

立法會
Legislative Council

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Finance Committee of the Legislative Council

Minutes of the 25th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 29 January 2016, at 3:15 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 Tommy CHEUNG Yu-yan, 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 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 WONG Kwok-kin, SBS
Hon IP Kwok-him, GBS, JP
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
Hon Tony TSE Wai-chuen, BBS

Members absent:

Hon Albert HO Chun-yan
Dr Hon LAU Wong-fat, GBM, GBS, JP
Hon WONG Ting-kwong, SBS, JP

Hon Starry LEE Wai-king, JP
Dr Hon LEUNG Ka-lau
Hon CHEUNG Kwok-che

Public officers attending:

Ms Elizabeth TSE Man-yee, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Alfred ZHI Jian-hong	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr YAU Shing-mu, JP	Under Secretary for Transport and Housing
Ms Rebecca PUN Ting-ting, JP	Deputy Secretary for Transport and Housing (Transport) 1
Ms Judy CHUNG Sui-kei	Principal Assistant Secretary for Transport and Housing (Transport) 5
Mr Peter LAU Ka-keung, JP	Director of Highways
Mr Albert LEE Wai-bun	Project Manager (Hong Kong-Zhuhai-Macao Bridge Hong Kong Project Management Office), Highways Department
Mr MA Kuen	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
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Staff in attendance:

Mr Derek LO	Chief Council Secretary (1)5
Mr Ken WOO	Senior Council Secretary (1)5
Mr Raymond SZETO	Senior Council Secretary (1)7
Mr Keith WONG	Council Secretary (1)5
Mr Frankie WOO	Senior Legislative Assistant (1)3
Miss Yannes HO	Legislative Assistant (1)6

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Item No. 1 – FCR(2015-16)45

**RECOMMENDATIONS 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 ("HKBCFs") – Reclamation and Superstructures 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 recommendation at the FC meeting.

2. The Chairman said that this item had been discussed by PWSC in the current Legislative Council session for more than eight hours, and had been considered by FC for more than 10 hours. Since this item was under consideration by FC, a total of 20 members had raised questions on the item for more than 100 times. In response to members' questions, the Administration had already provided various supplementary papers. Moreover, FC had also spent considerable time dealing with numerous motions moved under the Finance Committee Procedure ("FCP") by various members, including one motion moved under paragraph 13 of the FCP proposing that the Chairman could not chair the meeting, three motions proposing that further proceedings of the Committee be then adjourned, and one motion proposing that the discussion on the item be adjourned. He urged members to raise questions (if such questions had not been raised before) which were directly related to the papers under the agenda item, and the contents of such questions should not overlap with those which had been fully answered by the Administration at the meetings of the Public Works Subcommittee or FC.

3. Regarding the proposed motions submitted by members pursuant to paragraph 37A of FCP ("37A motions"), the Chairman advised that a total of 237 proposed motions had been received from five members. He considered that 28 of them were in order, and FC could decide whether these motions should be dealt with upon discussion. He called upon members to submit their proposed motions as soon as possible, so that he could have sufficient time to consider them with the assistance of the Secretariat.

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4. Ms Claudia MO remarked that she did not agree with the Chairman's ruling, which required her to consolidate the 37A motions she had submitted. Mr James TO queried about the Chairman's justification for requiring members to consolidate a large number of 37A motions of common themes into a certain number of motions.

5. The Chairman said that he had clearly set out the basis of his ruling in the reply letters given to members who had submitted 37A motions, and his ruling was final. He also said that members could follow up the matter in writing if they had any objection.

Declaration of interest

6. Mr Albert CHAN queried if the Chairman would declare his interest. Referring to Rule 83A of the Rules of Procedure ("RoP"), Mr Kenneth LEUNG pointed out that at a meeting of the Council or any committee or subcommittee, a Member should not move any motion or amendment relating to a matter in which he had a pecuniary interest, whether direct or indirect, or spoke on any such matter, except where he disclosed the nature of that interest. He remarked that the word "Member" should include the chairman of a committee. In this connection, Mr LEUNG requested the Chairman to clarify whether he would declare his interest before presiding at the meeting.

7. In response, the Chairman said that while he did not have any direct or indirect pecuniary interest in the project, he wished to clarify that he had strictly complied with the requirements of declaration of interest set out in RoP. There was no rule in RoP which prohibited the chairman of a committee from presiding at a meeting on grounds that he had a pecuniary interest or role conflict in the matter under consideration by the meeting. The relevant issues were covered in LC Paper No. FC 78/13-14.

Precast units

8. Mr Charles MOK and Mr SIN Chung-kai expressed concern about the media's disclosure that there was serious damage in the precast segments used by HZMB. If such damage was to be fixed, the progress of the HZMB project might be affected. They enquired whether the Administration had assessed the situation concerned (such as the percentage constituted by the damaged precast units and the impact on the structural safety of HZMB), and whether the Administration would follow up with and seek compensation from the contractors in the Mainland. Mr James TO also raised similar concern, and he requested the Administration to provide supplementary papers to respond to this issue, so as to address the concern of the public.

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9. The Under Secretary for Transport and Housing ("USTH") and Director of Highways ("DHy") advised that the precast segments referred to in the media reports were the precast concrete wall adjacent to the nullah underneath the road linking up the southwestern part of the artificial island with the airport. Generally speaking, if there was damage in the precast segments of a construction project, the Administration would require the contractor to restore the units to meet the quality requirements at its own cost. As regards this item, the restoration work did not affect the progress of the project.

10. Dr Kenneth CHAN noted that due to shortage of rock materials, precast segments had to be used for reclamation in the project. He enquired about the scale of using precast segments in the project and how the Government undertook supervision in this respect.

11. DHy advised that the precast units used for reclamation were mostly installed underwater, and the scale generally would not exceed 10% of the rock materials. The Administration would follow the established inspection practice, including deploying officers to the Mainland for inspection, to ensure that the quality of precast units was in compliance with the quality requirements set out in the works contracts.

12. In response to Mr James TO's further enquiry on the inspection measures, DHy said that resident engineering site staff would be deployed to the manufacturing plants in the Mainland to inspect the precast units. The resident engineering site staff would also inspect the precast units delivered to the sites. The Administration initially considered that the precast units referred to in the media reports might have been damaged on the way of delivery.

Importation of foreign labour

13. Mr TANG Ka-piu and Mr POON Siu-ping were concerned that a large number of workers might be imported for the HZMB project. As the trades concerned did not require workers to possess special skills, and the imported workers could work at different construction sites, the employment opportunities of local workers would be affected. They urged the Administration to review the existing mechanism for labour importation, and safeguard the employment opportunities of local workers. Moreover, labour shortage should not be used as an excuse for importing foreign labour.

14. Mr LEE Cheuk-yan requested the Administration to undertake that it would reject the contractors' request for importing foreign labour.

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15. USTH said that under the existing mechanism which ensured priority employment of local workers, contractors with recruitment difficulties were allowed to apply for importation of foreign labour, but consultation had to be conducted in advance with the Labour Advisory Board which comprised representatives from employees. It was learnt that under the HZMB project, the imported foreign workers in this application would only work within the scope of two works contracts of the same contractor. DHy supplemented that given the large scale and volume of the works under the relevant contracts, the contractors had encountered difficulties in recruiting workers of certain trades; besides, the applications were confined to workers of the trades that the construction industry was having a manpower shortage, and the number of foreign workers applied for importation would only constitute a small percentage of the workers required.

Industrial accidents and site safety

16. Dr KWOK Ka-ki, Ms Emily LAU, and Mr LEUNG Kwok-hung criticized that accidents occurred frequently at the sites of HZMB project, and the Administration should shoulder the responsibility.

17. USTH remarked that the Administration would follow up each industrial accident seriously to ensure site safety. The Labour Department ("LD") would conduct investigation on each accident, and would require suspension of the associated works until the contractors completed the investigation and LD was satisfied with their proposed improvement measures. DHy added that the industrial accidents in relation to the project and follow-up actions taken were detailed in LC Paper No. PWSC 63/15-16(01) for members' information.

18. Ms Emily LAU and Mr LEUNG Yiu-chung were concerned about the media reports which alleged that the construction works of the project had been suspended for 439 days due to various accidents. They requested the Administration to clarify if the suspension of works had affected the progress of the project. Dr Fernando CHEUNG expressed similar concern.

19. DHy responded that if accident should occur during project implementation, LD would require the works processes relevant to the accident be suspended. However, as the suspension of individual works process would not affect other works processes in the project, the impact of suspension of individual works process on the progress of the project was, in effect, not as serious as that described by the media.

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20. Mr TANG Ka-piu noted from media reports that some subcontractors of the HZMB project had a lower safety index. He requested the Administration to explain in detail how it monitored the safety measures of the contractors and their subcontractors.

21. Ms Cyd HO and Dr Helena WONG doubted why the Administration allowed the subcontractors with a low safety index to continue to undertake the construction works. They requested the Administration to disclose whether it had received the main contractor's assessment reports on the construction safety of the subcontractors.

22. DHy said that the main contractor was responsible for monitoring the safety measures of his subcontractors and remedy for the deficiencies, and that the main contractor's representatives had to meet the resident engineering site staff at regular monthly meetings on safety issues to explain how the main contractor could ensure that the safety measures undertaken by his subcontractors were in compliance with the requirements. The Administration would evaluate the overall performance of the main contractor in implementing the safety measures, and the assessment result would be reflected in the quarterly performance reports of the main contractor. Moreover, the Administration had made an additional requirement that the contractors should engage an independent safety auditor approved by the Occupational Safety and Health Council to audit the safety management system and safety measures of their sites.

23. Dr Helena WONG questioned why the Administration did not monitor the safety measures of subcontractors directly, and queried that such a way had created regulatory loopholes. Furthermore, the Administration was slow to react, and only took follow-up actions after accidents had occurred.

24. USTH and DHy said that while the responsibility of monitoring the safety measures of subcontractors lay with their main contractor, the Administration had implemented a series of measures to ensure construction safety, including maintaining a safety management system at construction sites to conduct regular safety inspections and audits. The Administration also requested contractors to employ safety supervisors to oversee the construction works at sites, and also safety managers to ensure that their works were in compliance with the requirements of the works proposals and safety management system. The Administration's resident engineering site staff had also set up a dedicated team to inspect the safety measures at sites. The Administration would closely monitor construction safety, and would

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immediately urge the contractors to make improvement if problems were identified.

25. Ms Emily LAU enquired about the details of the prosecution work and penalties in relation to the fatal accidents in the project. DHy advised that regarding the accident on 25 October 2012, the Administration had completed investigation and instituted prosecution against the contractors concerned. The main contractor and his subcontractor were fined \$490,000 and \$60,000 respectively. Upon investigation, the Development Bureau had also suspended these contractors from tendering contracts of relevant works categories for one year. As for the rest of the fatal accidents, they were followed up by the Marine Department. Among these accidents, no prosecution action was taken against one case, while investigation was still in progress for the other case. The relevant information was set out in LC Paper No. PWSC63/15-16(01).

Supply of materials

26. Mr WU Chi-wai and Mr LEUNG Kwok-hung enquired about how the unstable supply of materials would affect the progress of the project, and whether it would cause delay to the project again.

27. DHy said that according to the understanding of the Administration, the supply of materials would not affect the progress of the remaining construction works.

28. Mr WU Chi-wai requested the Administration to provide information on the average salaries of all types of workers engaged in the HZMB project. DHy responded that as workers' salaries were agreed between contractors and workers, the Administration had no knowledge of them.

Necessary but not absolutely essential facilities

29. Mr CHAN Chi-chuen remarked that as the Administration could, by means of various measures, replace the functions of some necessary but not absolutely essential facilities which were to be excised due to insufficient funding, he doubted that the Administration had overstated the consequence of not obtaining approval for the increase in approved project estimate. In response, USTH pointed out that in the Administration's view, if the necessary but not absolutely essential facilities could not be established, it would cause inconvenience to users.

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Financing and return of HZMB

30. Mr SIN Chung-kai criticized the Administration for its refusal to answer members' questions concerning the financing of HZMB project. USTH said that the questions concerned were beyond the scope of this item.

31. Mr Gary FAN and Mr Alan LEONG expressed grave concern over the vehicle flow of HZMB, as well as the economic effectiveness and rate of return of the bridge, since these matters were inter-related.

32. USTH advised that while matters relating to vehicle flow, economic effectiveness and rate of return were not directly related to this item, the Administration understood that members were very concerned about these matters, and might explain about them at the Panel on Transport if so required.

33. Mr Gary FAN enquired whether private vehicles from Macao would be allowed to enter Hong Kong via HKBCFs upon commissioning of HZMB, and he also asked about the related procedures to seek approval and the quota concerned.

34. In response, USTH pointed out that discussion on the cross-boundary traffic arrangement was still in progress among Hong Kong, Zhuhai and Macao, and the Administration would follow up the issue at the Panel on Transport. Moreover, the Administration had no plan to put forward the self-drive policy at this stage.

Motion to adjourn further proceedings of the Committee

35. At 4:54 pm, Mr Albert CHAN moved under paragraph 39 of FCP that further proceedings of the Committee should then be adjourned. The Chairman thereupon proposed the question that further proceedings of the Committee be then adjourned. The Chairman directed that a member, when speaking on the motion, might speak once for not more than three minutes.

36. Mr Albert CHAN introduced his motion. Mr CHAN expressed his view that the Chairman, as a remunerated consultant of a multinational reinsurance company, had not declared his interest. As he was doubtful about the legality of the Committee in considering this item, he considered that the Committee should then be adjourned.

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37. In response to Mr Albert CHAN's remarks, the Chairman considered that Mr CHAN did not comprehend in detail the requirements on declaration of interest in RoP, and the basis for his sceptical views was entirely fictitious.

38. Mr LEE Cheuk-yan, Dr Fernando CHEUNG, Mr Gary FAN, Mr Alan LEONG, Dr KWOK Ka-ki and Ms Cyd HO expressed support for the motion. These members were of the view that the economic benefits generated by HZMB were insignificant and the project could not help enhance local employment. The Administration had also failed to respond to members' concerns and queries regarding the vehicle flow of HZMB, site safety, follow-up actions on the industrial accidents and quality of precast units. They requested the Administration to provide papers to expound on these issues.

39. Mr Gary FAN opined that as the Chairman was suspected of having conflict of interest, he should not continue to preside when this item was under consideration. The Chairman remarked that he had already reiterated that he did not have any direct or indirect pecuniary interest in this item.

40. At 5:16 pm, the Chairman declared that the meeting be adjourned.

41. The meeting was adjourned at 5:16 pm.

Legislative Council Secretariat

21 June 2016