

**立法會**  
***Legislative Council***

LC Paper No. FC135/17-18  
(These minutes have been  
seen by the Administration)

Ref : FC/1/1(9)

**Finance Committee of the Legislative Council**

**Minutes of the 16<sup>th</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 17 March 2017, at 3:00 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  
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 Mrs Regina IP LAU Suk-yee, GBS, 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 Kenneth LEUNG  
Hon Alice MAK Mei-kuen, BBS, JP  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung  
Hon Dennis KWOK Wing-hang  
Hon Christopher CHEUNG Wah-fung, 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  
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 LAM Cheuk-ting  
Hon Holden CHOW Ho-ding  
Hon SHIU Ka-fai  
Hon SHIU Ka-chun  
Hon YUNG Hoi-yan  
Dr Hon Pierre CHAN  
Hon CHAN Chun-ying  
Hon Tanya CHAN  
Hon CHEUNG Kwok-kwan, JP  
Hon HUI Chi-fung  
Hon LUK Chung-hung  
Hon LAU Kwok-fan, MH  
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:**

Prof Hon Joseph LEE Kok-long, SBS, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon Wilson OR Chong-shing, MH  
Hon Kenneth LAU Ip-keung, MH, JP  
Dr Hon CHENG Chung-tai

[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:**

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 Margaret HSIA Mai-chi	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
Mrs Sylvia LAM YU Ka-wa, JP	Deputy Director of Architectural Services
Mr Dennis LAW Kar-cheuk	Acting Assistant Director of Architectural Services (Property Services)
Mr MAK Ka-wai, JP	Deputy 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)
Mr Kenneth WOO Chi-man	Chief Executive Officer (Subventions/Planning), Social Welfare Department
Miss Winnie WONG Ming-wai	Deputy Secretary-General (1), University Grants Committee Secretariat
Mr LEE Kam-yuen	Chief Maintenance Surveyor (School Premises Maintenance), Education Bureau
Ms PING Tak-wai	Senior Maintenance Surveyor (School Premises Maintenance), 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

**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

Miss Yannes HO

Legislative Assistant (1)6

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Action

**Item No. 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 Chairman reminded members of the requirements under Rule 83A and Rule 84 of the Rules of Procedure ("RoP"). The Chairman declared that he was an independent non-executive director of The Bank of East Asia.

2. The Chairman said that this item sought approval from the Finance Committee ("FC") of the recommendation of the Public Works Subcommittee ("PWSC") made at its meeting held on 22 February 2017. As set out in PWSC(2016-17)37, FC was recommended to (a) approve a total allocation of \$12,420.2 million for 2017-18 for the block allocations under the Capital Works Reserve Fund ("CWRF"); (b) increase the approved allocation for Subhead 9100WX under Head 709 for 2016-17 by \$68.2 million from \$785.3 million to \$853.5 million; and (c) revise, with effect from 2017-18, the ambit of Subhead 6101TX under Head 706.

3. The Chairman advised that PWSC's discussion of this item at its meetings on 25 January 2017, 3 February 2017, 15 February 2017, 18 February 2017 and 22 February 2017 had lasted 14 hours and 16 minutes, while FC started discussing the item on 24 February 2017 and had spent four hours on the discussion so far.

Motions proposed by members under paragraph 21 of the Finance Committee Procedure and the Chairman's ruling

4. Dr YIU Chung-yim said that he and Mr CHU Hoi-dick wrote to the Chairman on 9 March 2017 proposing a motion on the item FCR(2016-17)86 under paragraph 21 of the Finance Committee Procedure ("FCP") ("the original motion") and requesting for the inclusion of the original motion in the agenda for today's FC meeting. Dr YIU said that he received the Chairman's written ruling ("ruling on the original motion") today. While the Chairman had ruled the original motion out of order, there was no mention in the ruling as to his decision on the request made by him and Mr CHU for the addition of an agenda item. Dr YIU was of the view that since the aforesaid letter to the Chairman was issued in accordance with the notice requirement under FCP21, FC should first handle the issue of adding an agenda item given that the Chairman was not empowered to reject members' requests for the addition of an agenda item. The Chairman said that he was empowered to decide whether or not an item proposed by members was allowed to be included in the agenda for a particular FC meeting.

5. Mr CHU Hoi-dick considered that according to the wording in FCP21, "the items of business to be included in the agenda" and "motions moved" referred to issues of different nature, and their respective notice requirements under FCP21 were not the same. Mr CHU asked the Chairman whether his ruling on the inadmissibility of the original motion was tantamount to rejecting the request made by him and Dr YIU for adding an agenda item. Mr CHU also advised that he and Dr YIU proposed five further motions (including three revised motions and two new motions) on 15 March 2017 on which the Chairman had not ruled. He therefore held that it was inappropriate to start discussing FCR(2016-17)86. Mr CHU requested that, before FC proceeded to vote on FCR(2016-17)86, the Chairman should first give his rulings on the five motions proposed by him and Dr YIU Chung-yim on 15 March 2017.

6. Dr YIU Chung-yim, Mr CHU Hoi-dick, Ms Claudia MO and Ms Tanya CHAN raised doubts about the appropriateness for the Chairman to invite the Administration to comment on or respond to the motions proposed by members under FCP21. They considered that the proposed motions were the internal business of the Legislative Council ("LegCo"). Ms MO asked the Chairman to explain the justifications for ruling that the original motion was out of order.

7. Noting that the original motion was ruled out of order on the grounds that it did not relate to the "conditions, exceptions and limitations" in accordance with which the Financial Secretary expended moneys from CWRP, Mr CHAN Chi-chuen asked what constituted a proposed motion that would be considered to be in line with such "conditions, exceptions and limitations". Mr Nathan LAW criticized that the Administration's response to the original motion was not legally justifiable, and the Administration only focused on the impact of the original motion on the Administration.

8. The Chairman said that the Secretariat sent the ruling on the original motion to all members via email before the commencement of today's meeting, and that he had sought advice from the Legal Adviser ("LA") of the LegCo Secretariat before making the ruling. It was not appropriate to discuss the Chairman's ruling at the meeting as his ruling was final.

9. The Chairman explained that, even if the notices given by Dr YIU Chung-yim and Mr CHU Hoi-dick for the addition of an agenda item and for the moving of their proposed motions could satisfy the requirements under FCP21, he had to consider a series of factors, including the advice given by LA, comments made by the Administration and responses to the Administration's comments provided by Dr YIU and Mr CHU, before deciding on the admissibility of such proposals. Having considered these factors, the Chairman ruled that the original motion was out of order. Since the original motion was out of order, the Chairman would not include it in the agenda.

10. The Chairman explained that since the block allocations were funding proposals under CWRP and the operation of CWRP was governed by the Resolution on Capital Works Reserve Fund (Cap. 2A) under the Public Finance Ordinance (Cap. 2) and, which was not merely LegCo's internal business, it was therefore necessary for him to make reference to the Administration's responses when handling the motions proposed by members on the block allocations proposal. This was also an established practice of LegCo. The Chairman stressed that while he relied heavily on LA's legal advice in the process of coming up with the ruling, it was also incumbent upon him to make reference to the Administration's response. The Chairman added that, in his view, it was perhaps more appropriate to deal with the mechanism proposed by Mr CHU Hoi-dick and Dr YIU Chung-yim at forums other than regular FC meetings. The Chairman instructed the Clerk to explain to members those FCP provisions that were related to the giving of notices of the items of business to be included in the FC agenda.

11. Citing FCP21, the Clerk said that both the Administration and members were required to comply with the notice requirements under which notices of the items of business to be included in the FC agenda should reach the Clerk at least six clear days before the meeting concerned. Also, according to RoP 30(3)(c), the Chairman should direct that a notice, being in his opinion out of order, should be returned to the member who gave the notice. The Clerk explained that the types of "Finance Committee agenda item" referred to in FCP22 included, inter alia, "a motion from any member of the Finance Committee". Whether or not a motion proposed by members could be included in the FC agenda depended on the admissibility of the motion.



12. The Clerk explained that in the 2007-2008 legislative session, FC reviewed and considered the provisions in FCP, and consequently FCP21 was amended to stipulate that: "provided that it shall not be shorter than two clear days for motions moved by members for deciding on matters under the Public Finance Ordinance (Cap. 2)". In this connection, members might refer to LC Paper No. FCR(2007-08)33 for relevant information.

13. At 3:29 pm, the Chairman said that, as informed by the Clerk, the Administration had just given responses to the aforesaid five proposed motions. Mr CHU Hoi-dick and Dr YIU Chung-yim could provide written responses to the Administration's comments, and the Chairman would then give his rulings. Ms Tanya CHAN, Mr LEUNG Kwok-hung, Mr CHU Hoi-dick, Mr James TO, Dr KWOK Ka-ki, Dr LAU Siu-lai, Mr WU Chi-wai, Ms Claudia MO, Mr Jeremy TAM and Mr Dennis KWOK expressed views on or dissatisfaction with the Chairman's failure to immediately circulate the Administration's responses to members. Some members requested LA to advise members on this and demanded for sufficient time to read through the ruling on the original motion and the Administration's responses to the relevant motions.

14. Ms Starry LEE, Mr CHAN Hak-kan, Mr Martin LIAO and Mr Abraham SHEK said that, according to RoP 44, the Chairman's decision on a point of order should be final. They considered that the Chairman should not discuss his ruling with members.

15. At 3:54 pm, FC continued with the deliberation on the item FCR(2016-17)86.

16. Ms Starry LEE enquired about the impact on the construction industry in case FC could not approve the funding proposal by 1 April this year. Ms LEE said that while members might have different concerns about FCP and had proposed various improvement measures, such concerns should be addressed at other forums in future. Deputy Secretary for Financial Services and the Treasury (Treasury) 3 ("DSFST(T)3") responded that the block allocations under CWRP covered 9 600 projects, among which, 8 300 were already underway. In the event that the block allocations could not be passed in a timely manner, a large number of medium and small contractors and up to 10 000 industry practitioners who were engaged in such projects would be affected. A significant portion of projects covered by the block allocations was closely related to the livelihood of members of the public, including maintenance works in relation to schools and slopes.

Head 701 Subhead 1100CA—compensation and ex-gratia allowances in respect of projects in the Public Works Programme

*Development at Wang Chau, Yuen Long*

17. Dr KWOK Ka-ki considered that the non-indigenous inhabitants in Wang Chau were the ones most affected by the development project. Dr KWOK asked how the Administration would address the housing problems faced by these non-indigenous inhabitants. In his view, it was pointless for the Administration to consult those with rural background regarding the Wang Chau development plan because under the development plan, they were certainly bound by various conflicts of interests. Dr KWOK requested the Administration to develop the brownfield sites in Wang Chau as well under the project.

18. Ms Claudia MO and Dr LAU Siu-lai requested the Administration to withdraw the Wang Chau item from the block allocations proposal for members' separate consideration. Dr LAU also requested the Administration to withdraw from the proposal all those items that might affect the Dills Corner Garden. Ms MO said that all that was demanded by the affected residents was "no removal and no demolition". Dr LAU said that there were precedents in which individual items were added to or taken out from block allocations proposals. She requested the Administration to elaborate on the reasons why it could not withdraw the above two items from the proposal in question. Mr LEUNG Yiu-chung was dissatisfied that the Administration had disregarded the public's views, steadfastly refused to withdraw controversial items from block allocations proposal and impeded LegCo's performance of its function of monitoring the Government. Mr LEUNG also expressed doubts about the sincerity of the Administration in meeting the affected residents again and the effectiveness of such meetings.

19. DSFST(T)3 said that the Administration considered it inappropriate to withdraw individual items from the block allocations proposal for separate consideration, given the importance of the Wang Chau development project and the Administration's respect for the existing mechanism. Each and every development project was unique and could not be generalized. DSFST(T)3 and Assistant Director of Lands (Acquisition), Lands Department said that land resumption and compensation for projects involving the acquisition of land for development were governed by the Lands Resumption Ordinance (Cap. 124) under the established mechanism approved by FC for granting such compensation and ex-gratia allowances. In the course of such work, the

Administration had to verify whether the affected residents were eligible for compensation, ex-gratia allowances and other assistance, such as allocation of public rental housing ("PRH") units.

20. Chief Civil Engineer (2), Housing Department said that the Administration had emphasized at some other LegCo occasions that the Government's target of building 17 000 PRH units under the Wang Chau development project had not changed. Having taking into account a basket of factors, including infrastructure, brownfield operations, environmental mitigation measures, other technical support, etc., the Government decided to, in the first place, construct 4 000 units under the first phase of the Wang Chau project which was estimated for completion between 2024 and 2025. The Administration would then proceed to the second phase and the third phase in due course. The Administration had all along been in touch with the affected residents, and had informed LegCo Members earlier that another meeting with residents was scheduled for 31 March 2017. The Yuen Long District Council, the Chairman, Vice-chairmen and Senior Vice-chairmen of Ping Shan Rural Committee as well as representatives of the three villages affected by the project were informed of such meeting arrangements. He added that the road and sewerage works for Wang Chau first phase development were gazetted on 30 October 2015, and a total of 159 objections were subsequently received. Between January and May 2016, government departments responsible for various areas of work held 21 meetings with the opponents and interested parties, with a view to listening to their aspirations.

#### Motion for the adjournment of further proceedings of FC

21. At 4:24 pm, Mr Nathan LAW moved without notice 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 for not more than three minutes.

22. Mr Nathan LAW briefed members on his motion. Noting the Administration's response to the original motion, he believed that the Administration had a predetermined stance on FC's approval mechanism for block allocations proposal and had failed to provide sufficient legal justifications to negative the need for revising the existing mechanism. Instead, a significant portion of its response was devoted to elaborating on the implications of changing FC's approval mechanism, including enormous uncertainties for Controlling Officers, contractors and other stakeholders, disruption to land resumption and clearance processes and status of planned projects, as well as serious risks of delay in completion of

works or land resumption exercises with abortive costs. The Administration even alleged that the additional cost to public funding triggered unilaterally by FC was hard to justify. Mr LAW considered that there were no merits in the justifications provided by the Administration. He held that further proceedings of FC should be adjourned.

23. Dr KWOK Ka-ki, Ms Claudia MO, Dr YIU Chung-yim, Mr CHAN Chi-chuen, Mr SHIU Ka-chun, Mr LEUNG Yiu-chung, Mr KWONG Chun-yu, Mr HUI Chi-fung, Dr LAU Siu-lai and Mr Alvin YEUNG spoke in support of the motion that further proceedings be then adjourned. Some of these members said that they would be very happy to approve the block allocations proposal if the Administration withdrew a very small number of controversial items from the proposal. In addition, since some members did not have a clear idea about the ruling on the original motion and the Administration's responses to the motions, further proceedings of FC should be adjourned immediately so that members could read the documents thoroughly and then continue with the deliberation on the funding proposal concerned.

Order at the meeting

24. Some members of the public made noise or yelled in the public gallery from time to time when members were speaking. At 3:58 pm, 4 pm, 4:09 pm, 4:13 pm, 4:16 pm and 4:30 pm, the Chairman reminded them that they were required to keep quiet.

25. The meeting concluded at 4:59 pm.

Legislative Council Secretariat  
12 February 2018