

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 26th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 29 January 2016, at 5:27 pm**

Members present:

Hon CHAN Kin-por, BBS, JP (Chairman)
Hon CHAN Kam-lam, SBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
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 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
Hon Starry LEE Wai-king, 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 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 Alice MAK Mei-kuen, BBS, JP
Hon KWOK Wai-keung
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
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:

Dr Hon LAU Wong-fat, GBM, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Dr Hon LEUNG Ka-lau
Hon CHEUNG Kwok-che
Hon WONG Yuk-man

Hon Kenneth LEUNG
Dr Hon KWOK Ka-ki
Hon Dennis KWOK
Hon TANG Ka-piu, JP

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
Miss Yannes HO

Senior Legislative Assistant (1)3
Legislative Assistant (1)6

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**

Motion that further proceedings of the Committee be now adjourned

The Committee continued to deal with the motion that further proceedings of the Committee be now adjourned moved by Mr Albert CHAN under paragraph 39 of the Finance Committee Procedure.

2. Mr CHAN Chi-chuen, Dr Kenneth CHAN, Mr WU Chi-wai, Ms Emily LAU, Dr Helena WONG and Mr LEUNG Kwok-hung supported the motion that further proceedings of the Committee be now adjourned. These members said that further proceedings of the Committee should be adjourned so that the Administration could examine the issues of industrial safety and material quality of the Hong Kong–Zhuhai–Macao Bridge ("HZMB") Project as reported in recent media reports and be able to give a full explanation of the issue to the Committee.

3. Mr TAM Yiu-chung expressed his opposition to the motion that further proceedings of the Committee be now adjourned. He criticized the pan-democrat members for filibustering and hindering the processing of the Government's funding application by moving the motion. He also pointed out that the Administration should attach great significance to the issue of industrial safety of the HZMB Project and handle the issue of importation of labour according to the existing mechanism.

4. In response to the motion, Under Secretary for Transport and Housing ("USTH") said that he was aware that a number of members had quoted recent media reports on the HZMB Project and asked the Administration to explain in greater detail at the meeting. In this connection, he hoped that the Chairman could grant extra speaking time to the Administration, so that the latter could respond to the issues mentioned in media reports. The Chairman agreed that after the motion that further proceedings of the Committee be now

adjourned was voted on, representatives from the Administration would be given 10 minutes of speaking time.

5. Mr Albert CHAN replied in respect of his motion. The Chairman thereupon put Mr CHAN's motion to vote. At the request of members, the Chairman ordered a division and the division bell was rung for five minutes. The Chairman announced that 16 members voted in favour of and 27 members voted against the motion. The votes of individual members were as follows –

For:

Mr LEE Cheuk-yan
Prof Joseph LEE Kok-long
Mr Alan LEONG Kah-kit
Mr Albert CHAN Wai-yip
Mr WU Chi-wai
Mr Charles Peter MOK
Dr Kenneth CHAN Ka-lok
Dr Helena WONG Pik-wan
(16 members)

Ms Emily LAU Wai-hing
Ms Cyd HO Sau-lan
Mr LEUNG Kwok-hung
Ms Claudia MO
Mr Gary FAN Kwok-wai
Mr CHAN Chi-chuen
Dr Fernando CHEUNG Chiu-hung
Mr IP Kin-yuen

Against:

Mr CHAN Kam-lam
Mr WONG Kwok-hing
Mr WONG Ting-kwong
Dr Priscilla LEUNG Mei-fun
Mr IP Kwok-him
Mr Paul TSE Wai-chun
Mr HO Chun-yin
Mr CHAN Han-pan
Mr LEUNG Che-cheung
Mr KWOK Wai-keung
Dr Elizabeth QUAT
Dr CHIANG Lai-wan
Mr CHUNG Kwok-pan
Mr Tony TSE Wai-chuen
(27 members)

Mr TAM Yiu-chung
Mr Andrew LEUNG Kwan-yuen
Mr CHAN Hak-kan
Mr WONG Kwok-kin
Mrs Regina IP LAU Suk-yee
Mr NG Leung-sing
Mr MA Fung-kwok
Miss CHAN Yuen-han
Miss Alice MAK Mei-kuen
Mr Christopher CHEUNG Wah-fung
Mr Martin LIAO Cheung-kong
Ir Dr LO Wai-kwok
Mr Christopher CHUNG Shu-kun

6. The Chairman declared that the motion was negatived.

7. The Committee continued deliberation on agenda item FCR(2015-16)45 - PWSC(2015-16)14. The Chairman remarked that before members were invited to speak, representatives from the Administration would be given 10 minutes of speaking time.

Suspension notices affecting the progress of the Project

8. Concerning the media reports that the accumulated days of suspended work activities of HZMB as ordered by the Labour Department had exceeded 400 days, the Director of Highways ("DHy") advised that if an industrial accident happened at a work site of the HZMB Project, the Labour Department would issue a suspension notice in respect of the relevant individual work process involved in the accident. Since the suspension notice only covered the individual work process involved, the contractor could proceed with other work processes instead. All other work processes set out in the contract which were not involved in the accident could still proceed. Hence, any delay in projects could be avoided.

Poor quality of precast units

9. With regard to media reports that the precast units of concrete blocks were prone to cracking, DHy explained that the units were not the precast concrete bricks to be used in reclamation works to replace large stones as reported, but were components of precast concrete walls next to the culverts to be constructed underneath the roads that would link up the southwest part of the artificial island of the Hong Kong Boundary Crossing Facilities ("HKBCFs") and the Airport. He said that the Administration strictly monitored this kind of precast units, as resident engineering staff would go to the manufacturing plant in the Mainland to inspect the quality of precast units of concrete blocks, and the precast units would be tested by engineering staff in Hong Kong upon arrival and before installation. The Administration noticed that the corner parts of some precast units were cracked upon arriving in Hong Kong, and had asked the contractor to repair such units before installing them. He emphasized that the repair work would not affect the project schedule.

Sub-contractors failing in safety assessment

10. Regarding the site safety report mentioned in the media reports, DHy explained that it was the safety assessment conducted by contractors on sub-contractors. According to the contractor's safety management system, contractors were required to assess the safety performance of sub-contractors on a regular basis. If the performance was not satisfactory, contractors might impose penalties on the sub-contractors, including suspension of work or imposing a fine. Besides, the principal contractor was also obliged to follow up and rectify the safety performance of sub-contractors and remedy any deficiencies detected. The principal contractor of the Project had to engage an independent auditor approved by the Occupational Safety and Health Council to

audit the safety conditions of the construction sites every six months, and to submit an audit report to the Administration. In addition, resident engineering staff of the Administration would inspect the works site on a regular basis, whereas officers of the Highways Department and the Labour Department would conduct surprise site inspections to ensure that safety measures were effectively implemented and the Labour Department would institute prosecution against any acts in violation of the requirements.

11. When the representative from the Administration finished speaking, the Chairman announced that the speaking time of members would follow. He reminded members that this item was about the financial arrangement of the construction of HZMB's HKBCFs. For other issues not directly related to this item, for example, the importation of labour and the issue of industrial safety, members should follow up them in the Panel on Manpower.

Record of industrial accidents

12. Dr Helena WONG asked the Administration how often it would deploy its staff to works site to conduct routine or surprise inspections, and how often it would audit the safety assessment reports of contractors. She also hoped that the Administration would provide the Committee with a checklist of items for inspection. DHy explained that the Administration would conduct surprise inspections from time to time, and the independent safety auditor would audit the contractors' safety performance every six months. He added that contractors should deploy staff to conduct daily inspections of the works sites, whereas resident engineering staff of the Administration, together with representatives of contractors, would conduct site safety inspections on a weekly basis to inspect items on the preset checklist, and hold safety meetings to discuss works site-related safety issues. USTH added that the Administration could provide the Committee with the relevant details in due course.

13. Both Ms Cyd HO and Mr LEE Cheuk-yan disagreed with the Chairman's remark that the industrial safety issue of the HZMB Project should be discussed on other occasions, because the issue was directly related to this funding item. Ms Cyd HO, Dr Fernando CHEUNG and Mr LEUNG Kwok-hung all enquired about the way the Administration would follow up the issue if the sub-contractors failed in the safety assessments conducted by the contractors. Mr LEUNG Kwok-hung also asked the Administration to provide the safety assessment records of sub-contractors compiled by the contractors.

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14. In response, DHy said that contractors were required to report to the Administration the safety assessment results of sub-contractors, and if the results of the sub-contractors were not satisfactory, contractors might impose penalties on the sub-contractors, including suspension of works and imposing a fine. The Administration might issue warnings to contractors and deduct parts of the project fees, and it could also record such incidents in the quarterly performance reports, which would be taken into account in tender assessments by the Administration if these contractors submitted tenders for other Government contracts in future. With regard to the media reports that two sub-contractors had failed in their safety assessments, he remarked that the Administration had no information on whether the sub-contractors mentioned in the reports had been ordered to suspend their works in the Project, and what penalties the principal contractor had imposed on them, but the principal contractor of the project had the responsibility to remedy the sub-contractors' inadequacies of their safety performance. USTH added that the Labour Department and other relevant Government departments would monitor the safety conditions of the works sites, while matters relating to industrial safety could be discussed on other occasions.

15. Mr LEE Cheuk-yan pointed out that, even after the Administration had claimed that various site safety measures had already been implemented, several accidents still happened in the HZMB Project, thus necessitating the issuance of suspension notices by the Labour Department for an accumulated suspension period of over 400 days. He queried the effectiveness of these measures. Mr LEUNG Kwok-hung requested the Administration to clarify whether resident engineers were hired directly by the Highways Department. DHy explained that the resident engineering staff members were hired directly by the Highways Department. They would carry out regular site inspections, and if safety problems were identified, follow-up actions would be taken immediately.

16. Mr LEUNG Yiu-chung queried that the Administration was trying to tone down the issue of injuries at work in making the remark that the suspension of works caused by industrial accidents had not affected the progress of the project. Mr LEUNG Kwok-hung also requested the Administration to explain in detail the impact of the issuance of suspension notices on the progress of the project. DHy reiterated that even if individual processes had to be suspended, contractors could proceed with other work processes, and hence the suspension notices might not necessarily have any impact on the progress of the Project.

17. Dr Fernando CHEUNG pointed out that three contractors involved in the industrial accidents involving the HZMB Project had been penalized by the court, and he asked the Administration to explain whether it had imposed further punishment on these three contractors. DHy stated that the Administration had deducted parts of the project fees from the contractors involved in the industrial accidents. He added that after the occurrence of each of the fatal industrial accidents, the Labour Department had taken follow-up actions immediately, and asked the contractor to stop the work process in question, so as to look into the causes of the accidents and explore improvement options.

Impacts of the HKBCFs project on the environment and ecology

18. Mr LEE Cheuk-yan, Mr Albert CHAN, Ms Claudia MO, Mr WU Chi-wai, Dr Kenneth CHAN, Dr Fernando CHEUNG and Mr LEUNG Kwok-hung criticized the Administration for failing to properly monitor the pollution to nearby waters caused by the HZMB works. These members cited media reports as saying that during the past four years when the works were in progress, the degree of pollution of nearby waters exceeded the warning level on 707 occasions, but only two of which were assessed as related to the HZMB project. They requested the Administration to explain why the number was so small, and whether penalties had been imposed on the pollution-causing contractors.

19. USTH explained that if the detected water pollution exceeded the prescribed standards and the confirmed source of pollution was found to be the HZMB Project, the works involved would definitely be suspended according to the existing mechanism. DHy added that since the HZMB Project was being implemented, the Administration had carried out more than 800 000 tests and sample-taking exercises, and if the water pollution was found to have exceeded the prescribed standards, the Administration would study whether the pollution was caused by the HZMB Project. The two pollution incidents assessed to be related to the HZMB Project were caused by the worn-out silt curtains as well as the splashes of seabed sludge as engineering ships sailed in shallow waters, thus affecting the water quality there. In this connection, the contractors followed up the problems immediately, thus enabling the water quality to return to the normal level. He added that water pollution monitoring reports would be uploaded to the Internet for public scrutiny, and would also be submitted to the Environmental Protection Department and the independent environmental auditor hired by the Highways Department for review. If a contractor was found to have involved in polluting the environment, the Administration would put the incident on record, and the chance of the contractor concerned in winning future tenders for government projects would be affected.

20. Ms Claudia MO cited the environmental impact assessment consultancy report commissioned by the Highways Department as saying that the number of white dolphins inhabit the waters near the HZMB works site fell rapidly during the period from January to December 2014. She criticized the Administration for failing to control the water quality properly, thus leading to water pollution and gravely affecting the habitat of white dolphins. Both she and Mr Albert CHAN requested the Administration to give an account of how it monitored the ecology of white dolphins.

21. DHy mentioned that the Administration had been monitoring closely the white dolphins inhabiting the waters near the works site. Statistics showed that the number of white dolphins inhabiting the waters of Western Hong Kong had dropped sharply since 2011 and 2012, and remained stable at about 61 dolphins in the following three years with no significant reduction, and the details were contained in the LC Paper No. PWSC231/14-15(01) issued by the Administration to the Public Works Subcommittee ("PWSC"). The independent supervisor engaged by the Government considered that the dropping number of white dolphins in the waters was a long-term trend.

Quality of precast units

22. Ms Emily LAU, Mr CHAN Chi-chuen, Mr Gary FAN and Mr James TO were concerned about the variable quality of precast units used in the Project. These members requested the Government to explain the causes of the cracking of the precast concrete walls, and how the quality of precast units used in the HKBCFs project could be monitored.

23. DHy responded that the Administration would send engineering staff to the manufacturing plants of the precast units on the Mainland to conduct spot checks on the concrete units to ensure that their quality was up to the standards. The staff would also check the surface and shape of the finished units in the plants to see whether they were properly finished. When the precast units arrived in Hong Kong, the engineering staff would conduct checking and tests on each of the units again to ensure that their quality was up to the standards before using them. There were no cracking defects when the finished precast units were being checked in the Mainland, thus it was reckoned that the cracks were developed in the course of transportation. If the transportation process caused the cracks to develop on the units, contractors had to repair the units before using them.

Facilities at HKBCFs

24. Mr Gary FAN asked the Administration what government services would be available at the HKBCFs. He also asked which government of the three cities would be in charge of rescue operations in the event of accident occurring on the Main Bridge after the commissioning of HZMB. DHy advised that police station, fire services facilities, maintenance depots of the Highways Department and the Electrical and Mechanical Services Department would be available at the HKBCFs. With regard to transport issues of the HZMB Main Bridge as well as the cross-boundary transport arrangements in future, USTH remarked that members could follow up this subject on other occasions.

25. Mr Michael TIEN opined that the Administration should consider allowing residents of the three cities (i.e. Hong Kong, Zhuhai and Macau) travelling by their vehicles to depart from their respective boundary crossing facilities, pass through the HZMB and go directly to other boundary crossing facilities to park their cars before proceeding to go through the immigration clearance in the respective destination cities. He requested the Administration to study the feasibility of the proposal in conjunction with the Macau and Zhuhai Governments. He also enquired about the number of parking spaces at the car park of HKBCFs. USTH remarked that the Administration would receive members' views on cross-boundary transport policies in the Panel on Transport. DHy advised that the car park would provide approximately 700 parking spaces as planned, whereas the possibility of further expansion would be studied in future.

26. Mr CHAN Chi-chuen inquired whether the Government would consider setting up temporary facilities as an alternative if the additional funding required for the construction of the taxi queuing area was not approved by the Committee. DHy pointed out that site formation had to be carried out even if the taxi queuing area was a temporary one. So, if additional funding was not approved, the relevant project could not be implemented.

Importation of labour

27. Mr LEE Cheuk-yan considered that the issue of importation of labour was directly related to the funding item, rather than an issue that could be discussed in other meetings as suggested by the Chairman. He asked the Government whether their support for the funding was tantamount to supporting the importation of foreign labour by contractors to participate in the HZMB Project. USTH advised that the contractors might, having regard to

the market situation, decide whether it was necessary to apply for importation of labour under the existing mechanism. The applications would then be processed by the Labour Department and the Labour Advisory Board, and hence they were not directly related to this funding item.

Monitoring the expenditure of contractors

28. Mr WU Chi-wai was worried that as the Government did not have adequate understanding of the details of the Project, contractors could exploit the situation by exaggerating the construction costs, and thereby lead to losses of public money. He enquired whether the Administration had in place any mechanism to monitor the actual expenditure of contractors.

Meeting arrangements

29. At 7:18 pm, the Chairman said that the PWSC had spent 8 hours on this funding item and the Finance Committee had also held 14 hours of meeting on it, yet the time spent on raising questions was less than half of the total meeting time, and the remaining time was spent on dealing with adjournment motions and other disputes.

30. While the Chairman was speaking, Mr Albert CHAN shouted loudly in his seat. After warning him in vain, the Chairman considered Mr Albert CHAN's conduct was grossly disorderly and ordered Mr Albert CHAN to withdraw from the Conference Room.

31. Mr Albert CHAN, Mr CHAN Chi-chuen, and Mr LEUNG Kwok-hung thereupon left their seats and protested loudly. During that time, Mr CHAN Chi-chuen moved towards the Chairman's bench and fell to the ground with the security staff at the same time when he was intercepted by the latter. The Chairman considered Mr CHAN Chi-chuen's conduct grossly disorderly and ordered him to withdraw from the Conference Room. The Chairman also ordered Mr LEUNG Kwok-hung to return to his seat. The Chairman remarked that while members could express their political stance, they should not hurt security staff in the process.

32. At 7:20 pm, i.e. the scheduled ending time of the meeting, the Chairman declared that the meeting be extended for 15 minutes. As Mr CHAN Chi-chuen was injured, lying on the passageway of the venue and could not stand up on his own and did not allow the security staff to assist him, the Chairman thereupon suspended the meeting for five minutes.

33. At 7:25 pm, the Chairman announced the resumption of the meeting. The Chairman informed members that Mr CHAN Chi-chuen had told him that there was no need for him to go to hospital for treatment.

34. The Chairman said that members had spoken on this funding item for 108 times at PWSC meetings and already 179 times in this Committee, and the member who had spoken most had spoken for 15 times. Quoting the remark of the Administration, he pointed out that if the funding item could not be approved by the end of January 2016, it would lead to substantial loss of public money. Having considered these factors, he decided that he would invite members to ask the final round of questions at the meeting to be held at 9:00 am on the following day (i.e. 30 January 2016), with each member speaking not more than two minutes. After members' speaking time, he would begin to deal with the motions proposed to be moved by members under paragraph 37A of the Finance Committee Procedure. He added that members could continue to follow up their concerns relating to the item through other channels.

35. At 7:26 pm, the Chairman declared that the meeting be adjourned.

36. The meeting was adjourned at 7:26 pm.

Legislative Council Secretariat

21 June 2016