

立法會
Legislative Council

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Finance Committee of the Legislative Council

Minutes of the 4th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 2 November 2018, at 3:11 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
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, 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 Frankie YICK Chi-ming, SBS, 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, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Kenneth LEUNG
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Hon Dennis KWOK Wing-hang
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-kiwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan
Dr Hon Pierre CHAN
Hon Tanya 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

Members absent:

Hon Alice MAK Mei-kuen, BBS, JP
Hon Christopher CHEUNG Wah-fung, SBS, JP
Hon Andrew WAN Siu-kin
Hon LAM Cheuk-ting

Public officers attending:

Ms Alice LAU Yim, 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 Mike CHENG Wai-man	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr LAM Sai-hung, JP	Permanent Secretary for Development (Works)
Miss Joey LAM Kam-ping, JP	Deputy Secretary for Development (Works)1
Mr Francis CHAU Siu-hei, JP	Deputy Secretary for Development (Works)3
Mr WONG Chung-leung, JP	Director of Water Supplies
Mr CHAU Sai-wai, JP	Deputy Director of Water Supplies
Mr WONG Kam-sing, GBS, JP	Secretary for the Environment
Mr Vincent LIU Ming-kwong, JP	Deputy Secretary for the Environment
Ms Esther WANG Oi-kuen, JP	Principal Assistant Secretary for the Environment (Financial Monitoring)
Mr Alan CHOW Shu-lin	Chief Electrical and Mechanical Engineer (Electricity Team), Environment Bureau

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
Miss Judy YEE	Council Secretary (1)1

Miss Queenie LAM
Mr Frankie WOO
Miss Mandy POON

Senior Legislative Assistant (1)2
Senior Legislative Assistant (1)3
Legislative Assistant (1)1

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The Chairman reminded members of the requirements under Rules 83A and Rule 84 of the Rules of Procedure.

Views expressed by members on the public remarks made by the Chairman

2. Regarding the views expressed by the Chairman earlier during a media interview on the preliminary studies on East Lantau reclamation, some members requested to speak. The Chairman allowed each member to speak for one minute. The Chairman provided members with a verbatim transcript of the relevant part of the aforementioned interview at the meeting (**Annex**).

3. Dr KWOK Ka-ki, Ms Claudia MO, Mr Alvin YEUNG, Mr AU Nok-hin, Mr CHU Hoi-dick, Dr Fernando CHEUNG, Mr KWONG Chun-yu, Mr Jeremy TAM, Mr Gary FAN, Dr Helena WONG and Mr CHAN Chi-chuen generally considered that the Chairman, as Chairman of the Finance Committee ("FC"), should preside over meetings in a fair and impartial manner and should not openly state his position on the Administration's proposals to seek funding approval from FC or make any comments related to the proposals. Moreover, it was inappropriate for the Chairman to call those people who opposed to the Administration's move to seek funding approval for the preliminary studies on East Lantau reclamation "culprits". Mr CHU requested the Chairman to withdraw his "culprits" remark. Dr KWOK queried that given the Chairman's pre-set position on the Administration's funding proposals, he was no longer suitable to serve as Chairman of FC or preside over today's meeting. As such, the motion he proposed seeking FC to express no confidence in the Chairman ("the motion of no confidence") should be dealt with today. Referring to the motion of no confidence proposed by Dr KWOK, Ms MO held that it was most ridiculous that the Chairman should still be giving instructions on the date of holding the relevant special meeting and other arrangements. Mr YEUNG said that as the public remarks made by the Chairman earlier had raised the public's as well as members' concerns as to whether the Chairman could preside over FC meetings in an impartial manner, he was of the view that the Chairman should handle the matter at today's meeting. Mr CHAN agreed that it was necessary to deal with the motion of no confidence in the Chairman as soon as possible.

4. Mr Holden CHOW, Mr WONG Kwok-kin, Dr Junius HO and Mr LEUNG Che-cheung considered that the Chairman should preside over today's meeting as per the agenda, and members should not be allowed to discuss matters at the meeting which were not on the agenda. Mr Paul TSE and Mr WONG Ting-kwong were of the view that as far as the verbatim transcript provided by the Chairman was concerned, there was no information showing that the Chairman had any pre-set views on either the time or result of the relevant funding proposals to be discussed in future. Mr TSE advised the Chairman to be more discreet in his words.

5. The Chairman said that the statement he made earlier during the interview was an estimation made on account of the fact that certain provisions of the Finance Committee Procedure ("FCP") had already been amended, as well as past experience of FC's scrutiny on controversial funding proposals. He said that when scrutinizing the funding proposal for the preliminary studies on the East Lantau reclamation project, the time required for scrutiny would ultimately depend on a number of factors, including whether the papers and information provided by the Administration were complete and comprehensive enough, whether the officials could answer the questions raised by members satisfactorily, and whether members would keep on asking repetitive questions. Regarding the motion of no confidence in him that was proposed by Dr KWOK Ka-ki in writing on 30 October 2018, the Chairman advised that as mentioned in his letter to Dr KWOK, he had already instructed the Clerk to arrange a special meeting to deal with the matter. As such, he did not intend to handle the matter at today's meeting.

**Item 1 — FCR(2018-19)46
RECOMMENDATION OF THE ESTABLISHMENT
SUBCOMMITTEE MADE ON 26 JUNE 2018**

**EC(2018-19)12
HEAD 159 — GOVERNMENT SECRETARIAT: DEVELOPMENT
BUREAU (WORKS BRANCH)
HEAD 194 — WATER SUPPLIES DEPARTMENT
Subhead 000 — Operational expenses**

6. The Chairman advised that the item sought FC's approval of the recommendation made by the Establishment Subcommittee ("ESC") at its meeting held on 26 June 2018 vide EC(2018-19)12 as follows:

- (a) the creation of two permanent posts, i.e. one Principal Government Engineer (D3) post, and one Government

Engineer ("GE") (D2) post upon the lapse of a supernumerary post of GE rank, in the Works Branch ("WB/DEVB") of the Development Bureau ("DEVB");

- (b) the redeployment of three directorate posts, i.e. one GE (D2) post, one Chief Architect (D1) post and one Chief Geotechnical Engineer (D1) post, within WB/DEVB to cope with the workload of new and ongoing initiatives; and
- (c) the creation of two supernumerary posts, i.e. one Administrative Officer Staff Grade C (D2) post and one Chief Engineer (D1) post, in the Water Supplies Department ("WSD") to take forward the new drinking water safety initiatives.

The Chairman advised that Mr WU Chi-wai had requested that the proposals relating to the two different departments vide EC(2018-19)12 be put to vote separately at the FC meeting. The Administration had indicated no objection to the request. The Chairman would direct that the two proposals relating to different departments be put to vote separately after discussion of the item.

Staffing establishment of Works Division 2 and Works Division 3

7. Mr AU Nok-hin said that the present establishment proposal which involved several sections under the Works Policies and Infrastructural Projects Division (to be retitled as Works Division 2), as well as Works Division 3 to be established in WB/DEVB was considered by ESC in the 2017-2018 session. Mr AU considered that as the Policy Address just announced in October had proposed a number of initiatives related to major infrastructures and the increase in land supply, and the major duties of the Works Policies and Infrastructural Projects Division and Works Division 3 were related to policy matters concerning infrastructures and land supply, the Administration should have updated the discussion paper under the present item in light of the relevant initiatives announced in the Policy Address by explaining whether the duties and responsibilities of the posts to be created or redeployed and other existing posts would be adjusted to tie in with the said initiatives. Nonetheless, the Administration had not done so. Mr Gary FAN also expressed similar concerns. Mr AU requested the Administration to provide a supplementary information paper elaborating on the changes to the duties of the Works Policies Sections under the Works Policies and Infrastructural Projects Division and the proposed Works Division 3 in WB/DEVB as a result of the initiatives proposed in the latest Policy Address, i.e. Lantau Tomorrow, Development

of Brownfield Sites in the New Territories, Land Sharing Pilot Scheme and Redevelopment of Buildings developed under the Civil Servants' Co-operative Building Society Scheme.

8. Permanent Secretary for Development (Works) ("PSDEV(W)") advised that the Administration would provide a supplementary information paper as requested by Mr AU after the meeting. He also replied at the meeting that the drinking water safety initiatives set out in the Policy Address would be taken forward by the holder of the proposed Deputy Secretary (Works) 3 post. To focus on the handling of policies related to the increase in land supply, the holder of the permanent post of Principal Assistant Secretary (Works) 5 ("PAS(W)5") to be converted from a supernumerary post would continue leading the Land Supply Section (to be retitled as Works Policies 5 Section). Some of the initiatives related to the increase in land supply proposed in the Policy Address fell under the purview of the Planning and Lands Branch in DEVB ("PLB/DEVB"). He believed that PLB/DEVB would seek additional resources from the Legislative Council ("LegCo") on a need basis in a timely manner.

9. Mr Jeremy TAM enquired about the staffing establishment under WB/DEVB responsible for the implementation of the East Lantau Metropolis ("ELM") and the reclamation of 1 700 hectares of land at East Lantau, including the number of non-directorate staff.

10. Mr Tony TSE expressed concern about whether the professional expertise of the proposed PAS(W)5 as well as his supporting staff could cope with various professional aspects of work required to be covered under the strategic studies on ELM and the preliminary studies on Lantau Tomorrow proposed to be undertaken by the Administration.

11. PSDEV(W) replied that:

- (a) Works Division 2 led by Deputy Secretary (Works) 2 would mainly be responsible for taking forward Lantau development-related projects;
- (b) under Works Division 2, Works Policies 5 Section would be dedicated to implementing ELM, and the Section would be led by the permanent PAS(W)5 post under the conversion proposal, with assistance rendered by Chief Assistant Secretary (Works) 5;
- (c) the implementation of Lantau development-related projects would be supported by two to three Assistant Secretaries;

- (d) the aforesaid staffing establishment was related to the policy bureau level, while technical studies for implementing the relevant policies would be undertaken by the works departments concerned;
- (e) in respect of Lantau development-related projects, the Sustainable Lantau Office under the Civil Engineering and Development Department ("CEDD") would be responsible for carrying out the necessary professional and technical work; and
- (f) subject to FC's funding approval for the preliminary studies on Lantau Tomorrow, the work would be taken forward separately by various departments according to the professional areas covered in the studies, and consultants would be engaged to provide assistance as necessary.

Duties and responsibilities of Principal Assistant Secretary (Works) 5

12. Mr YIU Si-wing declared that he was a member of the Lantau Development Advisory Committee ("LanDAC"). Mr YIU said that Lantau development-related projects were of a massive scale, and the proposed PAS(W)5 was not only responsible for steering the strategic studies for artificial islands in the central waters including the development of the proposed ELM, but also handling projects such as topside development on the Hong Kong Boundary Crossing Facilities Island of the Hong Kong-Zhuhai-Macao Bridge and Sunny Bay reclamation. Mr YIU raised concern over the workload of the said officer and enquired about the following:

- (a) the staffing arrangements for handling the aforesaid projects after East Lantau reclamation was confirmed to be implemented in the future; and
- (b) the progress of topside development on the Hong Kong Boundary Crossing Facilities Island and the Sunny Bay reclamation project.

13. Ms Claudia MO enquired about the proportion of the proposed PAS(W)5's work related to the studies on East Lantau reclamation as against his other duties. Dr KWOK Ka-ki was concerned that once the conversion of the PAS(W)5 post into a permanent post was approved by

FC, it would be regarded as FC concurring with the policy to create land at East Lantau through reclamation. Ms MO expressed the same concern.

14. PSDEV(W) advised that:

- (a) among the Lantau development-related projects under the charge of the proposed PAS(W)5, ELM was at the stage of technical studies. In addition, the Administration would seek funding for planning and engineering studies on Sunny Bay reclamation. He believed that the proposed PAS(W)5 could cope with the workload generated from the said studies;
- (b) after the Task Force on Land Supply ("the Task Force") had submitted its report, the Administration would seek funding from LegCo for the necessary studies on ELM as per the recommendations in the report. Subject to the findings of the studies, the Administration would assess the workload arising from implementing the project and then decide on the staffing arrangements;
- (c) given that detailed studies on Lantau Tomorrow had yet to be conducted, it would be premature to contemplate the staffing arrangements for implementing the project at this juncture; and
- (d) apart from providing support in studying and implementing Lantau development-related projects, PAS(W)5 was also responsible for formulating and implementing other policies related to public works projects. The said tasks were set out in detail in Enclosure 8 to EC(2018-19)12. As the workload of such tasks would vary at different stages of policy and project implementation, it would be difficult to quantify the percentage of time spent on individual tasks. As such policy initiatives were ongoing, it was necessary to convert the PAS(W)5 post to a permanent post.

15. Dr CHENG Chung-tai considered that it was clear from the Chairman's remark made earlier on East Lantau reclamation during the media interview that the Chairman was not sensitive enough politically. Dr CHENG pointed out that while the proposed PAS(W)5 would act as the Secretary of LanDAC, PSDEV(W) or his representative was one of the ex-officio members of LanDAC. Dr CHENG considered that in theory, PAS(W)5 could also be a representative of PSDEV(W). Dr CHENG was concerned that the same officer might be an ex-officio member as well as the Secretary of LanDAC, thus creating potential conflicts in the division

of responsibilities. He suggested that the Administration should state clearly that the Secretary of LanDAC should not also serve as an ex-officio member concurrently.

16. PSDEV(W) advised that LanDAC was established in 2014 to advise the Government on various aspects of Lantau development, with its secretariat service provided by the holder of the PAS(W)5 post and other non-directorate supporting staff. He added that LanDAC was not only established for Lantau Tomorrow. As with general meeting practice, the person who took up the post of secretary could not serve as a member of the committee concurrently, and LanDAC was no exception. As far as LanDAC was concerned, the duties of Secretary included drawing up agendas, preparing relevant papers, recording the proceedings of meetings and preparing the minutes of meetings.

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17. Mr Gary FAN enquired about the work of the proposed PAS(W)5 to assist PSDEV(W) and Deputy Secretary (Works) 2 in providing technical support for the Steering Committee on Land Supply ("the Steering Committee"). Mr FAN was concerned whether the Steering Committee would be sidelined again under Lantau Tomorrow, just like the situation in 2016 when Mr LEUNG Chun-ying, the then Chief Executive, had bypassed the Committee to personally steer the development projects at Wang Chau and Queen's Hill in Fanling. Mr FAN sought explanation from the Administration on the role of the Steering Committee in respect of Lantau Tomorrow. PSDEV(W) advised that the proposed PAS(W)5 would provide support to him and Deputy Secretary (Works) 2 in respect of the duties in relation to the Steering Committee.

18. Mr CHAN Chi-chuen considered that the Administration had already bypassed the Task Force as indicated by the Chief Executive ("CE") launching the Lantau Tomorrow initiative before the Task Force released its report. Mr CHAN queried that the Task Force might exist in name only, and its report and recommendations would have no effect on the Administration. Mr CHAN queried whether the work of PAS(W)5 in this respect had any substantial meaning. PSDEV(W) advised that it was expected that the Task Force would publish its final report at the end of 2018, and the Administration would then study in detail the content and recommendations of the report before seeking funding from FC to carry out the relevant studies on the East Lantau reclamation project. He advised that the studies would include public engagement exercises, and the bureaux and departments concerned would review and handle the views collected during the public engagement exercises, while PAS(W)5 would also be responsible for steering the related work.

19. Ms Tanya CHAN enquired about the following in relation to the duties of PAS(W)5:

- (a) details about the policies in regard to disposal of marine mud as well as construction and demolition materials for public works; and
- (b) policy initiatives to reduce waste generated from public works and reuse those materials in public works.

20. PSDEV(W) advised that:

- (a) generally speaking, it might be necessary to excavate marine mud from the seabed in the course of marine works. The Administration had put in place established procedures to handle the marine mud, including requiring the disposal of marine mud at designated locations called "mud pits", monitoring the environmental implication, as well as estimating the quantity of marine mud to be handled and the demand for storage space in the future; such work would need to be carried out on an ongoing basis; and
- (b) about 15 million tonnes of construction and demolition materials from public works would need to be handled annually. At present, there were two fill banks, located at Tuen Mun and Tseung Kwan O respectively, to stockpile such public fill pending reuse in other public works or reclamation works as fill materials. That said, policies in relation to the handling of such construction and demolition materials would need to be worked out in collaboration with the Environmental Protection Department.

Duties and responsibilities of Principal Assistant Secretary (Works) 4

21. Mr AU Nok-hin raised the following questions or views in respect of the duties and responsibilities of Principal Assistant Secretary (Works) 4 ("PAS(W)4"):

- (a) whether assisting in implementing post-quake reconstruction work in Sichuan included assisting the development of local ecological tourism; if so, the details of that;
- (b) when carrying out the strategic review of the Hong Kong's procurement and contract administration systems, PAS(W)4

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should review the Administration's existing practice of allowing the bureaux/departments concerned to invite tenders for public works projects before funding approval was obtained from FC, and implementing public works projects through the mode of public-private partnership including whether the penalty imposed on under-performing contractors had sufficient deterrent effect; and

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- (c) in light of the suggestion in (b), the Administration was requested to provide a copy of Financial Circular No. 2/2009.

22. PSDEV(W) and Deputy Secretary for Development (Works)³ ("DSD(W)³") advised that:

- (a) the Administration's post-quake reconstruction work in Sichuan was substantially completed two years ago, but it was still necessary to follow up outstanding administrative work of the relevant works projects, including account settlement and certification for the reconstructed facilities in the nature reserve;
- (b) under individual circumstances, the Administration would conduct tendering exercises for certain public works projects before funding approval was obtained from FC, so that the Administration would have a better grasp of the project costs, or if there was a need to implement the projects as early as possible. However, even when tendering exercises were conducted, the Administration would only award the relevant works contracts after obtaining FC's funding approval;
- (c) if necessary, the Administration would use the provision for contingencies in the approved estimates of the works projects to settle additional costs arising from design changes or the use of a different construction method; and
- (d) the Administration would also review the procurement modes from time to time and make reference to the views expressed by Members and past implementation experiences during the process.

23. Mr Tony TSE expressed support for the item. He noted that one of the duties of PAS(W)⁴ was to promote local professional services in the Mainland and overseas construction and engineering related markets. He considered that work in this regard was often confined to official exchanges

at the government level between the Hong Kong Special Administration Region ("HKSAR") and the Mainland as well as other jurisdictions, and there was insufficient direct communication between the HKSAR Government and local professional organizations. The finalized policies were thus not always realistic. Mr TSE suggested that when conducting exchanges with the governments of other places, the Administration should work in partnership with representatives from local professional organizations, so that the HKSAR Government's communication with the other parties could benefit from the input of representatives from professional organizations who had a better grasp of the business environment of specific professions. PSDEV(W) noted the views of Mr TSE and would consider how best to enhance communication between the Administration and local professional organizations.

Lantau development and Lantau Tomorrow

24. Dr Fernando CHEUNG noted that Works Division 2 had all along been responsible for the implementation of the Lantau development project. He pointed out that under the policy initiative of Lantau Tomorrow set out in the latest Policy Address, the Administration would conduct a study for the 1 700 hectares reclamation at East Lantau, which was by and large a substantial deviation from the planning all along pursued by the Administration of producing 1 000 hectares of land through reclamation as promulgated under the "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" ("Hong Kong 2030+"), while CE had also said that such a scale of reclamation was a conclusion drawn by the bureaux concerned after studies. Dr CHEUNG enquired whether the studies as referred to by CE were taken forward by Works Division 2, what the rank of the officer in charge was, and whether the officers concerned had enough power to initiate such a major change to the area of reclamation.

25. Dr KWOK Ka-ki, Ms Tanya CHAN and Ms Claudia MO requested the Administration to provide supplementary information detailing:

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- (a) information, data and reports of the relevant preliminary studies conducted by the Administration, so as to illustrate the basis on which the Administration undertook the studies on the 1 700 hectares reclamation at East Lantau; and
- (b) the quantity (in terms of the number of reports) and scope of the aforesaid preliminary studies.

26. PSDEV(W) replied that:

- (a) the preliminary studies as referred to by CE were jointly undertaken by the Planning Department ("PlanD") and CEDD and covered relevant data including water depth, water flow, navigation channel and marine ecology of the central waters. The initial conclusion drawn from the studies was that the 1 700 hectares reclamation at East Lantau could be examined further;
- (b) given that the Secretary for Development ("SDEV") had already accounted for the circumstances under which the aforesaid preliminary studies were undertaken on different occasions, he did not intend to repeat the same at the meeting;
- (c) as the studies on East Lantau development were first undertaken as early as in 2011, it would be difficult to give the exact number of the relevant studies. Those studies which included both external consultancy studies and internal studies covered aspects including identifying feasible reclamation sites and conducting public consultation on five reclamation sites in near-shore and central waters in light of findings of the studies; and
- (d) the Administration would review relevant information of the studies in accordance with the established mechanism, including the Code on Access to Information and related legal requirements and provide LegCo with the parts that could be made public for reference.

Ms Tanya CHAN and Ms Claudia MO queried the justification for the Administration's refusal to undertake forthwith to disclose the reports of the preliminary studies.

27. Mr CHU Hoi-dick said that according to the projections set out in Hong Kong 2030+, one million new residential units would be required in Hong Kong up to 2046, while the requirement of new land would be 4 800 hectares. Meanwhile, the Government claimed that 3 600 hectares of land had been identified so far. Mr CHU further said that if that was the case and with the Administration's plan to carry out 1 700 hectares reclamation at East Lantau, it would exceed the land supply target. However, the Administration had yet to update the production target of new housing units, as well as the corresponding land requirement data in

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tandem. He sought the reasons for that and enquired when the Government would revisit the housing and land requirements. Separately, given the Administration's claim that of the one million new housing units to be built, land had already been identified for 600 000 units, Mr CHU Hoi-dick requested the Administration to provide a list setting out the location of the sites and the corresponding number of units to be built.

28. PSDEV(W) advised that in respect of land supply, it was one of the Administration's visions to create 1 700 hectares of land through reclamation at East Lantau, and the Administration intended to initially study the reclamation of 1 000 ha of land at the first stage. He stated that the Administration was now conducting a review on Hong Kong 2030+ and would update the relevant projections including the housing and corresponding land requirements on account of the latest situation.

29. Mr CHAN Chi-chuen enquired when the Administration came up with the idea of increasing the area of reclamation. Mr CHAN pointed out that according to a recent survey conducted by the Hong Kong Research Association, 46% of the respondents did not support East Lantau reclamation. He and Ms Tanya CHAN asked whether there were dedicated officers in Works Division 2 of WB/DEVB to take charge of public consultation on the Lantau Tomorrow project. In addition, Mr CHAN enquired whether upon the establishment of the dedicated coordination office that would be directly accountable to CE, its roles and functions would overlap with those of Works Division 2, and whether all officers (including the proposed post) currently responsible for taking forward the Lantau development project in Works Division 2 would be redeployed to the aforesaid office by then. Mr CHU Hoi-dick asked who gave the direction to CEDD and PlanD to conduct the preliminary studies.

30. PSDEV(W) advised that the dedicated coordination office to be established would be responsible for steering the overall direction of Lantau Tomorrow, as well as coordinating and monitoring the planning and implementation of the programme. Works Division 2 and its staff would not be redeployed to the said office. He reiterated that he did not intend to recount the circumstances under which the Administration conducted the relevant preliminary studies as SDEV had already explained the matter on other occasions.

31. Mr CHU Hoi-dick said that when seeking funding approval from FC for the feasibility study on the proposed Route 11 (North Lantau to Yuen Long) in April 2018, the Administration stated that it would also examine whether there was a need to provide an additional road from Lantau to Tsing Yi. However, the Administration had mentioned nothing

at that time about the artificial islands at East Lantau and the proposed connecting road network, including a road link to Kau Yi Chau. Mr CHU pointed out that under the proposed Priority Transport Network for the Lantau Tomorrow programme, the Administration now suggested that a road link connecting Kau Yi Chau and Lantau be built, while the road link originally proposed to connect Lantau and Tsing Yi was now merely a "possible road link" under a "possible transport network in longer term". The said road link was now only indicated by a dotted line, which was different from its original representation by a solid line in the paper submitted to LegCo when seeking FC's funding approval for the feasibility study on Route 11 (North Lantau to Yuen Long). Mr CHU enquired about the reasons for the Administration to make such a drastic change in the planning of transport infrastructure.

32. PSDEV(W) advised that under the Lantau Tomorrow Vision, a road link connecting North Lantau and Kau Yi Chau would result in a more ideal layout of transport infrastructure. The Administration would need to coordinate the provision of infrastructure to dovetail with the finalized planning.

Land supply and greening policies

33. Mr CHU Hoi-dick enquired about the following:

- (a) the progress of in-situ exchange of land involving an area of over 40 000 square feet under the North East New Territories New Development Areas project; and
- (b) whether public consultation would be conducted on the Land Sharing Pilot Scheme; and the procedures for making applications to the Town Planning Board under the Scheme.

34. PSDEV(W) advised that the enquiries made by Mr CHU fell under the purview of PLB/DEVB, and he would relay the enquiries to the Branch for a response.

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35. Mr CHU Hoi-dick enquired about the Administration's progress in preparing the Greening Master Plan for the New Territories. Deputy Secretary for Development (Works) 1 advised that detailed design of the Greening Master Plan for Northeast and Southwest New Territories had substantially been completed. It was the Administration's plan to brief the LegCo Panel on Development on the matter and seek members' support for funding to implement the related works in 2019.

Drinking water safety

36. Dr Helena WONG said that the Administration was now conducting a study on the drinking water safety regulatory regime and enquired about the following:

- (a) when the study would be completed and the report published;
- (b) whether the Administration would report the findings of the study to the LegCo Panel on Development; and
- (c) the timetable for enacting a law on drinking water safety.

37. In addition, Dr Helena WONG noted that at present, WSD released to the public the weekly testing results of six metals in water samples collected from users. Dr WONG considered that it was too general for the Administration to only release the maximum and minimum levels of the six metals. Dr WONG suggested that the Administration should publish the areas or names of estates where the water samples were taken weekly, the content of the six metals in each sample, etc., so as to allow members of the public a better idea of the water quality in the areas where they lived.

38. DSD(W)3 replied that the Administration had commissioned a consultancy study on the drinking water safety regulatory regime in April 2018, and the study would take 18 months to complete. Upon receipt of the consultancy report, the Administration would put forward a consolidated proposal on account of the study findings to the LegCo Panel on Development at the end of 2019 or in early 2020. After consultation with the LegCo Panel, the Administration would proceed to the necessary legislation or legislative amendment work. It was anticipated that the process would take three to five years to complete. He explained that drinking water safety involved the processing, delivery and hygienic condition of drinking water. The matter involved highly complicated regulatory issues as well as various sectors and stakeholders. The Administration must carefully consider the impact of legislation on those sectors and stakeholders. In the course of legislation, the Administration must also establish drinking water quality standards. Hence, the Administration would collect sufficient drinking water samples in three to five years' time through the Enhanced Water Quality Monitoring Programme under the Action Plan for Enhancing Drinking Water Safety in Hong Kong for establishing the relevant standards.

39. Director of Water Supplies ("DWS") replied that as only 10-odd water samples were now collected weekly, the Administration did not

consider such a sampling size representative enough to indicate the water quality condition of the respective areas. After collecting the water samples for one year, the Administration would conduct an overall analysis of the collected data and make reference to overseas practices before publishing the water quality condition of various areas in a representative manner for each of 18 District Councils.

40. Concerning microbeads found in drinking water recently, Mr CHU Hoi-dick enquired about the following:

- (a) whether WSD would establish the standards of microbead content in drinking water; and
- (b) whether the Administration would consider imposing a ban on products containing microbeads.

41. DWS replied that WSD was aware of reports about microbeads found in drinking water in overseas places and had engaged an international expert to assist in studying the matter. He further said that the World Health Organization currently did not have any standards of microbead content in drinking water, and there was no standard protocol internationally for testing microbead content in drinking water. WSD would continue to closely monitor international development in this respect and take follow-up actions in a timely manner when necessary.

Arrangement of scrutiny of this item

42. At 4:58 pm, the Chairman directed that the meeting be suspended. The meeting resumed at 5:09 pm.

43. At 5:23 pm, the Chairman advised that the establishment proposal had already been discussed by Members for two and a half hours, counting together the discussion time of ESC. He was of the view that the item had been thoroughly discussed. He also reminded members that there were still outstanding items related to people's livelihood on the agenda. The Chairman called on members who intended to speak on the item to indicate their intention to speak expeditiously. He would end the discussion and put the item to vote after all members currently on the wait-to-speak list had spoken.

Motion to adjourn discussion on item FCR(2018-19)46

44. At 6:00 pm, Mr CHU Hoi-dick, when speaking on the item, moved without notice under FCP 39 that discussion on item FCR(2018-19)46 be

adjourned. The Chairman proposed the question and directed that each member might speak once on the motion for not more than three minutes.

45. Mr CHU Hoi-dick spoke on his motion. Mr CHU said that the Administration had failed to give an account on the circumstances under which CEDD and PlanD conducted the preliminary studies on the creation of 1 700 hectares of land at East Lantau through reclamation. The Administration had also failed to provide LegCo with information about whether the projections concerning future population growth and corresponding land requirement had been updated, in order to justify the need for expanding the scale of reclamation. Judging from the above, it was doubtful whether DEVB and its departments had been bypassed. Hence, Mr CHU held that FC should not continue discussion on the item.

46. Mr AU Nok-hin, Mr CHAN Chi-chuen, Mr Gary FAN, Ms Claudia MO and Ms Tanya CHAN spoke in support of the motion. In a nutshell, they considered that as the proposed post(s) was/were related to the implementation of Lantau Tomorrow, and Lantau Tomorrow, which involved infrastructural projects with very expensive construction costs, lacked support from mainstream public opinion and would create an economic burden for Hong Kong people in the next few generations, approval of the item should not be given pending a thorough explanation from the Government. Ms MO and Mr CHAN Chi-chuen opined that the Chairman was trying to persuade Mr CHU not to propose the present adjournment motion and expressed their dissatisfaction.

47. Mr CHU Hoi-dick 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](#).

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

48. At 6:29 pm, FC started to vote on whether the motions proposed by members under FCP 37A ("FCP 37A motions") should be proceeded with forthwith. The Chairman announced that FC decided against proceeding with the first FCP 37A motion proposed by Mr Gary FAN. Mr CHAN Hak-kan then moved without notice a motion 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 put the motion to vote. At the request of members, the Chairman ordered a division, and the motion was [carried](#).

49. At the request of members, the Chairman ordered a division for each of the proposed FCP 37A motions. The voting results were as follows:

Members proposing the motions	Serial numbers of motions	Motions be proceeded with forthwith
Mr Gary FAN	001	No
Mr AU Nok-hin	002	No

Voting on FCR(2018-19)46

50. The Chairman put the two proposals regarding (a) the creation of two permanent posts and redeployment of three directorate posts in WB/DEVB; and (b) the creation of two supernumerary posts in WSD under item FCR(2018-19)46 to vote separately. At the request of members, the Chairman ordered a division for each of the proposals.

(a) Creation of two permanent posts of one Principal Government Engineer and one Government Engineer; and redeployment of three directorate posts of one Government Engineer, one Chief Architect and one Chief Geotechnical Engineer in the Works Branch of the Development Bureau

51. The Chairman declared that 31 members voted in favour of and 14 members voted against the item. The votes of individual members were as follows:

For:

Mr Jeffrey LAM Kin-fung	Mr WONG Ting-kwong
Ms Starry LEE Wai-king	Mr CHAN Hak-kan
Dr Priscilla LEUNG Mei-fun	Mr WONG Kwok-kin
Mrs Regina IP LAU Suk-ye	Mr Paul TSE Wai-chun
Mr Michael TIEN Puk-sun	Mr Frankie YICK Chi-ming
Mr YIU Si-wing	Mr MA Fung-kwok
Mr LEUNG Che-cheung	Mr KWOK Wai-keung
Dr Elizabeth QUAT	Mr Martin LIAO Cheung-kong
Mr POON Siu-ping	Ir Dr LO Wai-kwok
Dr Junius HO Kwan-yiu	Mr HO Kai-ming
Mr Holden CHOW Ho-ding	Mr SHIU Ka-fai
Mr Wilson OR Chong-shing	Ms YUNG Hoi-yan
Dr Pierre CHAN	Mr CHAN Chun-ying
Mr CHEUNG Kwok-kwan	Mr LUK Chung-hung
Mr LAU Kwok-fan	Mr Kenneth LAU Ip-keung

Mr Tony TSE Wai-chuen
(31 members)

Against:

Ms Claudia MO
Mr Charles Peter MOK
Dr Helena WONG Pik-wan
Mr CHU Hoi-dick
Ms Tanya CHAN
Dr CHENG Chung-tai
Mr Gary FAN Kwok-wai
(14 members)

Mr WU Chi-wai
Mr CHAN Chi-chuen
Mr Alvin YEUNG
Mr SHIU Ka-chun
Mr HUI Chi-fung
Mr KWONG Chun-yu
Mr AU Nok-hin

52. The Chairman declared that the said proposal under the item was approved.

(b) Creation of two supernumerary posts of one Administrative Officer Staff Grade C and one Chief Engineer in the Water Supplies Department

53. The Chairman declared that 43 members voted in favour of and no member voted against the item, and 1 member abstained from voting. The votes of individual members were as follows:

For:

Mr Jeffrey LAM Kin-fung
Ms Starry LEE Wai-king
Dr Priscilla LEUNG Mei-fun
Mrs Regina IP LAU Suk-ye
Ms Claudia MO
Mr Frankie YICK Chi-ming
Mr YIU Si-wing
Mr Charles Peter MOK
Mr KWOK Wai-keung
Dr Elizabeth QUAT
Mr POON Siu-ping
Mr Alvin YEUNG
Dr Junius HO Kwan-yiu
Mr Holden CHOW Ho-ding
Mr SHIU Ka-chun
Ms YUNG Hoi-yan
Mr CHAN Chun-ying
Mr CHEUNG Kwok-kwan
Mr LUK Chung-hung
Mr Kenneth LAU Ip-keung

Mr WONG Ting-kwong
Mr CHAN Hak-kan
Mr WONG Kwok-kin
Mr Paul TSE Wai-chun
Mr Michael TIEN Puk-sun
Mr WU Chi-wai
Mr MA Fung-kwok
Mr LEUNG Che-cheung
Dr Helena WONG Pik-wan
Mr Martin LIAO Cheung-kong
Ir Dr LO Wai-kwok
Mr CHU Hoi-dick
Mr HO Kai-ming
Mr SHIU Ka-fai
Mr Wilson OR Chong-shing
Dr Pierre CHAN
Ms Tanya CHAN
Mr HUI Chi-fung
Mr LAU Kwok-fan
Mr KWONG Chun-yu

Mr Gary FAN Kwok-wai
Mr Tony TSE Wai-chuen
(43 members)

Mr AU Nok-hin

Abstained:
Dr CHENG Chung-tai
(1 member)

54. The Chairman declared that the said proposal under the item was approved.

Item 2 — FCR(2018-19)52A

HEAD 137 — GOVERNMENT SECRETARIAT: ENVIRONMENT BUREAU

Subhead 700 — General non-recurrent

New Item — "Electricity Charges Relief Scheme"

55. The Chairman advised that the item sought FC's approval of a new commitment of \$8,700 million for providing electricity charges relief for eligible residential households over a period of five years. The Environment Bureau had consulted the Panel on Economic Development on the proposal on 4 July 2018.

56. Mr AU Nok-hin was of the view that the fixed amount of relief under the proposed Electricity Charges Relief Scheme ("the Scheme") was a drop in a bucket and the amount should be adjusted on the basis of the actual increase in electricity tariff of CLP Power Hong Kong Limited and Castle Peak Power Company Limited ("CLP") and The Hongkong Electric Company, Limited ("HKE") ("the two power companies"). Mr AU and Mr LUK Chung-hung were concerned that the Scheme could not benefit those living in subdivided units ("SDUs") because they had not installed individual electricity meters; however, they were invariably those who were most in need of financial assistance. They asked whether other measures could be taken by the Administration to assist SDU households in coping with the pressure of tariff increase.

57. Secretary for the Environment ("SEN") advised that the 2018-2023 Development Plan ("new DPs") of the two power companies would help the Hong Kong society move towards a low carbon future. According to the information provided by the two power companies, about 50% of the residential households in Hong Kong currently paid \$270 to \$300 or less for their monthly electricity tariff. Based on the rate of tariff increase

projected by the two power companies in the next five years, the proposed amount of relief could offset the additional electricity charges paid by those households.

58. Deputy Secretary for the Environment ("DSEN") advised that the two power companies would introduce different schemes in 2019 respectively, i.e. CLP Community Energy Saving Fund and HKE's Smart Power Care Fund, to provide each of 10 000 SDU households with a subsidy of \$500 to alleviate their electricity expenses and/or provide them with assistance in installing individual electricity meters. SEN supplemented that regarding the installation of individual electricity meters, the two power companies could only carry out installation work if eligible SDU households had obtained prior consent from the landlord and building management.

59. Mr LUK Chung-hung considered that under the new Scheme of Control Agreements ("new SCAs") concluded in April 2017, the two power companies' maximum permitted rate of return of 8% was on the high side. Mr LUK and Mr Holden CHOW were concerned whether the Administration had put in place measures to control the rate of tariff increase by the two power companies. Mr CHOW said that as the Administration sought FC's funding approval for \$8,700 million to provide electricity charges relief for eligible residential households, the Democratic Alliance for the Betterment and Progress of Hong Kong held that the two power companies should also show commitment in this regard by deducting the same amount from the value of their net fixed assets, so as to lower their maximum permitted return and hence, the rate of tariff increase.

60. DSEN replied that given that the two power companies would increase the use of more expensive natural gas for power generation under the new SCAs, and fuel prices had increased more significantly when compared with the past, their fuel-related costs would definitely increase. As fuel expenses were accountable charges to be borne by the consumers, the two power companies would not benefit therefrom. He further said that the Administration had actually discussed Mr CHOW's suggestion with the two power companies, but it was rejected by the two power companies. He advised that according to the two power companies, their rate of permitted return under the new SCAs had been reduced significantly, together with the onset of a cycle of rising interest rates, the two power companies expected that their investment costs would increase. Hence, there was no room for further reduction of their return. As the Administration had already concluded the new SCAs with the two power companies, the Administration must respect the agreements. SEN supplemented that according to a consultancy study commissioned by the

Action

Administration on the new SCAs of the two power companies, a reasonable level of maximum permitted rate of return would be within the range of 7% to 9%.

61. The meeting ended at 7:00 pm.

Legislative Council Secretariat
30 April 2019

27/10/2018 商台節目「政經星期六」部分 發言記錄（逐字記錄）

我諗今時今日的財委會有很大的不同，就是我們已經修改了財委會的會議程序，其實就算你係有幾複雜的問題，其實就係比較短的時間就要表決，以前可能真係可以拖4、50個鐘，甚至創科局都拖了3年，但因為我們真的改了規則，其實我相信就算你上嚟，最多都係頂晒籠10零個鐘，一定處理到。

註：發言在節目開始後約34分鐘