

立法會
Legislative Council

LC Paper No. FC223/17-18

(These minutes have been
seen by the Administration)

Ref : FC/1/1(27)

Finance Committee of the Legislative Council

Minutes of the 55th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 23 June 2017, at 10:50 am

Members present:

Hon CHAN Kin-por, BBS, JP (Chairman)
Hon Michael TIEN Puk-sun, BBS, JP (Deputy Chairman)
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 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 Alice MAK Mei-kuen, BBS, JP
Hon KWOK Wai-keung
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
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 LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon Wilson OR Chong-shing, MH
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
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 James TO Kun-sun
Hon Kenneth LEUNG
Dr Hon KWOK Ka-ki
Hon Dennis KWOK Wing-hang
Dr Hon Fernando CHEUNG Chiu-hung
Hon SHIU Ka-chun
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:

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 LAU Kong-wah, JP	Secretary for Home Affairs
Mrs Betty FUNG CHING Suk-yee, JP	Permanent Secretary for Home Affairs
Mr YEUNG Tak-keung, JP	Commissioner for Sports, Home Affairs Bureau
Ms Linda LAW Lai-tan	Principal Assistant Secretary for Home Affairs (Recreation and Sport) 2

Clerk in attendance:

Ms Anita SIT	Assistant Secretary General 1
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Staff in attendance:

Ms Ada LAU	Senior Council Secretary (1)7
Mr Raymond SZETO	Council Secretary (1)5
Miss Queenie LAM	Senior Legislative Assistant (1)2
Mr Frankie WOO	Senior Legislative Assistant (1)3
Miss Yannes HO	Legislative Assistant (1)6

Action

Item No. 1 — FCR(2017-18)14

**RECOMMENDATION OF THE PUBLIC WORKS
SUBCOMMITTEE MADE ON 31 MAY 2017**

PWSC(2017-18)2

HEAD 703 — BUILDINGS

Recreation, Culture and Amenities —Sports facilities

272RS — Kai Tak Sports Park

Motion for the adjournment of further proceedings of the Finance
Committee

The Deputy Chairman directed that the Finance Committee ("FC") continued with the debate on the motion moved by Mr LEUNG Kwok-hung at the last meeting for the adjournment of further proceedings of FC. The Chairman returned to the conference room at 10:55 am to resume the chair.

2. Ms Claudia MO, Dr LAU Siu-lai, Mr HUI Chi-fung, Mr LEUNG Yiu-chung, Mr CHAN Chi-chuen, Mr WU Chi-wai, Mr KWONG Chun-yu and Mr Nathan LAW spoke in support of Mr LEUNG Kwok-hung's motion. In gist, they considered that the Administration had provided incorrect information to support its proposal (such as the adoption of the "Design-Build-and-Operate" ("DBO") approach), the contract period of the project was too lengthy and the Administration had failed to satisfactorily respond to members' queries and concerns. Dr YIU Chung-yim expressed dissatisfaction with the Chairman's direction on the speaking arrangements and the information given by the Administration in its papers.

3. The Secretary for Home Affairs ("SHA") denied providing incorrect information in the Government's papers. He stressed that information given in the Administration's papers was true and accurate. The Chairman said that he had, when giving directions on the speaking arrangements, struck a balance between members' rights to speak and the need to conduct meetings in an efficient manner, in compliance with the Rules of Procedure ("RoP") and judgments handed down by the court. Mr LEUNG Kwok-hung said that he reserved the rights to apply for a judicial review against the Chairman's decision on the meeting arrangements.

4. Mr CHAN Hak-kan, Mr Michael TIEN and Ir Dr LO Wai-kwok spoke against the motion moved by Mr LEUNG Kwok-hung. They supported the funding proposal and considered that filibustering by members of the pan-democratic camp had affected the construction sector as well as the livelihood of members in the construction industry.

5. Mr LEUNG Kwok-hung spoke in reply in respect of his motion. The Chairman put the motion to vote. At the request of members, the Chairman ordered a division. The motion for the adjournment of further proceedings of FC was negatived. The votes of individual members were set out in the **Annex**.

6. During the ringing of the division bell, Mr Abraham SHEK, Mr Jeffrey LAM and Mr Frankie YICK declared that they were the remunerated directors of a number of companies and the relevant information was set out in the Legislative Council's Register of Members' Interests.

7. FC continued with the discussion on item FCR(2017-18)14.

Tendering arrangement

8. Mr WU Chi-wai enquired whether the tender evaluation criteria for the Kai Tak Sports Park ("KTSP") project included how the tenderer would make use of KTSP to promote sports in the community.

9. SHA responded that even though tenderers were not required to set out a strategy for promoting sports in the community of Hong Kong, bids for the KTSP project had to meet a number of criteria, with two of which relating to the promotion of sports in the community, namely the required number of sports events to be held in the venues concerned, and that two-thirds of the Indoor Sports Centre's operation time had to be made available to sports events. The Permanent Secretary for Home Affairs ("PSHA") added that the conformity of tender information and tenderers' operation strategy with the Government's policy objectives of promoting sports in the community, supporting elite sports and maintaining Hong Kong as a centre for major international sports events was an important factor in awarding technical scores for tenders. The weighting for this part, together with other technical requirements, was 60% in the total scores for tenders.

10. Ms Claudia MO was concerned that as tenderers in the pre-qualifying exercise would not be given bid incentives, they might not prepare detailed tenders. She was also worried that there was a possibility of bid-rigging in the tendering exercise. Mr HO Kai-ming did not agree with the views of Ms MO regarding bid-rigging.

11. PSHA responded that the pre-qualification exercise was underway. Only those who satisfied the relevant criteria (such as sufficient relevant experience) would be pre-qualified. The Government would prequalify three tenderers. She also said that the shortlisted tenderers were expected to spend \$100 million to \$200 million on preparing for the bids. To qualify for the bid incentive, the bids submitted by the unsuccessful tenderers must fulfill all the benchmark requirements set by the Government and provide detailed information about the costs incurred in tender preparation.

12. Mr CHU Hoi-dick requested the Administration to provide in a list the highlights on tendering for the contract of this project. SHA indicated that as a number of relevant papers had been provided, an index of papers that had been submitted by the Government to the Legislative Council ("LegCo") would be provided in due course.

[Post-meeting note: The Chinese and English versions of the supplementary information provided by the Administration were circulated to members vide LC Paper Nos. FC238/16-17(01) and FC253/16-17 on 19 July 2017 and 14 August 2017 respectively.]

Operation and monitoring of KTSP

13. Mr KWONG Chun-yu sought information on the composition of the Kai Tak Sports Park Advisory Committee ("the Advisory Committee"), and whether members of the Advisory Committee were appointed by the Chief Executive.

14. SHA responded that the Advisory Committee would comprise representatives from the sports sector, retired athletes, representatives from the art and performance sector, LegCo Members, representatives from the professional sector and members of the District Councils. Members of the Advisory Committee would be appointed by the Home Affairs Bureau ("HAB"), but its membership size and composition had yet to be finalized.

15. Mr CHAN Chi-chuen considered that KTSP should adopt a venue booking arrangement similar to those for the sports facilities managed by the Leisure and Cultural Services Department ("LCSD") so as to prevent contractors from handling venue booking applications purely from the commercial perspective. He enquired whether there were channels for the public to complain about the contractors' handling of venue booking applications. Mr CHAN asked whether the Administration would provide unisex toilets and changing facilities in KTSP. Mr LEUNG Yiu-chung expressed similar concerns and sought information on how to ensure that the Contracted Party would handle venue booking applications without political considerations.

16. SHA responded that the charges for using and arrangements for booking venues in the Public Sports Ground and Indoor Sports Centre of KTSP would be similar to those for LCSD sports facilities. KTSP would be owned and monitored by the Government, and the Government had to respond to LegCo Members' questions on the operation of KTSP. In addition, the Government would encourage KTSP contractor to enhance its communication with the sports sector and listen to the views of members of the public and venue users. The Advisory Committee would also monitor the operation of KTSP. SHA stressed that the Government's handling of venue booking applications did not involve political considerations, and LCSD had put in place a set of arrangements governing the priority booking for venues which had worked well over the years. PSHA responded that unisex toilets would be provided in KTSP, and the Government would also examine the provision of accessible unisex changing facilities in KTSP.

17. Noting that there would be eight hectares of public open space in KTSP, Dr CHENG Chung-tai enquired whether the Administration would specify in the contract how the open space should be used by the Contracted Party.

18. PSHA responded that the mode of operation for the eight hectares of public open space in KTSP would be similar to that for parks managed by LCSD, i.e. while the open space would be leased to members of the public for holding various activities during certain timeslots (estimated to be about 42 event days) in a year, the open space would be open for public use free of charge during the remaining period. She also said that the Government, for the time being, did not intend to regulate the use of such space under the Public Health and Municipal Services Ordinance (Cap. 132) to maximize the flexibility allowed for the Contracted Party to manage the open space concerned.

Procurement model

19. Ms Tanya CHAN enquired whether the Administration would make reference to the Introductory Guide to Public Private Partnerships ("PPP Introductory Guide") issued by the Efficiency Unit in 2008 when it designed the tendering exercise for KTSP. She pointed out that according to the PPP Introductory Guide, under a DBO, the Government should make payments to contractors after the completion of a project. Ms CHAN questioned whether the payment arrangement for the KTSP project went against the PPP Introductory Guide. Mr CHU Hoi-dick and Mr Nathan LAW raised similar questions. Dr CHENG Chung-tai shared members' concerns about the DBO approach. Mr HO Kai-ming was of the view that members should not dwell on the definition of the DBO approach.

20. SHA confirmed that HAB would make reference to the PPP Introductory Guide and said that the DBO approaches adopted in different places/by different organizations were featured by their own characteristics. PSHA added that the Government had, in its paper submitted to LegCo on 16 May 2017 (LC Paper No. PWSC162/16-17(02) in which four successful examples of overseas countries adopting the DBO approach in developing major stadiums were provided), clearly pointed out that the examples were overseas major stadiums adopting the DBO principle for development. There was no indication in the paper that the modes of development for these stadiums were identical to that for KTSP. She also said that government departments were not rigidly bound by the PPP Introductory Guide. It was also pointed out in the PPP Introductory Guide that the

definitions and procedures of DBO adopted by different places did vary. PSHA further said that quite a number of government projects were taken forward in the form of public works projects whereby payments were made to contractors in phases. Also, the DBO procurement model and the mode of payment by the Government were two separate issues.

Promoting sports development in Hong Kong

21. Mr KWONG Chun-yu criticized that the sports policy in Hong Kong was far from comprehensive, and pointed out that many Hong Kong athletes were worse off than athletes in other places.

22. Mr HO Kai-ming suggested that the Administration should consider subsidizing live coverage of various local sports competitions with a view to promoting sports in the community.

23. SHA responded that the Government had set up a \$7 billion Elite Athletes Development Fund to support elite sports and the development of athletes in Hong Kong. Also, the Government provided resources to encourage national sports associations in employing retired athletes. In addition, the Hong Kong Sports Institute had signed a Memorandum of Understanding with local universities to facilitate the dual development pathway for elite athletes, i.e. to pursue education and full-time athletic training at the same time.

Project costs and other expenditures

24. Mr LEUNG Che-cheung asked how the consultants' fee for contract administration was calculated, whether the fee would change in tandem with fluctuations in project costs, and whether the Administration would have to seek LegCo's approval for supplementary provision in case of cost overruns. PSHA said that the consultants' fee for contract administration was a fixed sum which would not be adjusted in tandem with the level of bidding price. Moreover, as relatively few unforeseeable factors would emerge, it was anticipated that the possibility of having to seek LegCo's approval for supplementary provisions due to cost overruns was rather slim.

Motions proposed by members under paragraph 37A of the Finance Committee Procedure

25. At 12:17 pm, FC started to vote on whether the motions proposed by members under paragraph 37A of the Finance Committee Procedure ("FCP") ("FCP 37A motions") would be proceeded forthwith. At the request of members, the Chairman ordered a division. The Chairman declared that the question on whether the motion proposed by Dr YIU Chung-yim numbered [0001](#) would be proceeded with forthwith was negated. At 12:24 pm, Mr MA Fung-kwok said that he had voted against the question, but his vote was not shown on the electronic display screen. The Chairman said that Mr MA Fung-kwok's voting intention would be put on record.

Motion moved by Mr CHAN Hak-kan under paragraph 47 of the Finance Committee Procedure

26. At 12:23 pm, Mr CHAN Hak-kan moved without notice under FCP 47 that in the event of further divisions being claimed in respect of any motions or questions under the same agenda item, FC should proceed to each of such divisions immediately after the division bell had been rung for one minute. The Chairman proposed the question on the motion moved by Mr CHAN Hak-kan. He directed that each member might speak once on the motion for not more than three minutes.

27. Mr LEUNG Kwok-hung, Mr CHAN Chi-chuen, Mr HUI Chi-fung, Mr KWONG Chun-yu, Mr Nathan LAW, Dr YIU Chung-yim and Mr LAM Cheuk-ting spoke against Mr CHAN Hak-kan's motion. They were of the view that, as a reasonable arrangement, members should be given sufficient time to return to the conference room and consider the contents of the FCP 37A motions. Some members also said that the Chairman should allow members to have more time to carefully scrutinize the funding proposal concerned. Expressing dissatisfaction with the clash between this FC meeting and other scheduled meetings of LegCo, some members considered that under such circumstances, it was undesirable to shorten the duration of the division bell.

28. Ms Alice MAK expressed support for Mr CHAN Hak-kan's motion.

29. The meeting ended at 12:48 pm.

點名表決DIVISION: 2
日期 DATE: 23/06/2017
時間 TIME: 11:38:38 上午 AM

動議 MOTION: 動議委員會現即休會
Motion that further proceedings of the Committee be now adjourned

動議人 MOVED BY:

出席 Present : 53
投票 Vote : 52
贊成 Yes : 19
反對 No : 33
棄權 Abstain : 0
結果 Result : 否決 Negatived

個別表決如下 THE INDIVIDUAL VOTES WERE AS FOLLOWS:

議員	MEMBER	投票	VOTE	議員	MEMBER	投票	VOTE
陳健波	CHAN Kin-por	出席	PRESENT	葉建源	IP Kin-yuen		
涂謹申	James TO			葛珮帆	Dr Elizabeth QUAT	反對	NO
梁耀忠	LEUNG Yiu-chung	贊成	YES	廖長江	Martin LIAO	反對	NO
石禮謙	Abraham SHEK	反對	NO	潘兆平	POON Siu-ping	反對	NO
張宇人	Tommy CHEUNG	反對	NO	蔣麗芸	Dr CHIANG Lai-wan	反對	NO
李國麟	Prof Joseph LEE			盧偉國	Ir Dr LO Wai-kwok	反對	NO
林健鋒	Jeffrey LAM	反對	NO	鍾國斌	CHUNG Kwok-pan	反對	NO
黃定光	WONG Ting-kwong	反對	NO	楊岳橋	Alvin YEUNG	贊成	YES
李慧琼	Starry LEE			尹兆堅	Andrew WAN	贊成	YES
陳克勤	CHAN Hak-kan	反對	NO	朱凱迪	CHU Hoi-dick	贊成	YES
梁美芬	Dr Priscilla LEUNG	反對	NO	吳永嘉	Jimmy NG	反對	NO
黃國健	WONG Kwok-kin	反對	NO	何君堯	Dr Junius HO	反對	NO
葉劉淑儀	Mrs Regina IP			何啟明	HO Kai-ming	反對	NO
謝偉俊	Paul TSE	反對	NO	林卓廷	LAM Cheuk-ting	贊成	YES
梁國雄	LEUNG Kwok-hung	贊成	YES	周浩鼎	Holden CHOW		
毛孟靜	Claudia MO	贊成	YES	邵家輝	SHIU Ka-fai	反對	NO
田北辰	Michael TIEN	反對	NO	邵家臻	SHIU Ka-chun		
何俊賢	Steven HO	反對	NO	柯創盛	Wilson OR	反對	NO
易志明	Frankie YICK	反對	NO	容海恩	YUNG Hoi-yan	反對	NO
胡志偉	WU Chi-wai	贊成	YES	陳沛然	Dr Pierre CHAN		
姚思榮	YIU Si-wing	反對	NO	陳振英	CHAN Chun-ying	反對	NO
馬逢國	MA Fung-kwok	反對	NO	陳淑莊	Tanya CHAN	贊成	YES
莫乃光	Charles Peter MOK	贊成	YES	張國鈞	CHEUNG Kwok-kwan	反對	NO
陳志全	CHAN Chi-chuen	贊成	YES	許智峯	HUI Chi-fung	贊成	YES
陳恒鎮	CHAN Han-pan	反對	NO	陸頌雄	LUK Chung-hung	反對	NO
梁志祥	LEUNG Che-cheung	反對	NO	劉國勳	LAU Kwok-fan		
梁繼昌	Kenneth LEUNG			劉業強	Kenneth LAU		
麥美娟	Alice MAK	反對	NO	鄭松泰	Dr CHENG Chung-tai	贊成	YES
郭家麒	Dr KWOK Ka-ki			鄭俊宇	KWONG Chun-yu	贊成	YES
郭偉强	KWOK Wai-keung	反對	NO	譚文豪	Jeremy TAM	贊成	YES
郭榮鏗	Dennis KWOK			羅冠聰	Nathan LAW	贊成	YES
張華峰	Christopher CHEUNG	反對	NO	姚松炎	Dr YIU Chung-yim	贊成	YES
張超雄	Dr Fernando CHEUNG			劉小麗	Dr LAU Siu-lai	贊成	YES
黃碧雲	Dr Helena WONG	贊成	YES				

秘書 CLERK

