

**立法會**  
**Legislative Council**

LC Paper No. FC183/12-13  
(These minutes have been  
seen by the Administration)

Ref : CB1/F/1/2

**Finance Committee of the Legislative Council**

**Minutes of the 22<sup>nd</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 11 January 2013, at 3:00 pm**

**Members present:**

Hon Tommy CHEUNG Yu-yan, SBS, JP (Chairman)

Hon Emily LAU Wai-hing, JP (Deputy Chairman)

Hon Albert HO Chun-yan

Hon LEE Cheuk-yan

Hon James TO Kun-sun

Hon CHAN Kam-lam, SBS, JP

Hon LEUNG Yiu-chung

Hon TAM Yiu-chung, GBS, JP

Hon Abraham SHEK Lai-him, SBS, JP

Hon Frederick FUNG Kin-kee, SBS, JP

Hon Vincent FANG Kang, SBS, JP

Hon WONG Kwok-hing, MH

Dr Hon Joseph LEE Kok-long, SBS, JP

Hon Jeffrey LAM Kin-fung, GBS, JP

Hon Andrew LEUNG Kwan-yuen, GBS, JP

Hon WONG Ting-kwong, SBS, JP

Hon Ronny TONG Ka-wah, SC

Hon Cyd HO Sau-lan

Hon Starry LEE Wai-king, JP

Dr Hon LAM Tai-fai, SBS, JP

Hon CHAN Hak-kan, JP

Hon CHAN Kin-por, BBS, JP

Dr Hon Priscilla LEUNG Mei-fun, JP

Dr Hon LEUNG Ka-lau

Hon CHEUNG Kwok-che  
Hon WONG Kwok-kin, BBS  
Hon IP Kwok-him, GBS, JP  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Alan LEONG Kah-kit, SC  
Hon LEUNG Kwok-hung  
Hon Albert CHAN Wai-yip  
Hon WONG Yuk-man  
Hon Claudia MO  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon NG Leung-sing, SBS, JP  
Hon Steven HO Chun-yin  
Hon Frankie YICK Chi-ming  
Hon WU Chi-wai, MH  
Hon YIU Si-wing  
Hon Gary FAN Kwok-wai  
Hon MA Fung-kwok, SBS, JP  
Hon Charles Peter MOK  
Hon CHAN Chi-chuen  
Hon CHAN Han-pan  
Dr Hon Kenneth CHAN Ka-lok  
Hon CHAN Yuen-han, SBS, JP  
Hon LEUNG Che-cheung, BBS, MH, JP  
Hon Kenneth LEUNG  
Hon Alice MAK Mei-kuen, JP  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung  
Hon Dennis KWOK  
Hon Christopher CHEUNG Wah-fung, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Hon SIN Chung-kai, SBS, JP  
Dr Hon Helena WONG Pik-wan  
Hon IP Kin-yuen  
Dr Hon Elizabeth QUAT, JP  
Hon Martin LIAO Cheung-kong, JP  
Hon POON Siu-ping, BBS, MH  
Hon TANG Ka-piu  
Dr Hon CHIANG Lai-wan, JP  
Ir Dr Hon LO Wai-kwok, BBS, MH, JP  
Hon CHUNG Kwok-pan  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

**Members absent:**

Dr Hon LAU Wong-fat, GBM, GBS, JP  
Hon James TIEN Pei-chun, GBS, JP  
Hon Tony TSE Wai-chuen

**Public officers attending:**

Professor K C CHAN, GBS, JP	Secretary for Financial Services and the Treasury
Ms Elizabeth TSE Man-ye, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Esther LEUNG, 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)
Mr WAI Chi-sing, JP	Permanent Secretary for Development (Works)
Ms Brenda AU Kit-ying	Principal Assistant Secretary for Development (Planning and Lands) 5
Mr LEUNG Koon-kee, JP	Director of Architectural Services
Ms CHAN Hoi-ming	Project Director (2) Architectural Services Department
Mr IP Kwai-hang	Deputy Head of Civil Engineering Office (Projects and Environmental Management) Civil Engineering and Development Department
Ms Doris CHEUNG, JP	Deputy Secretary for Labour and Welfare (Welfare) 1
Ms Wendy LEUNG	Principal Assistant Secretary for Labour and Welfare (Welfare) 1
Miss Winnie YING	Secretary General, Community Investment and Inclusion Fund Secretariat Labour and Welfare Bureau
Mrs Elina CHAN	Principal Assistant Secretary for Labour and Welfare (Welfare) 3
Mrs Anna MAK	Deputy Director of Social Welfare (Services)
Miss Cecilla LI	Assistant Director of Social Welfare (Elderly)

Mr Simon KONG

Senior Architect  
Social Welfare Department

**Clerk in attendance:**

Mr Andy LAU

Assistant Secretary General 1

**Staff in attendance:**

Mr Derek LO

Chief Council Secretary (1)5

Mr Daniel SIN

Senior Council Secretary (1)7

Mr Ken WOO

Council Secretary (1)5

Mr Frankie WOO

Senior Legislative Assistant (1)3

Ms Christy YAU

Legislative Assistant (1)7

---

**Item No. 1 – FCR(2012-13)63**

**RECOMMENDATIONS OF THE ESTABLISHMENT  
SUBCOMMITTEE MADE ON 5 DECEMBER 2012**

The Chairman advised that the approval of the Finance Committee (FC) was sought for the items set out in FCR(2012-13)63 which were recommended by the Establishment Subcommittee at the meeting on 5 December 2012. No member had requested for separate voting by FC on any item in FCR(2012-13)63.

2. The Chairman put the items in FCR(2012-13)63 to vote. The Committee approved the items.

**Item No. 2 – FCR(2012-13)64**

**RECOMMENDATIONS OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 28 NOVEMBER AND 17  
DECEMBER 2012**

3. The Chairman advised that FC's approval was sought for the items set out in FCR(2012-13)64 which were recommended by the Public Works Subcommittee (PWSC) at the meetings on 28 November 2012 and 17 December 2012. Members of PWSC had requested that item PWSC(2012-13)37 should be considered and voted on separately at the FC meeting.

4. The Chairman put the items in FCR(2012-13)64, excluding PWSC(2012-13)37, to vote. The Committee approved the items.

### **PWSC(2012-13)37**

#### **Head 103 – BUILDINGS**

##### **Support – Boundary facilities (other than road works)**

##### **13GB – Liantang / Heung Yuen Wai Boundary Control Point and associated works**

5. The Chairman advised that the item PWSC(2012-13)37 sought the Committee's approval to upgrade part of 13GB, "Liantang / Heung Yuen Wai Boundary Control Point and associated works – Boundary Control Point buildings and the associated facilities – pre-construction consultancy services", to Category A at an estimated cost of \$180 million in money-of-the-day prices, and to retain the remainder of 13GB in Category B.

##### Provision of parking facilities

6. Ms Cyd HO Sau-lan reminded the Administration to address the inadequate provision of car parking facilities in the proposed Liantang / Heung Yuen Wai Boundary Control Point (LT/HYW BCP) project, as raised by members during the discussion at PWSC meeting. Mr YIU Si-wing said that sufficient parking facilities should be provided in proportion to the volume of vehicular flow. Permanent Secretary for Development (Works) (PS(Works)) replied that the present design should be sufficient for the purpose. Nevertheless, the Administration would explore the possibility of increasing the number of parking spaces during the detailed design stage.

##### Traffic handling capacity

7. Given the continued growth in cross-boundary passenger and vehicular traffic, Ms Cyd HO queried whether Hong Kong's road network could cope with the forecast traffic volume, and whether the Administration would restrict the number of vehicles from the Mainland.

8. PS(Works) said that the Administration used a four-stage modelling approach to forecast the passenger and vehicular flows through LT/HYW BCP. The capacity of the cross-boundary transport infrastructure and the impact of the LT/HYW BCP project on the traffic network were also assessed. He said that the Administration did not have plan to restrict the number of Mainland vehicles coming to Hong Kong. If the additional traffic generated by the commissioning of LT/HYW BCP caused congestion on Hong Kong's road

network, the Administration would implement suitable mitigating measures.

9. Ms Cyd HO asked under what circumstances the Administration would consider restricting the amount of cross-boundary traffic. PS(Works) responded that the Administration would conduct traffic monitoring assessment upon commissioning of the new BCP, and introduce suitable traffic management measures as and when necessary. Ms Cyd HO did not subscribe to the Administration's response and said that the public would have to monitor closely the traffic situation following the commissioning of the LT/HYW BCP.

10. Ms Claudia MO said that the Administration should publicize relevant statistics on traffic impact due to the development of LT/HYW BCP three months after its commissioning. The Administration should then explain whether daily passenger and vehicular flow through the facility should be restricted in the light of the outcome of the findings

#### Redistribution of traffic on other vehicular boundary control points

11. Ms Emily LAU Wai-hing referred to the supplementary information note provided by the Administration (LC Paper No. PWSC19/12-13) and asked if the proposed LT/HYW BCP facility would be able to divert the already saturated traffic away from the other existing BCPs. PS(Works) advised that the proposed LT/HYW BCP was intended to increase Hong Kong's capacity in handling cross-boundary traffic in the eastern part of the Hong Kong's boundary, and to ease the increasing traffic pressure on the other BCPs. In response to Ms LAU's queries, PS(Works) said that, as an illustration, the estimated passenger handling capacity of the Shenzhen Bay BCP was 111 000; the actual average daily passenger trips recorded were 76 600 and the highest daily passenger trips in 2012 were 113 100. With the implementation of additional visitor diversion measures by the Immigration Department, BCPs could handle more passengers.

12. Ms Emily LAU Wai-hing commented that the Administration's supplementary information and PS(Works)'s explanation did not clearly show how the passenger and vehicular traffic through existing BCPs would be eased after the LT/HYW BCP was commissioned. The Chairman requested the Administration to provide further information on the forecast passenger and vehicular traffic across existing BCPs in Lok Ma Chau, Shenzhen Bay, Man Kam To and Sha Tau Kok when the LT/HYW BCP facility came into operation. The statistics should illustrate how LT/HYW BCP would help ease the pressure on the existing BCPs.

*(Post-meeting note: The information on the redistribution of the forecast passenger and vehicle traffic on the existing vehicular BCPs after the commissioning of the LT/HYW BCP was issued to members on 19 February 2013 vide LC Paper No. FC103/12-13.)*

### Projected passenger flow and handling capacity

13. Dr Fernando CHEUNG Chiu-hung questioned the validity of the projected forecast passenger flow made under the transport model of the Joint Study, particularly the small difference between the two passenger flow figures with and without the need to have exit endorsement. PS(Works) said that assuming that Shenzhen permanent residents would not need an exit endorsement from the Mainland authorities to visit Hong Kong, the passenger flow would be about 30 700 passenger trips per day. On the other hand, if Shenzhen permanent residents had to obtain an exit endorsement from the Mainland authorities before visiting Hong Kong, the transport model computed that the forecast passenger flow would be about 28 750 passenger trips per day. Since April 2009, Shenzhen permanent residents had been allowed to apply for one-year multiple-entry Individual Visit Scheme endorsement to visit Hong Kong. As such, the forecast daily passenger trips should be higher than 28 750, but lower than 30 700. In view of this information and other considerations of the BCP site, both Governments agreed to adopt 30 000 passenger trips daily as the design passenger flow for LT/HYW BCP. He further said that the actual handling capacity of the BCP facility could be enhanced with measures such as greater use of the e-Channel service and other diversion measures. If the passenger flow increased beyond the planned capacity, the Administration might need to develop a new BCP.

14. PS(Works) and Deputy Head of Civil Engineering Office (Projects and Environment Management) (DH(PEM) of CEO) explained that passenger flow and the handling capacity of BCPs were assessed on the basis of the time required for immigration and customs clearance during a certain time interval. In general, as most of the Mainland visitors entered Hong Kong by rail, the need for exit endorsement or not would not affect significantly their use of the BCP facilities.

15. Dr Kwok Ka-ki expressed concern about the design and handling capacity of the existing BCPs. He said that, according to the information provided by the Administration, the estimated daily passenger handling capacity of the Shenzhen Bay BCP was 111 000 passenger trips, but the average daily passenger trips was 76 000. The estimated versus actual average passenger flow through the Lok Ma Chau BCP was, respectively, 118 000 and 80 700. Given the wide gap between the design handling capacity and the actual

throughput of the existing facilities, Dr KWOK doubted if LT/HYW BCP would likewise be under-utilized. Dr Fernando CHEUNG Chiu-hung made a similar comment that the scale of the LT/HYW BCP project was too large. Dr KWOK Ka-ki commented that as LT/HYW BCP was a costly project, it would be a waste of public resources if the economic benefits turned out to be much lower than originally expected. PS(Works) said that the design life of a BCP was quite long and he expected that the utilization of Shenzhen Bay and other BCPs would build up in time.

#### Connection with the North East New Territories development

16. Dr Fernando CHEUNG Chiu-hung said that given the close proximity of the proposed LT/HYW BCP to the future North East New Territories (NENT) development, the facility could provide a convenient access for in-bound traffic to Ta Kwu Ling and Ping Che in North District as well as Lung Mei in Tai Po. Dr CHEUNG noted that by facilitating Mainland visitors to enter and depart Hong Kong through the eastern part of the New Territories, LT/HYW BCP would help materialize the concept of "one-hour living circle", and would attract even more Mainland visitors to Hong Kong. He commented that if the requirements for exit endorsement under the Individual Visit Scheme and the Self-drive Tour Scheme were waived, the situation would become even worse. PS(Works) responded that since the Self-drive Tour Scheme was still under trial and the NENT development was still in consultation stage, there were no sufficient planning data to enable accurate forecast to be made on the impact of these developments..

17. Dr KWOK Ka-ki expressed concern that the Administration would proceed to implement the Self-drive Tour Scheme in spite of the communities' concern on the impact on the road network and traffic safety. He asked whether the Administration had any plan to implement the Scheme. PS(Works) reiterated that the Transport and Housing Bureau would take into consideration the experience gathered from the trial and determine the appropriate way forward.

18. Dr Fernando CHEUNG Chiu-hung was concerned that under the concept of urban integration between Hong Kong and Shenzhen, valuable land resources in the NENT areas might be developed for enjoyment of wealthy Mainland residents rather than to address the needs of Hong Kong people. Dr CHEUNG considered this development approach not equitable. Ms Claudia MO commented that the Administration should not implement the NENT development on a piecemeal basis.

19. Dr CHEUNG Chiu-hung said that on full development, the NENT areas could accommodate a large population and priority industries. He asked



whether the Administration had factored in the number of people from Shenzhen who might work and reside in the new development areas in the development of the proposed BCP project.

20. DH(PEM) of CEO said that when the traffic impact assessment of the proposed LT/HYW BCP facility was being conducted, the planning of the NENT development was not advanced enough to provide practical data for the traffic forecast model to draw a conclusion.

21. The Chairman enquired whether the Administration would re-assess the traffic impact now as more comprehensive planning data might have been available. DH(PEM) of CEO said that the Administration did not have the realistic population profile of the NENT development to draw a conclusion. However, he expected that the population in that region would not generate traffic that would cause unacceptable impact to the proposed connecting road of the LT/HYW BCP project.

22. Dr Fernando CHEUNG Chiu-hung criticized the Administration for not having taken into account the future of the NENT development in the design and implementation of LT/HYW BCP. Dr CHEUNG said that the scale of the NENT development would be significant as it covered an area of 800 hectares of land and a planned population of 150 000. The LT/HYW BCP development, which was only about five to ten minutes distance by car from Ping Che or Ta Kwu Ling, would inevitably be affected by the NENT development.

23. PS(Works) reiterated that the Government had not included the NENT development in the forecast model because realistic planning data were not available at that stage. DH(PEM) of CEO supplemented that in designing the connecting road including the link roads to LT/HYW BCP, the Government had as usual assessed the impact of a number of known developments in the vicinity of the proposed route. The connecting road should have adequate capacity to meet the traffic demands of the NENT development.

24. Dr Fernando CHEUNG Chiu-hung commented that even if the Administration did not have the actual planning statistics, it should be able to make a forecast based on available information to assess possible implications of the NENT development on LT/HYW BCP. He commented that it could only be a political decision that the Administration decided to develop LT/HYW BCP without taking into account all the planning parameters. PS(Works) emphasized that the scale of LT/HYW BCP was determined having taken into account the long term need of cross-boundary passenger and vehicle flow.

25. Ms Claudia MO said that the Administration should have a time table to follow up on the traffic impact assessment with the inclusion of the NENT development. PS(Works) said that all the traffic impact assessment study associated with the development of LT/HYW BCP had been completed. The Transport and Housing Bureau and the Transport Department would monitor the actual traffic situation regularly when the BCP facility came into operation. In response to the Chairman's query of when the Administration would begin to monitor the traffic situation and when would the findings be publicized, PS(Works) said that the Administration would monitor the traffic situation on an on-going basis and that there would not be separate, standalone impact assessment following the commissioning of LT/HYW BCP.

26. Mr Abraham SHEK declared that he was a director of the MTR Corporation. He commented that there was a limit on how much traffic any BCP facility could handle. The information that the Administration had provided should have reflected the already saturated situation at BCPs. Mr SHEK said that the current daily traffic through Lok Mau Chau well justified the proposed LT/HYW BCP facility. Regarding Dr Fernando CHEUNG Chiu-hung's suggestion that the development of NENT should be taken into account in assessing the passenger flow and handling capacity of LT/HYW BCP, Mr Abraham SHEK commented that the LT/HYW BCP facility was not intended to facilitate the NENT development only. The Administration should not just evaluate how many of the 150 000 planned population in the future NENT development area might use the facility. Instead, the Administration should take into account how the facility might be used by the whole population of Hong Kong.

#### Connection with other parts of the New Territories

27. Mr WONG Kwok-hing supported the funding proposal. He said that the opening of the eastern side of the boundary would facilitate passengers to travel to and from Shenzhen, and would promote closer exchange between Hong Kong and the Mainland. The proposed facility would also help ease the congestion in the central and the western parts of the boundary. Mr WONG asked whether the Administration would extend the Northern Link to connect Heung Yuen Wai with Man Kam To, Sha Tau Kok and Lok Ma Chau. Mr WONG also asked whether the Administration would develop a side rail line connecting Fanling and Heung Yuen Wai.

28. PS(Works) said that as the Review and Update of the Railway Development Strategy 2000 was still under consultation, the Administration did not have a concrete proposal on long term rail transport infrastructure development at this stage. He would convey members' views to the Transport

and Housing Bureau for consideration.

29. Mr LEUNG Kwok-hung commented that works and planning officials had difficulties in making planning forecast accurate because of frequent policy changes at the top decision making level in the Government. Operation departments might not always be aware of the policy direction. Mr LEUNG commented that with further urban integration of Hong Kong and Shenzhen, the Administration's priority was to increase supply of residential units. Mr LEUNG queried the need for having such a large scale development for LT/HYW BCP. He said that the opening up of NENT would lead to heavy traffic to the urban areas through LT/HYW BCP. The Administration should explain how the traffic would be managed so as to avoid congestion in urban areas, and how the community would benefit from these developments. Mr LEUNG asked if a east-west road corridor linking LT/HYW and the North West NT, and a link connecting LT/HYW and the proposed Northern Link would be built.

30. PS(Works) said that the Administration's supplementary information note had set out the traffic forecast of passenger and vehicle flow following the commissioning of LT/HYW BCP. The forecast traffic model had taken into account trips generated across different parts of the territory. In the light of the forecast traffic generation, the Administration had included a link road connecting LT/HYW BCP and the existing highway network. With this improvement, it was anticipated that the enhanced road network capacity should be able to handle the east-west bound traffic to and from the proposed control point.

31. Mr YIU Si-wing declared that his company had operated direct through bus service commuting between Hong Kong and the Mainland. He said that in the past few years, in-bound tourism trade grew by double digits each year. Last year more than 46 million passenger trips to Hong Kong were recorded. Mr YIU commented that the capacity of existing boundary control points was approaching saturation and that the Administration's statistics on the existing traffic flow through various control points did not reflect the actual situation as there was congestion in Lok Ma Chau already.

32. DH(PEM) of CEO responded that the proposed LT/HYW BCP was designed to handle 17 850 vehicle trips each day in which 15 000, 2 000 and 850 vehicle trips would be made by goods vehicles, private cars and cross-boundary buses, respectively.

33. The Chairman said that the speaking time for members raising third round of questions would be reduced from five minutes to three minutes.

Other comments

34. The meeting noted that the affected villagers would be compensated under the New Territories Village Removal Policy, and affected owners of private land could obtain ex-gratia zonal land compensation according to their respective eligibility. Commercial/industrial undertakings and genuine farmers, irrespective of whether they were indigenous villagers or non-indigenous villagers, would receive different types of ex-gratia allowances; and (b) Enhanced and tailor-made compensation packages such as the "Cottage House Option" specially devised for eligible non-indigenous villagers residing within the village environs of Chuk Yuen Village and in Chuk Yuen South (subject to the discretion of the Secretary for Development on a case-by-case basis). Dr Fernando CHEUNG Chiu-hung criticized the system of compensation to villagers affected by the BCP project unfair. He asked if the Administration would review the compensation policy and adopt a consistent approach. PS(Works) responded that the Lands Department handled the application for compensation based on established policies.

35. Mr LEUNG Kwok-hung commented that every major infrastructure project brought traffic congestion. He queried how the Administration could claim that the traffic impact arising from the NENT development could not be assessed. He also commented that many of the facilities in the western part of the NT were not fully utilized. He said that the Committee was forced to approve the funding proposal on LT/HYW BCP without a full appraisal of its impact on the NENT development.

36. The Chairman put the item to vote. At the request of members, the Chairman ordered a division. Of the 52 members present and 47 members participated in voting, 39 voted for the proposal, eight members voted against the proposal. Five members abstained from voting. The voting result of individual members were as follows -

*For:*

Mr CHAN Kam-lam	Ms Emily LAU Wai-hing
Mr TAM Yiu-chung	Mr Abraham SHEK Lai-him
Mr Frederick FUNG Kin-kee	Mr WONG Kwok-hing
Dr Joseph LEE Kok-long	Mr Jeffrey LAM Kin-fung
Mr Andrew LEUNG Kwan-yuen	Mr WONG Ting-kwong
Mr CHAN Hak-kan	Mr CHAN Kin-por
Dr Priscilla LEUNG Mei-fun	Dr LEUNG Ka-lau
Mr WONG Kwok-kin	Mr IP Kwok-him
Mrs Regina IP LAU Suk-yee	Mr Michael TIEN Puk-sun

Mr NG Leung-sing  
Mr Frankie YICK Chi-ming  
Mr YIU Si-wing  
Mr Charles Peter MOK  
Mr LEUNG Che-cheung  
Mr KWOK Wai-keung  
Mr SIN Chung-kai  
Mr IP Kin-yuen  
Mr Martin LIAO Cheung-kong  
Ir Dr LO Wai-kwok  
Mr Christopher CHUNG Shu-kun  
(39 members)

Mr Steven HO Chun-yin  
Mr WU Chi-wai  
Mr MA Fung-kwok  
Ms CHAN Yuen-han  
Ms Alice MAK Mei-kuen  
Mr Christopher CHEUNG Wah-fung  
Dr Helena WONG Pik-wan  
Dr Elizabeth QUAT  
Mr POON Siu-ping  
Mr CHUNG Kwok-pan

*Against:*

Mr LEE Cheuk-yan  
Mr CHEUNG Kwok-che  
Ms Claudia MO  
Mr Kenneth LEUNG  
(8 members)

Mr LEUNG Yiu-chung  
Mr LEUNG Kwok-hung  
Mr Gary FAN Kwok-wai  
Dr Fernando CHEUNG Chiu-hung

*Abstain*

Mr Albert CHAN Wai-yip  
Dr Kenneth CHAN Ka-lok  
Mr Dennis KWOK  
(5 members)

Mr WONG Yuk-man  
Dr KWOK Ka-ki

37. The Chairman declared that the Committee approved the application.

**Item No. 3 – FCR(2012-13)65**

**HEAD 141 – GOVERNMENT SECRETARIAT : LABOUR AND WELFARE BUREAU**

**Subhead 700 General non-recurrent**

**Item 016 Community Investment and Inclusion Fund**

38. The Chairman advised that the item sought the Committee's approval of an increase in the approved commitment by \$200 million for the Community Investment and Inclusion Fund (CIIF).

39. Ms CHAN Yuen-han reported that the Panel on Welfare Services discussed the funding proposal at its meeting held on 10 December 2012. Panel members supported the proposal. Panel members had urged the CIIF Committee to speed up the vetting of applications and fund disbursement. Panel members considered that CIIF should not emphasize the sustainability

and self-financing aspects of the projects but should focus on helping the disadvantaged. The Administration should set targets to evaluate the effectiveness of the funded projects and make use of CIIF to step up measures in addressing the poverty problems at district level. Furthermore, the Administration should formulate policies to assist small organizations to run community projects. Panel members called on the CIIF Committee to work with members of the local community and step up the promotion of community inclusiveness with a view to gaining support from the local community for the rehabilitation services for the mentally ill persons, services for persons with disabilities and elderly.

40. Mr WONG Kwok-hing expressed support for the funding proposal. He asked how the projects funded under CIIF would be monitored and evaluated in order to ensure that the objectives of building "Government-Business-Community" tripartite co-operation in promoting social capital and community inclusion could be met. He asked if the Administration would conduct mid-term or annual review on individual projects.

41. Deputy Secretary for Labour and Welfare (Welfare)1 (DSLW(W)1) advised that members of the CIIF Committee would be mentors of projects funded under CIIF. The project organizers were currently required to submit quarterly progress reports for evaluation by CIIF Secretariat. The Administration would examine the feasibility of conducting mid-term review as suggested. However, DSLW(W)1 pointed out that projects usually lasted for three years and there might not be significant progress during the initial stage of implementation.

#### Concerns about favouritism in funding allocation

42. Mr Albert CHAN Wai-yip criticized that CIIF had become a tool for exchange of political interests and that the CIIF Committee seemed to favour organizations with pro-establishment background. He said that the CIIF Committee had approved a number of projects which were implemented by Kwun Tong Resident Association (KTRA) and the Youth Kwun Tong (YKT) and these organizations had a strong tie with the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB). For example, Mr CHAN Kam-lam was one of the chairmen of KTRA, while Mr WONG Chun-ping, a Kwun Tong District Council member and a former official of the Liaison Office of the Central People's Government, was an adviser of YKT. Mr LEUNG Kwok-hung also echoed that Ms KO Po-ling, a Yau Tsim Mong District Council member and a DAB member, was also an adviser of KTRA.

43. Mr CHAN Kam-lam admitted that he was one of the chairmen of KTRA. The Association was run by a board of governors. He did not consider that there was a need for him to declare interest. He said that any organization which was willing to serve the community could apply for fund from CIIF and there should not be concern about conflict of interest.

44. Mr Albert CHAN commented that the projects funded under CIIF were purported to help the grassroots community. However, in many cases, the project proponents who were given funding under CIIF would reciprocate certain CIIF members by supporting candidates backed by these CIIF members during elections. For this reason, Mr Albert CHAN said that Members belonging to the People's Power would vote against the funding proposal. He asked how the Administration would ensure that CIIF would not be reduced to a mere platform for exchange of political interests.

45. DSLW(W)1 responded that CIIF was a seed fund to support projects that would promote cross-sectoral collaboration in the community to build social capital as well as to strengthen and sustain social networks. The application criteria and procedures had been posted on the CIIF website. She said that CIIF had been in operation for ten years, and had provided or committed funding for some 250 projects. The projects were mostly concentrated in Yuen Long and Tin Shui Wai, followed by Sham Shui Po and Southern Districts. The CIIF Secretariat would organize briefing session for each round of application and would encourage organizations to launch joint projects. There was an open and transparent mechanism in vetting and approving funding for projects. The Assessment and Evaluation Sub-committee would examine project proposals and forward its recommendations to the CIIF Committee for approval.

#### Composition of the CIIF Committee and its subcommittee

46. Ms Emily LAU Wai-hing expressed concern that the Administration set up various funds to benefit organizations or individuals who supported the Government. She said that many of the members of the CIIF Committee and its Assessment and Evaluation Sub-committee were from the pro-establishment camp. Ms Emily LAU commented that if the Committee were to operate fairly and independently, the membership should not skew towards certain political parties. Ms Emily LAU said that in setting up CIIF, the Administration had mentioned that the CIIF Committee would involve participation of grassroots community. She commented that it should also include representatives from women's groups and ethnic minority communities, but these were now under-represented. She said that the current composition of the CIIF Committee and the Assessment and Evaluation Sub-committee was biased

towards business sector. She suggested that the appointment should be more equitable otherwise CIIF would lose credibility, and would have difficulties in achieving the intended objectives.

47. Dr Helena WONG pointed out that the Administration only provided information about members' professional background of members in the CIIF Committee. She echoed the comments made by Mr Albert CHAN and Ms Emily LAU and suggested that the Administration should also provide information on members' political affiliation for FC members' reference. Mr WU Chi-wai expressed a similar view. Dr Helena WONG noted that Ms CHAU Chuen-heung, Mr Vincent CHENG Wing-shun, and Mr CHAN Wai-ming who were members of the CIIF Committee, were also DAB members. She queried why the Administration gave disproportionate preference to pro-establishment camp members in the CIIF Committee. She commented that the Government should maintain political neutrality and ensure more equitable participation to avoid giving the impression that the Administration was transferring political interests to its favoured organizations through CIIF. Dr Helena WONG suggested that the Administration should appoint members of different background when the current tenure of the CIIF Committee and the Assessment and Evaluation Sub-committee expired.

48. Dr Fernando CHEUNG Chiu-hung noted that all the three members in CIIF with DC background were from DAB and expressed concern that CIIF might become a tool for exchanges of political interests. Dr CHEUNG said that the Government should ensure fair participation of people with different political background to maintain credibility and impartiality. Mr Albert CHAN said that Mr CHAN Wai-ming in the CIIF Committee was not the DAB member of the same name.

49. DSLW(W)1 said that CIIF members were requested to contribute to the objective of promoting social inclusion by becoming mentors of individuals projects funded by CIIF. In identifying suitable persons for appointment to the CIIF Committee, candidates' knowledge of social capital as well as experience and availability in implementing social inclusion projects were major factors for consideration. Since it was CIIF's objective to encourage greater participation by the business sector, appointment of members from the sector was appropriate. DSLW(W)1 stressed that a candidate's political affiliation was not the major consideration for appointment. Therefore, the Administration did not have relevant information on the members' political affiliation.

50. Mr LEUNG Kwok-hung said that the Home Affairs Bureau should have the information about the political affiliation of persons appointed to government's advisory or statutory boards. He said that the Administration had



allowed the CIIF funding mechanism to be used as a tool for reward of political allegiance. He suggested that the Administration should ensure that a certain part of CIIF membership should be drawn from members of different political parties.

51. Mr WONG Yuk-man commented that notwithstanding DSLW(W)1's clarification that political affiliation of a person was not the main reason for considering appointment to the CIIF Committee or the sub-committee, it was still a factor that the Administration would consider. If the Administration's intention was to exclude political affiliation from the criteria for appointment, it should admit it clearly, otherwise, the Administration should consider appointing members from pan-democratic political parties.

52. Mr WONG Yuk-man said that he did not accept the Administration's explanation that the Government would not know the political affiliation of members being shortlisted for appointment. Even if the Government was not aware of members' political affiliation, it should have information about the background of the organizations receiving funding and their political connections. Mr WONG stressed that Legislative Council Members had a duty to query the Administration whether there had been favouritism or conflict of interest in the use of public funds.

53. Dr Elizabeth QUAT declared that she was a director of the Shatin Women's Association. The Association had applied for funds under CIIF, but she was not involved in the operation of the projects, nor the application process. Dr QUAT asked the Administration to confirm that in considering appointment to advisory boards and committees, a candidate's age, gender, political affiliation or sexual orientation were not relevant factors for consideration.

54. DSLW(W)1 confirmed that the Administration appointed members to CIIF based on their experience and ability. The Administration selected members who were knowledgeable in social capital and who were committed in participating in the development of individual social capital projects.

55. In response to Dr Helena WONG, DSLW(W)1 said that the tenure of some members of the CIIF Committee would expire later this year.

#### Participation of co-operative societies in CIIF projects

56. Ms Emily LAU said that some grassroots organizations had hoped to form co-operative societies and to implement CIIF projects. She observed that as at December 2004, 17 co-operative societies were involved in running 72 CIIF projects. By October 2007, only three more co-operative societies had

been provided funds for operating CIIF projects. Ms LAU asked if the Administration had made an effort to encourage formation of co-operative societies.

57. Secretary General, CIIF Secretariat (SG/CIIF) said that the Administration encouraged the community to organize mutual help networks through the CIIF projects. In deciding whether an application for CIIF funding should be approved, the CIIF Committee would consider whether the project proponents would be able to sustain the social network in the community established through the CIIF projects, and how different members from various sectors within the network would complement each other in building social capital. SG/CIIF said that encouraging the formation of co-operative societies was not the main purpose of setting up CIIF.

#### Continuation of CIIF projects after expiry of funding

58. Dr Helena WONG asked about the funding arrangements for CIIF projects which were considered to be effective after the initial operation period of three years. If funding could not be extended, Dr WONG asked if such projects could be implemented in another district, or whether the successful service models would be incorporated into the Government's regular service. Mr WU Chi-wai raised a similar query. Mr WU asked if a successful CIIF project could be repackaged and continued to be funded after three years.

59. DSLW(W)1 responded that although it was usual for a project to last for three years, project organizers were not barred from applying for CIIF funding to enhance projects in another phase or replicate projects of a similar nature in another district or neighbourhood. SG/CIIF said that the Administration encouraged project operators to implement effective CIIF projects in other districts, or to continue to operate the service for an extended catchment. She added that in approving funding for extending the projects, CIIF would expect the organizers concerned to leverage on successful networking models to further extend the mutual support networks and introduce more new elements.

#### Information of approved CIIF projects

60. In response to Dr Fernando CHEUNG Chiu-hung, SG/CIIF said that information on the number of applications for CIIF, and the number of projects approved in each batch of application, the amount of fund allocated for each project and details of the responsible organizations was available on the CIIF website. Reviews of overall performance were also available. Dr Fernando CHEUNG commented that appraisal of individual projects should be compiled

rather than a mere overall assessment of performance of CIIF.

61. The Chairman asked the Administration to advise Dr Fernando CHEUNG of the web link after the meeting.

*(Post meeting note: Dr CHEUNG was informed of the CIIF website on 22 January 2013. The link, as provided by the Administration, is:*

*<http://www.ciif.gov.hk/en/social-capital-development-projects/approved-project-list.html> )*

### Criteria and speed of approval

62. Mr WU Chi-Wai asked if projects had to be financially self-sustaining in order to qualify for funding approval from CIIF. He also asked the number of CIIF projects that could not be allowed to continue because it could not sustain their operations.

63. DSLW(W)1 said that whether the project could be self-financing was not among the criteria for approving funding under CIIF. The Administration hoped that project proponents could mobilize different sectors in the community to building social capital through the projects.

64. Mr WU Chi-wai asked the extent to which projects funded under CIIF had achieved the objective of increasing individuals' capacity, building support network and reducing poverty.

65. DSLW(W)1 said that two evaluation studies had been conducted since the establishment of CIIF. The results of both studies showed that CIIF had effectively promoted the development of social capital. There were examples where people in disadvantaged position in the community had been able to enhance their capacity, migrating from a person who received help to one who helped oneself, and finally to one who was able to help others. The studies concluded that promoting social inclusion through CIIF was in the right direction.

66. Mr WONG Yuk-man said that in 2010 the Public Accounts Committee had released a report raising concern about the slow pace at which CIIF approved funds and the small number of projects approved. He asked if the Administration had reviewed why the progress was so slow and so little applications had been approved. Mr WONG also commented that many of the CIIF projects were offering similar service being provided by SWD. He asked if there had been overlapping in work.

67. DSLW(W)1 said that the Administration and the CIIF Committee had reviewed the operation of CIIF. She said that in the initial stage of CIIF, social capital was not a concept well understood among project proponents. In many cases, the Administration or the CIIF Committee needed to ask for more information from the project proponents so as to enhance the quality of the proposals. As a result, more time was needed to develop a project proposal suitable for funding under CIIF, and the success rate for funding approval was relatively low. As applicants had gained more experience through the years, they could now develop new project proposals faster than before by drawing reference from successful models. The CIIF Committee hence needed less time to process the applications. In the latest batch of applications, DSLW(W)1 said that the processing time on applications was noticeably shorter and the rate of successful cases was higher.

68. Mr CHAN Kam-lam said that he had heard from some organizations that it was not easy to receive funding approval from CIIF. The proposed project must be different from existing services or to address areas or people not adequately covered by existing services. It was not unusual that project owners had to recruit volunteers as the amount of funding approved was usually not enough, and the organizations had to rely on donations to sustain operation. Many grassroots organizations might not have the resources and manpower to carry out the projects or meet the CIIF application criteria. He suggested that CIIF could reduce the threshold requirement so that more organizations could participate and remove the impression that CIIF projects were monopolized by large scale organizations. DSLW(W)1 said that the Administration would review CIIF's application criteria from time to time in the light of past experiences.

69. Dr Elizabeth QUAT expressed disappointment that some members did not support the current funding proposal and commented that CIIF projects had in fact provided opportunities for people in need. She said that members had unnecessarily politicized the issue and hoped that members could re-consider the reasons for not supporting the funding application.

#### Information on committee membership

70. Ms Emily LAU Wai-hing said that the Administration had, following her reminder, provided for FC members' reference, background of members of CIIF Committee and the Assessment and Evaluation Sub-Committee. She commented that as FC Chairman during the last term, she had made it an on-going practice that the Administration would provide information on the professional background of members of advisory and statutory boards or committees that were mentioned in the FC paper under deliberation. She

asked the Administration to maintain the arrangement as a standard practice.

71. The Chairman said that he intended to extend the meeting by 15 minutes, and asked if any members wished to speak. As there were six members who had indicated their intention to speak, the Chairman said that he would adjourn the meeting and the item would continue at the next meeting to be held on 25 January 2013.

72. The meeting was adjourned at 5:01 pm.

Legislative Council Secretariat  
23 September 2013