

Extract from the minutes of Finance Committee meeting held on 18 July 2003

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 18th meeting
held at the Legislative Council Chamber
on Friday, 18 July 2003, at 4:30 pm**

Members present:

Hon NG Leung-sing, JP (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Hon James TIEN Pei-chun, GBS, JP
Dr Hon David CHU Yu-lin, JP
Hon Cyd HO Sau-lan
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, JP
Hon Martin LEE Chu-ming, SC, JP
Dr Hon Eric LI Ka-cheung, GBS, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon HUI Cheung-ching, JP
Hon CHAN Kwok-keung, JP
Hon CHAN Yuen-han, JP
Hon CHAN Kam-lam, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
Hon Jasper TSANG Yok-sing, GBS, JP
Hon YEUNG Yiu-chung, BBS
Hon Miriam LAU Kin-ye, JP
Hon Ambrose LAU Hon-chuen, GBS, JP

Hon Emily LAU Wai-hing, JP
Hon CHOY So-yuk
Hon Andrew CHENG Kar-foo
Hon SZETO Wah
Hon Timothy FOK Tsun-ting, SBS, JP
Dr Hon LAW Chi-kwong, JP
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP
Hon Abraham SHEK Lai-him, JP
Hon LI Fung-ying, JP
Hon Henry WU King-cheong, BBS, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Michael MAK Kwok-fung
Hon Albert CHAN Wai-yip
Hon LEUNG Fu-wah, MH, JP
Hon WONG Sing-chi
Hon IP Kwok-him, JP
Hon LAU Ping-cheung
Hon Audrey EU Yuet-mee, SC, JP
Hon MA Fung-kwok, JP

Members absent:

Dr Hon Philip WONG Yu-hong, GBS (Chairman)
Hon LEE Cheuk-yan
Dr Hon David LI Kwok-po, GBS, JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, JP
Hon Bernard CHAN, JP
Hon Howard YOUNG, SBS, JP
Dr Hon YEUNG Sum
Hon LAU Chin-shek, JP
Hon LAU Kong-wah, JP
Hon LAU Wong-fat, GBS, JP
Dr Hon LO Wing-lok, JP
Hon Frederick FUNG Kin-kee

Public officers attending:

Mr Alan LAI Nin, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Mr Stanley YING, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr K K LAM	Principal Executive Officer (General), Finance Bureau
Mr Alan CHU	Acting Deputy Secretary for Security

Ms Ernestina WONG	Principal Assistant Secretary for the Environment, Transport and Works (Transport)
Mr C H YUE, JP	Director of Architectural Services
Mr WAI Chuen	Commander (Border Division) of Immigration Department
Mr NG Chee-kin	Deputy Regional Commander (NT North) of Hong Kong Police Force
Mr CHAN Hon-kit	Head of Control Point Command of Customs and Excise Department
Mr Tony SO Yam-tat	Chief Engineer of Transport Department
Ms Lolly CHIU, JP	Deputy Secretary for Home Affairs
Mrs Loran MAO	Assistant Director of Leisure and Cultural Services
Mr Michael MA	District Planning Officer of Planning Department
Miss Betty HO	Acting Principal Assistant Secretary for Housing, Planning and Lands (Planning and Lands)
Mr H K WONG, JP	Director of Territory Development
Mr David CHEUNG Hing-wan	Acting Project Manager of Territory Development Department
Mr W S CHAN, JP	Deputy Secretary for the Environment, Transport and Works (Works)
Mr Andrew HUI	Acting Chief Assistant Secretary for the Environment, Transport and Works (Works)
Miss Erica NG	Principal Assistant Secretary for Financial Services and the Treasury (Treasury)
Mrs Mimi BROWN, JP	Assistant Commissioner of Rating and Valuation
Mr Alan SIU	Deputy Director of Leisure and Cultural Services
Mr Wells HO	Chief Leisure Manager of Leisure and Cultural Services
Miss Denise YUE, GBS, JP	Permanent Secretary for Commerce, Industry and Technology (Commerce and Industry)
Mr Kevin HO Chi-ming, JP	Director-General of Trade and Industry
Mr Philip YUNG	Deputy Director-General of Trade and Industry
Mrs Carrie YAU, JP	Permanent Secretary for Health, Welfare and Food
Mr Thomas YIU, JP	Deputy Secretary for Health, Welfare and Food (Health)
Miss Joanna CHOI	Principal Assistant Secretary for Health, Welfare and Food (Health)
Dr KO Wing-man	Director (Professional Services and Public Affairs) of Hospital Authority
Dr P Y LAM, JP	Deputy Director of Health

Dr S V LO

Head of Research Office of Health, Welfare and Food Bureau

Dr Sarah CHOI

Principal Medical and Health Officer
(Research Office) of Health, Welfare and Food Bureau

Clerk in attendance:

Ms Pauline NG

Assistant Secretary General 1

Staff in attendance:

Miss Becky YU

Chief Assistant Secretary (1)1

Mrs Mary TANG

Senior Assistant Secretary (1)2

Ms Caris CHAN

Senior Legislative Assistant 1

Mr Frankie WOO

Legislative Assistant 2

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PWSC(2003-04)28

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Construction of boundary-crossing facilities at Shenzhen Western Corridor under the “co-location” arrangement

9. The Chairman remarked that the proposal was discussed at the PWSC meeting on 11 June 2003. According to the supplementary information paper PWSCI(2003-04)13 issued on 17 July 2003, the project estimate had been adjusted downwards from \$2,501 million to \$2,173.5 million.

10. While welcoming the proposed adjustment and the special arrangements to allow qualified contractors from Hong Kong to tender the entrusted works, Mr Albert CHAN was of the view that the revised estimate was still too high having regard to the lower cost of works in the Mainland. Noting that the bulk of project works would be carried out in the Mainland, he expressed grave concern that the local workforce would not be able to benefit from the job opportunities arising from the project. He said that he would object to the proposal on grounds that the Administration had turned a blind eye to the high unemployment rate in Hong Kong and entrusted the project to the Mainland.

11. Mr SIN Chung-kai said that Members of the Democratic Party were opposed to the proposal when it was discussed at the PWSC meeting on 11 June 2003. Subsequently, arrangements had been made to adjust the project estimate and to allow qualified Hong Kong contractors to tender for the entrusted works. In the long run, it was hoped that the Administration could make it a standing practice in allowing local

companies to tender projects entrusted to the Mainland by the HKSAR Government. The Mainland authorities should also be asked to conduct briefing sessions on the tendering of projects to enable Hong Kong contractors to compete on a level playing field.

12. The Acting Deputy Secretary for Security (DS(S)) said that the project estimate relating to construction works was reduced downwards by some 30%. It was made after a careful review with the Shenzhen authorities. There was no room for further reduction as some of the cost was related to procurement of equipment rather than construction labour prices. He said that the project would be beneficial to the economy of Hong Kong as according to the Crosslinks Further Study by the Planning Department, the project would lead to a net financial gain of \$175,000 million over a period of 20 years. As regard the concern about entrustment of works to the Shenzhen side, DS(S) said that special arrangement had been made to allow qualified contractors from Hong Kong to tender the entrusted works. The same arrangement had been adopted in the Regulation of Shenzhen River project entrusted to the relevant Shenzhen authorities. In fact, some of the works were successfully tendered by a Hong Kong contractor. He also confirmed that there would be a pre-tender briefing session and a post-tender question and answer session to be conducted by the Mainland authorities. As to whether the Administration would make it a policy to allow local companies to tender projects entrusted to the Mainland by the HKSAR Government, the Permanent Secretary for Financial Services and the Treasury (Treasury) said that the current project would serve as a reference for future projects and the works departments would take this into consideration when entrusting projects to the Mainland.

13. Mr Albert CHAN said that he had earlier raised his concern with the Secretary for Economic Development and Labour that the entrustment of the project to the Mainland would deprive the locals of the needed job opportunities but it seemed that the Secretary was not aware of such an arrangement. Mr CHAN requested to put on record his dissatisfaction about the lack of coordination on the part of the Administration in respect of the creation of job opportunities for the local workforce.

14. The Chairman put PWSC(2003-04)28 to the vote. 40 members voted for the proposal, one voted against and one abstained. The individual votes were as follows:

For :

Mr Kenneth TING Woo-shou

Dr David CHU Yu-lin

Ir Dr Hon Raymond HO Chung-tai

Dr Eric LI Ka-cheung

Mr James TO Kun-sun

Mr HUI Cheung-ching

Mr CHAN Kam-lam

Mr SIN Chung-kai

Mr WONG Yung-kan

Mr YEUNG Yiu-chung

Mr Ambrose LAU Hon-chuen

Mr James TIEN Pei-chun

Ms Cyd HO Sau-lan

Mr Martin LEE Chu-ming

Mrs Selina CHOW LIANG Shuk-ye

Mr CHEUNG Man-kwong

Mr CHAN Kwok-keung

Mr LEUNG Yiu-chung

Mr Andrew WONG Wang-fat

Mr Jasper TSANG Yok-sing

Ms Miriam LAU Kin-ye

Ms Emily LAU Wai-hing

Miss CHOY So-yuk
Mr SZETO Wah
Dr LAW Chi-kwong
Dr TANG Siu-tong
Ms LI Fung-ying
Mr Tommy CHEUNG Yu-yan
Dr LO Wing-lok
Mr IP Kwok-him
Ms Audrey EU Yuet-mee
(40 members)

Mr Andrew CHENG Kar-foo
Mr Timothy FOK Tsun-ting
Mr TAM Yiu-chung
Mr Abraham SHEK Lai-him
Mr Henry WU King-cheong
Mr LEUNG Fu-wah
Mr WONG Sing-chi
Mr LAU Ping-cheung
Mr MA Fung-kwok

Against :

Mr Albert CHAN Wai-yip
(1 member)

Abstention :

Mr Michael MAK Kwok-fung
(1 member)

15. The Committee approved the proposal.

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Council Business Division 1
Legislative Council Secretariat
3 September 2003