

立法會
Legislative Council

LC Paper No. FC302/15-16

(These minutes have been
seen by the Administration)

Ref : FC/1/1(23)

Finance Committee of the Legislative Council

**Minutes of the 48th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 18 March 2016, at 3:00 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
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Vincent FANG, SBS, JP
Hon WONG Kwok-hing, BBS, MH
Dr 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
Dr Hon LEUNG Ka-lau
Hon CHEUNG Kwok-che

Hon WONG Kwok-kin, SBS
Hon IP Kwok-him, GBS, JP
Hon 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
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
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
Hon Alvin YEUNG Ngok-kiu

Members absent:

Dr Hon LAU Wong-fat, GBM, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon Kenneth LEUNG Kai-cheong
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon Helena WONG Pik-wan

Public officers attending:

Prof KC CHAN, GBS, JP	Secretary for Financial Services and the Treasury
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 Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 3
Ms Jasmine CHOI Suet-yung	Principal Assistant Secretary for Financial Services and the Treasury (Treasury)(Works)
Mr Joseph LO Kwok-kuen	Chief Assistant Secretary for Development (Works) 1, Development Bureau
Mr Tony MOYUNG Hon	Assistant Director of Lands (Acquisition), Lands Department
Ms Joyce NG Suet-yee	Chief Estate Surveyor (Acquisition), Lands Department
Mr LEUNG Koon-kee, JP	Director of Architectural Services
Mr HUI Chiu-kin	Assistant Director of Architectural Services (Property Services), Architectural Services Department
Mr Edwin TONG Ka-hung, JP	Director of Drainage Services
Mr Samson LAI Yiu-kei	Assistant Director of Environmental Protection (Waste Management Policy)
Ms Betty CHEUNG Mui-han	Assistant Director of Environmental Protection (Environmental Infrastructure)

Mr Daniel CHUNG Kum-wah, JP	Director of Civil Engineering and Development
Mr CHUI Wing-wah	Deputy Director of Highways
Mr Raymond KONG Tai-wing	Deputy Project Manager/Major Works (1), Highways Department
Mr Ivan CHUNG Man-kit	Principal Assistant Secretary for Development (Planning and Lands) 5, Development Bureau
Miss Charmaine WONG Hoi-wan, JP	Assistant Director of Home Affairs (2)
Mr Martin KWAN Wai-cheong	Chief Engineer (Works), Home Affairs Department
Ms Maggie CHIN Man-yi	District Planning Officer (Fanling, Sheung Shui and Yuen Long East), Planning Department
Mr LAM Ka-tai, JP	Deputy Director of Social Welfare (Services)
Mr KOK Che-leung	Assistant Director of Social Welfare (Subventions)
Mr Kelvin SIU Yun-piu	Assistant Secretary-General (Capital), University Grants Committee Secretariat
Mr LEE Kam-yuen	Chief Maintenance Surveyor (School Premises Maintenance), Education Bureau
Mr Murphy CHIU Hon-fai	Senior Maintenance Surveyor (School Premises Maintenance), Education Bureau
Dr LAI Shu-ming	Head of Estates, Health and Safety Division, Vocational Training Council
Mr LEUNG Wing-lim, JP	Assistant Director of Water Supplies (New Works)
Mr Timothy CHENG Leung-kit	Chief Systems Manager (Governance and Resources), Office of the Government Chief Information Officer
Mr LO Kwok-kong	Chief Civil Engineer (Public Works Programme), Housing 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 Keith WONG	Council Secretary (1)5
Mr Raymond SZETO	Council Secretary (1)6
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Michelle NIEN	Legislative Assistant (1)5

Action

**Item No. 1 – FCR(2015-16)48
RECOMMENDATION OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 17 FEBRUARY 2016**

PWSC(2015-16)48

Block allocations for Heads 701 to 711 under the Capital Works Reserve Fund

The Chairman advised that this item sought the approval of the Finance Committee ("FC") for the recommendation of the Public Works Subcommittee ("PWSC") made at its meetings on 17 February 2016 on Capital Works Reserve Fund block allocations. The recommendation included –

- (a) approving a total allocation of \$12,826.7 million for 2016-17 for the block allocations under the Capital Works Reserve Fund;
- (b) increasing the approved allocation for Subhead 5001BX under Head 705 for 2015-16 by \$300 million from \$1,045.6 million to \$1,345.6 million; and
- (c) increasing the approved allocation for Subhead 9100WX under Head 709 for 2015-16 by \$130 million from \$720 million to \$850 million.

Some members had requested that the item be taken out for separate voting in the FC meeting.

Declaration of interest

2. The Chairman pointed out that the Rules of Procedure stipulated that in the event that a Member had any direct or indirect pecuniary interest in the matters to be discussed in a committee, the Member should declare his or her interest before speaking. This would enable Members to speak on the item concerned, move motions and vote. However, if a Member chaired a meeting and did not raise any questions, the requirement to declare interest in Rule 83A of the Rules of Procedure would not apply. In order to allay the concerns of some Members, the Chairman declared that he was a consultant of the Munich Reinsurance Company ("the Company") and had no direct or indirect pecuniary interest in the items to be discussed.

3. Mr Albert CHAN raised a point of order. He pointed out that when FC deliberated on the application for supplementary provision for the Hong Kong Boundary Control Point of the Hong Kong-Zhuhai-Macao Bridge, he had repeatedly asked the Chairman to make a declaration of the pecuniary interest he might have in the project as a result of his capacity as a consultant of the insurance company concerned. But the Chairman rejected the request on the grounds that no pecuniary interest was involved. Although later on the Chairman asked the Deputy Chairman to chair the discussions concerning the application for supplementary provision of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL") because of possible conflict of interest arising from his capacity as a consultant of the insurance company, the Chairman had exercised discretionary power to dispense with the notice requirement for the inclusion of the item in the FC agenda so that the item could be deliberated earlier. He was of the view that the move was undoubtedly an abuse of the power of the Chairman and involved underhand dealings, enabling the Chairman to benefit from it. Mr LEUNG Kwok-hung expressed a similar view. He asked the Chairman to declare that the decision made in the FC meeting on 11 March 2016 to approve the supplementary provision for the XRL project null and void and the item should be deliberated again.

4. The Chairman explained that since the insurance company was not awarded any contract for the Hong Kong Boundary Control Point of the Hong Kong-Zhuhai-Macao Bridge, even though he was a consultant of the insurance company, chairing the deliberations of the project did not breach the Rules of Procedure. However, since the insurance company was awarded a contract for the XRL project, he invited the Deputy Chairman to preside over the deliberations of the project in order to avoid any possible conflict of interest.

5. Mr Albert CHAN and Mr LEUNG Kwok-hung were not convinced and they made loud protests in the meeting. The Chairman asked these two members to stop shouting or he would order them to withdraw from the meeting. At 3:09 pm, Mr LEUNG Kwok-hung, Mr Albert CHAN and Mr CHAN Chi-chuen went up to the Chairman' seat and threw paper money at him. The Chairman pointed out that such conduct was grossly disorderly and he ordered that they should withdraw from the meeting immediately. At 3:11 pm, the Chairman announced that the meeting be suspended for 10 minutes.

6. The meeting resumed at 3:21 pm.

7. Mr LEE Cheuk-yan raised a point of order. He urged the Chairman to retract the remark he had made earlier in public that when FC was to deliberate on the allocation proposals, "we cannot afford to miss out a single works project". He also queried whether the Chairman had abided by the Rules of Procedure when chairing the meetings. Dr Fernando CHEUNG pointed out that he had written to the Chairman well in advance to request that FC should discuss whether due procedure had been followed in the deliberations of the application for supplementary provision for the Hong Kong section of the XRL project and to move the motion of no confidence on the Chairman and Deputy Chairman. He asked the Chairman why these topics were not included for discussions in the present meeting. Ms Claudia MO mentioned that she had written to the Chairman that the voting procedure of the application of supplementary provision for the XRL project should be reviewed and discussed. Dr KWOK Ka-ki opined that if FC did not discuss first the motion of no confidence on the Chairman and Deputy Chairman, the work of FC would not be able to return to normal.

8. The Chairman responded that as far as his earlier remark that "we cannot afford to miss out a single works project" was concerned, as the FC Chairman, his aim was to do his best to deal with the funding applications from the Administration and to enable FC to vote on them within a reasonable timeframe. He emphasized that he had no intention to reduce FC into a rubber stamp. As for voting process of the application for supplementary provision of the XRL project, he noted that no member queried the judgment made by the Deputy Chairman at that time and he did not have the power to quash a decision made by FC. Regarding the vote of no confidence motion on the Chairman and the Deputy Chairman, the Chairman advised that he was consulting members on the meeting date and he would try his best to deal with the item in a meeting to be called in April 2016.

Proposal made by the Administration to change the agenda of the present meeting

9. At the invitation of the Chairman, the Secretary for Financial Services and the Treasury explained the letter from the Administration to the FC Chairman regarding the arrangements for the agenda of the meetings on the present day and the following day (issued to members vide LC Paper No. FC173/15-16(01) on 18 March 2016). In sum, he said that after considering the views of members and the urgency of each respective allocation application, the Government agreed that the arrangement to deal with the easier tasks first should be adopted and a recommendation was made to FC to deal with items which were less controversial.

Decontamination work regarding the former incinerator, abattoir and nearby land in Kennedy Town

10. With respect to Paper No. FCR(2015-16)35 in the agenda, Ms Cyd HO and Ms Claudia MO were concerned that local residents had strong views regarding the decontamination work related to the former incinerator, abattoir and nearby land in Kennedy Town. The relevant project had not undergone town planning procedures completely. They urged the Administration to withdraw the paper from the agenda first. Mr SIN Chung-kai held a similar view and urged the Administration to fully consult local residents first.

11. The Chairman advised that he had conveyed the concern of members regarding this agenda item to the Administration. He was informed by the Administration that it would review the situation comprehensively when making arrangements for the agenda later. The Secretary for Financial Services and the Treasury pointed out that appropriate arrangements would be made to the agendas of the following meetings having regard to the progress of FC meetings and the urgency of each respective allocation application.

The compensation and ex-gratia allowances payable for the Lintang/ Heung Yuen Wai Boundary Control Point and associated works as well as the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link Project

12. Dr KWOK Ka-ki enquired whether the financial provision for the compensation and ex-gratia allowances payable for the Lintang/Heung Yuen Wai Boundary Control Point and associated works as well as the Hong Kong Section of the XRL project would be adequate to compensate for the losses sustained by those affected by land resumption, especially the villagers of Ngau

Tam Mei Village, whose planting and fish farming activities sustained heavy losses. Moreover, cracks appeared on the walls of the houses of some of the villagers. Dr KWOK also enquired when the Administration had visited the affected villagers and when further visits would be made to understand the latest problems faced by the villagers. At the request of Dr KWOK, the Assistant Director of Lands (Acquisition) undertook to provide supplementary information about the compensation and ex-gratia allowances.

[*Post-meeting note:* The Administration's supplementary information was issued to members vide LC Paper No. FC 188/15-16(01) on 18 April 2016.]

Site formation and related infrastructure works for the building complex of a Residential Care Home for the Elderly ("RCHE") at Area 29 of the Kwu Tung North New Development Area ("NDA")

13. Dr Fernando CHEUNG was concerned about the Administration's earlier plan to demolish the RCHE at Dills Corner Garden from 2018 in phases. He urged the Administration to pledge that the elderly people presently living in the RCHE would move seamlessly into the building complex built specifically for the RCHE. Miss CHAN Yuen-han expressed a similar concern. Mr CHEUNG Kwok-che opined that irrespective of whether Dills Corner would be included in the development plan for North East New Territories, the building complex should be built as planned in order to alleviate the demand for elderly services in the district.

14. The Principal Assistant Secretary for Development (Planning and Lands)⁵ advised that the Administration hoped to use the allocation from the present exercise for such preliminary work as land resumption, site formation. According to the present work plan and subject to the approval by FC of the allocations for the main works of the future Kwu Tung North NDA (including the construction costs for the building complex), the building complex was expected to be completed in 2021. The Deputy Director of Social Welfare (Services) added that after considering the views of the Welfare Services Panel of the Legislative Council, the Yuen Long District Council and the operator of the RCHE, the Administration decided that residents of that RCHE might continue to live there until the new building complex was completed.

15. Mr Alvin YEUNG enquired about the amount of compensation set by the Administration for land resumption. He also asked the Administration how to prevent a repeat of the recent forcible demolitions of village houses located in the land owned by private developers. He urged the Administration to clarify whether the application for land exchange made by a person engaged in unlawful forcible demolition would be rejected.

16. The Assistant Director of Lands (Acquisition), Lands Department pointed out in response that in a bid to take forward the related works of Area 29 of the Kwu Tung North NDA, the Administration would need to resume land with a total area of around 160 000 square feet, including house and farm lands. The Administration would pay compensation for the land concerned at market value in accordance with the compensation rules in the Lands Resumption Ordinance (Cap. 124). In addition, the Administration would also offer ex-gratia allowances according to established mechanism. For example, the allowance for house land in Zone A was \$2,200 per square foot. As far as land exchange was concerned, the applicant for land exchange were required to offer cash compensation to the land occupier and the amount of compensation should not be less than the cash compensation paid by the Administration to the land occupier for resuming the land. Otherwise, the Administration would not handle the application for land exchange made by the applicant.

Study for strategy/direction of recreational and tourism developments in Lantau and the preliminary feasibility study on the cable car system from Ngong Ping to Tai O

17. Mr LEUNG Yiu-chung urged the Administration to delete two items from the block grant which were more controversial, namely the study for strategy/direction of recreational and tourism developments in Lantau and the preliminary feasibility study on the cable car system from Ngong Ping to Tai O. He said that as public consultations for the two projects were still underway, if the public did not support these projects in the end, the allocations for studies would be wasted. He pointed out that a survey conducted by a civilian organization showed that 80% of Tai O residents were against the proposed cable car system. He also urged the Administration to clarify whether tender had been invited for the project. Dr KWOK Ka-ki and Ms Cyd HO also expressed a similar concern. Ms HO asked whether the Administration would shelve the plan, if Tai O residents showed their unanimous opposition to the cable car system running from Ngong Ping to Tai O. She also demanded that the feasibility study should include an assessment of the impact on local ecology and the community in Tai O.

18. The Director of Civil Engineering and Development replied that the abovementioned two projects had commenced in September and July 2015 respectively and the consultation exercise presently being conducted was part of the preliminary feasibility study. The Administration would, having regard to the findings of the public consultation, decide the way forward. The Deputy Secretary for Financial Services and the Treasury (Treasury)³ explained that it was always the Government's practice to seek approval of FC for allocation for the whole year for each subhead under each head of expenditure, instead of seeking allocation for individual works projects. As the Administration had been authorized by FC well beforehand, as long as the expenditure of each individual works project under the block allocations of the Capital Works Reserve Fund did not exceed the delegated limit, the block allocation could be created by virtue of the authorization. The project information under each subhead in the paper was mainly meant for members' reference. In view of the large number of such projects, it would be contrary to the original intention of setting up block allocations if these items were subject to approval by FC one by one. So the Government did not agree that voting should be conducted for individual items under the block allocations.

Site formation and infrastructure works for development at Wang Chau, Yuen Long

19. Mr LEE Cheuk-yan raised the issue of site formation and infrastructure works for development at Wang Chau, Yuen Long. He pointed out that if the Government resumed the brownfield sites in the area to cater for this plan to construct public housing, about 17 000 units could be provided. However, the Government had chosen to resume residential land of the local residents and the green belt while avoiding the need to resume the land held by the chairman of the Ping Shan Rural Committee, as a result, the project could only provide about 4 000 units.

20. The Principal Assistant Secretary for Development (Planning and Lands)⁵, Development Bureau replied that according to a study undertaken by the Hong Kong Housing Authority, the green belt and brownfield sites in the Wang Chau area could provide about 17 000 public housing units after rezoning. Having regard to the priorities in development, the Housing Authority had decided to develop first the land area which could provide about 4 000 public housing units. Moreover, the Administration had set up an interdepartmental group to study matters regarding the development of brownfield sites. This block allocations application also included allocation for the study on the proposed construction of multi-storey compounds for brownfield operations in Hung Shui Kiu New Development Area in the second quarter of 2016. The

Administration hoped that the development of brownfield sites would be considered holistically through the study before the Administration would proceed to the next step of work.

21. Mr WU Chi-wai pointed out that as the Government had applied to the Town Planning Board for rezoning the land in Wang Chau for the development of public housing, it should be fully aware of the existing and future uses of the brownfield sites in Wang Chau. As a result, the future development of the brownfield sites in Wang Chau should not come under the scope of study of the above interdepartmental group. He opined that most of the land in Wang Chau was government land and could be resumed at any time for building public housing units. He asked the Administration to provide supplementary information detailing the use of land lots in Wang Chau at present.

[Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. FC188/15-16(01) on 18 April 2016.]

Universal Accessibility Programme

22. Mr WU Chi-wai enquired whether the Administration would consider expanding the scope of the "Universal Accessibility Programme" to link private housing estates with pedestrian walkways with a large flow of pedestrians on government land. The Deputy Project Manager/Major Works (1), Highways Department replied that in order to further take forward the "Universal Accessibility Programme", the Government had invited each District Council to make recommendations on not more than three pedestrian walkways as the second batch of items to be taken forward. Subject to certain conditions, District Councils could consider the public pedestrian walkways other than those whose repair and maintenance were the responsibilities of the Highways Department.

23. At 5:01 pm, the Chairman declared that the meeting be adjourned.

24. The meeting was adjourned at 5:01 pm.

Legislative Council Secretariat
13 September 2016