

立法會
Legislative Council

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Finance Committee of the Legislative Council

Minutes of the 15th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 24 February 2017, at 5:40 pm

Members present:

Hon CHAN Kin-por, BBS, JP (Chairman)
Hon Michael TIEN Puk-sun, BBS, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, SBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon LEUNG Kwok-hung
Hon Claudia MO
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, JP
Hon LEUNG Che-cheung, BBS, MH, JP

Hon Alice MAK Mei-kuen, BBS, JP
Hon KWOK Wai-keung
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Dr Hon Elizabeth QUAT, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Hon POON Siu-ping, BBS, MH
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan
Hon CHAN Chun-ying
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LUK Chung-hung
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho
Hon Nathan LAW Kwun-chung
Dr Hon YIU Chung-yim
Dr Hon LAU Siu-lai

Members absent:

Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Kenneth LEUNG
Dr Hon KWOK Ka-ki
Hon Dennis KWOK Wing-hang
Hon Christopher CHEUNG Wah-fung, SBS, JP
Hon IP Kin-yuen
Dr Hon CHIANG Lai-wan, JP
Hon LAM Cheuk-ting
Hon SHIU Ka-chun
Dr Hon Pierre CHAN

Hon Tanya CHAN
Hon Kenneth LAU Ip-keung, MH, JP

[According to the Judgment of the Court of First Instance of the High Court on 14 July 2017, LEUNG Kwok-hung, Nathan LAW Kwun-chung, YIU Chung-yim and LAU Siu-lai have been disqualified from assuming the office of a member of the Legislative Council, and have vacated the same since 12 October 2016, and are not entitled to act as a member of the Legislative Council.]

Public officers attending:

Professor K C 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 Carol YUEN, 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)
Mr Edwin TONG Ka-hung, JP	Director of Drainage Services
Ms Betty CHEUNG Miu-han	Assistant Director of Environmental Protection (Environmental Infrastructure)
Mr Samson LAI Yiu-kei	Assistant Director of Environmental Protection (Waste Management Policy)

Mr LAM Sai-hung, JP	Director of Civil Engineering and Development
Mr WONG Wai-man, JP	Project Manager (New Territories East), Civil Engineering and Development Department
Mr Ricky LAU Chun-kit, JP	Head of Civil Engineering Office, Civil Engineering and Development Department
Mr CHUI Wing-wah	Deputy Director of Highways
Mr Kelvin LO Kwok-wah	Project Manager (Major Works), 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
Mr KOK Che-leung	Assistant Director of Social Welfare (Subventions)
Ms PANG Kit-ling	Assistant Director of Social Welfare (Elderly)
Miss Winnie WONG Ming-wai	Deputy Secretary-General (1), University Grants Committee Secretariat
Mr Samuel FAN Kim-fung	Senior Property Services Manager (School Works Section), Education Bureau
Mr WONG Chung-leung, JP	Deputy Director of Water Supplies
Mr Dominic KWONG Kam-keung	Chief Systems Manager (Governance and Resources), Office of the Government Chief Information Officer
Mr Kenneth LEUNG Tak-yan	Chief Civil Engineer (Public Works Programme), Transport and Housing Bureau
Mr IP Shing-tim	Chief Civil Engineer (2), 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
Ms Ada LAU	Senior Council Secretary (1)7
Mr Raymond SZETO	Council Secretary (1)5
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Michelle NIEN	Legislative Assistant (1)5

Action

**ITEM 1 — FCR(2016-17)86
RECOMMENDATION OF THE PUBLIC WORKS
SUBCOMMITTEE MADE ON 22 FEBRUARY 2017**

PWSC(2016-17)37

Capital Works Reserve Fund

HEAD 701 — LAND ACQUISITION

HEAD 702 — PORT AND AIRPORT DEVELOPMENT

HEAD 703 — BUILDINGS

HEAD 704 — DRAINAGE

HEAD 705 — CIVIL ENGINEERING

HEAD 706 — HIGHWAYS

HEAD 707 — NEW TOWNS AND URBAN AREA DEVELOPMENT

HEAD 708(PART) — CAPITAL SUBVENTIONS

HEAD 709 — WATERWORKS

HEAD 710 — COMPUTERISATION

HEAD 711 — HOUSING

Block allocations

The Finance Committee ("FC") continued with the deliberation on the agenda item FCR(2016-17)86.

2. Dr YIU Chung-yim declared that he had participated in the consultancy study on Ma Liu Shui reclamation, but was no longer in that service and thus no direct pecuniary interests were involved.

3. Dr YIU Chung-yim indicated that he had already raised his query in a letter addressed to the Chairman that since the deliberations of the Public Works Subcommittee ("PWSC") on this item was out of order, the voting results thereon should be nullified. Given that PWSC had not finished its deliberations on this item, it should not be submitted to FC for consideration.

Arrangements for deliberating the block allocations proposal

4. Dr YIU Chung-yim said that the Administration had withdrawn individual items from the block allocations proposal under the Capital Works Reserve Fund ("CWRF") for 2014-2015. He enquired about the number of workers who had lost their jobs subsequent to the withdrawal of the relevant items, as well as the number of contracts in respect of which claims had been made against the Government on the ground of non-performance of contracts and the amount of compensation that the Government had paid out (if any). The Deputy Secretary for Financial Services and the Treasury (Treasury) 3 ("DS(Tsy)3") undertook that relevant information would be provided after the meeting.

5. Mr Nathan LAW opined that in accordance with the existing mechanism, it was possible for the Administration to withdraw controversial items from the CWRF block allocations proposals ("block allocations") for separate scrutiny. He did not subscribe to the Administration's response which stated that constrained by the existing mechanism, the Administration could not withdraw individual items from the proposal as required by individual members. He also urged the Administration to discuss with members and take out the 26 items on which members had expressed concerns, so that the uncontroversial items could be expeditiously approved. Mr LEUNG Yiu-chung shared similar views.

6. Dr Fernando CHEUNG pointed out that some of the items involved land resumption and clearance and had direct impact on residents' livelihood, including the items relating to the development at Wang Chau and the residential care homes for the elderly ("RCHEs") at Dills Corner Garden ("DCG"), and urged the Administration to withdraw such items from the block allocations proposal for separate scrutiny. Mr Alvin YEUNG said that Dr CHEUNG's view was supported by the Civic Party, and urged the Administration to have further discussion with members on how to properly handle the block allocation proposals in order to resolve the controversies arising from the existing mechanism.

7. The Secretary for Financial Services and the Treasury responded that he had repeatedly stated the stance of the Government that it had to respect the existing approval mechanism for block allocations as a whole. However, he also indicated that in case FC requested that a review of the approval mechanism be conducted, the Government was willing to participate in the relevant discussion. Permanent Secretary for Financial Services and the Treasury (Treasury) added that there were mainly two

subheads under Head 701 in the block allocations proposal, and these two subheads involved items that concerned land resumption and compensation. These items were at different stages of implementation, including progress of discussion with affected parties, and their impacts on the implementation of the main projects also varied. Therefore, these items could not be taken out for separate scrutiny under a broad-brush approach as required by Dr CHEUNG.

8. The Chairman indicated that out of the 26 controversial items suggested by members, he had talked with the Government regarding two of such projects, in the hope that the Administration could consider taking these two projects out for separate scrutiny, but the Administration rejected his request after careful consideration. In his view, members had repeatedly raised concerns and questions on the approval mechanism for block allocations, while the Administration had also repeatedly explained its stance. Since the arrangements concerned were subject to review in future, FC should not continue to discuss the matter concerned for the time being. Although members had the right to express their views on this matter, they should not repeatedly do so.

9. Mr CHU Hoi-dick asked for permission from the Chairman to, at the next meeting, propose a motion pursuant to paragraph 21 of the Finance Committee Procedure ("FCP") to review FC's arrangements in deliberating the block allocations proposal. The Chairman responded that he had to make a decision on the agenda having regard to actual circumstances and the priorities of outstanding items. Taking into account the need for this item to be approved on or before 1 April this year and the complexity of the matters involved in reviewing the approval mechanism for block allocations, he would not deal with Mr CHU's proposed motion at the next meeting.

Wang Chau development

10. Mr CHU Hoi-dick urged the Administration to adopt the proposal put forward by him and Dr YIU Chung-yim to properly develop the brownfield sites at Wang Chau, so as to achieve the target of building 17 000 public housing units in the area without having to clear the villages there, thereby achieving a win-win situation.

11. Noting that around 14 hectares of land were reserved for Yuen Long Industrial Estate Extension ("YLIEE") under Wang Chau development, Mr CHU Hoi-dick believed that it might not be necessary to reserve land for YLIEE at Wang Chau, given that the implementation of the Lok Ma Chau Loop Development would increase the amount of industrial land in the area. He requested a response from the representative of the Innovation and Technology Bureau ("ITB").

12. DS(Tsy)3 replied that the representative of the Office of the Government Chief Information Officer under ITB, despite being present, could only respond to enquiries relating to subheads under Head 710 of the block allocations proposal. The Chief Civil Engineer (2), Housing Department added that, at a meeting of the Committee on Housing Development under the Government held in October last year, ITB stated that YLIEE would be implemented though a timetable was yet to be drawn up.

13. Mr CHU Hoi-dick was disappointed that no ITB representative was present at the meeting. The Chairman asked Mr CHU to submit a written question.

14. Mr KWONG Chun-yu and Mr LEUNG Kwok-hung requested the Administration to expeditiously organize a meeting with residents and talk with the villagers who were affected by Wang Chau development. The Director of Civil Engineering and Development ("DCED") responded that arranging a meeting with residents involved inter-departmental coordination, and the attendance of public officers was yet to be confirmed. The Administration considered it reasonable to convene the meeting in late March this year.

Ma Liu Shui reclamation

15. Mr CHAN Chi-chuen queried if the Government had consulted the Sha Tin District Council and local residents before carrying out the consultancy study on Ma Liu Shui reclamation. He also understood that one of the purposes of commissioning The Chinese University of Hong Kong ("CUHK") to conduct the study was to secure public support. He queried whether there was a pre-determined position in the consultation exercise, i.e. the Administration intended to implement the reclamation plan.

16. DCED stated that in relation to the proposed Ma Liu Shui Reclamation Plan, the Government had received a substantial amount of public views concerning the details of the reclamation technologies in its earlier consultation with local residents. Therefore, the Government considered it necessary to conduct a technical feasibility study. The Head of Civil Engineering Office, Civil Engineering and Development Department added that residents' aspirations for the reclamation plan had been collected in the commissioned study undertaken by CUHK, which included bringing additional employment opportunities to the Sha Tin district.

Government Flying Service Helicopter Forward Base

17. Regarding the item of "Government Flying Service Helicopter Forward Base—detailed design" under Subhead 7100CX of Head 707, Mr Jeremy TAM enquired about the factors behind the site selection, as well as the progress of the project.

18. DCED replied that, in determining the location of the forward base, the Civil Engineering and Development Department would take into full account the present flight path of the Government Flying Service along the northern shore of Lantau, but the possible sites would not be limited to the North Lantau region so as to meet the Government Flying Service's need to cover the entire territory of Hong Kong. The forward base would have a helicopter hanger in which a number of helicopters could be housed. At the request of Mr Jeremy TAM, DCED undertook to provide supplementary information after the meeting.

Residential care homes for the elderly at Dills Corner Garden

19. Regarding the Site Formation and Associated Infrastructure Works for Purpose-built Complex of Residential Care Homes for the Elderly in Area 29 of Kwu Tung North New Development Area, Dr Fernando CHEUNG queried that the Administration had allegedly broken its promise made to the Legislative Council ("LegCo") that the elderly residents living in RCHEs at DCG would be able to move to the purpose-built RCHE complex seamlessly, i.e. they could continue living in the existing RCHEs before the completion of the new complex. At present, the Administration had changed its approach by requiring the affected elderly to move out from the existing RCHEs first, and the elderly concerned would have to move again to new RCHEs upon the completion of the purpose-built RCHE complex.

20. The Assistant Director of Social Welfare (Elderly) clarified that the Administration had expounded its position at various LegCo forums, pointing out that it was the Administration's target to obviate the need for the affected elderly to move twice. If it turned out that the demolition works had to be carried out in two phases, the Administration would convert other buildings in the area into RCHEs so as to temporarily accommodate the affected elderly people who might continue living in the original area.

Other concerns

21. Mr LEUNG Kwok-hung expressed concerns about the allegation that the Hung Shui Kiu New Development Area project and the site formation and infrastructural works for the Development at Pok Fu Lam South were recently awarded to Ove Arup & Partners Hong Kong Limited ("OAP"). DCED clarified that the site formation and infrastructural works for the Development at Pok Fu Lam South were awarded to OAP as early as in 2015.

Motion for the adjournment of further proceedings of FC

22. At 6:07 pm, Mr CHU Hoi-dick moved a motion under FCP 39 that further proceedings of FC be then adjourned. The Chairman proposed the question on the motion to adjourn the further proceedings of FC. The Chairman directed that each member might speak once on the question for not more than three minutes.

23. Mr CHU Hoi-dick spoke on his motion. Mr CHU considered that FC had the statutory powers to vet and approve block allocations, and delegations (with amendments made from time to time) had been given by FC since 1983 for the Administration to exercise its powers to expend moneys under the block allocations approved for various heads. It could thus be seen that FC did have the powers to adopt a new mode for delegating powers to the Administration, so as to resolve the existing disputes associated with the deliberation of block allocations proposals, thereby enabling FC to perform its function of monitoring public finance more effectively. He considered it urgently necessary to review the approval mechanism for block allocations, and the existing disputes could hopefully be resolved if such a review could be completed on or before 17 March this year. He emphasized his grave concerns over the timely approval of some 9 000 items under the block allocations proposal, and urged the Administration and members of the pro-establishment camp not to criticize his actions lightly as filibustering.

24. Mr Alvin YEUNG, Mr LEUNG Yiu-chung, Dr LAU Siu-lai, Mr CHAN Chi-chuen, Dr Fernando CHEUNG, Dr YIU Chung-yim, Mr KWONG Chun-yu, Ms Claudia MO, Mr Jeremy TAM, Mr James TO, Mr LEUNG Kwok-hung, Mr Nathan LAW and Mr HUI Chi-fung spoke in support of Mr CHU Hoi-dick's motion. According to these members, it was the hope of members of the pro-democracy camp that the Administration could keep abreast with the times and revamp the existing block allocations mechanism, so that individual controversial items (including items concerning Wang Chau development, the Signature Project Scheme and the reprovisioning of RCHEs at DCG) could be withdrawn for separate voting, thereby responding to the concerns in the community on these items and allowing for the expeditious approval of many other items. They criticized that even though members of the pro-democracy camp had made concessions and demanded that only two of the 26 controversial items be taken out for separate voting, the Administration refused to yield on the ground that it was not appropriate to easily revamp an established mechanism which had all along been effective. However, the Administration had previously withdrawn individual items from the CWRP block allocations for 2014-2015 having regard to the overall interests of Hong Kong, thus rendering it untenable to argue that the established mechanism had proven effective and should not be altered easily. These members were of the view that FC should not continue with its deliberation on the item in question when the disputes mentioned above had not yet been resolved. They also urged members of the pro-establishment camp to support their demands, not to be submissive to the Administration; on the contrary, they should respect the public's rights to participate in deliberating the funding proposals.

25. Mr HO Kai-ming, Mr Holden CHOW, Mr LUK Chung-hung, Mr CHEUNG Kwok-kwan, Mr KWOK Wai-keung and Dr Junius HO spoke against Mr CHU Hoi-dick's motion. These members criticized members of the non-establishment camp for raising the same questions and moving motions to adjourn further proceedings repeatedly at meetings of FC and other committees, which were of no help to resolving disputes and would only drag down the Administration's governance. With regard to the item in question, among some 9 000 items under the block allocations proposal, most were funding requests with respect to advance works and further delay would affect the livelihood of workers engaged in these projects. Furthermore, one of the items which members of the non-establishment camp had expressed concerns about was the Signature Project Scheme (such as Lam Tsuen Wishing Square in Tai Po), for which support had already been secured from the relevant District Councils, but individual members were trying to obstruct its approval at FC meetings. It was tantamount to disrespecting representatives of public opinion at the

district level. These members also urged the Chairman to make appropriate rulings on the proceedings of the meeting in a timely manner. Mr Holden CHOW suggested that in exchange for support from members of the non-establishment camp for putting the block allocations proposal to vote in a timely manner, the Administration could make an undertaking to FC that follow-up actions would be taken with respect to individual controversial items.

26. Mr CHAN Chi-chuen indicated his hope that the Chairman would refrain from commenting openly in the media the expected time when deliberations on the item might be completed, lest the Administration would be emboldened by the support rendered by the Chairman and employ delaying tactics without responding to the aspirations of members. Noting the views expressed by Mr CHAN, the Chairman responded that in examining how control should be exercised over FC's deliberations on funding proposals, he had to take into account a host of factors including the consequences of failing to put these items to vote in a timely manner. Take the funding application submitted in January 2016 for increasing the Approved Project Estimate for Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities as an example, it could constitute a breach of contract and lead to a huge loss of public money if the funding application was not approved in time back then. As far as the item under discussion was concerned, the pace of developing public rental housing would be hindered if any delay was caused to projects concerning Wang Chau development. He was thus required to act in the interest of the public when making decisions concerning the progress of deliberation on funding proposals. The Chairman also pointed out that as individual members might have different aspirations for individual items under the block allocations proposal, it might also be difficult for FC to effectively decide which items should be taken out for separate scrutiny.

27. Mr CHU Hoi-dick spoke in reply. The Chairman put the motion to vote. At the request of members, the Chairman ordered a division and the division bell was rung for five minutes. The votes of individual members were as follows:

For:

Mr LEUNG Kwok-hung
Mr CHAN Chi-chuen
Dr Helena WONG Pik-wan
Mr CHU Hoi-dick
Dr CHENG Chung-tai
Mr Jeremy TAM Man-ho
Dr YIU Chung-yim
(14 members)

Ms Claudia MO
Dr Fernando CHEUNG Chiu-hung
Mr Andrew WAN Siu-kin
Mr HUI Chi-fung
Mr KWONG Chun-yu
Mr Nathan LAW Kwun-chung
Dr LAU Siu-lai

Against:

Mr Tommy CHEUNG Yu-yan	Mr WONG Ting-kwong
Ms Starry LEE Wai-king	Mr CHAN Hak-kan
Mr WONG Kwok-kin	Mr Michael TIEN Puk-sun
Mr Steven HO Chun-yin	Mr MA Fung-kwok
Mr CHAN Han-pan	Mr LEUNG Che-cheung
Ms Alice MAK Mei-kuen	Mr KWOK Wai-keung
Dr Elizabeth QUAT	Mr Martin LIAO Cheung-kong
Mr POON Siu-ping	Ir Dr LO Wai-kwok
Dr Junius HO Kwan-yiu	Mr HO Kai-ming
Mr Holden CHOW Ho-ding	Mr Wilson OR Chong-shing
Ms YUNG Hoi-yan	Mr CHAN Chun-ying
Mr CHEUNG Kwok-kwan	Mr LUK Chung-hung
Mr LAU Kwok-fan	
(25 members)	

28. At 7:18 pm, The Chairman declared that the motion was negatived.

End of meeting

29. At 7:44 pm, The Chairman declared that the meeting be adjourned.

30. The meeting ended at 7:44 pm.

Legislative Council Secretariat
9 March 2018