

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 6th meeting
held at the Legislative Council Chamber
on Friday, 26 January 2007, at 3:00 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, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan
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, GBS, 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 Chin-shek, JP
Hon LAU Kong-wah, 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 LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee, SBS, 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, JP
Dr Hon Joseph LEE Kok-long, JP
Hon Daniel LAM Wai-keung, SBS, JP
Hon Jeffrey LAM Kin-fung, SBS, 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 WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon Albert Jinghan CHENG
Hon KWONG Chi-kin
Hon TAM Heung-man

Members absent:

Hon Martin LEE Chu-ming, SC, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon MA Lik, GBS, JP
Hon CHEUNG Hok-ming, SBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP

Public officers attending:

Mr Alan LAI Nin, GBS, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Miss Amy 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)
Miss Eliza LEE	Deputy Secretary for Health, Welfare and Food (Family and Women)
Mr Freely CHENG	Principal Assistant Secretary for Health, Welfare and Food (Family)
Dr CHEUNG Wai-lun	Director (Cluster Services) Hospital Authority

Mr SIT Tung	Assistant Director of Social Welfare (Rehabilitation and Medical Social Services)
Ms Esther LEUNG	Deputy Secretary for Home Affairs (3)
Miss Janet WONG	Principal Assistant Secretary for Home Affairs (Recreation and Sport)
Ms Winnie SO	Principal Assistant Secretary for Home Affairs (Culture)1
Mr FONG Ngai	Assistant Secretary (Home Affairs) (Culture)1
Mrs Betty FUNG, JP	Deputy Secretary for Education and Manpower (1)
Miss Charmaine LEE	Principal Assistant Secretary for Education and Manpower (Higher Education)
Dr Henry HU, GBS, JP	President Hong Kong Shue Yan University
Ms Andrea HOPE	Associate Academic Vice-President Hong Kong Shue Yan University
Mr Chris WARDLAW	Deputy Secretary for Education and Manpower (5)
Dr CHAN Ka-kei	Principal Assistant Secretary for Education and Manpower (Curriculum Development)
Mr Howard C DICKSON	Government Chief Information Officer Office of the Government Chief Information Officer
Ms Linda SO Ka-pik	Deputy Government Chief Information Officer (Planning and Strategy) Office of the Government Chief Information Officer
Mr Arthur LAU Moon-kiu	Chief Systems Manager (E-government Policy and Development)(C) Office of the Government Chief Information Officer
Ms Caroline FAN Mei-hing	Senior Systems Manager (E-government Policy and Development)(C)3 Office of the Government Chief Information Officer
Mr WONG Shun-sang	Controller (Procurement) Government Logistics Department

Clerk in attendance:

Ms Pauline NG	Assistant Secretary General 1
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Staff in attendance:

Miss Becky YU
Mrs Mary TANG
Ms Alice CHEUNG
Mr Frankie WOO

Chief Council Secretary (1)1
Senior Council Secretary (1)2
Senior Legislative Assistant (1)1
Legislative Assistant (1)2

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Item No. 1 - FCR(2006-07)33

RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE MADE ON 3 JANUARY 2007

Referring to PWSC(2006-07)61 “Engineering infrastructure works for Pak Shek Kok development, stage 2B - improvement an extension of Yau King Lane”, the Chairman said that she had met with the affected residents as well as the owners corporation of Villa Castell who were pleased that the Administration had acceded to their request for not installing noise barriers for the time being, but would keep the situation under review. The Administration was also made aware of the residents’ objection against the construction of Road L7 and the need to consult them when proceeding with the project.

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

Item No. 2 - FCR(2006-07)34

HEAD 170 – SOCIAL WELFARE DEPARTMENT

♦ **Subhead 700 General non-recurrent**

Item 530 Trust Fund for Severe Acute Respiratory Syndrome

3. The Chairman informed members that the Panel on Welfare Services (WS Panel) was consulted on the proposal at its meeting on 8 January 2007.

4. Miss CHAN Yuen-han, Chairman of the WS Panel, said that the Panel noted the Administration’s proposals to adjust the criteria for Trust Fund for the Severe Acute Respiratory Syndrome (SARS) (the Trust Fund). According to the Administration, there were 13 SARS patients who had reached the accumulative ceiling of \$500,000 and 233 persons who were receiving assistance from the Trust Fund. The Panel was supportive of the proposed increase in the approved commitment and had urged the Administration to seek funding approval from Finance Committee (FC) as a matter of priority. To facilitate the disbursement of the retrospective payments immediately after FC approval, advance administrative arrangements should be made to process related applications. The Administration also undertook to conduct a review of the longer term arrangements for assistance to SARS patients by 2009, and to provide interim report to the WS Panel and where necessary consult FC.

5. Dr Fernando CHEUNG said that he would support the proposed increase in the approved commitment for the Trust Fund which was indeed members' request. He recalled that pursuant to the decision made at the joint meeting of the WS Panel, the Panel on Health Services and the Panel on Manpower held on 9 March 2006 to discuss the assistance to SARS patients and their families, he, as Chairman of the WS Panel, moved a motion debate at the Council meeting on 17 May 2006 urging the Government to relax the ceiling of financial assistance, inject additional funding into the Trust Fund, extend the scope of Trust Fund to cover also families of deceased "suspected" SARS patients, and grant special ex gratia relief payments to families with deceased elderly SARS patients irrespective of whether the affected families had been relying on the deceased for financial support. Despite that the motion was carried, he was disappointed to note that no mention had been made by the Administration to the motion in the discussion papers for the Panels and FC. It appeared that the Administration had not taken members' views seriously. By way of illustration, the present proposal had only relaxed the ceiling of financial assistance and injected funds into the Trust Fund. The Administration had yet to address the remaining two requests as contained in the motion passed by the Council. He hoped that the Administration would make efforts to take forward such requests.

6. The Deputy Secretary for Health, Welfare and Food (Family and Women) (DS(F&W)) apologized for the omissions in the Administration's papers for the Panels and FC. She undertook that in future, the outcome of relevant deliberations in Panels and the Legislative Council would be included in the Administration's papers. The Chairman said that it was important that all related deliberations of the Legislative Council should be reflected in the Administration's papers to facilitate members' discussions.

7. While supporting the proposal, Mr Frederick FUNG sought explanation on the delay in submitting the proposal. He recalled that when the motion was carried at the Council meeting on 17 May 2006, there were nine patients who had already reached the accumulative ceiling, but no immediate action had been taken to resolve the problem. He opined that the Administration should have anticipated the problem well before the subject was brought to the attention of members. DS(F&W) explained that at the motion debate on 17 May 2006, the Administration had undertaken to consider removing the administrative ceiling of \$500,000 for SARS patients and increasing the approved commitment for the Trust Fund. At that point in time, 12 patients had reached the administrative ceiling of \$500,000. A review had since been conducted on the disbursement of the Trust Fund and, to date, one more patient had reached the ceiling and 30 patients had recovered and ceased to receive assistance from the Trust Fund. As time was required to conduct the review, prepare the funding proposal, the Administration was unable to submit the proposal within the last legislative session before August 2006. Besides, it would also take time to consider the longer term arrangements for patients who might suffer from permanent dysfunctions.

8. Dr YEUNG Sum said that he would support the proposal as the SARS patients had suffered a lot during the crisis. He considered that financial assistance should be disbursed to the SARS beneficiaries as soon as practicable, preferably before the Chinese New Year, to alleviate their financial difficulties, and that continued assistance should be provided to those patients who suffered from dysfunctions as a result of SARS.

9. DS(F&W) said that the Administration had explained the proposals to adjust the criteria for Trust Fund to the 13 SARS patients who had reached the accumulative ceiling of \$500,000. While one of them had indicated that financial assistance was no longer necessary, more than half of these patients were still suffering from dysfunctions and would like to apply for continued assistance. The remainder would be subject to further medical and financial assessment to ascertain their need for financial assistance. The Hospital Authority (HA) and the Social Welfare Department (SWD) had completed the advance administrative arrangements for these patients. Upon approval of funding by FC at the present meeting, the patients' applications would be passed to the Committee on Trust Fund for SARS for consideration. The Administration aimed to disburse retrospective payments to the eligible patients before the Chinese New Year as far as possible.

10. Noting that some of the SARS patients might suffer from permanent dysfunctions, Miss TAM Heung-man enquired if the Administration was prepared to provide these patients with continued assistance under the Trust Fund in the longer term. DS(F&W) said that as indicated in the FC paper, the Administration would be conducting a review by end 2009 on the need for longer term arrangements for patients suffering from permanent dysfunctions, if any.

11. Mr WONG Kwok-hing was pleased to note that the Administration had acceded to members' request for advance administrative arrangements to facilitate early provision of retrospective payments to SARS patients who had reached the accumulative ceiling of \$500,000. He enquired if the review of the longer term arrangements for assistance to SARS patients to be conducted in 2009 could be expedited.

12. DS(F&W) explained that according to HA's assessment, some patients of major diseases might suffer from permanent dysfunctions. Given the limited medical knowledge about SARS and its long-term effects, the Administration would need to observe the patients for a longer period in order to ascertain if any of them would suffer from permanent dysfunctions. If so, consideration might need to be given to provide these patients with financial assistance for a longer term through a more permanent framework outside the Comprehensive Social Assistance Scheme, since the eligibility criteria would be quite different from those of CSSA. As HA had advised that most of the complications arising from serious illness should have surfaced within five to six years after the discharge from hospitals, it was expected that the health conditions of the SARS patients should stabilize in another three years' time, towards end 2009. Therefore, it would be more appropriate to conduct a review of the longer

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term assistance arrangements for the SARS patients by end 2009 when more reliable data on the number of patients who would require continued financial assistance and their health conditions were available. Upon completion of the review by end 2009, funding would be sought from FC as appropriate. Meanwhile, interim report would be submitted to the WS Panel.

13. While supporting the proposal in principle, Dr Joseph LEE stressed the need to provide financial assistance under the Trust Fund to the affected families as soon as practicable. Noting that 233 persons were still receiving assistance from the Trust Fund, he asked if they would reach the accumulative ceiling of \$500,000 in the near future and if so, whether sufficient funding was available to provide them with continued financial assistance. DS(F&W) said that of the 634 persons who received financial assistance under the Trust Fund, 13 had reached the accumulative ceiling of \$500,000. Based on the present data, it was expected that another 63 persons would reach the accumulative ceiling of \$500,000 in the coming three years or so. The proposed increase of \$50 million in approved commitment, together with the balance of the Trust Fund amounting to \$15 million (making a total of \$65 million) would be able to provide in the next three years continued assistance to the 233 recipients as well as retrospective payments and continued assistance for the 13 patients who had reached the accumulative ceiling. She also affirmed in response to the Chairman that upon the FC's approval, the administrative ceiling of \$500,000 would no longer apply to the SARS patients who were still receiving financial assistance.

14. Miss TAM Heung-man said that she would support the proposal in principle. Noting that HA had launched a fee waiver scheme in 2005 to provide SARS patients with life-long free medical services for potential SARS-related problems, and that they could continue to seek reimbursement for expenses in respect of medical consultation, she enquired if these patients would be free to choose between public and private medical services since the latter would be much more expensive. DS(F&W) said that while the SARS patients were provided with life-long free medical services from HA, some of them might prefer seeking medical consultation from the private sector. Those who chose to seek private medical services could do so at their own choice and seek reimbursement from the Trust Fund on the basis of HA rates.

15. Dr Fernando CHEUNG questioned why members' request for extension of the scope of the Trust Fund to cover families of deceased "suspected" SARS patients was not acceded to. DS(F&W) advised that since there was no evidence to suggest that the deceased "suspected" SARS patients were misdiagnosed, or the causes of death were related to SARS, the surviving families would not be eligible for any financial assistance under the Trust Fund. As regards members' request for granting special ex gratia relief payments to families with deceased elderly SARS patients irrespective of whether the affected families had been relying on the deceased for financial support, DS(F&W) advised that there was a need to strike a balance between the proper management of public fund and providing assistance to the deceased's families irrespective of whether they relied on the deceased for financial support. Under the

present policy, financial assistance would normally be granted to the affected families who had been relying on the deceased for financial support. Notwithstanding, there were cases where family of deceased elderly SARS patients had been given ex gratia relief payments because the deceased had rendered assistance to the family by caring for the young children and/or performing household duties.

16. Dr Fernando CHEUNG pointed out that the original purpose of the Trust Fund was to provide ex gratia relief payments to SARS patients and surviving families of deceased patients. Hence, if there was evidence to suggest that the deceased “suspected” SARS patients had been misdiagnosed and had died because they had been given the wrong treatment, their surviving families should be given ex gratia payments irrespective of whether they had been relying on the deceased for financial support.

17. Dr KWOK Ka-ki said that he would support the funding proposal, which in his view was a necessity. He said that the Administration was responsible for the outbreak of SARS in 2003 in view of the misjudgements made. The SARS patients, be they were genuine or suspected cases, as well as their families had undergone similar hardship. However, the families of deceased “suspected” SARS patients had not been given the needed assistance and support. He was disappointed that the eligibility for the Trust Fund had not been reviewed despite the repeated requests from families of the deceased “suspected” SARS patients. He stressed the need for review of the eligibility for the Trust Fund as well as the support and assistance for the affected families. DS(F&W) explained that the Trust Fund was confined to families of deceased SARS patients as well as surviving recovered and “suspected” SARS patients. Apart from financial assistance, medical and psychological help, rehabilitation services, training opportunities and job searching assistance were offered to SARS patients. They were also looked after by social workers from SWD. They had also met with the senior government officials from time to time and such arrangements would continue. As to whether any medical staff of the private sector had suffered from SARS-related dysfunctions, the Director (Cluster Services) (D(CS)) answered that an initial search indicated that there should not be many such cases.

18. Mr Frederick FUNG was concerned that “suspected” SARS patients who had been misdiagnosed as SARS and given the same medical treatment as SARS patients had suffered much damage to their health. As some of them were unable to recover completely after the treatment and had since died, he enquired if assistance could be given to their surviving families as after all these patients were victims of misdiagnosis. D(CS) explained that for all deceased patients, irrespective of whether they died of SARS or not, the doctors in charge of the diseased patients would determine the direct and/or indirect cause of death. Given the limited knowledge about SARS and response to treatment, it would be difficult to ascertain whether the cause of death had any linkage to SARS treatment. He also could not accept that there was any misdiagnosis on the part of HA for the “suspected” SARS patients because treatment had to be provided for the benefit of patients in the first place regardless whether the outcome of the initial diagnosis matched with the subsequent

diagnosis. DS(F&W) added that the progress of recovery of surviving SARS and “suspected” SARS patients was monitored closely. From 2004 to 2006, there were over 230 patients who had recovered from the disease. The proposed increase in the approved commitment for the Trust Fund would be able to provide the remaining SARS patients with the needed financial assistance.

19. While acknowledging that the Administration had to be prudent in managing the Trust Fund, Mr LEUNG Kwok-hung held the view that it had to be fair to the families of deceased “suspected” SARS patients and provide them with the needed assistance and support. He enquired if the families of deceased “suspected” SARS patients could initiate civil claims on their entitlement to the financial assistance under the Trust Fund. D(CS) said that within the existing legal system, the affected families could initiate legal actions if they choose to and HA would respect their decisions.

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

Item No. 3 - FCR(2006-07)35

HEAD 53 – GOVERNMENT SECRETARIAT : HOME AFFAIRS BUREAU

♦ Subhead 700 General non-recurrent

New Item “Injection into the Arts and Sport Development Fund and the Arts Development Fund”

21. The Chairman informed members that the Panel on Home Affairs (HA Panel) was consulted on the proposal at its meeting on 8 December 2006.

22. Miss CHOY So-yuk, Chairman of the HA Panel, said that the Panel was supportive of the proposed funding injection. However, concern was raised on the adequacy of funding for the Arts and Sport Development Fund (ASDF) and the Arts Development Fund (ADF). The Administration was requested to explore other possible methods of providing funding support, such as matching grant schemes or tax concessions, to encourage donations from the private sector. It should also ensure that the bulk of the new injection should directly benefit artists/athletes, and safeguard the impartiality and independence of the grant allocation system in respect of ASDF and ADF.

Proposed injection into ASDF and ADF

23. Mr LEE Wing-tat expressed concern that the funding for the arts and sports sectors had been mostly used to meet administrative and staff costs. Given the high remuneration of administrative staff, the percentage of funding which would directly benefit the artists/athletes would be relatively low. According to his understanding, some full time athletes who represented Hong Kong and won medals in international sports competitions were only receiving subsidies of about \$4,000 to \$5,000 per month. Hence, he would abstain from voting on the proposal.

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24. The Deputy Secretary for Home Affairs (3) (DSHA(3)) explained that the \$40 million injection into the arts portion of ASDF would be used to support arts projects. As the injection would be disbursed through the Hong Kong Arts Development Council (HKADC) with its existing establishment, no additional staff and administrative costs would be incurred. At present, administrative costs accounted for 17% of the recurrent expenditure of HKADC. The Principal Assistant Secretary for Home Affairs (Recreation and Sport) (PASHA (R&S)) added that the funds for the sports portion of ASDF would be used to support the Hong Kong Delegation to participate in major games/competitions. This covered expenses of the delegation's accommodation and meals, local transportation, uniform and other related expenses, such as medical tests and purchase of souvenirs etc. The sports portion of ASDF would also be used to provide funding support for athletes to prepare for major sports games/competitions, which covered expenses relating to additional local and overseas training, purchase of additional equipment, provision of on-field support and hire of additional coaches. By way of illustration, to prepare for the 2006 Doha Asian Games, the Hong Kong wind-surfing athletes had travelled to the competition venue to observe the wind direction/water current and to be engaged in preparatory training on site. Athletes who were trained under the Hong Kong Sports Institute (HKSI) were provided with free meals and accommodation in addition to subsidies from the Government paid through HKSI. Starting from 2007-2008, additional funding of \$40 million would be provided annually to enhance the support to elite athletes in four key areas, namely education opportunities, career development upon retirement, financial assistance, athlete training and coaching support.

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25. The Chairman enquired about the remuneration of administrative staff and how this compared with that of athletes. PASHA(R&S) explained that the funding from the sports portion of ASDF that was used to support athletes' preparation for and participation in major sports games would not be used for remuneration of administrative staff. While the sports portion of ASDF was not meant to pay directly to athletes, athletes were direct beneficiaries receiving additional training and support through ASDF funding. At members' request, the Administration undertook to provide a breakdown of ASDF which had been used for the remuneration for athletes/artists and administrative staff as well as the percentage of funding which had been used for administrative work in promoting arts and sports activities.

(Post-meeting note: The required information was circulated to members vide LC Paper No. FC33/06-07 on 13 February 2007.)

26. While supporting the proposed funding, Dr KWOK Ka-ki shared Mr LEE Wing-tat's concern about the inadequate financial support for elite athletes, which was much less favourable as compared with their counterparts in the Mainland. Despite the fact that a lot of resources had been devoted to the provision of sports facilities, very limited financial subsidies were provided to the athletes who represented Hong Kong in international sports events. Mr Albert CHAN was also concerned that very limited funding was provided to the artists/athletes as a large part

of the funding for the development of arts and sports had been used for administrative costs, in particular, to pay the high salaries of administrative staff. Efforts should be made to ensure that the funding would directly benefit the artists/athletes, and not the organizers and agents. Dr Fernando CHEUNG said that he would support the funding proposal but stressed the need to ensure that the funds would benefit the artists/athletes in the development of arts and sports. In view of members' concerns that a large part of the funding would be used to meet administrative costs, Miss TAM Heung-man enquired if the Administration would be prepared to conduct a review of the situation. DSHA(3) assured members that the bulk of the funding would directly benefit the artists/athletes. Furthermore, regular reviews would be conducted on the progress of disbursement of funds in meeting the performance targets by the artists/arts groups.

27. Noting the huge difference between the uncommitted balance of \$4.7 million and \$51.3 million for the arts and sports portions of ADSF respectively, Miss TAM Heung-man said the reason for the disparity should be looked into, with a view to further rationalizing the allocation of funding injection to the arts and sport portion of ASDF. Dr KWOK Ka-ki enquired about the measures to ensure the impartiality of the grant allocation system so that the funds for arts development could be equitably provided to the budding artists/arts groups. Apart from the provision of funding, the Leisure and Cultural Services Department should also assist in the provision of suitable venues for performance of those budding artists/arts groups. DSHA(3) assured members that the Administration would work with HKADC on the formulation of a new set of funding criteria to support new artists/arts groups. Meanwhile, HKADC would also try to identify suitable venues to provide more performance opportunities for new artists/arts groups in different districts.

28. As the member returned from the functional constituency on sports, performing arts, culture and publication, Mr Timothy FOK believed that there was general consensus on the support for capital injection to foster the development of arts and sports in Hong Kong. However, efforts should be made to ensure that the funding would be used on the benefit of artists and athletes.

Sports development

29. While supporting the funding proposal, Dr YEUNG Sum noted that following the reprovisioning of HKSI at the YMCA Wu Kai Sha Youth Village (WKS) to make way for the forthcoming Olympic Equestrian Event, some athletes had complained about the standard of the training facilities at WKS. As the inadequacy of sports facilities would adversely affect the performance of athletes, the Administration should endeavour to improve the situation, and to ensure that HKSI would provide up-to-standard facilities for the Olympic Equestrian Event. PASHA (R&S) said that the Administration maintained close liaison with HKSI and its coaches in monitoring the progress of the reprovisioning of HKSI to WKS. Many athletes indicated that they found the facilities generally satisfactory. A site visit to WKS South Village had been held for the media. Efforts would be made to further improve the facilities if necessary.

30. Given the lack of sports facilities in Hong Kong, Mr LEUNG Kwok-hung opined that there was a need for the Government to provide more land for the development of sports facilities to help nurture more local sports talents.

Arts development

31. Dr YEUNG Sum was pleased to note that additional funding from ADSF would be provided to support the Budding Grant Scheme and the Enhanced Support Scheme for Budding Artists. He said that the arts sector had repeatedly appealed to Members of the Democratic Party (DP) for the allocation of more funding for new and budding artists/arts groups so that those with recognized potential could be provided with more performance opportunities and internships. He hoped that HKADC would consolidate and focus more of its work on new and budding artists/arts groups. DSHA(3) thanked members for their support. She said that the Administration recognized the need for more support to new and budding artists/arts groups. Hence, the proposed funding injection would be used to provide more opportunities for them to perform and exhibit their works, and to participate in open competitions through subsidy on production costs, venue charges and related expenses.

32. Noting that the ADF Advisory Group was responsible for vetting and recommending funding applications for the approval of the Secretary for Home Affairs (SHA), Dr Fernando CHEUNG considered that artists/arts groups should be adequately represented in the Advisory Group. To enhance the representativeness of the arts sector, consideration should be given to reducing the number of Government officials in the Advisory Group. DSHA(3) said that the arts sector played a major role in deciding the funding allocation for the development of arts. In fact, almost all the recommendations made by HKADC on the funding for the development of arts were approved by SHA. Dr CHEUNG further asked if the views of small and medium sized performing arts groups were taken into account in the allocation of funding. DSHA(3) explained that there were 10 HKADC members who were elected representatives of the arts sector, and they were responsible for reflecting the sector's needs to the Administration.

33. Mr LEUNG Kwok-hung was concerned about the lack of transparency in the operation of HKADC. He considered it necessary that changes in the funding mechanism should be made for the benefit of local artists. There was also a need to provide more music studios and venues for performance by artists/arts groups. DSHA(3) said that under the new funding mechanism, more funding would be provided for the small and medium sized performing arts groups.

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

Item No. 4 - FCR(2006-07)36

**HEAD 156 – GOVERNMENT SECRETARIAT : EDUCATION AND
MANPOWER BUREAU**

♦ **Subhead 700 General non-recurrent**

**New Item “Grant to the Hong Kong Shue Yan University for establishing a
General Development Fund”**

35. The Chairman informed members that the Panel on Education was consulted on the proposal at its meeting on 8 January 2007.

36. Mr Jasper TSANG, Chairman of the Panel on Education, said that the Panel was in unanimous support of the proposed grant to the Hong Kong Shue Yan University (HKSYU) for establishing a General Development Fund (GDF). While HKSYU’s contribution to the higher education in Hong Kong was highly commendable, the Administration should map out measures to enhance the research capabilities of HKSYU in the long term.

37. On behalf of DP Members, Dr YEUNG Sum indicated support for the funding proposal. The approval of the grant for establishment of GDF was indeed a recognition of HKSYU’s efforts, dedication and contribution to the higher education. As research work was an integral part of university education, he would support that efforts should be made to enhance the research capabilities of HKSYU.

38. The Deputy Secretary for Education and Manpower (1) (DSEM(1)) said that the development of research capabilities of HKSYU was raised at the Panel meeting on 8 January 2007. The Administration had since discussed with HKSYU on the issue and HKSYU’s initial response was that it would like to concentrate its efforts on the provision of degree programmes and the upgrading of staff portfolios in the first five years. Nevertheless, research would definitely form a part of HKSYU’s longer term development. Dr Henry HU, President of HKSYU, said that HKSYU would encourage research work first and would compete for research grants as the next step.

39. Mr Albert CHENG stood up and spoke in praise of Dr Henry HU’s dedication and contribution to the upgrading of HKSYU as a private university. He pointed out that the one-off grant of \$200 million to HKSYU for establishing GDF would not be sufficient in the longer term, and hoped that more funds would be allocated in future to promote academic and staff development.

40. Mr CHEUNG Man-kwong congratulated HKSYU for its upgrading. Dr Fernando CHEUNG declared that he was a former student of Shue Yan College and he felt honoured to be able to take part in the approval of the funding proposal. He would like to express appreciation for HKSYU’s contribution to the development of higher education, particularly its insistence on the provision of four-year degree programmes. He hoped that the Administration would consider including HKSYU as an eligible applicant for research grants under the Research Grants Council (RGC)

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so that it could compete on a level playing field with other University Grants Committee (UGC)-funded institutions. DSEM(1) said that at present, only the eight UGC-funded institutions were eligible for research grants under RGC. Besides, the Open University of Hong Kong could apply to the Education and Manpower Bureau for one-off grants to support their research work on a case-by-case basis. Similar arrangement may apply to HKSYU in the future. Subject to HKSYU's readiness to compete with other UGC-funded institutions on an equal footing, the Administration would consider inviting HKSYU to bid for research funding in parallel with the UGC-funded institutions.

41. On behalf of Members of the Democratic Alliance for Betterment and Progress of Hong Kong (DAB), Mr TAM Yiu-chung would like to congratulate Dr Henry HU for achieving his goal in upgrading Shue Yan College as a university. He said that DAB Members were appreciative of the ideals and missions of HKSYU in the development of higher education, and he hoped that the Administration would provide continued assistance to HKSYU to meet its needs.

42. Mr Albert CHAN said that he had taught in Shue Yan College some 20 years ago. He expressed his appreciation and respect for Dr Henry HU for his contribution in the upgrading of HKSYU. He said that members would be very happy to give their approval to the funding proposal and it was hoped that more funding could be provided in the long run for the development of HKSYU.

43. On behalf of Members the Alliance, Mr Abraham SHEK would like to congratulate HKSYU for its upgrading. He said that members would support the funding proposal without reservation.

44. Ms Miriam LAU said that Members of the Liberal Party would like to join other members in congratulating HKSYU for its upgrading. She commended Dr Henry HU, who was also an outstanding member of the legal profession, for his contribution to the higher education. The Chairman also joined in to congratulate HKSYU for its upgrading and she hoped that more resources could be provided for its development.

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

Item No. 5 - FCR(2006-07)37

**HEAD 156 – GOVERNMENT SECRETARIAT : EDUCATION AND
MANPOWER BUREAU**

◆ Subhead 700 General non-recurrent

New Item “Grant to the Hong Kong Academy for Gifted Education”

46. The Chairman informed members that the Panel on Education was consulted on the proposal at its meetings on 16 November 2006 and 8 January 2007.

47. Mr Jasper TSANG, Chairman of the Panel on Education, said that at the Panel meeting on 16 November 2006, six individuals/education groups were invited to express their views on gifted education. The Panel had also discussed the service coverage of the Academy for Gifted Education, its financial framework and staffing, as well as the identification of gifted students at the meeting on 8 January 2007. The Panel supported the proposal.

48. Mr CHEUNG Man-kwong also supported for the proposal.

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

Item No. 6 - FCR(2006-07)38

CAPITAL WORKS RESERVE FUND

HEAD 710 – COMPUTERISATION

Office of the Government Chief Information Officer

♦ New Subhead “Implementation of Pilot e-Procurement Programme”

50. The Chairman informed members that the Panel on Information Technology and Broadcasting (ITB Panel) was consulted on the proposal at its meeting on 11 December 2006.

51. Mr Albert CHENG, Chairman of the ITB Panel, said that the Panel supported the submission of the funding proposal to FC, but considered it necessary for the Administration to address following concerns raised –

- (a) Consideration should be given to promoting the use of e-invoicing which was a part of the e-Procurement process in the private sector but was not included in the proposed implementation of the Pilot Programme;
- (b) The extent to which green procurement was adopted should be used as one of the benchmarks for assessment of the effectiveness of the Pilot Programme during the review;
- (c) There was a need to promote the Pilot Programme in the government so as to attract a wider participation as the timetable as proposed was too slow and would only involve three departments. Consideration should also be given to extending the programme to public organizations; and
- (d) Efforts should be made to ensure that the experience gained from implementation of the programme would be retained, albeit contract staff would be engaged in the Pilot Programme.

Action

52. As many small and medium enterprises (SMEs) were not receptive to the use of information technology (IT), and in the light of the impact on them during the internet outage caused by the recent earthquake, the Chairman enquired if measures would be mapped out to assist SME suppliers. In response, the Government Chief Information Officer recognized the need to assist SMEs on the use of IT. Regarding the internet outage incident, the Administration would revert to the ITB Panel on the improvements to be made to network monitoring and reporting, and support to SMEs.

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

54. The meeting was adjourned at 4:55 pm.

Legislative Council Secretariat

9 May 2007