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**Public Works Subcommittee of the Finance Committee
of the Legislative Council**

**Minutes of the 2nd meeting
held in Conference Room 1 of the Legislative Council Complex
on Wednesday, 22 October 2014, at 8:30 am**

Members present:

Hon Alan LEONG Kah-kit, SC (Chairman)
Hon WU Chi-wai, MH (Deputy Chairman)
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 Frederick FUNG Kin-kee, SBS, JP
Hon WONG Kwok-hing, BBS, MH
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon Ronny TONG Ka-wah, SC
Hon Cyd HO Sau-lan, JP
Hon CHAN Kin-por, BBS, JP
Hon CHEUNG Kwok-che
Hon IP Kwok-him, GBS, JP
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon Frankie YICK Chi-ming
Hon Gary FAN Kwok-wai
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen

Hon CHAN Han-pan, JP
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 Dennis KWOK
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
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Members attending:

Hon WONG Ting-kwong, SBS, JP
Hon Christopher CHEUNG Wah-fung, SBS, JP

Members absent:

Hon Albert HO Chun-yan
Hon Emily LAU Wai-hing, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon CHAN Hak-kan, JP
Dr Hon LEUNG Ka-lau
Hon James TIEN Pei-chun, GBS, JP
Hon Tony TSE Wai-chuen, BBS

Public officers attending:

Mr YEUNG Tak-keung	Deputy Secretary for Financial Services and the Treasury (Treasury) ³
Mr WAI Chi-sing, JP	Permanent Secretary for Development (Works)

Mr Thomas CHAN Chung-ching, JP	Deputy Secretary for Development (Planning and Lands) ¹
Ms Anissa WONG, JP	Permanent Secretary for the Environment
Ms Jasmine CHOI Suet-yung	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mr Ricky WONG Chi-pan	Commissioner for Heritage (Acting) Development Bureau
Mr LEUNG Koon-kee, JP	Director of Architectural Services
Mr LEUNG Kam-pui	Chief Technical Adviser (Subvented Projects) Architectural Services Department
Mr HON Chi-keung, JP	Director of Civil Engineering and Development
Mr Daniel CHUNG Kum-wah, JP	Director of Drainage Services
Mr Jimmy CHAN Pai-ming	Project Manager (Major Works) Highways Department
Mr Enoch LAM Tin-sing, JP	Director of Water Supplies
Miss Charmaine WONG	Assistant Director (6) Home Affairs Department
Mr Frankie CHOU Wing-ping	Chief Engineer (Works) Home Affairs Department
Mr Samson LAI Yiu-kei	Assistant Director (Waste Management Policy) Environmental Protection Department
Mr Davie KAN Chung-tak	Principal Environmental Protection Officer (Special Waste and Landfill Restoration) Environmental Protection Department

Clerk in attendance:

Ms Sharon CHUNG Chief Council Secretary (1)6

Staff in attendance:

Mr Andy LAU	Assistant Secretary General 1
Mr Hugo CHIU	Senior Council Secretary (1)6
Mr Fred PANG	Senior Council Secretary (1)8
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Christy YAU	Legislative Assistant (1)7
Ms Haley CHEUNG	Legislative Assistant (1)8

Action

Application for late membership

The Chairman advised that 12 Members had made applications for late membership ("the 12 Members"). The relevant application letters had been circulated to members vide LC Papers Nos. PWSC5/14-15 and PWSC6/14-15 on 8 October 2014 and 10 October 2014 respectively. He said that, according to Paragraph 4B of the Public Works Subcommittee ("PWSC") Procedure, a request for late membership on grounds other than indisposition or absence from Hong Kong should be put to the Subcommittee. The Subcommittee should accept such applications only when sufficient grounds had been provided. The Chairman sought members' views on how to proceed with the consideration of the applications from the 12 Members.

2. Mr SIN Chung-kai suggested that the 12 Members should be invited to a meeting of PWSC to elaborate on the reasons for asking to join the Subcommittee after the registration deadline.

3. The Chairman held the view that the handling of applications for late membership, which was internal business of PWSC, should not delay the Subcommittee's discussion on other items, which were related to funding proposals on public works projects, on the agenda. He sought members' views on Mr SIN Chung-kai's suggestion and whether a special meeting should be held to consider the 12 applications for late membership.

4. Mr IP Kwok-him said that the 12 Members had set out the reasons for applying for late membership in their application letters. He considered that the applications should be dealt with immediately at the meeting. Ir Dr LO Wai-ki shared Mr IP's view and opined that if a special meeting was to be held, it should be used to discuss the outstanding public works items on the agenda.

5. Mr TAM Yiu-chung disagreed with the suggestion of holding a special meeting to consider the applications. He said that there were relevant provisions in the PWSC Procedure for the handling of applications for late membership; moreover, the Subcommittee had dealt with such applications in the past. It was inappropriate for members to query the motives for the applications and unreasonable to treat the 12 applications in a special way.

6. Mr Albert CHAN supported the suggestion of holding a special meeting to consider the applications for late membership. He noted that most of the 12 Members had stated in their application letters that they had missed the deadline because of the mishandling of their personal assistants ("PAs"). In order to ascertain that these PAs had not been blamed unjustly, the 12 Members should be invited to attend the meeting to personally answer Subcommittee members' questions about their applications. Mr LEE Cheuk-yan and Dr KWOK Ka-ki shared Mr CHAN's view. Dr KWOK added that the PAs concerned should be invited to the meeting to explain what had happened with the applications. Ms Cyd HO and Mr WU Chi-wai also agreed to holding a special meeting to allow the 12 Members to give their reasons for joining the Subcommittee after the deadline in person.

7. Mr Christopher CHUNG held the view that, as Members of the Legislative Council ("LegCo") had been elected by the public under the system of representative government, their rights to participate in LegCo committees and subcommittees should not be unduly restrained. He said that the Chairman should decide whether the applications for late membership should be accepted. The Chairman advised that, according to Paragraph 4B of the PWSC Procedure, a request for late membership on grounds other than indisposition or absence from Hong Kong should be put to the Subcommittee. The Subcommittee should accept such applications only when sufficient grounds had been provided.

8. Mr James TO remarked that the 12 applications had to be handled carefully. While agreeing that members should not speculate the motives for the applications, he observed that some Members had made some remarks to the media about the membership of the Subcommittee that might be contradictory to the reasons set out in the application letters. He agreed with some members that the 12 Members should be invited to attend a meeting to answer questions about the reasons stated in the application letters and said that from a legal perspective, false reasons should not be accepted as "sufficient grounds".

9. Mr Kenneth LEUNG said that the applications for late membership should be handled in accordance with the relevant procedure and agreed to holding a special meeting. He disagreed with the view that the PWSC Procedure had unduly restrained the rights of LegCo Members to participate in the business of committees and pointed out that in some parliaments of the Westminster system, such as the Parliament of the United Kingdom, a newly elected Member of Parliament could not freely join any committee in the first year of his term.

10. Mr CHAN Chi-chuen said that a LegCo Member, even if the application of whom for late membership was turned down, could still attend PWSC meetings to express views and make enquiries on the discussion items. He drew members' attention to the rejection of the Establishment Subcommittee to Mr Albert CHAN's application for late membership in June 2014.

11. In the light of members' divergent views on the handling of the 12 applications for late membership, the Chairman put to vote the questions that: (1) an opportunity should be provided to the 12 Members to explain in person the reasons for their applications; and (2) if question (1) was carried, a special meeting be held to consider the 12 applications. For question (1), 22 members voted for it and 11 members voted against it. For question (2), 22 members voted for it and 10 members voted against it. The Chairman declared that both questions were carried.

12. Mr James TO opined that the availability of the 12 Members for attending the special meeting should be ascertained. Mr IP Kwok-him considered that while the Subcommittee might invite the 12 Members to attend the special meeting, they should be allowed to accept or reject the invitation at their discretion. Mr Ronny TONG and Mr Kenneth LEUNG agreed to Mr IP's view. Mr TO said that while the 12 Members should be allowed to attend the special meeting at their discretion, the special meeting should be arranged at a time that would facilitate those who wished to participate.

13. The Chairman instructed the Clerk to promptly issue a circular to enquire about members' availability for attending a special meeting at three alternative time-slots, i.e. 8:30 am to 10:30 am on 27 October 2014, 5:15 pm to 7:00 pm on 27 October 2014 and 10:45 am to 12:45 pm on 11 November 2014, as well as to seek the views of the 12 Members on whether they intended to participate in the special meeting. He would decide the arrangements for the special meeting having regard to the replies received.

(*Post-meeting note:* Information about Members' availability was sought vide PWSC14/14-15 issued on 22 October 2014. Having considered the information collected, the Chairman subsequently decided to hold a special meeting from 10:45 am to 12:45 pm on 11 November 2014. Members were informed accordingly vide PWSC17/14-15 issued on 24 October 2014.)

14. The Chairman advised that he received a letter from Mr SIN Chung-kai requesting the re-ordering of the agenda items for the meeting. Taking into account that the issue of re-ordering of items was not part of the the business on the agenda, the Chairman said that he would deal with the letter at the next meeting.

(*Post-meeting note:* Mr SIN Chung-kai's letter was circulated to members vide PWSC13/14-15 on 22 October 2014.)

Overview of potential submissions to Public Works Subcommittee

PWSC1(2014-15)7 — Forecast of submissions for the 2014-15
Legislative Council Session

15. The Chairman advised that on the agenda for the meeting there were one information paper and 20 discussion papers to be examined by the Subcommittee.

16. The Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of LegCo, they should disclose the nature of any direct or indirect pecuniary interests relating to the funding proposals under discussion at the meeting before they spoke on the item. He also drew members' attention to Rule 84 of RoP on voting or withdrawal in case of direct pecuniary interest.

17. The Chairman said that, as agreed with the Administration in the 2001-2002 legislative session, the Administration had been providing forecasts of submissions to the Subcommittee at the beginning of each legislative session to enable members and other LegCo Members to have a preliminary view of the potential capital works items to be submitted to the Subcommittee and to facilitate the consultation process for these proposed projects. The Clerk would circulate the 2014-2015 forecast to relevant Panels for Panel members to indicate which projects would require detailed discussion at the relevant Panels before they were submitted to the Subcommittee.

18. At the invitation of the Chairman, Deputy Secretary for Financial Services and the Treasury (Tsy)3 (DS(Tsy)3), briefed members on PWSCI(2014-15)7.

Order of the agenda items

19. Mr SIN Chung-kai opined that, among the 89 capital works items to be submitted to the Subcommittee for consideration in the forecast for the 2014-2015 session, the Administration should first proceed with the less controversial ones. He also suggested that the Administration should consider some members' suggestion of re-arranging the order of the items on the agenda so that the relatively less controversial capital works items (like those relating to construction of schools) would be discussed prior to the more controversial ones. Mr SIN further enquired whether the Chairman had the power to re-arrange the order of agenda items. He observed that there was no provision in the PWSC Procedure stipulating that only the Administration had the power to determine the order of the Subcommittee's agenda items. In his view, the power of the LegCo President in deciding the agenda of the Council should apply to the PWSC Chairman. The Chairman replied that he believed that he was vested with the power to set the order of agenda items for the Subcommittee.

20. DS(Tsy)3 advised that the order for the submission of the majority of the funding proposals on the 89 capital works items in the forecast for the 2014-2015 session had not yet been decided. As for the 20 outstanding items on the agenda of the meeting, he said that they were all carried over from the 2013-2014 session. On average, each of these items suffered from a programme delay of six months. He stressed that there was an urgency for the timely examination of all these outstanding items.

21. Dr KWOK Ka-ki enquired why the refurbishment project of the Hong Kong Buddhist Hospital ("the HKBH project"), which was related to the welfare of the general public and had been one of the outstanding items for the Subcommittee, would need to be re-tendered. He queried why the strategic studies for artificial islands in the Central Waters (PWSC(2014-15)11), which had aroused great controversies, had a higher priority on the agenda than the livelihood-related capital works items, such as the reprovisioning of a child care centre-cum-early education and training centre in Sham Shui Po. He also asked about the Administration's mechanism for deciding the order of agenda items for the deliberation of the Subcommittee, including the rank(s) of the officials responsible for fixing the order. The Chairman advised that the HKBH project was not included in the meeting's agenda and reminded members that their discussion should focus on PWSCI(2014-15)7, i.e. the forecast of submissions to the

Subcommittee for the 2014-2015 session, instead of the order of agenda items.

22. DS(Tsy)3 responded that the HKBH project had to be re-tendered due to the expiry of the tender validity period in August 2014. The project was therefore not included in the meeting's agenda. Tender exercises for some items on the agenda had been conducted and their tender validity periods would expire soon. He added that the Administration decided the order of agenda items by considering in a holistic approach a host of factors including the importance, urgency, readiness and consultation progress of the capital works items concerned. He further said that the funding proposal on strategic studies for artificial islands in the Central Waters had been examined by the Subcommittee at several meetings in the last legislation session and it was appropriate for the Administration to retain it on the agenda as the first funding proposal to be considered.

23. On re-arranging the order of the agenda items proposed by the Administration, Ir Dr LO Wai-kwok said that the role of PWSC was to examine the public works expenditure proposals presented by the Financial Secretary and make recommendations to FC. Chairmen of PWSC had all along respected the Administration's views on the order of agenda items, which reflected their priorities. The Subcommittee might not have sufficient information to determine the priorities of the capital works items listed on the agenda. He added that although some proposed works projects or studies would not generate immediate benefits to the society, they were carried out for the long-term benefits of Hong Kong. The scrutiny of the funding proposals on these projects/studies should not be delayed. Moreover, for most major works projects, it was necessary to conduct relevant studies and tests before implementation.

24. Ms Claudia MO said that a major function of LegCo was to monitor the work of the Administration. LegCo's work was not to be steered by the Administration. She urged the Administration to provide sufficient information on the proposed capital works items for members to assess their priorities. She added that members of the Subcommittee would not be opposed to the implementation of the livelihood-related works projects, such as those relating to education and medical service. The Chairman reminded members again that their discussion should focus on PWSCI(2014-15)7, instead of the order of agenda items.

25. Mr WU Chi-wai said that the Administration should review whether the order of the outstanding items on the agenda addressed the needs and aspiration of the society. He considered that the Administration should provide information to members about the mechanism and rationale for

determining the order of the items on the Subcommittee's agendas. He expressed concern that the implementation of a large number of major works projects in the past few years had put a heavy stress on the manpower resources of the local construction industry and led to escalated project costs.

26. Mr IP Kin-yuen and Mr LEUNG Yiu-chung agreed to Mr SIN Chung-kai's suggestion of advancing the discussion on some of the livelihood-related capital works items on the agenda. Mr IP said that giving priorities to the less controversial items would prevent the recurrence of incidents similar to the re-tendering of the HKBH project. He enquired whether the Chairman had the power to re-arrange the order of the items for the next meeting and suggested that the Chairman, in determining the order of the items, should consult the Administration and pay heed to the importance of individual items to people's livelihood, the level of controversy of each item, and the relevant tender validity periods. To understand the level of controversy of an item, the Chairman should consult members of different political backgrounds. The Chairman would have to make political judgment in determining the order of the items on the agenda.

27. Mr CHAN Kin-por said that there was separation of power among the executive, the legislature and the judiciary in Hong Kong. Since the Administration possessed the relevant resources to determine the priorities of implementation of capital works items and it would take a holistic approach in considering the priorities of these projects, it was appropriate for the Administration to set the order of the items for the deliberation of the Subcommittee. Mr CHAN remarked that if some members insisted to be uncooperative, the Administration might have to bypass the Subcommittee and submit works-related funding proposals direct to FC.

28. Mr Gary FAN disagreed with the view that the Administration should undoubtedly be the party to determine the order of agenda items since it had the necessary information to assess the priorities of the items and it would consider the priorities in a holistic approach. In his view, members should have no difficulty in recognizing which items involved controversies and they would also consider the priorities of the items in a holistic approach. Mr FAN requested that the Administration should give a formal response to members' views on re-arranging the order of the items on the agenda.

29. Mr LEE Cheuk-yan said that the reason for all the LegCo Members from the pan democratic camp to have joined the Subcommittee was that they wanted to change the practice in the past that the Administration had dictated the agenda of the Subcommittee. In his view, the Administration's so-called "holistic approach" to determining the order of agenda items was an inclination towards the interests of large consortia. Mr LEE enquired

whether the Administration would discuss with the Chairman and the Deputy Chairman the re-arrangement of the order of agenda items. If the answer was in the negative, the Chairman should consider re-arranging the order on his own initiative.

30. DS(Tsy)3 responded that it was the established practice that PWSC would discuss funding proposals according to the order proposed by the Administration. He reiterated that the Administration considered a host of factors in a holistic approach when sequencing the order of agenda items.

31. Dr Fernando CHEUNG said that LegCo had a responsibility to reflect public opinions in its work. He supported Mr SIN Chung-kai's suggestion of advancing the discussion on the livelihood-related items on the agenda. Dr CHEUNG added that it was unreasonable for the Administration to request members to consider the funding proposal for the project on the Liantang/Heung Yuen Wai Boundary Control Point ("LT/HYW BCP") prior to the funding proposals for those livelihood-related works projects. The funding proposal for the LT/HYW BCP project involved a request for additional funds to cover project cost overrun, which was due to wrong estimation of the project cost made by the Administration at an earlier stage. He did not consider that there was sufficient ground for according priorities to this item. The strategic studies for artificial islands in the Central Waters was also a very controversial item because the plan, if to be proceeded with, would become Hong Kong's largest reclamation works project, to which many green groups opposed. He opined that education-related capital works items should be accorded priorities.

32. Mr LEUNG Kwok-hung expressed concern about the proposed implementation of a large number of capital works projects in the same period and questioned the necessity of the establishment of the Future Fund. He considered that resources allocated to the Future Fund should be used to introduce a universal retirement protection scheme. The Chairman reminded members that their discussion should focus on PWSCI(2014-15)7.

33. Mr TAM Yiu-chung considered it inappropriate for the order of the Subcommittee's agenda items to be determined by members, taking into account that members had different views on the importance of individual capital works projects. For instance, a member returned from a certain geographic constituency might consider that higher priorities should be accorded to the capital works projects to be carried out in that geographic area. His view was echoed by Ir Dr LO Wai-kwok, Mr CHAN Kin-por, Mr LEUNG Che-cheung and Mr CHAN Kam-lam. Mr TAM added that there was an established mechanism followed by the Administration for the planning, upgrading and funding applications of capital works projects.

Moreover, the Administration had consulted the relevant Panels as appropriate before submitting the funding proposals for capital works projects to the Subcommittee for consideration. He said that the "non-cooperation movement" undertaken by members from the pan democratic camps would lead to further delay in the implementation of major works projects and escalation of project costs.

34. Dr CHIANG Lai-wan agreed to some members' view that some less controversial capital works items could be dealt with prior to the more controversial ones. She considered that the volume of major works projects being implemented, in particular those involving drilling of tunnels, might have exceeded the capacity of the local construction industry. She suggested that the Chairman should have a dialogue with the Administration to review the order of the outstanding agenda items. In her view, those projects that were important for the local communities, such as the construction of two special schools at Sung On Street, To Kwa Wan, could be dealt with prior to other items. As regards the strategic studies for artificial islands in the Central Waters and the pilot study on underground space development in selected strategic urban areas, she opined that these studies, though involving controversies, should be conducted early so that useful information could be obtained to facilitate members' deliberation of the development of artificial islands and underground space in future.

35. Referring to the 89 capital works items in the forecast of the Administration's submissions to the Subcommittee for the 2014-2015 session, Mr LEUNG Che-cheung opined that if the order of the submission of those items was to be determined by members, the Administration's schedule for consulting stakeholders and LegCo Panels on the items might be upset, and as a result, some projects might have to be discussed at the Subcommittee before the consultation at the district level was conducted. He suggested that the Chairman and the Deputy Chairman should discuss with the Administration the order of the items after the meeting.

36. Mr CHAN Kam-lam pointed out that before a capital works item was submitted to the Subcommittee for consideration, the Administration usually would have consulted the relevant Panel of LegCo on the item. During the discussion at the relevant Panel meeting, members had the opportunities to express their views on the policy issues related to the item. At the meetings of the Subcommittee, members should examine the technical details of the items rather than the associated policy issues. He was concerned that if the discussion on the more controversial items relating to the long-term development of Hong Kong was further postponed, the pace of development of Hong Kong would be affected. Mr CHAN called on the Chairman to discuss the order of the agenda items with the Administration and to follow

the established practice of the Subcommittee.

37. Mr Michael TIEN observed that many so-called "controversial items" were those capital works projects opposed to by members from the pan democratic camp. Such projects were mostly related to the long-term development of Hong Kong. He considered it inappropriate to defer the examination of these items as they were important to meeting the future challenges to Hong Kong. He added that it was a well-known management principle that a leader should not evade difficult tasks but should accord them with priorities. Mr SIN Chung-kai and Mr Albert CHAN opined that business management principles might not be applicable to LegCo, the business of which was different from that of commercial organizations.

38. At 10:25 am, the Chairman suggested and members agreed that the meeting be extended to 10:45 am.

39. The Chairman said that, in his opinion, the PWSC Chairman was vested with the power to determine the order of the items on the agenda. Considering that in the past, PWSC Chairmen had all along respected the Administration's views on the priorities of the agenda items, he would not make a decision lightly to depart from the established practice. He would seek the views of members and the Legal Adviser to the Subcommittee on the issue and provide the Administration with an opportunity to make a submission before he made his decision. He would make a written ruling if necessary. The Chairman also urged the Administration to consider carefully members' views on the issue. The Administration should note that apart from members from the pan democrat camp, some members from the pro-establishment camp were not opposed to the suggestion of advancing the discussion on the less controversial items.

Tender exercises for capital works items

40. Noting that the HKBH project had to be re-tendered due to the expiry of the tender validity period, Miss Alice MAK enquired whether any capital works items on the agenda might need to be re-tendered soon.

41. DS(Tsy)3 responded that eight capital works items on the agenda had the relevant tender exercises conducted and the validity periods of the tenders received would expire in the coming months. The Administration would provide information on the validity periods of the tenders for these items in due course.

42. Mr Albert CHAN enquired whether information about the tender exercises for capital works items was clearly presented in the relevant

discussion papers submitted by the Administration to the Subcommittee. He questioned why the Administration had initiated the tender exercises for some capital works items before they were submitted to the Subcommittee.

43. Permanent Secretary for Development (Works) ("PS/DEV(Works)") responded that in relevant discussion papers submitted to LegCo, information about tender exercises, if any, for the respective projects would be provided. The timing for a tender exercise to be initiated would be determined having regard to the urgency and complexity of the project. For projects which were urgent or technically complex and no reference could be drawn from other projects for working out the project cost estimates, the Administration would consider initiating the tender exercises before fundings were approved by FC. Otherwise, the Administration would in general conduct the tender exercise of a project after obtaining the funding approval.

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44. At Mr Albert CHAN's request, the Administration was required to provide two lists of capital works projects submitted to the Subcommittee in the last two legislative sessions: (a) which had the tender exercises initiated before the funding proposals on these projects were submitted to the Subcommittee for consideration, and (b) of which the tender exercises had yet to be initiated when the funding proposals on these projects were submitted to the Subcommittee for consideration. For (a), the tender price and tender expiry date for each of the projects should be provided. The Administration was also required to advise the reasons for initiating/not initiating the tender exercises before/when the funding proposals were submitted to the Subcommittee.

45. Mr LEUNG Yiu-chung questioned whether it was appropriate for the Administration to have initiated the tender exercise for a capital works project before it was approved by FC. Once the tender exercise had been launched, meaning that the framework of the concerned project had been set, there would be little room for members to play a monitoring role on the work of the Administration in respect of implementation of capital works projects. He queried whether the Administration regarded LegCo as a rubber stamp. The Chairman advised that the role and terms of reference of the Subcommittee were specified in Paragraphs 1 to 3 of the PWSC Procedure.

46. PS/DEV(Works) clarified that the conducting of a tender exercise was not equivalent to the award of tender. A tender would only be awarded after the relevant funding proposal had been approved by FC. He added that for some capital works projects, the purpose of initiating the tender exercise in advance was to shorten the implementation timeframe of the project. Mr LEUNG Yiu-chung maintained his view that, as FC might disapprove a funding proposal eventually, tendering in advance was an act of disrespect to

LegCo.

Approval of funding proposals for capital works items in the last two legislative sessions

47. Ir Dr LO Wai-kwok enquired about the total estimated costs of (i) the 89 capital works items set out in PWSCI(2014-15)7; (ii) the 21 capital works items carried over from the 2013-2014 legislative session; and (iii) the capital works projects approved in the 2013-2014 legislative session.

48. DS(Tsy)3 responded that the estimated costs of the 89 capital works items set out in PWSCI(2014-15)7 were still being assessed and could not be provided at the present stage. In the 2013-2014 legislative session, the Subcommittee had held 20 meetings and discussed 24 capital works items. There were 27 items (of an estimated cost of around \$50 billion) remained outstanding at the FC or the Subcommittee upon the closure of 2013-14 session. He added that, as an illustration, in the 2012-2013 and 2013-2014 legislative sessions, FC had approved a total of 39 and 13 new capital works projects, amounting to \$90 billion and \$3.6 billion respectively.

Liantang/Heung Yuen Wai Boundary Control Point and associated works

49. Mr TAM Yiu-chung referred to the project "Liantang/Heung Yuen Wai Boundary Control Point and associated works" listed in Enclosure 1 to PWSCI(2014-15)7 and enquired about the latest progress of the project. Director of Civil Engineering and Development ("DCED") responded that the site formation works for the LT/HYW BCP building was being implemented smoothly and 40% of the works had been completed. With the cooperation of the villagers concerned, relocation of Chuk Yuen Village had also been substantially completed in September 2014. DCED added that there was urgency for seeking the Subcommittee's endorsement of additional funding for the project, as the tender exercise of a major remaining contract had been conducted and any further delay in the project would result in a further increase in the project cost.

Chairman's concluding remarks

50. The Chairman concluded that there had been sufficient discussion on PWSCI(2014-15)7. As regards members' suggestion on re-arranging the order of the outstanding items on the agenda, he would have a discussion with the Administration after the meeting. If no consensus between him and the Administration could be reached, he might have to make a ruling on the matter, taking into account the views of the Administration, members and the Legal Adviser, as well as other factors, such as how to set the criteria for

allowing the discussion on an item to be advanced.

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

Council Business Division 1
Legislative Council Secretariat
24 November 2014