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**Public Works Subcommittee of the Finance Committee
of the Legislative Council**

**Minutes of the 8th meeting
held in Conference Room 1 of the Legislative Council Complex
on Wednesday, 15 February 2017, at 8:30 am**

Members present:

Ir Dr Hon LO Wai-kwok, SBS, MH, JP (Chairman)
Hon Charles Peter MOK, JP (Deputy Chairman)
Hon Abraham SHEK Lai-him, 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 Paul TSE Wai-chun, JP
Hon LEUNG Kwok-hung
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
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 CHAN Chi-chuen
Hon LEUNG Che-cheung, BBS, MH, JP

Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Dr Hon Elizabeth QUAT, JP
Dr Hon CHIANG Lai-wan, JP
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-chun
Hon Wilson OR Chong-shing, MH
Hon CHAN Chun-ying
Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LAU Kwok-fan, MH
Hon Kenneth LAU Ip-keung, MH, JP
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho
Hon Nathan LAW Kwun-chung
Dr Hon YIU Chung-yim
Dr Hon LAU Siu-lai

Member attending:

Hon Martin LIAO Cheung-kong, SBS, JP

Members absent:

Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon CHAN Han-pan, JP

Public officers attending:

Mr Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) ³
Mr HON Chi-keung, JP	Permanent Secretary for Development (Works)
Mr Thomas CHAN Chung-ching, JP	Deputy Secretary for Development (Planning and Lands) ¹
Mr Donald TONG Chi-keung, JP	Permanent Secretary for the Environment
Ms Jasmine CHOI Suet-yung	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mr Tony MOYUNG Hon	Assistant Director of Lands (Acquisition)
Ms Joyce NG Suet-ye	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
Mr LAM Sai-hung, JP	Director of Civil Engineering and Development
Mr Ricky LAU Chun-kit, JP	Head of Civil Engineering Office Civil Engineering and Development Department
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 CHUI Wing-wah	Deputy Director of Highways

Mr Kelvin LO Kwok-wah	Project Manager (Major Works) Highways Department
Miss Charmaine WONG Hoi-wan, JP	Assistant Director of Home Affairs (2)
Mr Martin KWAN Wai-cheong	Chief Engineer (Works) Home Affairs Department
Miss Winnie WONG Ming-wai	Deputy Secretary-General (1) University Grants Committee Secretariat
Mr Samuel FAN Kim-fung	Chief Maintenance Surveyor (School Premises Maintenance)(Acting) Education Bureau
Ms PING Tak-wai	Senior Maintenance Surveyor (School Premises Maintenance) Education Bureau
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
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

Capital Works Reserve Fund block allocations mechanism

3. The Chairman said that Mr CHU Hoi-dick had raised a number of questions on CWRF block allocations in his letter to him and the Chairman of the Finance Committee ("FC") dated 10 February 2017 ([LC Paper No. PWSC66/16-17\(01\)](#)) (Chinese version only). Referring to paragraph 2 of the Public Works Subcommittee ("PWSC") Procedure, the Chairman pointed out that PWSC of FC was established under Rule 71(5) of RoP for the purpose of assisting FC in the performance of its function. PWSC examined the public works expenditure proposals presented by the Financial Secretary and made recommendations to FC, but had no independent functions or powers. It was FC that must make the decisions; and in doing so, FC was not bound in any way by the recommendations of PWSC. The Chairman said that the Subcommittee examined block allocations proposals in accordance with the established block allocations mechanism. The Subcommittee had no power to deal with the legal challenges raised by members in respect of the mechanism and the handling of such issues should be left to the decision of FC. Unless otherwise directed by FC, the Subcommittee would adhere to the established block allocations mechanism in examining block allocations proposals.

4. The Chairman added that the Administration had provided a response to Mr CHU's letter ([LC Paper No. PWSC66/16-17\(02\)](#)), which was tabled at the meeting. The Subcommittee would not discuss Mr CHU's letter.

5. Mr CHU Hoi-dick enquired about the channels available for members to discuss matters relating to the CWRF block allocations mechanism if the Subcommittee did not deal with the queries he raised in his letter. The Chairman said that Mr CHU's letter was also addressed to the FC Chairman. As regards how the FC Chairman would deal with Mr CHU's queries, it should be up to the FC Chairman to make his own decision.

6. Ms Tanya CHAN requested the public officers present to brief members at the meeting on the Administration's response to Mr CHU's letter ([LC Paper No. PWSC66/16-17\(02\)](#)). While agreeing to let the public officers give a briefing, the Chairman stated that the Subcommittee would not discuss the CWRF block allocations mechanism. At the invitation of the Chairman, Deputy Secretary for Financial Services and the Treasury (Treasury)3 ("DSFST(T)3") briefed members on [LC Paper No. PWSC66/16-17\(02\)](#).

7. Mr LEUNG Kwok-hung said that the CWRF block allocations mechanism was established in as early as 1982. Given the changes in the political system and social environment, the mechanism had become outdated.

He therefore considered it the right time to revamp the mechanism. The Chairman reiterated that the Subcommittee would not discuss the CWRP block allocations mechanism.

Proposal to take out individual project items under the block allocations proposal for separate consideration and voting

8. Citing the projects of Liantang/Heung Yuen Wai Boundary Control Point and Hong Kong section of Guangzhou-Shenzhen-Hong Kong Express Rail Link as examples, Mr CHU Hoi-dick pointed out that the Subcommittee had separately examined the funding proposal to offer special ex-gratia payments under CWRP Head 701 - Land Acquisition when considering the above projects. Mr CHU queried why the Administration could not take out the funding proposals for the projects under Land Acquisition which were related to the development at Wang Chau, Yuen Long, from the block allocations proposal for separate consideration.

9. Assistant Director of Lands (Acquisition) explained that the special ex-gratia payments mentioned above were different from those provided under the land acquisition compensation mechanism which had long been adopted by the Administration and had been approved by FC. Hence, the relevant funding proposal had to be submitted separately for FC's consideration. As regards the land acquisition expenditure related to Phase 1 of the development at Wang Chau, Yuen Long, it was included in the block allocations proposal because the compensation would be made in accordance with the established arrangements.

10. Mr YIU Si-wing expressed objection to members' request for taking out individual projects from the block allocations proposal for separate consideration. He commented that that members of the Subcommittee represented voters of different constituencies and had their own concerns. If the Subcommittee took out those projects about which concerns had been raised by individual members and examined them one by one, the deliberation process would be endless.

11. Mr LAM Cheuk-ting disagreed with the view of Mr YIU Si-wing. He considered it normal for members to express opinions on behalf of voters of their respective constituencies on items of concern. Given the small proportion of controversial projects in the block allocations proposal, Mr LAM urged the Administration to take out the controversial projects for separate consideration by the Subcommittee, in order not to affect the implementation of other projects and the livelihood of the workers concerned. Mr LEUNG Kwok-hung questioned under what legislation the

Administration refused to take out individual projects from the block allocations proposal for separate consideration and voting.

12. DSFST(T)3 explained that the items under the block allocations proposal mainly covered standalone minor works projects and pre-construction works (e.g. feasibility studies) for large main projects. The results of the pre-construction studies would facilitate members' thorough discussion of the funding proposals for the main projects in future. The Administration made funding applications to the Subcommittee in accordance with the established block allocations mechanism. The Administration was willing to answer members' questions on various projects under the proposal and provide supplementary information where necessary. However, the Administration considered it inappropriate to take out individual projects from the block allocations proposal for separate consideration.

13. The Chairman said that the items currently within the ambit of the block allocations proposal (e.g. pre-construction works for main projects) involved funding of less than \$30 million each (except those for computerization, Universal Accessibility Programme, compensation for land resumptions and landslip preventive measures). Such an arrangement provided greater flexibility for the Administration to implement projects of a smaller scale. For main projects which needed to be upgraded to Category A and cost more than \$30 million, it was necessary for the Administration to submit a separate funding proposal for the project to the Subcommittee and FC for consideration. Members could follow up on projects they deemed controversial at the relevant meetings in future.

14. Mr HUI Chi-fung was dissatisfied with the Chairman's decision to reject the request of some members for considering and voting on individual project items separately. He opined that pre-construction works could also lead to irreversible consequences.

Implications of block allocations not being approved as scheduled

15. Mr YIU Si-wing enquired whether the Administration had assessed the number of projects for which works had to be suspended if no approval for the block allocations could be obtained as scheduled, and about the worst case scenario anticipated by the Administration as well as how it would deal with the situation.

16. Principal Assistant Secretary for Financial Services and the Treasury (Treasury)(Works)("PAS(Tsy)(W)") replied that the CWRP block allocations for 2017-2018 covered about 9 600 items, among which about 8 300 were

already underway. If FC's approval for the block allocations proposal could not be obtained by 1 April 2017, those on-going items would have to be discontinued while new items could not be commenced. If this were the case, it would not only cause serious interruption to public services but would also affect the operation of many small and medium enterprises taking up the relevant projects as well as the livelihood of construction workers.

17. Dr YIU Chung-yim said that he had declared interest at the last meeting on 3 February 2017. Dr YIU asked under what legislation the Administration was required to guarantee the employment of construction workers. Moreover, he queried whether the Administration's statement emphasizing that members of the Subcommittee, in examining the block allocations proposal, should take into account the impact of delaying the consideration of the allocations on the employment of construction workers was in compliance with the provisions of the Basic Law regarding LegCo Members' responsibility to approve public expenditure.

18. Permanent Secretary for Development (Works) said that the Administration had contractual relationship with the project contractors, consultants and directly hired employees taking up the block allocations items. The Administration's earlier explanation was intended to illustrate that failure to obtain FC's approval for the block allocations proposal by 1 April 2017 would give rise to breach of contract.

Project items under the block allocations proposal

19. Noting that the Administration often carried out relevant pre-construction works for the main projects before submitting the funding proposals to FC for consideration, Mr CHAN Chun-ying enquired about the criteria adopted by the Administration for deciding to carry out the pre-construction works.

20. PAS(Tsy)(W) explained that the Administration needed to carry out different kinds of pre-construction works, such as feasibility studies, engineering design and site investigations, depending on the nature of the main projects.

Head 701 - Land Acquisition Subhead 1004CA - Compensation for surrenders and resumptions: miscellaneous

21. Mr CHAN Chun-ying noted that the project of "West Island Line - loss of redevelopment potential arising from underground strata resumption", which involved an estimated expenditure of \$4.5 million for 2017-2018, was created under the block allocations proposal to meet the possible claims

arising from the loss of redevelopment potential of the nearby old buildings due to the construction of MTR West Island Line. He enquired if \$4.5 million was sufficient to meet such claims and sought information on the number of relevant claims in the past.

22. Chief Estate Surveyor (Acquisition), Lands Department replied that as there were just a few outstanding claim cases at present and the Administration had already got hold of the information about the cases, it was expected that \$4.5 million would be sufficient to meet the expenditure on the item for 2017-2018.

Head 703 - Buildings Subhead 3101GX - Minor building works for items in Category D of the Public Works Programme

23. Mr CHAN Chun-ying sought explanation from the Administration for the estimated construction cost of \$8.99 million for the item "Conversion of an aqua privy at Shek Lau Po, Tung Chung (TC-7) into a flushing toilet", which was more expensive than those for other award-winning public toilets, e.g. the Ngong Ping Road Public Toilet, Lantau, and the Fong Ma Po Public Toilet, Lam Tsuen, Tai Po.

24. Director of Architectural Services advised that the construction costs for public toilets were related to their size and locations. As no public sewerage connection was available in the vicinity of the public toilet in Shek Lau Po, Tung Chung, chemical treatment facilities had to be installed in the public toilet for treating wastewater generated therefrom.

Head 705 - Civil Engineering Subhead 5101CX - Civil engineering works, studies and investigations for items in Category D of the Public Works Programme

25. Dr Fernando CHEUNG said that residents of Ma Liu Shui, Shatin, and Ma On Shan on the opposite shore were quite opposed to the reclamation at Ma Liu Shui proposed by the Administration. He sought details of the consultancy study on Project 5H73CL (Study on the Technical Issues related to the Potential Reclamation Site at Ma Liu Shui - Consultants Fees), including the scope of the study, and the present work and future plans (including the plan for public consultation) regarding the proposed reclamation.

26. Director of Civil Engineering and Development ("DCED") replied that the Administration had conducted public engagement exercises on "Enhancing Land Supply Strategy: Reclamation outside Victoria Harbour and Rock Cavern Development" some years ago to solicit public views, and

identified five potential near shore reclamation sites (including Ma Liu Shui) for further studies. After the completion of the Stage 2 Public Engagement exercise in 2013, the Civil Engineering and Development Department had been conducting a relevant technical study to explore feasible solutions in response to the public concerns about the proposed reclamation at Ma Liu Shui raised during the exercise. The study was expected to be substantially completed in mid-2017. Head of Civil Engineering Office, Civil Engineering and Development Department supplemented that the scope of the technical study covered the impacts of the proposed reclamation on traffic, noise pollution, air quality, shore landscape, backflow of river water, water quality, marine ecology, etc. The Institute of Future Cities of the Chinese University of Hong Kong was also commissioned to conduct district aspirations surveys to gauge public views on the proposed plan. The Administration undertook to provide supplementary information after the meeting.

(Post meeting note: The supplementary information provided by the Administration ([LC Paper No. PWSC81/16-17\(01\)](#)) (Chinese version) was tabled at the meeting on 18 February 2017.)

Head 707 - New Towns and Urban Area Development Subhead 7100CX - New towns and urban area works, studies and investigations for items in Category D of the Public Works Programme

27. Mr HUI Chi-fung enquired about the specific work content of the item "Ground decontamination works at the site of ex-Kennedy Town Incineration Plant/Abattoir and adjoining area (including the Cadogan Street Temporary Garden)" under the block allocations proposal, and whether it involved felling of trees, erection of hoarding and preparation for the commencement of the main decontamination works.

28. DCED explained that the block allocations proposal included two items which were related to the above decontamination works, one being the site investigation and design in preparation for the main decontamination works, and the other being the protective and upkeeping works to be carried out in the relevant construction site before the commencement of the main decontamination works pursuant to the requirements under the Environment Impact Assessment. The commencement of the main decontamination works was subject to FC's separate approval of the relevant funding proposal.

Motion to adjourn further proceedings of the Subcommittee

29. At 9:30 am, when speaking on the item, Mr CHU Hoi-dick moved a motion pursuant to paragraph 33 of the PWSC Procedure to adjourn further proceedings of the Subcommittee.

30. The Chairman said that the Subcommittee would proceed forthwith to deal with the motion proposed by Mr CHU Hoi-dick. Each member could speak once on the motion, and the speaking time should not be more than three minutes.

31. Mr CHU Hoi-dick opined that the CWRP block allocations mechanism had put members who were opposed to a few individual items among the some 9 000 items under the block allocations proposal in a dilemma that if these members supported the block allocations proposal, it would be tantamount to also supporting the items to which they were opposed; if they insisted on opposing individual items, then they would have to also reject the other 9 000-odd livelihood-related items. He had therefore requested the Chairman repeatedly at the meetings of the Subcommittee that individual controversial items under the block allocations proposal be taken out for separate voting by the Subcommittee, or be taken out by the Administration for separate consideration by the Subcommittee. As the Chairman/the Administration had not accepted his suggestion, the meeting could not proceed further.

32. Dr LAU Siu-lai, Mr SHIU Ka-chun, Mr LEUNG Kwok-hung, Ms Tanya CHAN, Dr Fernando CHEUNG and Mr HUI Chi-fung spoke in support of the motion proposed by Mr CHU Hoi-dick, and objected to the Administration's submission of the block allocations proposal in a bundled manner.

33. Mr CHAN Chi-chuen, Ms Tanya CHAN and Ms Claudia MO considered that the Chairman/the Administration could re-order the agenda items to allow the Subcommittee to first deal with other agenda items before moving onto the block allocations proposal.

34. Mr KWONG Chun-yu, Dr Fernando CHEUNG and Mr HUI Chi-fung said that given the strong opposition from the public to a small number of items under the block allocations proposal, members had the responsibility to perform their gatekeeper role when the Subcommittee examined the funding proposal. They urged the Administration to take out the small number of controversial items under the block allocations proposal so that the remaining majority of items which were not controversial could be endorsed first.

35. Dr Helena WONG said that seven members belonging to the Democratic Party had written to the Chairman ([LC Paper No. PWSC20/16-17\(01\)](#)) (Chinese version only) requesting that four controversial items under the block allocations proposal be taken out for separate voting. However, the Administration's response to the request ([LC Paper No. PWSC20/16-17\(02\)](#)) was disappointing.

36. Mr WU Chi-wai said that the Panel on Development had passed two non-binding motions at its meeting on 22 November 2016, requesting the Administration to take out/withdraw a number of controversial items under the block allocations proposal. However, such items were still included in the block allocations proposal submitted to the Subcommittee for consideration. In his view, this reflected the Administration's reluctance to listen to the views of LegCo Members, which was not conducive to improving the relationship between the executive authorities and the legislature. Mr WU and Mr Andrew WAN requested that the controversial items under the block allocations proposal be taken out for separate voting.

37. Mr Nathan LAW considered that even if members supported the block allocations proposal, they should still be allowed to raise questions on individual items and should not vote on the proposal in haste. Mr LAW suggested that in addition to the civil servants concerned, politically-appointed officials should attend meetings of the Subcommittee to explain the policy concept behind the projects.

38. Referring to paragraph 37 of the PWSC Procedure, the Chairman pointed out that members' questions on a proposal must relate directly to the contents of the agenda item. On wider questions of policy, members should raise them either in the full Council or at an appropriate Panel. Hence, politically-appointed officials were generally not required to attend meetings of the Subcommittee to answer questions on policy matters.

39. Dr YIU Chung-yim said that members raised questions on the block allocations proposal to discharge their duties as LegCo Members so as to ensure the proper use of public money. He was dissatisfied with the comments that members delayed the examination of the block allocations proposal by raising questions.

40. Mr WONG Kwok-kin, Ms Alice MAK, Mr HO Kai-ming and Mr Holden CHOW spoke against the motion proposed by Mr CHU Hoi-dick.

41. Mr WONG Kwok-kin considered that members who were opposed to individual items under the block allocations proposal should decide whether or not to support the entire proposal after weighing the pros and cons.

Given that the livelihood of the workers engaged in the projects would be affected if the Subcommittee delayed the voting on the block allocations proposal, Mr WONG asked the Chairman when he would "draw a line" to end the "question time" so that the Subcommittee could proceed to voting on the block allocations proposal. If the Chairman did not intend to do so, he suggested that the Administration should submit the funding proposal direct to FC for consideration.

42. The Chairman said that he must ensure the orderly, fair and proper conduct of meetings of the Subcommittee. He would decide whether or not to "draw a line" to end the "question time" having regard to the questions raised by members.

43. Mr CHAN Chi-chuen, Dr LAU Siu-lai, Mr SHIU Ka-chun, Mr KWONG Chun-yu, Mr WU Chi-wai and Mr Nathan LAW disagreed with the view of Mr WONG Kwok-kin.

44. Dr CHIANG Lai-wan opined that members could discuss whether the CWRP block allocations mechanism, which had been in place for more than 30 years, should continue to be adopted at an appropriate time. Dr CHIANG and Mr Holden CHOW pointed out that some of the items which were said to be controversial had in fact secured the support of the local District Councils and relevant Panels. It was inappropriate for some members to request the Administration to take out such items for separate voting by the Subcommittee.

45. At 10:30 am, when Dr CHIANG Lai-wan was speaking, the Chairman said that the meeting should end as scheduled. The Subcommittee would not proceed further with the motion to adjourn further proceedings of the Subcommittee proposed by Mr CHU Hoi-dick.

[During the meeting, some observers spoke loudly in the public gallery and an applause was heard. The Chairman repeatedly reminded observers that they must behave themselves, and must not shout or applaud.]

46. The meeting ended at 10:30 am.