessing the achievement, and as long as the schools were able to prove that they were committed to the agreed education plans and had tried their best to improve the English proficiency of students, they would continue to receive the funding. The Scheme was meant to assist CMI schools to enhance the language proficiency of their students and narrow the gap with EMI schools. As to why funding under the Scheme could not be applied across the board and had to be granted on application, PSEM said that schools should have the autonomy to decide on the need for funding having regard to their own circumstances. SEM added that the Administration was also under pressure to ensure the efficacy of the investment in language teaching based on the performance targets.

61. Judging from the features of the Scheme, Mr LEUNG Kwok-hung said that schools would have to meet a set of criteria, some of which were not quantifiable, in order to be eligible for the funding. The introduction of the Scheme would add pressure to teachers who were already burdened with teaching duties. He opined that the Scheme was meant to remedy the drawbacks of using Chinese as the medium of instruction, which he deemed a failure. PSEM said that the application procedures would be simplified to facilitate schools in their applications and assistance from HKSSSC would be provided in designing courses to enhance English teaching and learning. Details of implementation would be sorted out with HKSSSC and further consultation would be held with schools and teachers. SEM said that he could not agree with Mr LEUNG that CMI schools were unsuccessful because the examination results indicated that their student performance had been improving over the past years.

62. Mr Albert CHENG said that he would support the provision of funding to improve the teaching and learning of English and the need for teaching plans to support funding applications. He however shared members' concern about the additional pressure on teachers arising from implementation of the Scheme. SEM said that the Administration was conscious about the additional pressure which teachers might have to face and would maintain close liaison with individual schools in implementing the Scheme.

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

Item No. 4 - FCR(2005-06)40

HEAD 95 – LEISURE AND CULTURAL SERVICES DEPARTMENT

♦ Subhead 700 General non-recurrent

New Item “2009 East Asian Games”

64. The Chairman informed members that the Panel on Home Affairs (HA Panel) was consulted on the proposal at its meeting on 9 December 2005.

65. Mr Tommy CHEUNG, Chairman of HA Panel, said that the majority of Panel members were generally supportive of the proposed funding for the organization and implementation of the 2009 East Asian Games (EAG). There were however concerns about the reliability of the financial forecast as to whether the Administration had over-estimated the revenue from community/commercial sponsorship and ticket sales. Panel members also sought to find out whether the budgets for the opening and closing ceremonies could be reduced. In response to the Panel, the Administration had provided supplementary information on the long-term strategies and measures for the development of sports in Hong Kong. The information also included the choice of competition items and revenue estimate for ticket sales for 2009 EAG, the financial arrangements for subsidizing 2009 EAG, and the secondment of staff of the Leisure and Cultural Services Department to assist in organizing the 2009 EAG. Mr CHEUNG also indicated that LP Members would support the proposal.

66. While supporting the promotion of sports and the holding of 2009 EAG, Dr Fernando CHEUNG expressed concern about the estimated operating expenditure for the 2009 EAG, which had to be adjusted from \$171 million in 2003 to \$240 million nowadays, representing a substantial increase of 46.4%. Judging from the Administration's paper, he failed to understand why the key areas for adjustment had not been anticipated in the 2003 estimate. He also queried the rationale for the increase from \$25 million to \$35 million for open and closing ceremonies, and the provision of \$4 million for transportation. As the Administration had pointed out that adjustments were required because the 2003 estimate was based on the economy at that time, he was concerned that further adjustments would have to be made if there were changes in the economy over the next few years. The HA Panel therefore had requested the Administration to provide an undertaking that it would not seek further funding but in vain. He found it difficult to support such a huge increase in the financial commitment for the 2009 EAG, particularly when the Administration was so mean in its welfare spending.

67. The Secretary for Home Affairs (SHA) explained that when seeking members' in-principle support for bidding the right to host the 2009 EAG at the FC meeting in July 2003, the Administration had roughly estimated that the gross expenditure would be in the order of \$171 million. The estimate was prepared immediately after the outbreak of the Severe Acute Respiratory Syndrome when Hong Kong was suffering from a poor economy. In view of the economical situation at that time, the assessment was that the 2009 EAG should be organized in a modest manner. It was also agreed that a more detailed estimate on the funding requirements for hosting the 2009 EAG would be provided, and that a separate submission would be made to seek approval on the actual financial commitment required. Having been granted the hosting right, the Administration had studied the implementation of major sport games held elsewhere, particularly the 2005 Macau EAG, and sought the detailed advice of the sports sector before updating the operating budget for holding some 17 to 20 competition items, a figure comparable to the 2005 Macau EAG. As a result of the comprehensive study on the operational requirement of hosting the 2009 EAG, it

was estimated that the operating expenditure should be adjusted from \$171 million to \$240 million.

68. Dr Fernando CHEUNG said that while deviations from original estimates were not uncommon, the deviation of 46.4% in the present case was not acceptable. It was not proper for the Administration to make a far from accurate estimate when seeking in-principle support from members in 2003 and to re-submit an estimate which was substantially different from the original one. He considered it necessary for the Administration to justify such deviations. SHA explained that feedback from the public was that the 2009 EAG should be organized in a manner appropriate to the status of Hong Kong. As regards the need for adjustment of the original estimate, SHA said that the accommodation and catering cost for athletes and delegates had to be adjusted upwards to reflect the latest plan to host the 2009 EAG in November/December rather than May, given that November/December was the high season for tourism and hotels. There were also other items which would need upward adjustment to take account of the latest developments. Notwithstanding, it was not envisaged that further funding would be sought from FC for the hosting of the event.

69. The Director of Leisure and Cultural Services (DLCS) supplemented that when seeking funding approval from FC in July 2003, the Administration did not have much time to draw up the estimate for the operating expenditure for hosting the 2009 EAG. Since the granting of the hosting right, the Administration had made reference to the experience of other places in hosting international sports events. A more in-depth study on the operating costs taking into account the expenditure of competition items revealed that the estimate should be adjusted upwards from \$171 million to \$240 million. The key areas for adjustment would include the staff and administrative costs which had to be adjusted from \$58 million to \$75 million as some of the posts of the EAG Company had to be created earlier than originally anticipated to facilitate planning and preparatory work, including promotion, marketing and other supporting services. The anticipated increase in operating expenditure would have to be met by corresponding increases in government subsidy which had to be raised from \$84 million to \$123 million, to maintain government funding support at around 50% of the overall operating budget. The remainder of the expenses would be met by community/commercial sponsorship, ticket sales, television rights, licensing and merchandising.

70. As to whether the Administration would provide an undertaking that no further funding would be sought for the hosting of the 2009 EAG, DLCS said that the present proposal had been carefully worked out and was meant to be a fixed one-off funding arrangement. The Administration would impose strict financial control on the EAG Company and would closely monitor its operation.

71. Mr Albert CHENG said that in forecasting the income to be generated from ticket sales and commercial sponsorship, reference should be made to the experience of the 2005 Macau EAG, which according to the press, was quite disappointing on

account of the low attendance and poor ticket sales. He stressed the need for the Administration to seek sufficient funding now as it would be very difficult for it to seek further funding again should the funding turn out to be insufficient to cover the operating expenditure. DLCS said that the Administration had been very careful in working out the estimate, including income from ticket sales, taking into account both local and overseas experience in organizing international sports events. Competition events to be held would be carefully selected to ensure that these would appeal to the public. SHA added that the attendance of the 2005 Macau EAG might have been affected by the fact that it was held in November when there were no public holidays during that time. The Administration had learnt from the experience and rescheduled the 2009 EAG to be held in November/December to take advantage of the festive seasons with a view to attracting more visitors. Mr CHENG however cautioned that many local residents would be leaving Hong Kong during December and tourists visiting Hong Kong might not be attracted by the sports events of EAG.

72. Miss CHOY So-yuk said that DAB Members would support the holding of 2009 EAG. She recalled that when the approval-in-principle was sought in July 2003, the Administration had made it clear that the estimate was only indicative, and that a more detailed estimate on the funding expenditure would be provided. While the increase in the estimated expenditure was indeed substantial, she would accept it on account of the higher accommodation costs during the holiday season when the event was held. Nevertheless, she hoped that no additional funding would be sought, and that the EAG Company should economize on its expenditure. SHA assured members that, barring unforeseen circumstances, the Administration would endeavour to refrain from seeking further funding for hosting of the event.

73. Referring to Enclosure 6 to the information paper, Miss CHAN Yuen-han noted that the Administration had adjusted downward the projection on the revenue generated from television rights (from \$25 million to \$12 million) having regard to the experience of the 2005 Macau EAG. She queried the need for such a revision given Hong Kong's present state of economy and its edge over Macau. She also expressed concern about the increase of average ticket price from \$40 to \$100, which in her view might have impact on the attendance, particularly students who might not be able to afford such a high ticket price. To boost local economy, consideration should be given to according priority for local manufacturers in the licensing and merchandising of the EAG products. Mr WONG Kwok-hing was also concerned about the high average ticket price.

74. DLCS said that the television rights were revised based on the experience of other cities, including Macau, and on the assumption that there would be 15 television stations broadcasting the event. The average ticket price would be set at \$100 with reference to the latest international sports event held in Hong Kong. The average ticket prices for the opening and closing ceremonies would however be higher at \$600 and \$240 respectively on a par with such occasions in other major sports events. To enable participation of different levels of the community in the 2009 EAG, concessionary ticket prices would be offered to students and the elderly. As regard

licensing and merchandising, DLCS said that open competitions on the design of the logo and the slogan for the event had been held and most of the participants were local entities. It was hoped that through these open competitions, the community would have a better understanding on the 2009 EAG.

75. Mr WONG Kwok-hing enquired about the number of jobs which would be created by hosting the 2009 EAG and whether the Administration would make use of the event to create more employment opportunities. SHA said that the 2009 EAG was expected to attract 10 000 tourists which would indeed benefit the tourist-related industries. The venue improvement works would also generate 10 900 man-month jobs. The EAG Company in full operation would employ around 100 staff for the organization of the event. Apart from economic benefits, there would be benefits not readily quantifiable, such as raising the image of Hong Kong as a hub for sports events as a result of the improvement to sports venues which would enable Hong Kong to host more international sports events in future. Mr WONG hoped that the Administration would endeavour to create more job opportunities with a view to tackling the unemployment problem in Hong Kong. In this connection, the Administration was requested to provide information on the number of jobs which had been created after the conclusion of the 2009 EAG.

76. Miss CHAN Yuen-han enquired if there was a sustainable sports development policy aiming at community-wide promotion of sports. Through the hosting of the 2009 EAG, opportunity should be taken to upgrade the sporting facilities and promote the development of sports in Hong Kong. Mr Frederick FUNG echoed that the development of a sustainable sports development policy should be further followed up by the HA Panel. He also considered it necessary that more sports training programmes should be provided to improve the standard of local athletes so that they could be able to compete in international events. SHA said that it was the intention of the Administration to promote and develop a community-wide sporting culture through the hosting of the 2009 EAG. Resources had been allocated in various areas to promote and support sports development in Hong Kong and extensive training had been provided to local athletes. More information on the training of local athletes in preparation for the many upcoming international sports events would be provided to the HA Panel. In preparation for the event, improvement works for existing sports venues would be undertaken and these would be of use in the promotion of sports culture in Hong Kong. The Principal Assistant Secretary for Home Affairs supplemented that the Hong Kong Sports Institute had been working closely with the National Sports Associations and other relevant sectors in implementing high-performance athlete training programmes in preparation for the 2008 Olympic Games and the 2009 EAG. The Government would take into account the advice of the Sports Commission on the directions and priorities in developing elite sports with a view to enhancing elite sports performance in Hong Kong.

77. Given that the Administration would be investing heavily on the 2009 EAG, Ms Audrey EU opined that there should be greater community involvement in the event. She enquired about the arrangements which the Administration would make

to involve students, ranging from primary to university students, and volunteers in the event. SHA agreed to the need for community involvement to make the event a success. In this connection, all the 18 Districts in Hong Kong would be invited to take part in organizing the event. Efforts would also be made to involve students as well. The Deputy Director of Leisure and Cultural Services (Leisure Services) added that the number of volunteer workers for the event would be increased from 2 000 to over 4 000. Invitations had also been made to the eight tertiary institutions for their students to participate as volunteers in organizing the event. Meanwhile, promotional activities on Olympism and the 2009 EAG had already been held in schools.

78. Mr LEUNG Kwok-hung said that when approval-in-principle was sought for the hosting of 2009 EAG in 2003, Hong Kong was experiencing an economic downturn and the estimate for the event was made in a modest manner. With the revival in economy, the Administration had decided to increase the provisions such that the event could be held in a more elaborate manner as compared to 2005 Macau EAG. In view of the additional resources incurred in hosting the event, he considered that these would need to be further justified. Given the lack of recreational facilities in various districts like Tin Shui Wai, he opined that resources should be spent in developing these facilities for the benefit of the local community rather than investing in an unnecessary and extravagant sporting event like the 2009 EAG, albeit it was well supported by the sports associations in Hong Kong. He said that he would not support the proposed funding unless the Administration would undertake to provide the needed recreational facilities for the benefit of the local community.

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

80. The meeting was adjourned at 6:50 pm.