

立法會
Legislative Council

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Finance Committee of the Legislative Council

Minutes of the 23rd meeting
held at the Legislative Council Chamber
on Thursday, 1 April 2010, at 10:00 am

Members present:

Hon Emily LAU Wai-hing, JP (Chairman)
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Dr Hon David LI Kwok-po, GBM, GBS, JP
Dr Hon Margaret NG
Hon CHEUNG Man-kwong
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon LAU Kong-wah, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon WONG Kwok-hing, MH
Dr Hon Joseph LEE Kok-long, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon CHEUNG Hok-ming, GBS, JP
Hon KAM Nai-wai, MH
Dr Hon LAM Tai-fai, BBS, JP
Hon CHAN Hak-kan
Hon WONG Sing-chi
Hon WONG Kwok-kin, BBS
Hon IP Kwok-him, GBS, JP

Dr Hon PAN Pey-chyou
Hon Paul TSE Wai-chun

Members absent:

Hon LEE Cheuk-yan
Hon Fred LI Wah-ming, SBS, JP
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon LEUNG Yiu-chung
Hon WONG Yung-kan, SBS, JP
Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon LI Fung-ying, BBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon LEE Wing-tat
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king
Hon Paul CHAN Mo-po, MH, JP
Hon CHAN Kin-por, JP
Dr Hon Priscilla LEUNG Mei-fun
Dr Hon LEUNG Ka-lau
Hon CHEUNG Kwok-che
Hon IP Wai-ming, MH
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Dr Hon Samson TAM Wai-ho, JP

Public officers attending:

Professor K C CHAN, SBS, JP	Secretary for Financial Services and the Treasury
Mr Stanley YING, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Alice LAU, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)1
Ms Elsie YUEN	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Miss Jennifer MAK, JP	Director of Administration
Miss Shirley YUNG, JP	Deputy Director of Administration (1)

Mr Wilfred WU
Principal Executive Officer
(Administration)

Clerk in attendance:

Mrs Constance LI
Assistant Secretary General 1

Staff in attendance:

Ms Anita SIT
Miss Joanne FONG
Mr Frankie WOO
Ms Christy YAU
Chief Council Secretary (1)5
Senior Council Secretary (1)7
Senior Legislative Assistant (1)3
Legislative Assistant (1)1

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Item No. 1 - FCR(2010-11)1

**HEAD 184 – TRANSFERS TO FUNDS
Subhead 990 Payment to the Disaster Relief Fund**

The Chairman said that the special meeting was convened at the request of the Administration to consider an urgent proposal to inject \$150 million to the Disaster Relief Fund (DRF), and to delegate to the Financial Secretary the authority to make grants each in excess of \$8 million for the purpose of providing emergency relief to drought victims in the Mainland.

2. Mr WONG Kwok-hing expressed grave concern about the serious drought in various Mainland provinces as reflected in recent media reports. Given the close ties between the Mainland and Hong Kong, he would support the present funding proposal. He urged the Government of Hong Kong Special Administrative Region (HKSARG) to provide expeditious assistance to the relevant provincial governments, and to seek progress reports on the relief work carried out in these provinces. He considered that the Administration should take a more active role in coordinating the relief work, and encourage participation by community groups and relief organizations. He also urged the Administration to take the opportunity to promote water conservation and low carbon economy, as well as care for the environment.

3. The Director of Administration (D of Adm) advised that it was the established arrangement to request the recipient authorities and relief organizations to provide evaluation reports on the use of the DRF grants, and such information would be provided to the Finance Committee (FC). The same arrangement would apply to the relief grants for drought victims in the Mainland. As for participation of the community, fund-raising activities and relief work were being organized by various

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local community groups, and Hong Kong people could render their support through such channels. On water conservation, the Administration planned to provide a paper to the Legislative Council (LegCo) Panel on Development on the measures in this respect.

4. Ms Audrey EU affirmed the Civic Party's support for the funding proposal. She enquired about the timeframe for the disbursement of grants under the present proposal, and details of the large-scale emergency relief programmes being carried out by the authorities of the affected provinces and region to help the drought victims. She also asked which relief organizations had already submitted applications for DRF grants to carry out emergency relief programmes for the drought victims, and how Hong Kong people could assist in the relief work such as by making donations.

5. D of Adm advised that a number of relief organizations had submitted applications for grants from DRF. To expedite the processing of grants to the affected Mainland provinces and region and the relief organizations for carrying out the relief work, the Administration had already sought the agreement of the Disaster Relief Fund Advisory Committee (DRFAC) that, subject to the FC's approval of the funding proposal, grants would be made immediately to the relevant provincial and regional governments and organizations concerned. The Administration proposed to donate \$40 million each to Guangxi, Guizhou and Yunnan which were hardest hit by the drought (totalling \$120 million). Separately, \$30 million would be reserved for dealing with applications from relief organizations for providing emergency relief, such as provision of food and water, to the drought victims. The general public could also make donations to support the emergency relief work carried out by the relief organizations.

6. The Chairman asked whether the scope of DRF grants would cover provision of facilities, such as road building and well digging, at the drought affected areas. D of Adm advised that the Administration would support the use of the grants for emergency relief work in these areas.

7. Mr Albert HO said that Members belonging to the Democratic Party supported the funding proposal and the need for providing emergency relief to the drought affected areas. He considered that the recipient authorities and organizations of the DRF grants should be requested to provide reports on the use of the grants. Mr HO said that given the severity and extensiveness of the drought in the Mainland, the proposed \$150 million donation to the drought affected areas was a modest amount. The donation was more for conveying the care and concern of Hong Kong people for the disaster victims in the Mainland. Given this limited amount of donation, he urged the Administration to deliver the donation immediately in one go to the affected provinces and region and also encourage donations from the community. He advised that the Democratic Party members would also support providing additional funding to support local organizations' relief work in remote areas in the affected provinces and region. He suggested that, other than providing emergency relief such as drinking water and temporary water storage facilities, the

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Administration should also consider providing support for reconstruction work in the drought-stricken areas in the Mainland, conducting studies on environmental protection/climate changes, and promoting community awareness of conservation of water and other natural resources.

8. D of Adm responded that the donation to provide immediate emergency relief to the drought victims in the affected provinces and region was one-off in nature. In view of the severity of the drought in the Mainland, the Administration would, upon FC's approval of the proposal, arrange to transfer immediately the donation into the accounts of the recipient provincial and regional governments. The donation would also serve to convey a message of care and concern of Hong Kong towards the disaster victims in the Mainland, and to inspire donations from the Hong Kong people to the relief organizations. She assured members that the Administration would closely monitor the situation and seek additional funding if necessary.

9. In response to Mr Albert HO's further enquiry, D of Adm advised that in line with the established practice, the Administration would request the recipient relief organizations and provincial and regional governments in the Mainland to provide reports on the use of grants, and such information would be forwarded to LegCo Members.

10. Ms Miriam LAU said that the Liberal Party supported the funding proposal. Referring to the monitoring measures described in FC90/09-10, she expressed concern whether monitoring mechanisms were in place to ensure that the donations were properly used for providing emergency relief and would actually benefit the drought victims. She asked whether HKSARG officials would visit the affected areas in the Mainland to obtain first-hand understanding of the drought situation and the relief work being carried out. As strict control measures were proposed for the relief organizations as set out in paragraph 5 of FC90/09-10, she considered that similar control measures should apply to the recipient authorities of the proposed \$120 million donation. Since the drought situation in the Mainland might not improve within a short period, she urged the Administration to closely monitor the use of the \$120 million donation to ensure that the drought victims would actually be benefited.

11. D of Adm said that while she believed that the recipient authorities in the Mainland would put the donation to effective use, the Administration would request the authorities to provide reports on the use of the donations from Hong Kong. There was no plan to send government officials to the Mainland to visit the affected areas hit by the drought, but the Administration would closely monitor the situation to see if other assistance would be required from Hong Kong.

12. The Chairman asked why the control mechanisms set out in paragraph 5 of FC90/09-10 would not apply to the recipient authorities in the Mainland. D of Adm advised that as relief work was already being carried out by the respective Mainland authorities and given the wide scope and extensive geographical area covered, it

would be appropriate to allow the recipient authorities some flexibility in using the DRF donations to best complement their ongoing relief work on the ground. On the other hand, as the relief work to be carried out by relief organizations were of a smaller scale and on a project basis, it would be possible to adopt the control measures for the relief organizations in receipt of DRF grants. D of Adm further advised that the relief organizations were familiar with the procedures and requirements for applying for DRF grants. The evaluation reports on the relief work carried out would also facilitate the assessment of any future applications from the relief organizations concerned.

13. Ms Miriam LAU further asked if the Administration would consider sending experts/professionals from relevant departments to assist in the relief and reconstruction works in the drought affected areas in the Mainland. D of Adm replied that the Mainland authorities had not raised any such request. Nevertheless, the Administration was prepared to consider all kinds of requests for assistance.

14. Dr LAM Tai-fai commented that Hong Kong people should be grateful for living in a place free from natural disasters and for the continuous supply of Dongjiang water when various provinces in the Mainland suffered from drought. While expressing support for the expeditious delivery of the \$120 million donation to assist the drought victims in the Mainland, Dr LAM queried how the amount of \$150 million provision had been worked out. He considered that the amount of donation should be increased to provide better support for the drought affected areas. He also shared the view of Mr WONG Kwok-hing that the Administration should step up publicity to promote water saving in Hong Kong.

15. D of Adm explained that the amount of donation was derived after considering all relevant factors including the latest development of the drought and DRF donations for natural disasters in the past. She assured members that the Administration would continue to monitor closely the drought situation in the Mainland and seek supplementary provisions for making further grants from DRF where necessary. In reply to the Chairman, D of Adm further explained that the Administration had taken into consideration information obtained from the Central People's Government on the latest development of the drought and previous donations from DRF for providing emergency relief in the case of natural disasters. The current donation was the third largest donation of its kind from the DRF, next to the \$214 million donation for snowstorm victims in February 2008 and the \$300 million donation for Sichuan earthquake victims in May 2008.

16. Mr IP Kwok-him said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the funding proposal. While \$150 million might not be sufficient to provide relief to the drought affected areas in the Mainland, the donation would convey a message of care and concern of Hong Kong about the sufferings of the drought victims. As the eastern part of the Mainland was also hit by the drought, HKSARG might consider making further donations and seek additional funding where necessary. He urged that the DRF

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grants should be delivered expeditiously for supporting emergency relief work and for providing drinking water to victims in the affected areas. He also requested that the recipient authorities in Guangxi, Guizhou and Yunnan should be requested to provide reports on the use of the donations from DRF.

17. Mrs Sophie LEUNG declared that she was a member of the DRFAC. She considered that the proposed donation would convey a message of care and concern from people of Hong Kong and there would be activities to raise further donations in the community. She shared the view that there should be more public education on conservation of natural resources, food and water.

18. In reply to Mrs Sophie LEUNG and the Chairman, D of Adm advised that the monitoring measures set out in FC90/09-10 were established practices which applied to all grants made from DRF.

19. Dr PAN Pey-chyou said that Members belonging to the Hong Kong Federation of Trade Unions supported the funding proposal and any additional funding for the purpose. He said that the drought in the south-western part of the Mainland had reflected the fragility of the ecology on earth, especially in terms of water resources, and he hoped the community would participate in supporting the relief work in the drought areas. Dr PAN asked whether there was any specified use of the proposed donation, and whether the Administration had plans to increase the donation or whether there were requests for other assistance or support.

20. D of Adm responded that as the donation was made for providing emergency relief, the recipient authorities should be allowed the flexibility to make use of the funds for meeting the most immediate needs in the affected areas. She re-affirmed that HKSARG had not received requests for other assistance or support, but would be prepared to consider any such requests.

21. Dr PAN Pey-chyou said that there were clearly defined tasks or requirements for the Sichuan earthquake relief work and asked if a similar approach would be adopted for the drought relief work this time. D of Adm clarified that the specific tasks or requirements referred to by Dr PAN were drawn up to facilitate the planning and implementation of the reconstruction projects in Sichuan for which FC had approved a total of \$9 billion for injection into the Trust Fund in Support of Reconstruction in the Sichuan Earthquake Stricken Areas. The DRF donations were to provide emergency relief to the earthquake victims in Sichuan.

22. Mr Paul TSE said that the proposed donation of \$40 million each to Guangxi, Guizhou and Yunnan would not be sufficient for the relief work. He asked if HKSARG had directly liaised with the recipient authorities in the Mainland, and which relief organizations had applied for grants under DRF to carry out relief work in the drought affected areas. He suggested that to obviate the need for frequent transfers of funds from Head 184 to DRF, the annual provision for DRF should be increased. This would enable Hong Kong to respond more readily to the need of

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providing emergency relief support in other places. To facilitate members to consider future funding proposals for DRF, he suggested that future submissions to FC should include a summary of previous grants from DRF, with details of the recipient countries/organizations, nature of the disaster, and outcome of the funded relief work, etc.

23. D of Adm responded that given the unpredictability of natural disasters, the Administration would normally top up the DRF to \$50 million at the beginning of a financial year, and seek supplementary provisions from FC where necessary. She added that FC's approval was still required for making individual grants exceeding \$8 million from DRF. In line with the standing practice, the Secretariat of DRF would compile an annual report on the usage of DRF grants, including details such as the names of the relief organizations and past funded emergency relief initiatives. The reports were available at the Government website. As regards Mr TSE's suggestion, the Administration would consider the best way to provide more details to members in future submissions.

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24. On applications received from relief organizations for carrying out relief work in the drought affected areas, D of Adm advised that the DRFAC had already approved the funding application of \$1.4 million from The Amity Foundation (愛德基金會) for transporting water and water containers to the drought affected areas. Three other applications were being vetted, including an application for \$2.8 million from World Vision Hong Kong (香港世界宣明會) for distribution of rice to Guangxi and Yunnan, an application for about \$2 million from The Association of Chinese Evangelical Ministry Limited (中國福音事工促進會) for distribution of rice to Yunnan, and an application for \$2.8 million from Operation Blessing Hong Kong (慈福行動) for providing water and food to Guizhou.

25. Dr Margaret NG said that the proposed \$120 million donation was only a modest contribution to convey the care and concern of Hong Kong people, given the severity of the drought in the Mainland which had affected 61 million people and more than 5 million hectares of farmland. Since the drought had started in the south-western part of the Mainland as early as autumn 2009, she queried why the Administration had not offered any assistance until the Central People's Government made an announcement on 23 March 2010 about the drought. Dr NG was of the view that as many Hong Kong people were concerned about the drought in the Mainland, the Administration should proactively obtain more information about the drought situation in the Mainland and facilitate participation of the Hong Kong community in rendering assistance to the drought victims. She enquired whether reducing the supply of Dongjiang water to Hong Kong could help ease the drought in the south-western part of the Mainland. She also suggested promoting water saving in Hong Kong in order to convey a message of sharing distress with the drought victims, and that the Panel on Development or Panel on Constitutional Affairs could follow up the matter with the Administration.

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26. D of Adm explained that HKSARG had kept a close watch on the developments of the drought in the Mainland and had responded at the earliest possible opportunity to express support for the drought relief work. HKSARG had contacted the Guangdong authorities in November 2009 proposing to reduce the amount of Dongjiang water supply for Hong Kong, but was advised that as Hong Kong imported only 3% of the Dongjiang water, the reduction in water supply to Hong Kong would not have much effect in relieving the drought in the Mainland. Nevertheless, HKSARG had undertaken to offer any assistance whenever it was needed. On water-saving measures, the Administration would provide a paper to the Panel on Development in May 2010.

27. Mr Andrew LEUNG said that Members belonging to Economic Synergy supported the funding proposal and any further requests for additional grants to provide assistance to the drought victims. He considered that in addition to monetary support, Hong Kong should also provide technological assistance to the drought affected areas. He informed members that the Hong Kong Productivity Council had raised funds for the earthquake victims in Sichuan and provided five film water-filtering machines to victims in the remote areas of Sichuan. He considered that the water-filtering technology could also assist the drought areas, and the Hong Kong Productivity Council could produce such machines quickly. Mr LEUNG added that as drinking water was a scarce and shrinking resource on earth, the Administration should formulate water-conservation strategies and promote water-saving measures within the community. D of Adm took note of Mr LEUNG's views.

28. Ir Dr Raymond HO said that Members of the Professionals Forum supported the funding proposal and any requests for additional funds to provide emergency relief work in relation to the drought. He considered that the donation should be provided expeditiously to assist the drought victims and the Administration should keep close watch on the drought situation in the Mainland and increase the provision for the relief work as appropriate in accordance with the established procedures.

29. In concluding, the Chairman requested the Administration to expeditiously deliver the DRF grants to support the emergency relief work in the drought affected areas and to provide to LegCo Members reports on the usage of the DRF grants.

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

31. The meeting was adjourned at 10:58 am.