

**立法會**  
**Legislative Council**

LC Paper No. CB(2)2074/14-15

(These minutes have been seen  
by the Administration)

Ref : CB2/PL/HA

**Panel on Home Affairs**

**Minutes of meeting**  
**held on Friday, 12 June 2015, at 8:30 am**  
**in Conference Room 3 of the Legislative Council Complex**

- Members present** : Hon Starry LEE Wai-king, JP (Chairman)  
Hon YIU Si-wing (Deputy Chairman)  
Hon Cyd HO Sau-lan, JP  
Dr Hon LAM Tai-fai, SBS, JP  
Hon IP Kwok-him, GBS, JP  
Hon Claudia MO  
Hon NG Leung-sing, SBS, JP  
Hon Steven HO Chun-yin  
Hon Frankie YICK Chi-ming  
Hon WU Chi-wai, MH  
Hon MA Fung-kwok, SBS, JP  
Hon CHAN Chi-chuen  
Dr Hon Kenneth CHAN Ka-lok  
Hon LEUNG Che-cheung, BBS, MH, JP  
Dr Hon Helena WONG Pik-wan  
Hon IP Kin-yuen  
Hon TANG Ka-piu, JP  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP  
Hon Tony TSE Wai-chuen, BBS
- Members absent** : Hon CHEUNG Kwok-che  
Dr Hon CHIANG Lai-wan, JP
- Public Officers attending** : Item IV  
Mr TSANG Tak-sing, GBS, JP  
Secretary for Home Affairs

Mr Jonathan McKINLEY, JP  
Deputy Secretary for Home Affairs (2)

Miss Petty LAI Chun-yee  
Principal Assistant Secretary for Home Affairs  
(Recreation and Sport) 1

Ms Linda LAW Lai-tan  
Principal Assistant Secretary for Home Affairs  
(Recreation and Sport) 2

Mr Sheridan LEE Sha-lun  
Principal Education Officer (Curriculum Development) 1  
Education Bureau

Ms Michelle LI Mei-sheung, JP  
Director of Leisure and Cultural Services

Mr Raymond FAN Wai-ming, JP  
Deputy Director of Leisure and Cultural Services  
(Leisure Services)

Mr Richard WONG Tat-ming  
Assistant Director (Leisure Services) 2  
Leisure and Cultural Services Department

Item V

Mrs Betty FUNG CHING Suk-yee, JP  
Permanent Secretary for Home Affairs

Ms Elaine MAK Tse-ling  
Principal Assistant Secretary for Home Affairs (Culture) 1

**Clerk in attendance** : Ms Alice LEUNG  
Chief Council Secretary (2) 2

**Staff in attendance** : Miss Josephine SO  
Senior Council Secretary (2) 6

Miss Emma CHEUNG  
Legislative Assistant (2) 2

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**I. Confirmation of minutes**

(LC Paper No. CB(2)1549/14-15)

The minutes of the meeting held on 10 April 2015 were confirmed.

**II. Information papers issued since the last meeting**

(LC Paper Nos. CB(2)1562/14-15(01), CB(2)1635/14-15(01) and CB(2)1655/14-15(01))

2. Members noted that the following papers had been issued since the last meeting -

- (a) Referral from the Legislative Council ("LegCo") Members' meeting with Islands District Council ("DC") members on 14 May 2015 on issues relating to bid-rigging in building repair and maintenance works;
- (b) Referral from the Public Complaints Office of the LegCo Secretariat on policies relating to the opening of bank accounts by ethnic minorities; and
- (c) Referral from the Public Complaints Office of the LegCo Secretariat on issues relating to the support for minority sports and the eligibility for the use of facilities provided by holders of Private Recreational Leases.

**III. Date of next meeting and items for discussion**

(LC Paper Nos. CB(2)1637/14-15(01) and (02))

3. The Chairman said that the regular meeting of the Panel in July 2015 was originally scheduled for Friday, 10 July 2015, at 8:30 am. As there was a possibility that the Council meeting of 8 July 2015 might continue on 10 July, the Panel meeting in July would need to be re-scheduled to avoid clashing with the anticipated continuation of the Council meeting. The Clerk would, after this meeting, check with individual members and the Administration on their availability and confirm in due course the arrangements of the re-scheduled meeting.

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*(Post meeting note: Having checked with individual members and the Administration on their availability, and with the concurrence of the Chairman, the next regular meeting was re-scheduled to be held on Friday, 17 July 2015, at 2:30 pm. The notice of the meeting was issued on 22 June 2015 vide LC Paper No. CB(2)1767/14-15.)*

4. Members agreed to discuss the following two items at the next regular meeting -

- (a) Signature Project of Wan Chai DC; and
- (b) Government's policy on youth development.

In respect of item (b) above, members agreed that the Panel would receive views from deputations on the subject and a general notice inviting public views would be posted on the LegCo website.

*(Post-meeting note: After considering members' and the Administration's availability for a meeting of longer duration, the Chairman had instructed that the Panel should first receive at the next regular meeting the Administration's briefing on its overall objectives and strategies for youth development and the efforts of various bureaux/departments in youth development work, and that the session to meet with deputations be deferred to a further meeting the date of which would be fixed after consulting the Panel members and the Administration. Members were informed of the above arrangements vide LC Paper No. CB(2)1767/14-15 issued on 22 June 2015. Subsequently, at the request of the Administration and with the concurrence of the Chairman, the title of agenda item III "Government's policy on youth development" was revised as "Youth development policy and the Youth Development Fund". The revised agenda was issued to members vide LC Paper No. CB(2)1833/14-15 on 30 June 2015.)*

#### **IV. An update on Sports Policy**

(LC Paper Nos. CB(2)1637/14-15(03) & (04) and RP02/14-15)

5. At the invitation of the Chairman, Secretary for Home Affairs ("SHA") briefed members on the Government's policy and related measures to promote and develop sport in Hong Kong, as set out in the Administration's paper.

Effectiveness of the sports policy

6. Mr MA Fung-kwok said that he had moved a motion for debate at the Council meeting of 19 March 2014 urging the Government to expeditiously review and evaluate the effectiveness of its sports policy in order to decide on the way forward. He further said that there were views from the sports sector that the Government should provide more sports venues, enhance the standard and management of existing facilities and encourage schools to open their sports venues for use by the public or sports organizations outside school hours, so as to meet the needs of the industry and the public. There was also a suggestion that the Government should review the governance, funding mechanism and operation of various national sports associations ("NSAs"), with a view to enhancing their governance, operational efficiency as well as transparency and strengthening the nurturing of sports administrative and management personnel.

7. SHA responded that while the Administration noted the views of Mr MA Fung-kwok, it had to balance various factors such as the time and resources required in reviewing the existing policy on sports development. Regarding the suggestion of using the venues of schools, Principal Education Officer (Curriculum Development) 1/Education Bureau("PEO(CD)1/EDB") said that the Education Bureau ("EDB") had encouraged schools to open their venues for use by local sports organizations, optimizing the use of their sports facilities. However, security problem and manpower support to cope with the additional workload arising from opening up the facilities had been issues of concern to some of the schools. EDB would continue to encourage schools to open up their sports venues/facilities for use by sports organizations outside school hours, and believed that the trend was promising. More schools would be willing to do so when the sports atmosphere in the community kept improving.

8. Mr TANG Ka-piu opined that to address the concerns of schools about the security problem that might arise from opening up their sports facilities, the Administration should make improvements to the design of schools to be built in future, with a view to facilitating schools to open up/hire out their sports facilities for community use. An example was that the sports facilities concerned could be provided with separate access for operational and security reasons. Echoing his view, Mr MA Fung-kwok and Mr WU Chi-wai considered that the Home Affairs Bureau ("HAB") and EDB should work in collaboration and where necessary, support the financial consequences arising from the schools' opening up of their sports facilities for community use.

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9. SHA responded that it was his understanding that some schools in Tin Shui Wai had opened up their sports facilities. He assured members that HAB was willing to cooperate with EDB in encouraging and facilitating schools to open up their sports facilities for community use.

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10. The Chairman considered that the Administration should endeavour to address the concerns of schools about the security problem arising from and the manpower support required for opening up the sports facilities. She requested EDB to provide information in writing on the number of schools that had opened up their venues and sports facilities for community use in the past two years, together with a brief account of the types and the duration of the facilities made available by the schools. She also requested the Administration to provide in writing a more detailed account of the Government's policy and concerted efforts in encouraging/facilitating schools to open up their sports facilities. SHA and PEO(CD)1/EDB undertook to provide the requested information after the meeting.

11. Dr LAM Tai-fai said that apart from enjoyment and entertainment, sports had its social value and function, capable of bringing together people of different backgrounds. He enquired whether the Administration had any plan to establish a dedicated bureau to steer and implement the strategies for sports development, as the many policy areas undertaken by HAB would, in his opinion, affect the Government's work on promoting sports development in a focused manner.

12. In reply, SHA advised that while the incumbent Chief Executive ("CE") had advocated in his election manifesto the creation of a new post, i.e. "Commissioner for Sports", and the appointment of a person familiar with sports to take up the position, there was not a strong request from the sports sector for the proposed establishment of a dedicated bureau or appointment of a Commissioner to lead the development of local sports and to review and refine the existing sports management structure, and the proposal was considered unnecessary after study.

### Promotion of sport in the community

#### *Community sports programmes*

13. Mr LEUNG Che-cheung and Dr LAM Tai-fai both considered it right for the Administration to promote the development of sport in Hong Kong through a three-pronged strategic approach. Regarding the territory-wide Hong Kong Games ("HKG") that were held biennially, Mr LEUNG opined that the games had not yet achieved the target of promoting the culture of "Sport for All" in the community, particularly considering the few categories

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of sports competition conducted and the small number of participants/ audience attracted to the games. In his view, the Government should step up its efforts to raise the entire community's awareness of HKG and to encourage the public to support and participate in HKG in different ways.

14. SHA responded that the Administration was aware of the need and had strengthened its promotion and publicity efforts relating to community sports. With a view to generating public interest in community-based sports programmes, including HKG, the Government had appointed popular singers and celebrities as ambassadors. Consideration would also be given to expanding the categories of sports competition featuring HKG.

*Promoting sport in schools*

15. Mr Christopher CHUNG and Mr WU Chi-wai both considered that to raise students' interest in sports and promote among schools a sporting culture, a more effective measure was to make physical education ("PE") a "core" subject for academic study and increase the time on PE lessons in the curriculum to facilitate more sporting opportunities for students. They hoped that HAB and EDB could give thought to this suggestion.

16. In response, PEO(CD)1/EDB advised that PE was one of the eight Key Learning Areas of the school curriculum for primary and secondary levels. At present, the curriculum for primary schools and Forms 1 to 3 of secondary schools typically provided for two 30 to 40-minute sessions of PE lesson per week, so as to help students develop a healthy life style. In addition to the curriculum, EDB implemented a series of measures (including organizing through schools parent-child physical activities and collaborating with non-government bodies in organizing sports activities/programmes such as Inter-school Sports, the School Sports Programme Coordinator Pilot Scheme and the School Physical Fitness Award Scheme) to strengthen the collaboration between schools, sports organizations and parents to cultivate students' interest in physical activity. PEO(CD)1/EDB stressed that the Administration recognized the importance of sports to school children. In its report on education reform issued in 2000, the Education Commission noted that the Hong Kong community had generally agreed that the aims for education in the 21<sup>st</sup> century should be, inter alia, to enable every person to attain all-round development in the domains of ethics, intellect, physique, social skills and aesthetics.

17. Regarding Mr Christopher CHUNG's and Mr WU Chi-wai's suggestion that PE should be a "core" subject in public examinations, PEO(CD)1/EDB said that there were divergent views in the education community. Given the controversies over the matter, the Administration had to carefully examine such suggestion.

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18. The Chairman asked whether assessment of students' performance in PE could be reflected by the giving of a score, so as to provide a better incentive for students to participate in physical activities. PEO(CD)1/EDB replied that while the Administration was happy to discuss with individual schools on how the suggested change to the marking scheme for evaluation of students' performance in PE could be implemented, it was the understanding of the Administration that some schools had already undergone transformation. The Chairman requested EDB to provide more information in this regard.

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19. Mr MA Fung-kwok and Mr WU Chi-wai both considered the participation rate of the iSmart Fitness Scheme far from satisfactory as only 540 students from 24 schools had participated in the Scheme in the 2014-2015 school year. Noting that the purpose of the Scheme was to provide a series of activities to enhance parents' concern for the health of their children, increase students' physical activity levels and improve their physical fitness, Mr WU considered that the Administration should have a good grasp of the current situation regarding the levels of physical fitness of all students. In his view, such information would be useful for compiling quantitative yardsticks for measuring the effectiveness of the Scheme.

*Provision of public sports facilities*

20. Expressing concern about the long-standing shortage of sports facilities in Hong Kong, Mr TANG Ka-piu enquired about the present position regarding the Government's provision of public sports facilities as against the planning standards stipulated in the Hong Kong Planning Standards and Guidelines ("HKPSG"). It was his observation that the existing arrangement of allowing NSAs/organizations to block book sports facilities managed by the Leisure and Cultural Services Department ("LCSD") had aggravated the problem of inadequate provision of sports facilities for public use.

21. In response, SHA and Director of Leisure and Cultural Services ("DLCS") advised that -

- (a) in planning new facilities, the Administration would make reference to the planning standards set out in HKPSG, the policy objectives for sports development, the utilization rates of existing facilities, the preferences of members of the public, the views of DCs, NSAs and schools sports organizations as well as the extent to which such facilities were provided by the Government and other non-governmental organizations;



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- (b) while there was a shortage of football pitches across the territory, the Government's provision of other facilities such as squash courts could meet the planning standards;
- (c) as existing public facilities did not yet fully meet the development needs of various sports, CE announced in his 2015 Policy Address that the Sports Commission ("SC") would set up a working group to gauge the demand for sports facilities in Hong Kong; and
- (d) in promoting the further development of sports in Hong Kong, LCSD accorded priority to NSAs and national squads/professional football teams in the use of LCSD's sports facilities by allowing them to make block booking three to 12 months in advance for organizing competitions and training programmes. To strike a balance between meeting the demand for the use of sports facilities by NSAs and various national squads on the one hand and members of the public on the other, LCSD implemented a quota system under which up to one-third of the peak hour sessions of a month might be block-booked by NSAs and sports organizations. To increase the transparency of the bookings made by HAB and LCSD and to improve the availability of venues for booking by individuals, HAB, LCSD and events subvented by LCSD had recently been included in the quotas for block booking by organizations for peak hour session, which were capped at 50% of the total time slots available for booking.

22. Mr CHAN Chi-chuen opined that "promoting sports in the community" should be the Government's first and foremost policy objective for the long-term development of sports in Hong Kong. Citing the results of Guangzhou's sixth survey of national sports venues conducted in March 2015, he said that with a total population of 10.31 million at the end of 2013, there were 15.20 sports venues for per 10 000 residents and 2.38 square meters of sports venues for each resident in Guangzhou. Mr CHAN enquired whether the Administration had conducted similar analyses/surveys in the past and was aware of the latest position on the supply of public sports facilities.

23. In response, SHA and Deputy Secretary for Home Affairs (2) ("DSHA(2)") advised that -

- (a) Chapter 4 of HKPSG set out a set of definition and standards each for open space and recreation facilities. The Government made reference to it, among other considerations, in planning the

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provision of sports and recreational facilities, specifically to the population size in a given area. For example, HKPSG suggested that there should be one sports centre per 50 000 to 65 000 residential population;

- (b) HKPSG provided a useful tool for setting the outline development framework for sports facilities in a given area, throwing light on whether there was a shortage of certain public sports facilities;
- (c) the overall provision of recreation facilities was generally adequate, although there was a demand for more of the popular facilities such as swimming pools and sports centres; and
- (d) as mentioned earlier at the meeting, SC would set up a working group to gauge the demand for sports facilities in Hong Kong.

24. Mr Christopher CHUNG suggested that to alleviate the long-standing problem of shortage of sports venues/facilities within the territory, the Administration might consider providing incentive for schools to open up their sports facilities after school hours for community use. To encourage private sector's participation in the provision of public sports facilities, consideration might also be given to excluding such facilities from the calculation of the plot ratio of a development. Mr CHUNG and the Chairman both pointed out that "no show" cases plus the free "stand-by" arrangement provided opportunities for abuse and touting. In their view, LCSD should address these problems which resulted from advance booking of recreation and sports facilities by individuals.

25. In response, DLCS advised that to avoid abusive use of the "stand-by" mechanism, LCSD had reviewed the booking and allocation arrangements for sports facilities and come up with a package of improvement measures for implementation in phases. Measures introduced in 2013 included shortening the advance booking period for individual hirers from 30 days to 10 days so as to reduce the time for reselling the user permits; and cancellation of the "stand-by" arrangement for turf football pitches.

26. In reply to Mr CHAN Chi-chuen's enquiry, DLCS said that the utilization rate of LCSD fitness rooms was not low and was relatively high during peak hours. Regarding the fitness equipment installed therein, the Government would carry out repairs or acquire new equipment, if such was needed.

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27. Mr LEUNG Che-cheung said that Hong Kong was facing a number of problems with regard to its current sports venues. For instance, some ageing venues had insufficient seating capacity and ancillary facilities to allow for higher level competition. He hoped that the Administration would address this issue in its future planning and development of public sports facilities.

28. Noting that LCSD had implemented the Public Swimming Pool Monthly Ticket Scheme, Dr Helena WONG enquired whether flexible arrangements, e.g. the introduction of weekly ticket scheme or provision of concessionary fare, could be made so as to suit the needs of female users. DLCS responded that the pricing of the monthly tickets helped to relieve the financial burden on regular swimmers and encouraged people to exercise regularly. The Administration would take note of members' views on the matter and examine the need to refine the pricing policy for the Public Swimming Pool Monthly Ticket Scheme.

Multi-purpose Sports Complex ("MPSC") at Kai Tak

29. In response to Mr MA Fung-kwok's enquiry, SHA said that it was the aim of the Administration to seek the approval of the Finance Committee ("FC") for undertaking the pre-construction works for the proposed MPSC at Kai Tak in order to take the project forward as early as possible.

30. Following up on an issue discussed at the meeting between LegCo Members and Kowloon City DC members on 11 June 2015, the Deputy Chairman and Dr Helena WONG enquired whether the Administration would consider including a swimming pool of international standard in MPSC.

31. DSHA(2) responded that MPSC would provide state-of-art sports facilities including a 50 000-seat main stadium, a public sports ground with at least 5 000 seats and an indoor sports centre with at least 4 000 seats. These facilities would not only increase public sports facilities in the district, but also provide new venues for hosting major international events. The Administration had carefully considered the provision of a swimming pool in MPSC. In view of the fact that there were already several swimming facilities in East Kowloon (including the newly renovated Kwun Tong Swimming Pool and swimming pool complexes at Kowloon Tsai, Ho Man Tin, Tai Wan Shan and Morse Park), the Administration was of the view that at present, there was insufficient justification for providing a swimming pool in MPSC. That said, the Administration would not rule out the possibility of any development directions, including the provision of a swimming pool, as the MPSC project was still in its design stage.

Elite sports training and development

32. Mr Tony TSE said that he supported the Government's policy to promote sports in the community. In his view, Hong Kong athletes achieving good results and high levels of performance in international sporting events would be a drive for the community to participate more in sports. According to his understanding, the Government made use of the Elite Vote Support System ("EVSS") in evaluating and selecting high performance sports for support and there were at present 17 "Tier A" sports and 13 "Tier B" sports. He enquired about the assessment criteria for inclusion of items in EVSS, and whether the Government would consider reviewing the assessment criteria with a view to expanding the coverage of elite sports to include more types of sports (e.g. football and basketball).

33. In response, SHA and DSHA(2) advised that -

- (a) the current selection process for EVSS aimed to ensure an objective assessment of sports whose athletes had recorded achievements that justified the allocation of resources for support under the Elite Training Programme ("ETP") of the Hong Kong Sports Institute ("HKSI");
- (b) in 2015-2016, ETP covered 17 "Tier A" sports and 13 "Tier B" sports. "Tier A" sports were entitled to funding for elite training programmes, dedicated coaching, full sports science and medicine support, and athlete development programmes;
- (c) for deciding whether a sport had reached the required standard for being a "Tier A" or "Tier B" sport, HKSI would discuss with the respective NSA to ensure that the sport met the assessment criteria. Based on HKSI's recommendations, the Elite Sports Committee of SC would determine whether a kind of sport should be included in ETP; and
- (d) SC regularly reviewed and, where appropriate, made modifications to ensure that EVSS achieved the required objectives. SC last reviewed EVSS in 2013 and would continue to work with HKSI and NSAs in this regard.

Monitoring of NSAs

34. Dr Kenneth CHAN was concerned about the internal controls and corporate governance of the Sports Federation & Olympic Committee of Hong Kong, China ("SF&OC") and NSAs. Noting that HAB had signed a

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new funding agreement with SF&OC to allow for better monitoring of the latter's use of public money and SF&OC was exploring the possibility of corporatization, he hoped that the Administration would make public the funding agreement and provide the Panel with more details of SF&OC's corporatization proposal.

35. Citing the recent incident involving the Federation Internationale de Football Association's report into alleged corruption/bribery in the 2018/2022 World Cup bidding process, the Deputy Chairman said that the incident had aroused public concern about the governance of NSAs. He hoped that the Administration would draw reference from the said incident in formulating measures for enhancing the corporate governance of NSAs.

36. In response, SHA advised that the Administration attached great importance to assisting SF&OC and NSAs in enhancing their internal governance. To ensure a high degree of impartiality, transparency and credibility in the procedures taken by NSAs in organizing sports activities supported by public funding, LCSD had joined hands with the Independent Commission Against Corruption ("ICAC") to organize seminars for NSAs on themes of graft prevention and avoidance of conflict of interest. In addition to organizing seminars, ICAC had conducted visits to subvented NSAs and provided them with tailor-made advice according to their individual needs and mode of operation. These apart, LCSD also conducted quality assurance inspections to check NSAs' compliance with the terms and conditions in the subvention agreements signed between LCSD and NSAs under the Sports Subvention Scheme.

Other issues raised

37. Dr Kenneth CHAN understood that HAB would engage a consultant to study the development of sports for the disabled and how to provide better support for athletes with disabilities. He hoped that the outcome of the consultancy study could be made available to the Panel. Referring to a cycling track developed by the Government in the New Territories in 2009, he pointed out the problems associated with the design of the cycling track. He suggested that the Administration should conduct a site visit to identify what the problems were, with a view to improving the said facilities. SHA agreed to follow up the suggestion.

**V. Art Development Matching Grants Pilot Scheme**  
(LC Paper Nos. CB(2)1637/14-15(05) and (06))

38. As the item involved a funding proposal, the Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure, they

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should disclose the nature of any direct or indirect pecuniary interests before they spoke.

39. At the invitation of the Chairman, Permanent Secretary for Home Affairs ("PSHA") briefed members on the Administration's proposal to launch a \$300 million Art Development Matching Grants Pilot Scheme ("Pilot Scheme") and the overall arrangements for the Pilot Scheme, as set out in the Administration's paper.

Objective of the Pilot Scheme and eligibility criteria for the grant

40. Mr MA Fung-kwok expressed strong support for the proposed introduction of the Pilot Scheme. Although the current proposal covered three categories of eligible applicants, namely (i) arts groups which had completed two rounds of Springboard Grants under the Arts Capacity Development Funding Scheme ("ACDFS"), (ii) the nine major performing arts groups ("MPAGs") and the Hong Kong Arts Festival ("HKAF") as well as (iii) the Hong Kong Arts Development Council ("HKADC"), Mr MA still considered the eligibility criteria too stringent, unable to benefit non-subsided arts groups which were self-financed and not receiving any form of government subsidy such as Jao Tsung-I Academy, the Hong Kong Arts Centre ("HKAC"), the Fringe Club and the Jockey Club Creative Arts Centre. He hoped that the Administration would give consideration to expanding the scope of coverage of the Pilot Scheme.

41. PSHA responded that the Pilot Scheme initially targeted at those arts groups/organizations which had completed two rounds of the Springboard Grants, with a view to encouraging the more established art groups/organizations to keep raising funds from various sectors of the community to support their continuous growth and development. Having considered the views of LegCo Members and the relevant stakeholders raised at other forums, the Administration had consulted and obtained the support of the Advisory Committee on Arts Development ("ACAD") to broaden the eligibility criteria to cover the nine MPAGs, HKAF and HKADC so as to motivate them to raise more private donations and further inculcate a donation culture in the private sector. With the adoption of the eligibility criteria set out in paragraphs 7 to 12 of the Administration's paper, it was anticipated that up to about 70 arts groups or organizations could benefit from the Pilot Scheme.

42. Mr Christopher CHUNG declared that he was a previous member of the Board of Governors of HKAC and was currently a member of the Governing Council of the Hong Kong Chinese Orchestra. While expressing support for the proposed introduction of the Pilot Scheme, he was concerned

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whether budding artists as well as small and medium-sized arts groups were at a less favourable position when compared to well-established arts groups/organizations in receiving matching grants under the Pilot Scheme, in light of the fact that the former's ability to raise private donations and sponsorships might be constrained and affected by their relatively limited business network. He and Mr IP Kin-yuen both hoped that the Administration would put in place measures to ensure that budding artists as well as small and medium-sized arts groups could benefit from the Pilot Scheme.

43. PSHA responded that with a view to creating a supportive atmosphere for the arts and culture in the community and fostering a tripartite partnership among the Government, arts groups and other community sectors, HAB launched ACDFS in 2011. The Springboard Grants under ACDFS had included a matching element, allowing arts groups to receive matching grants for their income which included, among others, private donations and sponsorships. The Springboard Grants was highly successful. As at the end of May 2015, a total of 13 arts groups had been granted the Springboard Grants, with an aggregate ceiling of around \$71.2 million. These arts groups all endeavoured to explore various financial sources, and had secured or pledged to secure private donations and sponsorships of around \$48.7 million in total as income for the purpose of matching under the Springboard Grants. The experience gained from the Springboard Grants suggested that providing Government subsidy to arts groups on a matching basis would help enhance the ability of these groups in raising private donations and sponsorships, thereby increasing funding and expanding their financial sources.

44. PSHA added that although the primary purpose of introducing the Pilot Scheme was to provide support for the more established arts groups or organizations through matching grants, the Administration also hoped that the Pilot Scheme could benefit more small and medium-sized local arts groups and budding artists. HKADC was a statutory body tasked to provide funding for small and medium-sized arts groups and artists. It had extensive experience in running relevant grant and support schemes. Having consulted ACAD, it was recommended that HKADC would be included as an eligible applicant of the Pilot Scheme, enabling it to receive matching grants by raising private donations and sponsorships through its own arts projects and programmes. The matching grants received by HKADC should be fully deployed to support local small and medium-sized arts groups or artists. HKADC would work out the detailed mechanism on the use and allocation of matching grants at a later stage and seek advice from ACAD accordingly.

45. Pointing out the shortcomings of the matching grant scheme for the post-secondary education sector which required excessive involvement of administrative/supporting staff as well as attention and resources of

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institutions to raise funds, Dr Helena WONG said that she objected to the proposal of implementing the Pilot Scheme. In her view, the Administration should directly provide subvention to budding artists as well as small and medium-sized arts groups with good potentials to support their development, instead of launching a new matching grant to encourage arts groups/organizations to raise private donations and sponsorships. She further queried whether the Administration intended to discontinue the provision of recurrent subvention to arts groups/organizations by introducing the Pilot Scheme.

46. In response, PSHA advised that the Administration had drawn reference to the situation of arts development in other places, such as London, New York and Japan and considered that reliance on a single source of funding (i.e. the Government's funding as the major source of income in the context of Hong Kong) was not desirable. Moreover, it was recognized that providing assistance to arts groups for securing donations and sponsorships from other sectors of the community to expand their sources of funding was conducive to the sustainable growth and healthy development of the arts groups. The proposed Pilot Scheme could provide impetus for the generation of contributions from the private sector. This notwithstanding, the Administration would continue to provide support for arts groups or organizations through the Government's recurrent subvention. PSHA added that a matching element was also in place for sports events under the "M" Mark System and past experience showed that the matching element helped increase the chance of securing a larger amount of commercial sponsorship.

47. Sharing some members' concern on whether budding artists as well as small and medium-sized arts groups could benefit from the proposed Pilot Scheme, the Deputy Chairman considered that the Administration should set out clear criteria for providing matching grants. He suggested that a portion of the \$300 million provision be set aside to specifically support small and medium-sized arts groups. Expressing support for the proposed introduction of the Pilot Scheme, Mr TANG Ka-piu said that providing assistance to arts groups to expand their sources of income was an initiative worth pursuing. In his view, the Administration should engage DCs to recommend arts groups/artists for receiving matching grants under the Pilot Scheme, as DCs had good knowledge of how active a particular art group was at the district level and the artistic standard of its performance/programmes.

48. PSHA advised that over the past few years, the Government had been gradually increasing its resources allocated for arts and cultural development. Apart from strengthening the support to MPAGs, it had also increased resources to support the development of small and medium-sized arts groups and nurture budding artists. Since 2011, HAB had implemented ACDFS



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with the annual investment return from the arts portion of the Arts and Sport Development Fund. Various funding schemes (including the Project Grant, the Springboard Grants under ACDFS and the One-Year/Two-Year/Three-Year Grant by HKADC) had been implemented to support the development of arts groups or artists. The new Pilot Scheme proposed to be launched would enable arts groups which had completed two rounds of the Springboard Grants to continue to take forward their work with the Government matching grants. It would also encourage these arts groups or arts organizations to keep raising funds from different sectors of the community to support their continuous growth and development. The Administration would take into account Members' views in formulating detailed arrangements for the Pilot Scheme.

49. Mr MA Fung-kwok declared that he was the former Chairman of HKADC. As HKADC was included as an eligible applicant of the Pilot Scheme, he expressed concern on how HKADC would raise donations for matching, and use/allocate the donations/matching grants afterwards. In his opinion, it would be more desirable for HKADC to provide assistance to artists and arts organizations that were already receiving grants from HKADC such that the arts groups/artists could raise funds on their own to apply for matching grants. This would facilitate the sustainable development of the arts groups/artists in the long term.

50. PSHA responded that the Administration kept an open mind to further considering different ways of assisting arts groups for securing donations and sponsorships from various sectors of the community so as to expand their sources of funding. HKADC would work out the detailed mechanism on the use and allocation of matching grants for consideration and approval by ACAD.

Criteria on the types of private donations/sponsorships eligible for matching grants

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51. Dr Kenneth CHAN said that the proposed introduction of the \$300 million Pilot Scheme would provide more funding resources to arts groups and artists which would be conducive to the sustainable development of the arts groups. He, however, expressed concern that there might be cases of malpractices in soliciting donations and sponsorships, particularly when arts groups ambitiously raised private donations and sponsorships for the Government's allocation of a higher matching grant. For instance, an applicant might pay cash or provide other rewards to the donor, directly or indirectly, in return for the latter's donation. Although the Administration had set out in paragraph 13 of its paper the types of private donations/sponsorships eligible for matching grants, he considered that the information

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therein was not detailed enough to provide guidelines on acceptance of donations under the Pilot Scheme.

52. PSHA responded that the Administration was aware of the situations mentioned by Dr Kenneth CHAN and had discussed the matter with ACAD. While the Administration's paper had set out the basic criteria for matching, it was the plan of the Administration to draw up detailed guidelines, for reference by the applicants, in order to forestall possible malpractices in the fund-raising process. The Administration would provide Members with more information in this regard when the funding proposal was submitted to FC.

Monitoring and review of the Pilot Scheme

53. Ms Cyd HO noted from paragraph 19 of the Administration's paper that grantees under the Pilot Scheme would be suggested to use the matching grants in seven areas including supporting the development of the arts sector and the grooming of artistic talent and arts administrators. She said that to monitor the performance of the nine MPAGs, HAB had entered into a Funding and Services Agreement ("FSA") with each of them. Ms HO enquired whether the Administration would set quantifiable targets/indicators in respect of these seven areas for the grantees of the Pilot Scheme.

54. PSHA advised that a "one to one" matching ratio for private donations or sponsorships to the funding amount was recommended to be adopted for the Pilot Scheme's initial implementation phase. In order to ensure a gainful use of the matching grants received by arts groups or organizations, and that they would benefit the development of the arts and cultural sector in the long term, it was suggested that the permissible uses of matching grants should fall within seven areas. As regards Ms Cyd HO's concern about the monitoring of the use of matching grants by successful applicants, PSHA advised that as an established mechanism was already in place for monitoring the income and expenditure of organizations receiving recurrent subvention from the Government, it was suggested that no time limit would be set for the nine MPAGs, HKAF and HKADC in using the matching grants. Nevertheless, grantees would be required to submit reports on their use of matching grants, together with the relevant audited accounts, to ACAD.

55. As regards the nine MPAGs, PSHA advised that to ensure proper management of the use of the Government subvention, HAB had entered into an FSA with each of the nine MPAGs. In these FSAs, the nature of service to be provided and the obligations expected to be fulfilled by the groups were defined. HAB would review annually their performance in respect of FSA and consult ACAD.

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56. Mr Christopher CHUNG considered that given the different initiatives/grant and support schemes currently in place dedicated to support the development of local arts groups/organizations, it was high time for the Administration to review whether there was a need to rationalize/consolidate the schemes, in order to achieve and sustain the long-term effects of different schemes.

57. PSHA responded that the Administration aimed to launch the Pilot Scheme from the year 2016-2017, and it was the plan of ACAD to assess the overall effectiveness of the Pilot Scheme and the need for fine-tuning the arrangement of the Pilot Scheme upon the completion of the third round of funding (i.e. 2018-2019). ACAD would then make recommendations to SHA on the way forward.

The "Floor" and "Ceiling" of matching grants

58. In response to Mr IP Kin-yuen's concern about the level of matching grants allowed under the Pilot Scheme, PSHA advised that in order to provide eligible applicants with sufficient flexibility and incentives to raise more private donations, the Administration had recommended that the annual funding "floor" for each grantee would be set at \$200,000. As for the annual funding "ceiling", it would be set at \$3 million for each of the "graduated Springboard Grantee", while that for HKAF, MPAGs and HKADC would be 20% of their total annual income as reflected in their latest audited account.

Conclusion

59. Summing up, the Chairman said that members did not object to the Administration's introduction of the Pilot Scheme and submission of the \$300 million funding proposal to FC for launching the Pilot Scheme.

60. There being no other business, the meeting ended at 10:30 am.