

立法會
Legislative Council

LC Paper No. FC219/15-16
(These minutes have been
seen by the Administration)

Ref : FC/1/1(12)

Finance Committee of the Legislative Council

Minutes of the 20th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 8 January 2016, at 5:30 pm

Members present:

Hon CHAN Kin-por, BBS, JP (Chairman)
Hon CHAN Kam-lam, SBS, JP (Deputy Chairman)
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Emily LAU Wai-hing, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon WONG Kwok-hing, BBS, MH
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, SBS, JP
Hon Cyd HO Sau-lan, JP
Dr Hon LAM Tai-fai, SBS, JP
Hon CHAN Hak-kan, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon CHEUNG Kwok-che
Hon WONG Kwok-kin, SBS
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Alan LEONG Kah-kit, SC

Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon WONG Yuk-man
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon James TIEN Pei-chun, GBS, JP
Hon NG Leung-sing, SBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon Gary FAN Kwok-wai
Hon MA Fung-kwok, SBS, JP
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, BBS, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Hon Dennis KWOK
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon SIN Chung-kai, SBS, JP
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu, JP
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Members absent:

Hon Albert HO Chun-yan
Dr Hon LAU Wong-fat, GBM, GBS, JP

Hon Tommy CHEUNG Yu-yan, GBS, JP

Hon Starry LEE Wai-king, JP

Dr Hon LEUNG Ka-lau

Hon IP Kwok-him, GBS, JP

Hon Tony TSE Wai-chuen, BBS

Public officers attending:

Professor K C CHAN, GBS, JP

Ms Elizabeth TSE Man-yee, JP

Ms Esther LEUNG, JP

Mr Alfred ZHI Jian-hong

Mr YAU Shing-mu, JP

Ms Judy CHUNG Sui-kei

Mr Peter LAU Ka-keung, JP

Mr Albert LEE Wai-bun

Mr MA Kuen

Secretary for Financial Services and the Treasury

Permanent Secretary for Financial Services and the Treasury (Treasury)

Deputy Secretary for Financial Services and the Treasury (Treasury)¹

Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)

Under Secretary for Transport and Housing

Principal Assistant Secretary for Transport and Housing (Transport)⁵

Director of Highways

Project Manager (Hong Kong-Zhuhai-Macao Bridge Hong Kong Project Management Office), Highways Department

Chief Engineer (Hong Kong Boundary Crossing Facilities), Hong Kong-Zhuhai-Macao Bridge Hong Kong Project Management Office, Highways Department

Clerk in attendance:

Ms Anita SIT

Assistant Secretary General 1

Staff in attendance:

Mr Derek LO

Mr Ken WOO

Chief Council Secretary (1)⁵

Senior Council Secretary (1)⁵

Mr Raymond SZETO	Senior Council Secretary (1)7
Mr Jason KONG	Council Secretary (1)4
Mr Keith WONG	Council Secretary (1)5
Miss Queenie LAM	Senior Legislative Assistant (1)2
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Michelle NIEN	Legislative Assistant (1)5

Action

Item No. 1 – FCR(2015-16)45

**RECOMMENDATION OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 19 DECEMBER 2015**

PWSC(2015-16)14

HEAD 706 – HIGHWAYS

Transport – Roads

**845TH – Hong Kong–Zhuhai–Macao Bridge Hong Kong Boundary
Crossing Facilities – Reclamation and Superstructures**

The Chairman advised that the first item on the agenda invited the Finance Committee ("FC") to approve the recommendation of the Public Works Subcommittee made at its meeting held on 19 December 2015, i.e. LC Paper No. PWSC(2015-16)14, that the approved project estimate for 845TH of the Hong Kong–Zhuhai–Macao Bridge ("HZMB") Hong Kong Boundary Crossing Facilities – Reclamation and Superstructures be increased by \$5,461.1 million from \$30,433.9 million to \$35,895 million in money-of-the-day prices. Some members requested separate voting on the item in the FC meeting.

2. The Chairman remarked that the Administration had explained the arrangement of agenda items for today's meeting, and the letter from the Administration had been issued to members vide LC Paper No. FC64/15-16 on 31 December 2015. He decided to accept the agenda arrangement proposed by the Administration, yet he understood that some members were concerned about his decision.

Motion of further proceedings of the Committee be now adjourned

3. At 5:33 pm, Mr CHAN Chi-chuen moved under paragraph 39 of the Finance Committee Procedure that further proceedings of the Committee be then adjourned. The Chairman thereupon proposed the question that further proceedings of the Committee be then adjourned. He directed that a member, when speaking on the motion, might speak once for not more than three minutes.

4. Mr CHAN Chi-chuen introduced his motion. Mr CHAN expressed strong dissatisfaction that the Chairman had made a statement publicly outside the meeting that he would work in collaboration with the Administration on the agenda arrangement and given an advance notice that he would end the filibuster by putting an end to Members' question time. He also criticized that in giving precedence to the agenda item of HZMB Hong Kong Boundary Crossing Facilities – Reclamation and Superstructures over other items related to people's livelihood, the Administration was ignoring the needs of the public.

5. Mr WONG Yuk-man, Mr LEUNG Kwok-hung, Mr WU Chi-wai, Mr Gary FAN, Mr Frederick FUNG, Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Ms Cyd HO, Dr Fernando CHEUNG, Ms Claudia MO, Mr Albert CHAN and Mr Alan LEONG expressed support for the motion of further proceedings of the Committee be now adjourned. These members criticized that the projects involved in the present application for additional funding were neither absolutely essential or urgent, and yet the Administration still insisted on giving precedence to the item over other agenda items related to people's livelihood; in so doing the Administration was indeed ignoring people's livelihood, escorting the "white elephant project", and forcing members and the public into submission. The members also queried about the serious cost overruns and low economic efficiency of the HZMB. These members criticized that the Chairman had not defended the dignity of FC and only cared about dovetailing with the Administration's schedule, thereby making FC a "rubber stamp".

6. Mrs Regina IP, Mr WONG Kwok-hing, Mr Michael TIEN, Mr YIU Si-wing, Dr CHIANG Lai-wan, Mr CHAN Han-pan and Mr Steven HO expressed opposition to the motion to adjourn further proceedings. These members opined that HZMB would link Hong Kong with other parts of Guangdong and to as far as Guangxi, and would greatly benefit Hong Kong's economic development. The additional funding applied for was also urgently needed, without which some facilities could not operate at the time the bridge commissioned. With regard to issues of project cost overruns and delays, the Administration had explained and responded on several occasions in the Legislative Council, including the Panel on Development and Public Works Subcommittee. These members criticized the pro-democracy members for resorting to filibustering to impede the approval process of the item.

7. When Mr Michael TIEN was speaking, some members talked loudly without permission. The Chairman urged members not to cause disturbance when other members were speaking.

8. The Administration did not respond to the motion.

9. Mr CHAN Chi-chuen replied in respect of his motion. The Chairman then put Mr CHAN's motion to vote. As requested by members, the Chairman ordered a division and the division bell was rung for five minutes. The Chairman announced that 18 members voted in favour of and 29 members voted against the question. The votes of individual members were as follows –

For:

Mr LEE Cheuk-yan
Mr LEUNG Yiu-chung
Prof Joseph LEE Kok-long
Mr CHEUNG Kwok-che
Mr LEUNG Kwok-hung
Ms Claudia MO
Mr Gary FAN Kwok-wai
Mr CHAN Chi-chuen
Dr Fernando CHEUNG Chiu-hung
(18 members)

Mr James TO Kun-sun
Ms Emily LAU Wai-hing
Ms Cyd HO Sau-lan
Mr Alan LEONG Kah-kit
Mr Albert CHAN Wai-yip
Mr WU Chi-wai
Mr Charles Peter MOK
Mr Kenneth LEUNG
Mr SIN Chung-kai

Against:

Mr CHAN Kam-lam
Mr WONG Kwok-hing
Mr Andrew LEUNG Kwan-yuen
Mr CHAN Hak-kan
Mr WONG Kwok-kin
Mr Paul TSE Wai-chun
Mr HO Chun-yin
Mr MA Fung-kwok
Miss CHAN Yuen-han
Miss Alice MAK Mei-kuen
Mr Christopher CHEUNG Wah-fung
Mr Martin LIAO Cheung-kong
Mr TANG Ka-piu
Ir Dr LO Wai-kwok
Mr Christopher CHUNG Shu-kun
(29 members)

Mr TAM Yiu-chung
Mr Jeffrey LAM Kin-fung
Mr WONG Ting-kwong
Dr Priscilla LEUNG Mei-fun
Mrs Regina IP LAU Suk-yee
Mr NG Leung-sing
Mr YIU Si-wing
Mr CHAN Han-pan
Mr LEUNG Che-cheung
Mr KWOK Wai-keung
Dr Elizabeth QUAT
Mr POON Siu-ping
Dr CHIANG Lai-wan
Mr CHUNG Kwok-pan

10. The Chairman declared that the motion was negatived.

11. The Committee continued to deliberate on the item.

12. Ms Claudia MO queried that the Administration refused to disclose part of the contract details on the excuse of commercial sensitivity, so that the Committee could not know the details about how public funds would be put to use.

Consequences of disapproving the additional funding

13. Mr LEE Cheuk-yan noted that the present project estimate was already sufficient for the commissioning of the Hong Kong Boundary Crossing Facilities ("HKBCFs"). Moreover, the Administration had failed to provide accurate information to show how much longer the waiting time would be needed for clearance if the additional funding was not approved. As such, Mr LEE considered that the Administration simply had no urgent need to seek additional funding, and the item should be withdrawn first and submitted again upon HZMB's commissioning. Mr LEE also suggested the Administration consider reducing the magnitude of cost overrun by cutting the amount of provision for contingencies.

14. Under Secretary for Transport and Housing ("USTH") advised that part of the additional funding was to refill the contingencies which were nearly exhausted, should any variable factors concerning the project arise, there would be no available contingencies for use. Moreover, if the funding was not approved, a lot of necessary but not absolutely essential facilities would have to be excised, such as taxi queuing area, etc., thereby making the HKBCFs unable to comply with the high quality standard of transport infrastructural facilities in Hong Kong and causing inconvenience to users.

15. Mr Gary FAN noted that if the additional funding was not approved, some not absolutely essential facilities would be excised from the project. He enquired about the criteria based on which the Administration determined which facilities were not absolutely essential, and the estimated amount of cost saved from each facility excised. Director of Highways ("DHy") remarked that if the funding was not approved by FC, the basic clearance system would be retained, while those non-essential clearance systems would be excised. Regarding the excision of not absolutely essential facilities, the Administration had submitted a supplementary paper (LC Paper No. PWSC63/15-16(01)) to the Public Works Subcommittee, which set out the estimated amount of cost that could be saved from the facilities excised.

16. Mr CHAN Chi-chuen noted that the excision dates of some contracts of the project were due from December 2015 to January 2016, and yet the Administration was unable to commence re-tendering right away due to the terms of the agreements. Mr CHAN enquired about the details.

17. DHy explained that the works contracts involved the landscaping works of the southern portion of the boundary crossing. Bound by the terms of the contracts, if the Administration should commence re-tendering and invite new contractors to carry out the works immediately upon expiry of the contracts, additional expenditures could be incurred as the original contractors might claim compensation for the share use of work sites. If the tendering exercise was deferred until the existing works projects were completed, the construction period would be further delayed and additional expenses would be incurred.

Works Stage II

18. Mr WU Chi-wai noted that according to the supplementary paper provided by the Administration for the Public Works Subcommittee, the HKBCFs project had reserve funding of \$1,940 million for rolling out Works Stage II to cater for future growth of traffic demand at the HKBCFs. The provision for price adjustment made by the Administration in respect of the additional funding application was only up to 2020, and yet Works Stage II had to coordinate with the development of the Airport Island. Mr WU queried that the works might not be able to complete promptly in 2020.

19. DHy remarked that according to the estimate made by the Administration, Works Stage II was expected to commence tendering in 2017 immediately after the commissioning of HZMB and was expected to complete in 2019 as estimated currently.

20. Mr WU Chi-wai noted that the Development Bureau was conducting a public consultation on the development of the superstructure of the HKBCFs artificial island. He remarked that the Administration should first complete the absolutely essential facilities of the boundary crossing and cater for the development of the superstructure of the artificial island, before applying for additional funding for the Stage II facilities and other not absolutely essential facilities, as this process might be more cost-effective.

21. DHy stated that the Transport and Housing Bureau and the Development Bureau had been in close contact with regard to the development of the superstructure of the artificial island, and the Development Bureau would cater for the progress of Works Stage II; as such, the current funding arrangement was the most appropriate.

Estimates on passenger flow and vehicular flow at HKBCFs

22. Mr WU Chi-wai and Ms Claudia MO queried that the Administration had not updated the estimates on passenger flow and vehicular flow at HKBCFs, and the current estimates on traffic growth at HKBCFs might not be accurate.

23. USTH remarked that the Administration's estimate on daily vehicular flows made in 2008 was 14 000 vehicle-trips, and the relevant estimate was being updated currently. HZMB would link up the entire transportation network in western Pearl River Delta, and was thus of a long-term strategic significance. The Administration expected the vehicular flows to increase gradually after the commissioning of HZMB and bring about economic benefits to Hong Kong. DHy advised that when the project first received its funding approval, the scale of the HKBCFs was determined in the light of the estimated need in 2035.

Industrial safety

24. Referring to press reports of an incident involving a worker of the HKBCFs project died after falling into the sea, Ms Cyd HO expressed concern that labour shortage might result in workers engaging in construction works when safety measures were inadequate and thereby incurring industrial accidents. She requested the Administration to explain in detail the accidents and safety measures of the HKBCFs project, including sea-based operations.

25. USTH responded that the Administration had already submitted supplementary information on the industrial accidents related to the HKBCFs project to the Public Works Subcommittee. DHy advised that the industrial accident rate of the HKBCFs project was lower than the industry's average figures as compiled by the Labour Department. As regards sea-based construction works, in order to enhance work safety, the Administration had taken a number of measures, such as organizing seminars to increase safety awareness of workers, and sending safety supervisors to work vessels to ensure safety of sea-based operations; besides, rescue equipment were also available on work vessels. In addition, emergency boats were provided at work sites to deal with accidents at sea.

26. In response to further enquiries from Ms Cyd HO and Mr LEUNG Kwok-hung, DHy stated that there was no requirement for the provision of qualified lifeguards at the sea-based work sites. Ms Cyd HO urged the Administration to consider requiring contractors to deploy workers capable of swimming to work on the sea-based work sites and station qualified lifeguard at such work sites, and to provide a response at the FC meeting next week.

Operation of HZMB

27. Mr Albert CHAN queried that the income from HZMB would be far less than expected, and the project might just end up a "white elephant project". He requested the Administration to provide data to prove that the income from HZMB after its commissioning could support its maintenance and management expenses.

28. USTH responded that the income of HZMB would only be used for maintenance and management of the HZMB Main Bridge, which was not directly related to the present item, i.e. the HKBCFs project. Mr Albert CHAN remarked that he disagreed with the Administration's statement.

29. Mr LEUNG Kwok-hung queried that HZMB was not a key transportation facility of the State, and the city of Zhuhai was not within the "Beijing-Hong Kong-Macao Expressway" planning zone either. USTH remarked that HZMB was an important transport infrastructure.

30. At 7:25 pm, the Chairman declared that the meeting be extended for 15 minutes.

Project cost overruns and delays

31. Mr SIN Chung-kai opined that the cost of materials was one of the factors leading to cost overruns, and that given the global economic slowdown, the rising trend of material costs might reverse. He asked whether the Administration had conducted any studies to find out whether deferring the project could result in any savings in expenditure due to decrease in costs.

32. USTH advised that according to the Administration's observation, the cost of materials showed no signs of decline. Besides, part of the expenditure involved in the additional funding application would not change with changes in material costs. Moreover, if funding was not approved, certain facilities covered in the existing contracts had to be excised and re-tendered, and additional costs would incur. DHy added that while the tender prices of several projects were higher than expected, the Government had already accepted the tenders concerned and awarded the contracts. Also, there was no guarantee that re-tendering could help to lower tender prices.

33. Mr Alan LEONG noted that the progress of the project was hindered because the settlement of the reclaimed site was slower than expected. In order to deal with the situation, the Administration handed over the reclaimed sites to the superstructure contractors in phases for work commencement. Besides, the work sequence of the superstructure contracts had also been adjusted to tie in with the hand-over schedule of the reclaimed sites, so as to minimize the impact on the construction programme. He enquired about the details of the relevant measures, and whether the above-mentioned situation would happen again and lead to further delays. Dr Fernando CHEUNG also expressed similar concerns.

34. DHy advised that the handing over of reclaimed land would progress in a more stable manner as the reclamation work developed. It was expected that the matters concerned would not delay the work progress any more.

Industrial accidents

35. Dr Fernando CHEUNG referred to a paper provided by the Administration and remarked that the paper said there were 6 cases of industrial accidents related to the HKBCFs project, which was one less than the seven cases he knew. As regards the accident concerned, he quoted some media reports as saying that on 9 September 2014, a male worker died after falling overboard from a barge accidentally when handling sludge. He asked whether the accident was an industrial accident and whether his family would be compensated accordingly.

36. DHy advised that the accident had nothing to do with this item; rather, it was related to a project being taken charge of by the Civil Engineering and Development Department known as Dredging, Management and Capping of Contaminated Sediment Disposal Facility to the south of The Brothers.

Other issues

37. Dr Fernando CHEUNG stated that on 7 January 2016, he sent a letter to the FC Chairman in respect of the item to raise a number of questions. He expressed his wish that the Administration would respond as soon as possible. USTH acknowledged the receipt of the letter. For questions directly related to the item, the Administration would try to answer. And according to the understanding of the Administration and the instruction of the Chairman, some of the questions were not directly related to the item, and could be followed up through other forums of the Legislative Council.

38. At 7:45 pm, the Chairman declared that the meeting be adjourned.

39. The meeting was adjourned at 7:45 pm.

Legislative Council Secretariat
20 May 2016