Panel on Home Affairs

Minutes of meeting
held on Friday, 12 November 2010, at 8:30am
in Conference Room A of the Legislative Council Building

Members present:  Hon IP Kwok-him, GBS, JP (Chairman)
  Hon KAM Nai-wai, MH (Deputy Chairman)
  Hon James TO Kun-sun
  Hon CHEUNG Man-kwong
  Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
  Hon Miriam LAU Kin-yee, GBS, JP
  Hon Emily LAU Wai-hing, JP
  Hon WONG Kwok-hing, MH
  Hon CHEUNG Hok-ming, GBS, JP
  Prof Hon Patrick LAU Sau-shing, SBS, JP
  Hon Cyd HO Sau-lan
  Dr Hon LAM Tai-fai, BBS, JP
  Hon CHEUNG Kwok-che
  Hon WONG Sing-chi
  Hon CHAN Tanya

Member attending:  Hon Ronny TONG Ka-wah, SC

Members absent:  Dr Hon Philip WONG Yu-hong, GBS
  Hon WONG Yung-kan, SBS, JP
  Hon Timothy FOK Tsun-ting, GBS, JP
  Hon CHAN Hak-kan
  Hon Paul TSE Wai-chun
  Hon WONG Yuk-man
Public Officers : Agenda item IV

Home Affairs Bureau

Mr Raymond YOUNG, JP
Permanent Secretary for Home Affairs

Mr Eddy CHAN
Head, Asian Games Bid Team, Home Affairs Bureau

Mr Jack CHAN
Deputy Head, Asian Games Bid Team, Home Affairs Bureau

Architectural Services Department

Mr Wilson LEE
Project Director (3), Architectural Services Department

Dr Jonathan Beard
Managing Director, GHK (Hong Kong) Ltd.

Ms LEE Wai-duen
Senior Consultant, GHK (Hong Kong) Ltd.

Agenda item V

Home Affairs Bureau

Mr Raymond YOUNG, JP
Permanent Secretary for Home Affairs

Home Affairs Department

Mrs Pamela TAN, JP
Director of Home Affairs

Mr David LEUNG
Deputy Director of Home Affairs (2)
Agenda item VI

Leisure and Cultural Services Department

Mr Ricky CHUI Kin-ming, JP
Assistant Director (Finance), Leisure and Cultural Services Department

Mr Eric KWOK Kwok-ho
Senior Information Technology Manager 1,
Leisure and Cultural Services Department

Clerk in attendance : Ms Betty FONG
Chief Council Secretary (2)2

Staff in attendance : Mr Thomas WONG
Chief Council Secretary (2)2 (Des)

Ms Yvonne OA-YANG
Council Secretary (2)2

Miss Cerry YU
Legislative Assistant (2)2

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I. Confirmation of minutes
[LC Paper No. CB(2)151/10-11]

The minutes of the meetings held on 14 October 2010 were confirmed.

II. Information paper(s) issued since the last meeting

2. Members noted that the following papers had been issued since the last meeting -
III. **Items for discussion at the next meeting**

[Appendix I and II to LC Paper No.CB(2)208/10-11]

3. **The Chairman** informed members that he and the Deputy Chairman held an informal meeting with the Secretary for Home Affairs ("SHA") on 1 November 2010 to discuss the work plan of the Panel on Home Affairs ("the Panel") for the current session. **The Chairman** said that the list of outstanding items for discussion, which was tabled at the meeting, had been revised taking into account the discussion at the aforesaid meeting.

   [Post-meeting note: The list of outstanding items for discussion and list of follow-up actions was circulated to members vide LC Paper No. CB(2)208/10-11 on 12 November 2010.]

**Procurement of third party risks insurance by owners' corporation**

4. **The Chairman** informed members that he had received a written request from Prof Patrick LAU for the Panel to discuss the issue relating to the procurement of third party risks insurance by owners' corporations ("OCs") in view of the recent repeated occurrence of incidents in which passer-bys were injured by falling concrete from old buildings. **The Chairman** suggested that if necessary, the issue might be discussed in conjunction with the planned agenda items on the regulation of property management companies at the next regular meeting scheduled for 10 December 2010.
Community Care Fund ("CCF")

5. The Deputy Chairman said that he had received some organizations' submissions expressing a wish to give views on CCF announced by the Chief Executive ("CE") in his 2010-2011 Policy Address. He suggested that as CCF fell under the purview of the Home Affairs Bureau ("HAB"), the Panel should hear public views on CCF. The Chairman advised that in view of the packed agenda for the next Panel meeting in December 2010, matters on CCF might be discussed in January 2011.

6. Mr CHEUNG Kwok-chee declared that he was a member of the Steering Committee on CCF ("the Steering Committee") appointed by CE. He suggested that as the Administration had not collected public views on CCF, the Panel might take the lead to convene a public hearing on it. He hoped that the hearing would be held within a month's time and before the Administration finalized the detailed arrangements for CCF. The Chairman advised that he would discuss with the Administration on how to solicit public views on CCF, and requested the Administration to provide more information on CCF to facilitate public discussion.

7. Miss Tanya CHAN was supportive of convening a public hearing to receive deputations on CCF. She suggested that not only SHA but also the Chief Secretary for Administration and the chairman and members of the Steering Committee be invited to attend the public hearing.

Visit to the former North Kowloon Magistracy Building

8. The Chairman informed members that he had received a letter from Ms Emily LAU suggesting the arrangement by the Administration of a visit to the former North Kowloon Magistracy Building, which had been revitalized into the Savannah College of Art and Design Hong Kong Campus. Members raised no objection. The Chairman advised that as a matter of practice, all non-Panel members would be invited to join the visit. He reminded members that the visit would only be conducted with at least three Members signing up.
Visit to museums

9. Following up the request from Panel members in February 2010 for the Administration to arrange a visit to museums managed by the Leisure and Cultural Services Department ("LCSD"), the Chairman reported that LCSD could make the arrangement at any time. As members present except Ms Cyd HO did not express an interest in the suggested visit, the Chairman decided that it would be put on hold for the time being.

Special meeting on 29 November 2010

10. The Chairman reminded members that the Panel would hold a special meeting on 29 November 2010 to receive views from the District Councils ("DCs"), National Sports Associations and athletes on Hong Kong's potential bid for hosting the Asian Games ("the Games") in 2023.

IV. Bid to host the 2023 Asian Games
[LC Paper No. CB(2)208/10-11(01), (02) and FS02/10-11]

Alternative option

11. At the Chairman's invitation, Permanent Secretary for Home Affairs ("PSHA") briefed members on the alternative option of venue planning for a potential bid for hosting the Games in Hong Kong as stated in the Administration's paper tabled at the meeting. PSHA said that the alternative option, which had been announced by the Venue and Events Subcommittee ("VESC") of the 2023 Asian Games Provisional Bid Committee on 9 November 2010, was in response to the general public concern about the possible cost of hosting the Games. The salient points made by PSHA are summarized as follows -

(a) under the alternative option, the three planned indoor sports centres in Yuen Long, Tai Po and Sha Tin would not be upgraded as originally proposed (i.e. with provision of warm-up courts and increased spectator capacity). Consequently, certain related ancillary facilities, such as VIP rooms, press rooms and medical services, would be provided by temporary overlay works, and the preliminary heats for certain sports events during the Games would be relocated to smaller venues;
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(b) the alternative option would reduce the direct cost of hosting the Games from the originally estimated $13.7-14.5 billion to about $6 billion; and

(c) VESC was of the view that although the three planned indoor sports centres would not be upgraded, it would not affect the overall viability of the Games.

[Post-meeting note: The Administration's paper entitled Alternative option of venue planning for 2023 Asian Games bid was issued to members vide LC Paper No. CB(2)252/10-11(01) on 12 November 2010.]

12. The Chairman then invited GHK (Hong Kong), a consultant commissioned by HAB, to give a powerpoint presentation on the findings of the financial and economic impact assessments for hosting the Games in Hong Kong.

Discussion

Public consultation

13. Mr WONG Kwok-hing was disappointed that HAB had conducted the public consultation exercise without receiving any concerted support from other government bureaux. Mr LAM Tai-fai shared similar concern. Noting the Administration's claim that hosting the Games would be beneficial to civic education, economy and citizens' health in Hong Kong, Mr LAM questioned why the related government bureaux did not show support to HAB in the public consultation exercise.

Reduced cost estimate

14. Mr WONG Kwok-hing criticized the Administration for not making known the reduced cost estimate to the public earlier. He opined that the Administration could have provided different options with different cost implications viz. a low-cost option, a high-cost option and a middle-of-the-road option, for selection by the public at the very beginning of the public consultation exercise. He considered that the Administration's readiness to cut the cost of hosting the Games drastically indicated that the original cost estimate had been made in a rash and arbitrary manner. He was worried that the actual cost of hosting the Games at money-of-the-day (MOD) prices would be appalling if the inflation rates in the next 13 years were factored in. He said that he found it difficult to support the bid.
15. Mr LAM Tai-fai expressed wish to support the bid, given his involvement in the sports community, but was disappointed at the causal manner in which the Administration had estimated the cost of hosting the Games. He said that if the Panel were to accept the original cost estimate, several billion dollars would have been wasted for upgrading the three planned sports centres. He believed that the public would be confused about why the cost estimate could be reduced drastically within a short time. He questioned whether the Administration would put forward a further cost reduction proposal if the alternative option failed to gain public support. He further questioned why the cost of hosting the Games in Hong Kong could be much lower than that of the 2010 Guangzhou Asian Games, which reportedly ranged from $100 billion Yuan to $200 billion Yuan, taking into account the differences in living standards, labor costs and materials prices between the two cities.

16. Miss Tanya CHAN said that in the light of SHA's claim at the Panel meeting on 21 September 2010 that the original cost estimate was economical and would not create white elephants, it was strange to see the estimate reduced by 60%. She expressed concern about the lack of transparency in the operation of VESC and how it came up with the reduced cost estimate.

17. The Deputy Chairman reminded members that in addition to the direct cost of $6 billion, the indirect cost of $30.17 billion at current prices would still be needed for the construction of certain sports venues within the timeframe of hosting the Games. He considered that as the necessary construction projects would need to be rolled out in the next few years rather than until 2023, the Administration should have the cost estimate at MOD prices on hand. He urged the Administration to disclose such estimate and advise whether cost overrun would occur.

18. PSHA said that, as indicated in his opening statement, the Administration had no intention of withholding the cost estimate at MOD prices. He said that according to a rough estimation which accounted for the projected inflation rates in the next 10 years, the direct cost of hosting the Games would increase from $13.7 - $14.5 billion to $21 billion, and the indirect cost on other long-term development/re-development of sports venue projects, i.e. regardless of whether Hong Kong were to host the Games, would increase from $30.17 billion to $45.8 billion.

19. Mr CHEUNG Man-kwong cast doubt on the reliability of the reduced cost estimate. He found it unreasonable that the upgrading of the three planned main sports venues, which cost some $6 billion, would be
less costly than the related ancillary facilities, which cost some $8 billion. He anticipated that once the bid succeeded, the Administration would re-submit the proposal to upgrade the sports venues and to construct the related ancillary facilities. With reference to the huge cost of the Guangzhou Asian Games and factoring in the projected inflation rates, he questioned why Hong Kong could host the Games with the proposed total cost of some $36 billion only. He was worried that Hong Kong would need at least $100 billion to foot the bill for hosting the Games.

20. Mr CHEUNG Man-kwong was also of the view that Hong Kong was already an international city and needed not boost its image through the staging of the Games. He believed that the public preferred more resources to be channeled to the handling of pressing social issues such as health care and education. In response to Mr CHEUNG's enquiry on the absence of SHA from the Panel meeting, PSHA said that SHA had left for Guangzhou for engagements in relation to the inauguration of the Asian Games.

Sports and recreational facilities

21. Miss Tanya CHAN pointed out that the demand for sports and recreational facilities was high at the community level. Scaling back the three planned indoor sports centres would hurt the feelings of the local residents.

22. Mr CHEUNG Hok-ming said that the Tai Po DC had earlier pledged support for the bid because the Administration had promised to upgrade the long-awaited Tai Po Sports Centre. He asked whether it would continue to be built, even though its upgrading project had been scaled back under the reduced cost estimate. He further asked whether its completion without upgrading would be deferred to 2023.

23. In response, PSHA assured Mr CHEUNG that the Tai Po Sports Centre would be built under the alternative option. He believed that its completion would not be delayed to 2023, but as the Finance Committee ("FC")'s approval had not been secured, a concrete timetable for its completion was not available yet. He said that the Administration would strive for the allocation of resources to have it built as early as possible.

Sports development
24. Miss Tanya CHAN urged the Administration to allocate more resources to the long-term sports development (such as enhancements to elite training and career prospects for current and retired athletes) before biding to host any major sport events.

25. Ms Cyd HO considered that the staging of the Games would be bound to run a deficit in quantifiable terms. As for the non-quantifiable impacts generated from the Games as mentioned in the consultant's report, she said that she did not see any strong public aspiration for investing a huge amount of money in promoting Hong Kong's image. She shared the view that Hong Kong as an international city needed not boost its image by hosting the Games. She cautioned that if the Government did not resolve the social conflicts, the solidity produced by any extravagant events would not last long. She said that it would be more cost-effective to increase investment in promoting sports culture directly, such as providing more sports and recreational facilities to meet community needs, improving the sports facilities at schools and sponsoring more athletes to compete overseas.

26. In response to Ms HO's enquiry on whether the Administration would give up the bid, PSHA said that the public consultation exercise would not end until 1 December 2010. He pointed out that there were both supporting and opposing views on the bid among DC members and the media. The Administration was also gathering views from written submissions and on the Internet, and would carefully analyse all the views collected.

27. Ms Miriam LAU said that Hong Kong should continue to hold major international events to boost its image. However, in view of the sports facilities and talents currently available, she had reservation at Hong Kong being qualified to host the Games in 2023. She also had doubt over whether the 2009 East Asian Games hosted by Hong Kong was really a success, given the poor attendance rates for certain competitions. Referring to the consultant's report which assumed that each spectator would view three competitions/ceremonies if Hong Kong hosted the Games, she was concerned that the assumption might be too optimistic. She considered that the Administration should take the public consultation exercise as an opportunity to comprehensively review the inadequacies in sports developments including planning for enhancement of the community's interest in sport events and improving the sports facilities, trainings and career prospect for athletes. She said that subject to the availability of adequate sports facilities and talents, she was supportive of the bid for hosting the Games after 2023.
Support for the bid

28. Prof Patrick LAU declared that he was a member of VESC. Drawing on the successful experiences of the 1984 Los Angeles Olympic Games after which all the competition venues could be used by the public and the hosting of the 2008 Olympic Equestrian Events by Hong Kong with temporary recyclable facilities, he said that VESC's alternative option was intended to enable the Games to be hosted in a less costly but more sustainable manner by making full use of the existing venues. He was disappointed that the Administration had failed to convey this message to the public clearly. While congratulating the Hong Kong National Football Team ("HKNFT") on its entering into the last 16 for the first time since 1958, Mr LAU said that hosting the Games would provide a good opportunity for local athletes to show their abilities.

29. Mrs Sophie LEUNG expressed disagreement that Hong Kong needed not host big international events like the Games to boost its image, as it was uncertain whether Hong Kong would maintain its international status in future. Citing Seoul as an example, she said that a major reason for the city being ranked high among the international cities was that it had hosted quite a number of major international events. She was worried that should Hong Kong abandon the bid this time, it would face increasingly fierce competitions from the rising neighbouring cities to bid for the Games in future. She said that the encouraging achievements made by HKNFT in the 2010 Guangzhou Asian Games as well as the 2009 East Asian Games were a result of long-term training provided for young players. She was concerned with the insufficient support from DCs for football developments and the difficulty in securing sponsorship for training for HKNFT. She considered that instead of cutting down on the expenditure for hosting the Games, a far-sighted approach should be adopted to sports developments, particularly in respect of nurturing young talents.

30. PSHA did not agree with the view that the Games should not be hosted until the sports facilities and talents were fully available. He explained that hosting the Games would give a strong boost to the development of sport as it would speed up the construction of the sports venues and facilities in various districts. He said that the timetable for completion of such venues would inevitably be less certain if the bid would not be proceeded with. He stressed that the Government had devised a comprehensive plan for nurturing sports talents and enhancing sports facilities. He considered that VESC's alternative option was not rash but was made in response to the public concern about the cost of hosting the Games. He admitted that the alternative option was not the
most ideal one, as the three planned sports venues, if upgraded as originally proposed, would put Hong Kong in a better position to attract and host more big international events.

31. The Chairman reminded members that prior to the conclusion of the public consultation exercise, the Panel would hold a special meeting on 29 November 2010 to hear public views on the bid to host the Games.

V. Implementation of the recommendations of the 2006 District Council Review and other DC-related issues under the purview of the Home Affairs Department  
[LC Paper No. CB(2)208/10-11(03) and(04)]

Powers and responsibilities of DCs

32. The Chairman recapped that at the Panel meeting on 14 October 2010, Ms Emily LAU suggested inviting representatives from the Constitutional and Mainland Affairs Bureau ("CMAB") to advise the Panel on the powers and responsibilities of DCs, which in her views should be considered in conjunction with the review of DC members' remuneration. The Chairman said that no representatives from CMAB would attend the Panel meeting on the agenda item. PSHA explained that DCs' operation, including their members' remuneration, was under the purview of HAB. CMAB would be pleased to answer questions on the electoral arrangements, appointment system etc. in relation to DCs at the Panel on Constitutional Affairs ("CA").

33. While supporting an increase in resources for DC members, Mr Ronny TONG considered that as they would have more powers in the selection of CE and formation of the Legislative Council ("LegCo") in 2012, their remuneration should be considered in conjunction with the review of the powers, responsibilities and electoral methods for DCs and the conflicts of interests among various districts as well as matters relating to local legislation on the methods for selecting CE and forming LegCo in 2012. He also opined that it would be more appropriate for these matters to be considered in one-go at the CA Panel. He questioned why only DC members' remuneration was singled out for discussion by the Panel and whether it was appropriate to do so at this juncture. PSHA reiterated that HAB was only responsible for handling matters relating to DC members' remuneration. Matters relating to DCs' constitutional role and functions were under the portfolio of CMAB and might be discussed at the CA Panel.
Manpower for District Offices ("DOs")

34. On DC chairmen's concern about the manpower support for DOs, PSHA said that in 2008-2009, additional manpower viz. one Liaison Officer I, one Executive Officer II and one Assistant Clerical Officer, had been provided to each DO. An additional Liaison Officer II had also been deployed to DOs in districts with a larger population. PSHA supplemented that DCs might use up to 10% of the funding to DCs to increase manpower to cope with their work. The workload of DOs had also been relieved through the streamlining of work procedures and reprioritization of work. Mr WONG Kwok-hing suggested that manpower should be further increased for DOs in more populated districts such as the Eastern District.

Proposed remuneration package

35. At the Chairman's invitation, the Administration briefed members on the proposed enhancements to the remuneration package for DC members. PSHA said that the Administration had consulted DC members and the Independent Commission on Remuneration for Members of the District Councils of the Hong Kong Special Administrative Region ("the Independent Commission"). The Administration planned to submit the proposal to FC for consideration in December 2010. He supplemented that it had been the established practice for the Government to complete the review on DC members' remuneration one year before the DC elections, so that potential candidates would be aware of the remuneration package in good time before deciding whether to run in the elections.

Honorarium

36. Ms Emily LAU was in support of the proposed enhancements to the remuneration package for DC members, such as the introduction of a medical allowance and an end-of-term gratuity, which were modelled on those for LegCo Members. However, she expressed regret that the Administration was unwilling to increase the honorarium for DC members and to entrust them with more powers and responsibilities. She said that the current level of honorarium was insufficient to attract more people of higher calibre to join DCs and disproportionate to the efforts made by many DC members working full time.

37. Mr LAM Tai-fai welcomed the proposed remuneration package for DC members but was of the view that the enhancements were insufficient. He asked for the reason for no increase to their honorarium, which had
not reflected their heavy workload, contribution to the society and dignity. PSHA responded that the Administration appreciated DC members' effort and contribution. The proposed remuneration package had been drawn up on the basis of the views collected by questionnaire surveys from various sectors of the society and the recommendations from the Independent Commission, as well as regard being given to the operational needs of DC members and public expectation. He was confident that it would attract potential candidates to run in the DC elections.

38. The Deputy Chairman declared that he was a member of the Central and Western DC. He opined that the current level of honorarium for DC members would discourage professionals and experienced talents from running in the DC elections or working full time as DC members. Miss Tanya CHAN shared similar concern.

39. Mrs Sophie LEUNG considered that the level of honorarium for DC members should be gauged in connection with the public expectation of them. She said that she had received views from a considerable number of deputations that some DC members only liked to criticize others and lacked sincerity in offering assistance to local residents. She said that DC members should upgrade themselves to enhance respect from the public if they wanted a rise in honorarium. She hoped that the Administration could arrange more training for them on how to build up a better culture of governance. Director of Home Affairs ("DHA") responded that the Administration had organized forums for DC members on governance, and hoped that such forums would be beneficial to them.

Operating Expenses Allowance ("OEA") and ward offices

40. On the accountable OEA for DC members, Ms Emily LAU said that the term "allowance" might cause misunderstanding by the public that OEA was an extra income for DC members. She suggested that the term "reimbursement" instead of "allowance" be used, as OEA was fully accountable. The Chairman shared similar concern. PSHA and DHA acceded to the suggestion.

41. On the proposed implementation of the revised advance payment arrangement for OEA in the next DC term (i.e. starting from January 2012), Ms Emily LAU drew members' attention to paragraph 21 of the Administration's paper, which stated that the implementation of such an arrangement was technically feasible within the current term. She urged its implementation within the current term after obtaining FC's approval. The Chairman echoed Ms LAU's suggestion. PSHA said that subject to
other members' support, the Administration would accede to the suggestion.

42. Mr CHEUNG Hok-ming declared that he was a DC member. He said that the proposed remuneration package was acceptable. However, he asked whether the proposed rates of OEA could be further increased, so that DC members would better cope with their rental expenses for ward offices.

43. Mr WONG Kwok-hing asked whether the Administration would help DC members to rent private housing units as their ward offices, given the difficulty in renting offices at the prevailing market rental level. DHA said that the Independent Commission had taken into account this situation and had come to the view that a 15% increase in the rates of OEA was reasonable. In response to Mr WONG Kwok-hing on whether the proposed rates of OEA could be further increased, Deputy Director of Home Affairs (2) ("DDHA(2)") said that having regard to the difficulty in finding a ward office in public housing estates, the Administration had arranged for members of the Independent Commission to visit various districts, including Tai Koo Shing where a DC member had to pay expensive rent for a ward office in a plaza. He said that the currently proposed 15% increase had been higher than the 10% increase recommended by the Independent Commission for OEA for DC members in the 2006 District Council Review.

44. Mr WONG Kwok-hing also asked whether the Administration could allocate spaces to DC members as ward offices. DDHA(2) said that the Administration did consider whether certain areas in DOs or community halls/centres could be earmarked for DC members but found this unfeasible, owing to the unavailability of extra space in DOs and the public's needs for community halls/centres.

45. The Deputy Chairman said that the proposed OEA, pitched at $22,381 per month, would not be sufficient for a DC member to cover the basis rental and staffing expenses. For instance, owing to the unavailability of vacant units in public housing estates, he had to pay some $10,000 for an upstairs ward office in a private building, and the remaining OEA might not be sufficient to hire quality staff. He suggested that the Administration consider providing DC members with office premises not necessarily in DOs. He said that any places near to residents, such as vacant stores in the markets, would be welcomed.
46. DDHA(2) said that during the four focus group meetings convened by the Administration for some 80 DC members in July 2010, most DC members were concerned about the end-of-term gratuity and medical allowance. He added that relatively fewer DC members had expressed concern about the level of honorarium, although some considered that it was insufficient.

47. Miss Tanya CHAN said that given the tight budget made available by OEA, she could only afford to rent a ward office in Sheung Wan instead of Mid-levels which was the constituency she served as a DC member. She hoped that the rates of OEA could be further increased, and suggested setting a cap on the rental expense under OEA. DHA said that in lieu of a cap on the rental expense, OEA could provide flexibility for DC members to cover various types of expenditure items. For instance, the expenditure saved in renting a cheaper ward office in public housing estates could be used to hire more quality staff.

End-of-term Gratuity

48. Mr CHEUNG Hok-ming pointed out that the term of office for the existing 27 ex-officio DC members (i.e. the Rural Committee chairmen in the New Territories), which commenced from April 2008 and ended in March 2012, did not tally with that for other DC members (from January 2008 to December 2011), and would straddle two DC terms. He asked how the amount of the proposed end-of-term gratuity would be calculated for ex-officio DC members. In reply, DDHA(2) said that as the implementation of the proposed end-of-term gratuity would commence in 2012 for the new DC term, the relevant guidelines were still under preparation. He said that in principle the amount of the gratuity for ex-officio DC members would be calculated on a pro-rata basis according to the time they had served. PSHA supplemented that while Mr CHEUNG's concern had not been considered by the Independent Commission, it deserved consideration by the Administration.

Entertainment Allowance

49. Ms Emily LAU asked whether the new Entertainment Allowance for DC Chairmen could be extended to all other DC members, as they also had similar needs in performing their duties. PHS responded in the negative, as the Allowance was provided in recognition of the functions undertaken by DC Chairmen on behalf of their respective DCs.
50. Summing up, the Chairman said that members basically accepted the proposed remuneration package. He was of the view that the Administration's financial support for DC members was still inadequate, and there was room for increasing the level of honorarium for DC members. He expressed regret that the proposed medical allowance would not be introduced within the current DC term, as DC members generally hoped to have medical protection earlier.

VI. Proposed creation of one permanent Chief Systems Manager (D1) post in the Leisure and Cultural Services Department
[LC Paper No. CB(2)208/10-11(05)]

51. At the Chairman's invitation, the Administration briefed members on its proposal to create a permanent Chief Systems Manager ("CSM") (D1) post in the Information Technology ("IT") Office of LCSD. The new post was to replace the existing non-civil service Chief Information Technology Manager ("CITM") position at D1 level.

52. Mr WONG Kwok-hing requested the Administration to explain why LCSD had employed more non-civil service contract ("NCSC") staff than all other government departments. He also enquired that in addition to the proposed conversion of the non-civil service CITM position into a permanent civil service post at the management level, whether LCSD had any plans to convert NCSC positions into civil service posts at the junior level.

53. In reply, Assistant Director (Finance), LCSD, said that when LCSD was established in 2000, the IT Office took over the IT professional staff from the two Municipal Councils, who were employed on contract terms. Following an in-depth review, the IT Office had since 2006 identified 12 IT professional NCSC positions to be replaced by civil service posts, which accounted for 20% of its IT professional staff,. He supplemented that the IT Office had planned to have its core services and services with long-term needs to be provided by civil servants, and would regularly review its operational needs to covert NCSC positions into civil service posts.

54. Ms Cyd HO enquired about the extent to which the proposed CSM post would bring intangible and tangible benefits to LCSD, including the expenditure to be saved and the allocation of resources within LCSD. Ms Emily LAU shared similar concern and mentioned the inconvenience in buying tickets during the 2009 East Asian Games. She hoped that the
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Administration could provide information on how the staffing proposal would facilitate business and the delivery of public services.

55. The Chairman concluded that members had no objection to the staffing proposal but had requested the Administration to provide a written response to their concerns and enquiries to the Establishment Subcommittee, with a view to facilitating its consideration of the proposal in December 2010. Assistant Director (Finance), LCSD undertook to provide the requested information.

[Post-meeting note: LCSD's written response to members' concerns and enquiries has been circulated to members vide LC Paper No. CB(2)382/10-11 on 24 November 2010.]

VII. Any other business

56. There being no other business, the meeting ended at 10:40 am.