

**立法會**  
***Legislative Council***

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(These minutes have been  
seen by the Administration)

Ref : FC/1/1(24)

**Finance Committee of the Legislative Council**

**Minutes of the 25<sup>th</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 28 June 2019, at 3:16 pm**

**Members present:**

Hon CHAN Kin-por, GBS, JP (Chairman)  
Hon CHAN Chun-ying, JP (Deputy Chairman)  
Hon James TO Kun-sun  
Hon LEUNG Yiu-chung  
Hon Abraham SHEK Lai-him, GBS, JP  
Prof Hon Joseph LEE Kok-long, SBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon WONG Ting-kwong, GBS, 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 Claudia MO  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Steven HO Chun-yin, BBS  
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, BBS, JP  
Hon LEUNG Che-cheung, SBS, MH, JP

Hon Kenneth LEUNG  
Hon Alice MAK Mei-kuen, BBS, JP  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung, JP  
Hon Dennis KWOK Wing-hang  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Dr Hon Helena WONG Pik-wan  
Hon IP Kin-yuen  
Dr Hon Elizabeth QUAT, BBS, JP  
Hon Martin LIAO Cheung-kong, SBS, JP  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, SBS, 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 CHEUNG Kwok-kwan, JP  
Hon HUI Chi-fung  
Hon LUK Chung-hung, JP  
Hon LAU Kwok-fan, MH  
Hon Kenneth LAU Ip-keung, BBS, MH, JP  
Dr Hon CHENG Chung-tai  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho  
Hon Gary FAN Kwok-wai  
Hon AU Nok-hin  
Hon Vincent CHENG Wing-shun, MH  
Hon Tony TSE Wai-chuen, BBS  
Hon CHAN Hoi-yan

**Members absent:**

Hon Tommy CHEUNG Yu-yan, GBS, JP  
Hon Frankie YICK Chi-ming, SBS, JP  
Hon SHIU Ka-chun  
Hon Tanya CHAN

**Public officers attending:**

Ms Alice LAU Yim, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Kinnie WONG	Acting Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Mike CHENG Wai-man	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr TSE Chin-wan, BBS, JP	Under Secretary for the Environment
Mrs Vicki KWOK WONG Wing-ki, JP	Deputy Director of Environmental Protection (2)
Dr Samuel CHUI Ho-kwong	Assistant Director of Environmental Protection (Waste Infrastructure Planning)
Miss Queenie NG Yuen-ching	Acting Principal Environmental Protection Officer (Biomass Management Facilities)
Dr CHOI Yuk-lin, JP	Under Secretary for Education
Miss Sharon KO Yee-wai	Principal Assistant Secretary for Education (Higher Education)
Prof James TANG Tuck-hong	Secretary-General, University Grants Committee
Mr David LEUNG Chee-kay	Deputy Secretary-General (2), University Grants Committee Secretariat
Ms Rebecca PUN Ting-ting, JP	Deputy Secretary for Transport and Housing (Transport)1
Mr Raymond SY Kim-cheung	Principal Assistant Secretary for Transport and Housing (Transport)5
Mr Michael LEUNG Chung-lap, JP	Project Manager (East), Civil Engineering and Development Department
Mr Mike CHO Wai-hung	Acting Chief Engineer (East 1), Civil Engineering and Development Department

Mr Tommy WONG Chi-wai	Senior Engineer (East 15), Civil Engineering and Development Department
Mr Kelvin SIU Kin-man	Acting Assistant Commissioner for Transport (Planning)
Mr Eric CHEUNG Kin-hung	Senior Engineer (Major Projects 4), Transport Department

**Clerk in attendance:**

Ms Anita SIT	Assistant Secretary General 1
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**Staff in attendance:**

Miss Bowie LAM	Council Secretary (1)1
Miss Queenie LAM	Senior Legislative Assistant (1)2
Mr Frankie WOO	Senior Legislative Assistant (1)3
Miss Yannes HO	Legislative Assistant (1)7

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Action

Issues relating to point of order

A number of members requested to speak and raise various points of order prior to proceeding to discussion on items on the agenda of the Finance Committee ("FC") meeting. The Chairman directed that each member might speak for not more than one minute on the point of order raised by him/her.

*Studies related to Artificial Islands in the Central Waters*

2. Mr KWONG Chun-yu queried whether the Chairman's direction of scheduling 15 additional FC meetings totalling 49 hours aimed to conclude the discussion on the funding proposal on studies related to artificial islands in the Central Waters before the end of the current session. The Chairman stated that he had earlier made it clear to the media that FC would not discuss that particular item before the end of the current session.

*Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019*

3. Ms Claudia MO, Mr AU Nok-hin and Mr Gary FAN expressed dissatisfaction with the personal views stated earlier by the Chairman on

the incidents triggered by the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 ("the Bill"). The Chairman noted members' views.

**Item 1 — FCR(2019-20)4**

**RECOMMENDATION OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 20 MARCH 2019**

**PWSC(2018-19)32**

**HEAD 705 — CIVIL ENGINEERING**

**Environmental Protection — Refuse Disposal**

**173DR — Organic Resources Recovery Centre Phase 2**

4. The Chairman advised that this item sought FC's approval for the recommendation made by the Public Works Subcommittee ("PWSC") on 20 March 2019 regarding PWSC(2018-19)32 for the upgrading of 173DR (i.e. Organic Resources Recovery Centre ("ORRC") Phase 2 ("ORRC2")) to Category A at an estimated cost of \$2,453 million in money-of-the-day ("MOD") prices. Some members had requested that the recommendation be voted on separately at the relevant FC meeting. PWSC spent 5 hours and 43 minutes on scrutinizing the above proposal, while FC had also spent a total of 1 hour and 58 minutes on discussing the above proposal at the last two meetings. The Administration had also provided a number of information papers.

5. The Chairman reminded members of the requirements under Rule 83A and Rule 84 of the Rules of Procedure. The Chairman declared that he was a director and the Chief Executive of Well Link Insurance Group Holdings Limited.

Continued discussion on the motion to adjourn discussion on item  
FCR(2019-20)4

6. At the last FC meeting held on 14 June 2019, subsequent to Dr Fernando CHEUNG's moving of a motion that discussion on item FCR(2019-20)4 be adjourned ("the adjournment motion"), the Chairman had then proposed the question that discussion on item FCR(2019-20)4 be adjourned and directed that each member might speak once on the motion for not more than three minutes. Some members had already spoken on the motion at the last meeting. The Chairman said that discussion on that motion would continue at today's meeting.

7. Dr CHENG Chung-tai, Mr CHU Hoi-dick, Mr LEUNG Yiu-chung, Dr KWOK Ka-ki and Ms Claudia MO expressed support for the adjournment motion, and objected to the scheduling of additional FC meetings. They proposed that the Chairman should, having regard to the heated controversies generated by the Bill, suspend FC's scrutiny of all funding proposals, with a view to reducing disputes and abating social tension.

8. Dr Junius HO, Mr Tony TSE and Mr LUK Chung-hung spoke against the adjournment motion. In gist, they supported the expeditious scrutiny of the remaining funding proposals within this session, in particular those funding proposals relating to people's livelihood and the economy. They agreed that additional FC meetings should be scheduled for this purpose.

9. Dr Fernando CHEUNG spoke in reply. The Chairman put the adjournment motion to vote. At the request of members, the Chairman ordered a division. The motion was negatived.

10. FC continued with the discussion on item FCR(2019-20)4.

#### Capital and management costs of Organic Resources Recovery Centres

11. Dr KWOK Ka-ki said that the capital cost of ORRC2, to the tune of \$2,453 million, was unreasonably high. He suggested that the design & build contract and the operation contract of the project could be tendered separately to reduce the price. Given the high costs involved, Mr Andrew WAN suggested that the Administration should consider deferring the implementation of the project.

12. Regarding ORRC2, Under Secretary for the Environment ("USEN") said that the average capital cost was around \$2,500 per sq foot floor area, which was not particularly high compared to those of similar projects. USEN also advised that as the relevant works contract was awarded by open tender to worldwide contractors, in which 50-odd companies had expressed interest with five biddings for the contract, the tendering process was believed to be sufficiently competitive. According to the requirements set out in the tender document, tenderers should specify in their tenders whether the surplus biogas would be sold to energy companies as fuels or the electricity generated would be sold to power companies. Tenderers were also required to provide information on the relevant design, construction and operation of their proposals so that the authorities might consider adopting a more cost-effective mode of operation. In response to Dr KWOK Ka-ki's enquiries, USEN said that

the operation contract of ORRC would specify the level of food waste treatment charges.

The management of food waste and the treatment capacity of Organic Resources Recovery Centres

13. Dr KWOK Ka-ki was concerned that while some 3 600 tonnes of food waste was currently generated every day in Hong Kong, the combined daily treatment capacity of Organic Resources Recovery Centre Phase 1 ("ORRC1) and ORRC2 was only about 500 tonnes of food waste generated from the commercial and industrial sector, which fell short of the demand. He also enquired about the target treatment capacity of domestic food waste in the coming three years. Mr Jeremy TAM requested the authorities to provide a timetable for the establishment of other ORRCs. Mr WU Chi-wai asked whether the authorities had learnt from the operational experience of ORRC1 by coordinating with commercial entities generating food waste and encouraging them to separate food waste at source.

14. Deputy Director of Environmental Protection (2) ("DDEP(2)") advised that according to "A Food Waste & Yard Waste Plan for Hong Kong 2014-2022", the Government planned to build a network of five to six ORRCs in the territory to treat the food waste in Hong Kong. The authorities were also launching the "food waste/sewage sludge anaerobic co-digestion" trial scheme ("the trial scheme") at the Sewage Treatment Works ("STW") in Tai Po so as to enhance the overall food waste treatment facilities and capability of Hong Kong. At the present stage, the combined daily treatment capacity of ORRC1 and the trial scheme at STW in Tai Po was 250 tonnes of food waste, and a capacity of 50 tonnes would be provided for treatment of domestic food waste. If FC's funding approval was given for the construction of ORRC2, with the completion of ORRC2 and the implementation of the trial scheme at STW in Sha Tin by 2022, the treatment capacity of domestic food waste would be raised to 200 tonnes per day, and by that time, the total food waste treatment capacity would reach 600 tonnes per day. Moreover, the Administration targeted to reach a territory-wide food waste treatment capacity of around 900 tonnes per day by 2026 with the commissioning of ORRC3. The Administration would also expeditiously identify more STWs which were considered suitable to adopt the "food waste/sewage sludge anaerobic co-digestion" technology, including enhancing the anaerobic co-digestion system when STW in Tai Po was to be expanded in future, so that its food waste treatment capacity could be raised to 200 tonnes per day. Hence, by mid-2030s, Hong Kong should have 1 800 tonnes of treatment capacity which was enough to absorb half of the total food waste generated in Hong

Kong every day, on par with the international level. USEN said that in operating ORRC1, the authorities coordinated with relevant industries, shopping arcades and non-governmental organizations to deliver the food waste generated at source to ORRC for treatment. Currently, it was common practice among food waste producers to use food waste bins to collect food waste. Regarding the new technology to be adopted in ORRC2, enclosed tankers would be used to directly pump the food waste generated by producers into the tankers to minimize the environmental hygiene and odour nuisance that might be caused during the collection process.

15. Mr HUI Chi-fung enquired about the funding spent on food waste technological researches and applications. He suggested that the authorities should use more new technologies to treat food waste, e.g. food waste might be liquefied and discharged through sewages.

16. USEN advised that apart from allocating resources to the construction of ORRCs, the authorities had also allocated about \$80 million on conducting research and development work regarding the trial use of "food waste/sewage sludge anaerobic co-digestion" technology in the STW in Tai Po. He pointed out that the food waste treatment technology to be adopted was subject to the restraints imposed by existing infrastructure facilities and site areas. Take food waste liquefaction technology as an example, the use of this technology required the conversion of existing sewage system and the availability of sufficient land for installing food waste pre-treatment system facilities.

17. Dr KWOK Ka-ki suggested that additional composters should be installed at the community level, and promotion of reduction of food waste should be enhanced for the purpose of reducing waste at source. DDEP(2) advised that as from 2011, the authorities had been continuously providing grants under the Environmental and Conservation Fund to subsidize the installation of small composters at housing estates to promote the awareness of sorting and recycling food waste. Since the launching of the scheme, more than 2 000 tonnes of food waste had been recycled. She also advised that the authorities would continue to promote the "Food Matters" message to members of the public.

#### Compost produced by Organic Resources Recycling Centres

18. Mr WU Chi-wai and Mr Andrew WAN asked about the supply and demand of local compost, as well as how the compost produced by ORRCs would be used. Mr AU Nok-hin requested the Administration to elaborate on how it could ensure that the compost produced by ORRCs could be



continuously absorbed by the market. Dr KWOK Ka-ki suggested that some of the compost produced by ORRCs should be provided to members of the public for domestic planting purpose free of charge.

19. USEN said that of the annual demand of about 30 000 tonnes of compost, around 3 000 tonnes was for agricultural use, while the rest (about 27 000 tonnes) was for landscaping purpose. As such, the total annual production of about 17 000 tonnes of compost from ORRC1 and ORRC2 should suffice to meet the compost demand for agriculture purpose in full and the demand for landscaping purpose in part. Given that Hong Kong produced tens of thousand tonnes of yard waste a year, the authorities planned to convert yard waste into compost to meet the remaining compost demand from the landscaping sector. USEN advised that the supply of quality compost at a reasonable price was of paramount importance in maintaining the sustainability of the compost market. The operation contract of ORRCs would stipulate that the quality of compost must meet the specified standards by passing all laboratory testing and accreditation requirements. It was also believed that such compost, being locally produced (i.e. by ORRCs) instead of imported, would be competitive price-wise.

#### Voting on FCR(2019-20)4

20. At 4:40 pm, the Chairman put item FCR(2019-20)4 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 36 members voted in favour of and 8 members voted against the item, and two members abstained from voting. The votes of individual members were as follows:

#### *For:*

Mr Jeffrey LAM Kin-fung	Mr WONG Ting-kwong
Ms Starry LEE Wai-king	Dr Priscilla LEUNG Mei-fun
Mr WONG Kwok-kin	Ms Claudia MO
Mr YIU Si-wing	Mr MA Fung-kwok
Mr CHAN Han-pan	Ms Alice MAK Mei-kuen
Dr KWOK Ka-ki	Mr KWOK Wai-keung
Mr Dennis KWOK Wing-hang	Mr Christopher CHEUNG Wah-fung
Mr IP Kin-yuen	Dr Elizabeth QUAT
Mr POON Siu-ping	Ir Dr LO Wai-kwok
Mr Alvin YEUNG	Mr CHU Hoi-dick
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	Mr Kenneth LAU Ip-keung
Mr Jeremy TAM Man-ho	Mr Gary FAN Kwok-wai
Mr AU Nok-hin	Mr Vincent CHENG Wing-shun
Mr Tony TSE Wai-chuen	Ms CHAN Hoi-yan
(36 members)	

*Against:*

Mr James TO Kun-sun	Mr WU Chi-wai
Dr Fernando CHEUNG Chiu-hung	Mr Andrew WAN Siu-kin
Mr LAM Cheuk-ting	Mr HUI Chi-fung
Dr CHENG Chung-tai	Mr KWONG Chun-yu
(8 members)	

*Abstained:*

Mr LEUNG Yiu-chung	Mr CHAN Chi-chuen
(2 members)	

21. The Chairman declared that the item was approved.

**Item 2 — FCR(2019-20)11**

**HEAD 190 — UNIVERSITY GRANTS COMMITTEE**

**Subhead 700 — General non-recurrent**

**New Item — "Injection into the Research Endowment Fund"**

**New Item — "Research Matching Grant Scheme"**

22. The Chairman advised that this item sought FC's approval for:

- (a) a new commitment of \$20 billion for injection into the Research Endowment Fund ("REF") to substantially increase and provide sustainable research funding to the higher education sector with a view to fostering the scientific research ecosystem in Hong Kong;
- (b) rationalizing the use of investment income of different pots of endowment of the REF (i.e. the endowment of REF was currently divided into four pots of money respectively earmarked for the Earmarked Research Grants, Theme-based Research Scheme, research projects of local self-financing degree-awarding institutions, and tuition waiver for local research postgraduate students at UGC-funded universities) for more effective deployment of funding; and

- (c) a new commitment of \$3 billion for launching the Research Matching Grant Scheme ("Research MGS") for three years, allowing local degree-awarding institutions (including self-financing institutions) to apply for matching grants from the Government for research-related purposes after securing research and development expenditure and donations from the private sector and philanthropists (items (a) to (c) above collectively referred to as "the proposed funding proposal").

The Education Bureau consulted the Panel on Education on the proposed funding proposal on 1 March 2019. The Panel spent about 1 hour and 9 minutes on the deliberation of the proposal.

23. Mr IP Kin-yuen, Chairman of the Panel on Education, briefed members on the outcome of discussion by the Panel. He advised that the Panel supported the Administration's proposal. However, some members considered that the research funding mechanism of the Research Grants Council ("RGC") under the University Grants Committee ("UGC") had placed more emphasis on research rather than teaching and greater focus on science rather than arts, resulting in uneven distribution of resources and indirectly giving rise to various problems such as the employment of contract and part-time teachers by universities. Members of the Panel had passed three motions in this regard, urging the Administration to adopt effective measures to ensure that universities would give equal weight to teaching and research, refrain from abusing the contract system and provide a stable working environment for teaching and non-teaching staff, while at the same time, research grant applications for the humanities and social sciences disciplines would be fairly handled.

#### Allocation of research resources

24. Mr Gary FAN expressed concern as to whether there were adequate research resources for the higher education sector, and whether the distribution among all disciplines was even. He enquired, among the 164 applications received by RGC's "Research Impact Fund" Pilot Scheme for a total funding request of \$1 billion in 2018-2019, the respective proportions of medical/pharmaceutical/scientific research projects as compared with education/humanities/social sciences research projects. Mr IP Kin-yuen called on the Administration to allocate adequate resources to the higher education sector for teaching purposes so as to reverse the situation of the seemingly persistent emphasis placed by the sector concerned on research rather than teaching. Dr KWOK Ka-ki was concerned as to whether research funding allocated to the higher education sector could be used for research topics relating to local politics and social

sciences. Dr Fernando CHEUNG supported the research work undertaken by local institutions and he hoped that the research results could help resolve social issues in Hong Kong instead of being purely used for boosting the international rankings of individual institutions. Dr CHENG Chung-tai expressed opposition to the vetting and approval of any funding proposals by FC amidst the current political environment.

25. Secretary-General, University Grants Committee ("SG/UGC") advised that RGC's research funding would not tilt in favour of specific disciplines. That said, research projects in the field of natural science and technology usually required more funding. In 2012-2013, RGC introduced a number of initiatives offering further support to research work in the humanities and social sciences disciplines, such as the General Research Fund ("GRF") (this scheme, together with the Early Career Scheme, Theme-based Research Scheme, Areas of Excellence Scheme and Humanities and Social Sciences Prestigious Fellowship Scheme, were some of the 15 REF-funded competitive research funding schemes which were established for UGC-funded universities and administered by RGC) under which relief teachers were engaged so that relevant academics could focus on their research work, as well as the implementation of the Early Career Scheme. Take GRF as an example, the research funding allocation under this scheme in 2018-2019 was as follows: biology/medicine (\$165 million), business studies (\$46 million), engineering (\$169 million), humanities/social sciences (\$110 million) and natural science (\$103 million). SG/UGC further said that other than the provision of recurrent funding support for teaching in the higher education sector, UGC also provided additional funding to various universities through the "Funding Scheme for Teaching and Learning Related Proposals" with a view to incentivizing and enhancing the importance of teaching and learning in universities. Meanwhile, the Teaching Development and Language Enhancement Grant ("TDLEG") under UGC provided resources for teaching development and language training. In the 2019-2022 triennium, the amount of TDLEG had increased by \$268.4 million to \$781.2 million as compared with the previous triennium.

26. Under Secretary for Education ("US(Ed)") remarked that research funding would not put emphasis on individual disciplines since RGC would take into account the quality of research projects and their impacts on social development. For instance, researchers applying for funding from the "Research Impact Fund" were required to submit a "Pathways to Impact" statement for their projects. She emphasized that teaching and research, which were closely intertwined, had all along been the core duties of universities. She pointed out that 75% of the recurrent grant UGC allocated to universities was used for teaching purposes. The

teaching-related expenses of universities in 2017-2018 stood at \$14.2 billion while research expenditure incurred in the same period was \$10.8 billion. This showed that resource allocation did not unduly focus on research at the expense of teaching. Furthermore, institutions enjoyed autonomy in deploying resources according to practical needs, and in terms of resource allocation for teaching and research purposes, different institutions employed different proportions and strategies at different development stages.

27. Dr Helena WONG said that according to quite a number of institutions, the research funding RGC allocated to the humanities/social sciences disciplines was far less than that allocated to natural science disciplines. She suggested that RGC processed research funding applications for the humanities/social sciences disciplines and those for the natural science discipline separately. Ms Claudia MO expressed concern as to how the Government and UGC monitored the vetting and approval of research grants, and whether self-censorship of institutions would interfere in the allocation of research grants to the humanities and social sciences disciplines. Mr WU Chi-wai expressed concern that in vetting and approving research grants, the authorities often placed more emphasis on monitoring the use of public money than on the creativity of research projects. Ir Dr LO Wai-kwok remarked that based on his experience as a former RGC member, while it was true that the natural science disciplines received more research funding than the humanities/social sciences disciplines, RGC objectively assessed research funding applications through its committees/subject panels comprising local and non-local experts, and it was impartial in vetting and approving research projects of different disciplines.

28. SG/UGC remarked that RGC had set up various subject panels and committees responsible for vetting and approving research grants in support of different types of academic research. Take GRF as an example, respective panels were set up for humanities and for natural science to take up the vetting and approval work. RGC had also established designated research funding schemes for the humanities/social sciences disciplines (e.g. the Humanities and Social Sciences Prestigious Fellowship Scheme).

29. Deputy Secretary-General (2), University Grants Committee Secretariat ("DSG(2)/UGCS") supplemented that the projects under the Theme-based Research Scheme were currently categorized into four themes, namely "promoting good health", "developing a sustainable environment", "enhancing Hong Kong's strategic position as a regional and international business centre" and "advancing emerging research and

innovations important to Hong Kong". Dr Helena WONG urged UGC to create a new category for research studies on Hong Kong governance and social conflicts. The Administration and UGC took note of the views.

30. At the request of Dr Fernando CHEUNG, the Administration would provide after the meeting information on the number of research projects on (a) social movements (including the 2014 Umbrella Movement) and (b) wealth gap funded by RGC in the past decade, the amount of funding approved for such projects, as well as their respective percentages against the total number of funded research projects and the total amount of approved funding.

31. At the request of Mr WU Chi-wai, the Administration would provide after the meeting the composition and details of the subject panels under RGC being responsible for reviewing research grant applications, including the membership list of overseas experts and academics who had previously served as assessors.

*[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC221/18-19(01) on 25 July 2019.]*

32. Referring to paragraph 5 of FCR(2019-20)11 which set out the recommendations made by the UGC Task Force on Review of Research Policy and Funding in its review report submitted to the Government in September 2018 on the provision of "sustainable support for research incentives of strategic priorities", Dr Helena WONG enquired about the meaning of "research incentives of strategic priorities". SG/UGC remarked that the Task Force had not defined "research incentives of strategic priorities". The review report concerned had been provided to the Panel on Education and uploaded to relevant website.

33. Mr IP Kin-yuen enquired whether the proposed funding proposal could address the problems in the higher education sector such as the employment of teachers on short-term contracts, the relatively low remuneration of teachers, etc. US(Ed) said that the recruitment and remuneration packages of teachers in the higher education sector were devised by individual institutions having regard to actual needs.

#### Research Matching Grant Scheme

34. Dr CHENG Chung-tai enquired whether and how the proposed Research MGS could encourage cross-institutional and cross-disciplinary collaboration, including whether the scheme would accept applications of

cross-institutional research projects, and how to ensure the accountability and transparency of the operation of the scheme.

35. DSG(2)/UGCS said that Research MGS was open for institution-based applications and participating institutions were required to report the use of donations and grants in their annual reports to be submitted to UGC.

Training local research talents

36. Mr CHAN Chi-chuen asked whether the Government/UGC had required that various REF-funded research projects/items must accord priority in engaging local academics so as to increase local employment opportunities. Ir Dr LO Wai-kwok enquired about the policies in place for nurturing research talents.

37. US(Ed) advised that at present, the higher education sector generally followed the principles of "merit-based", "international perspectives", "no boundary", etc. in recruiting staff, without specifying a proportion for the number of local/Mainland/overseas academics. The proposed funding proposal was aimed at providing long-term stable research resources for institutions to cultivate research talents. In light of the recommendations made by the Task Force on Review of Research Policy and Funding, RGC would introduce three new fellowship schemes for outstanding academics to assist universities in attracting and retaining research talents.

38. Dr Helena WONG enquired about the measures in place to cope with the problem of uneven distribution of PhD students so as to avoid over-concentration of research funding applications and research grants in a small number of institutions. Mr AU Nok-hin asked how the authorities could enhance the research ecosystem in local institutions through injecting funds.

39. US(Ed) advised that the authorities hoped that, through the provision of additional research resources, all institutions including self-financing institutions could receive sufficient research funding and attract more research postgraduate students. Take RGC's Areas of Excellence Scheme as an example, the scheme supported universities in consolidating their prevailing research strengths and developing them into areas of expertise. A funding of more than \$200 million was allocated to this programme in 2016-2017.

Investment returns of Research Endowment Fund

40. Noting that the annual investment return rate of REF had declined from 6.8% in 2009 to 2.8% in 2017, Mr IP Kin-yuen enquired about the investment return rate in 2018. Ms Claudia MO asked whether the authorities were confident that the annual investment return rate of REF could be maintained at around 4% in future. Mr CHAN Chi-chuen enquired whether the authorities would apply for further fund injection into REF in the event that the actual investment return rate fell short of the anticipated level.

41. DSG(2)/UGCS advised that according to the data provided by the Hong Kong Monetary Authority ("HKMA"), the investment return rate of REF stood at 4.6% in 2018 and 2.9% in 2019 based on the latest available data. US(Ed) supplemented that the proposed funding proposal included rationalizing the use of investment income of different pots of REF endowment for more effective deployment of funding.

42. US(Ed) advised that the investment return rate of REF in the coming few years was estimated by HKMA based on the average investment return rate of the Exchange Fund in the past six years or the interest rates of government bonds in the past year, whichever was the higher. If REF's investment return rate fell short of the anticipated level, RGC could use part of the principal to maintain the stability of research funding.

43. Dr CHENG Chung-tai enquired how the Administration could ensure the reasonable and proper use of investment income of different pots of REF endowment. US(Ed) said that institutions were required to submit expenditure reports on funded research projects to RGC.

44. The meeting was suspended at 5:14 pm, and resumed at 5:25 pm.

Voting on FCR(2019-20)11

45. At 6:39 pm, the Chairman put item FCR(2019-20)11 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 31 members voted in favour of and 1 member voted against the item, and 2 members abstained from voting. The votes of individual members were as follows:

*For:*

Mr James TO Kun-sun

Mr Jeffrey LAM Kin-fung

Prof Joseph LEE Kok-long

Mr WONG Kwok-kin



Mrs Regina IP LAU Suk-yee	Ms Claudia MO
Mr Michael TIEN Puk-sun	Mr WU Chi-wai
Mr YIU Si-wing	Mr MA Fung-kwok
Mr Charles Peter MOK	Mr Christopher CHEUNG Wah-fung
Dr Fernando CHEUNG Chiu-hung	Dr Helena WONG Pik-wan
Mr IP Kin-yuen	Dr Elizabeth QUAT
Ir Dr LO Wai-kwok	Mr Alvin YEUNG
Mr CHU Hoi-dick	Mr HO Kai-ming
Mr Holden CHOW Ho-ding	Mr Wilson OR Chong-shing
Dr Pierre CHAN	Mr CHEUNG Kwok-kwan
Mr LUK Chung-hung	Mr Jeremy TAM Man-ho
Mr Gary FAN Kwok-wai	Mr AU Nok-hin
Mr Vincent CHENG Wing-shun	Mr Tony TSE Wai-chuen
Ms CHAN Hoi-yan	
(31 members)	

*Against:*

Dr CHENG Chung-tai  
(1 member)

*Abstained:*

Mr CHAN Chi-chuen	Dr Junius HO Kwan-yiu
(2 members)	

46. The Chairman declared that the item was approved.

**Item 3 — FCR(2019-20)14**

**RECOMMENDATION OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 26 APRIL 2019**

**PWSC(2018-19)45**

**HEAD 707 — NEW TOWNS AND URBAN AREA DEVELOPMENT**

**Transport — Roads**

**785TH — Trunk Road T2 and Cha Kwo Ling Tunnel —  
Construction**

47. The Chairman said that this item sought FC's approval for the recommendation made by PWSC on 26 April 2019 regarding PWSC(2018-19)45 for the upgrading of 785TH (i.e. Trunk Road T2 and Cha Kwo Ling Tunnel — Construction) ("the proposed project") to Category A at an estimated cost of \$16,017 million in MOD prices. The Chairman declared that he was a director and the Chief Executive of Well Link Insurance Group Holdings Limited.

Project costs

48. Ms Claudia MO urged the Administration to enhance its monitoring of the proposed project with a view to forestalling cost overruns and avoiding incidents arising from works quality.

49. Deputy Secretary for Transport and Housing (Transport)1 ("DSTH(T)1") said that the Administration would stringently perform its gatekeeper role, control project costs and ensure works quality. The authorities were confident that the proposed project would be completed within budget and supplementary provision would not be required. The authorities would spare no effort in ensuring that the project would be completed by 2025, in tandem with the target commissioning date of the Central Kowloon Route ("CKR"), so that the entire Route 6 (comprising CKR, Trunk Road T2, Cha Kwo Ling Tunnel ("the CKL Tunnel") and Tseung Kwan O-Lam Tin Tunnel ("TKO-LTT")) could perform its designed functions.

50. Project Manager (East), Civil Engineering and Development Department ("PM(E)/CEDD") pointed out that the construction cost of the CKL Tunnel was \$4.9 billion per kilometre, slightly higher than the corresponding cost of \$4.3 billion for TKO-LTT. One of the reasons was that the alignment of Trunk Road T2 ran through the Victoria Harbour, thereby necessitating the compliance with the requirements under the Protection of the Harbour Ordinance (Cap. 531). Moreover, as Trunk Road T2 connected the former Kai Tak south apron and the site adjoined the Hong Kong Children's Hospital and the new acute hospital currently under construction, both of which were located in the vicinity, the contractor was required to implement special construction and vehicle access arrangements, thereby pushing up the construction costs.

Environmental impacts caused by the proposed project

51. Mr WU Chi-wai asked whether the CKL Tunnel could be constructed by adopting the excavation method instead of the blasting method, so as to reduce construction costs and minimize environmental hazards. Expressing support for the proposed project, Mr HO Kai-ming called for the adoption of measures to minimize the impacts of blasting works on the environment. Mr Tony TSE also suggested that appropriate landscaping measures be implemented to minimize the environmental impacts. Also expressing support for the proposed project, Mr Wilson OR urged the authorities to adopt measures which could ensure the timely completion of the project. Given that the proposed project involved the

construction of a ventilation building at the eastern entrance/exit of the CKL Tunnel (Lam Tin Interchange), he requested the authorities to ensure that the ventilation building would not affect the residents nearby.

52. Regarding the 400 m-long CKL Tunnel, PM(E)/CEDD advised that 200 metres of which would be constructed using bored-tunnel method, while the remaining 200 metres would be excavated using the more advanced "drill and blast" method. The blasting charge weight on each occasion would be stringently controlled so that the resultant vibration and the impact on nearby residents caused by the blasting works would be kept to the minimum. After the proposed project had been given funding approval, community liaison groups and community liaison centres would be set up to enhance communication with local residents in relation to project-related issues. PM(E)/CEDD further said that the distance between the proposed ventilation building at Lam Tin Interchange and residential buildings (Yau Lai Estate) was about several hundred metres with the toll plaza of the Eastern Harbour Crossing located in between the two. Air purification system would be installed at the ventilation building situated at the western entrance/exit of Trunk Road T2 in Kai Tak to reduce the impact of the ventilation building on the air quality in the vicinity. The relevant costs had been included in the capital costs of the proposed project.

#### Traffic network and facilities in the area

53. Mr Tony TSE considered that the proposed project would bring significant benefits to improving the traffic condition of Kowloon East. He was worried that in case of a delay in completing the proposed project resulting in a commissioning date later than those of CKR and TKO-LTT, the traffic condition of Kowloon East might even be worsened initially. He hoped that the authorities could make early preparation to cope with such a scenario.

54. DSTH(T)1 advised that if funding approval was given to the proposed project so that the project could commence in the latter half of 2019, it was believed that the project could be completed in 2025 as scheduled. On the other hand, while it was anticipated that TKO-LTT would be commissioned in 2021, both CKR and TKO-LTT could operate independently. In case Trunk Road T2 and the CKL Tunnel could not be commissioned in time to tie in with the commissioning of CKR and TKO-LTT, the authorities would take appropriate measures to tackle the situation.

55. Mr WU Chi-wai said that it seemed that vehicles on Hoi Bun Road in Kwun Tong could only connect to CKR and Route 6 at Lam Tin Interchange. He asked whether the authorities would consider providing connection links to Trunk Road T2 and Route 6 at the exits of CKR with a view to relieving the traffic load that would be brought to Kwun Tong South by developments under Energizing Kowloon East and by developments along Hoi Bun Road.

56. PM(E)/CEDD said that the authorities had explored the feasibility of constructing an additional approach road at Hoi Bun Road for connection to Trunk Road T2, but such an option involved resumption of land and permanent reclamation, thereby affecting the operation of Kwun Tong Typhoon Shelter. He pointed out that vehicles on Hoi Bun Road could turn to Cheung Yip Street/Shing Cheong Road and connect to CKR via the road network at the south apron in Kai Tak Development Area.

57. At 6:56 pm, the Chairman directed that the meeting be extended for not more than 15 minutes.

58. Mr HO Kai-ming urged the authorities to provide traffic facilities at the bus interchange between Trunk Road T2 and TKO-LTT to facilitate the connection traffic between the housing estates situated in the surrounding area and the bus interchange at the Eastern Harbour Crossing. He also sought information on the overall planning blueprint and timetable for the road works being contemplated in the Kai Tak Development Area to facilitate members' understanding of the road alignments and traffic flow in the Kai Tak Development Area, and early exchange of views between members and the Administration.

*[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC218/18-19(01) on 19 June 2019.]*

59. The Chairman declared the end of meeting at 7:11 pm.