

立法會
Legislative Council

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Finance Committee of the Legislative Council

Minutes of the 24th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 14 June 2019, at 3:21 pm

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Steven HO Chun-yin, BBS
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
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

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 POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-kiwok, SBS, MH, 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 SHIU Ka-fai
Hon YUNG Hoi-yan
Dr Hon Pierre CHAN
Hon HUI Chi-fung
Hon LUK Chung-hung, 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 James TO Kun-sun
Hon WONG Kwok-kin, SBS, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon Frankie YICK Chi-ming, SBS, JP
Hon MA Fung-kiwok, SBS, JP
Dr Hon KWOK Ka-ki
Hon Martin LIAO Cheung-kong, SBS, JP
Hon CHUNG Kwok-pan

Hon Holden CHOW Ho-ding
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon LAU Kwok-fan, MH
Hon Kenneth LAU Ip-keung, BBS, MH, JP

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	Senior Environmental Protection Officer (Food Waste Recycling) 2, Environmental Protection 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

The Chairman reminded members of the requirements under Rules 83A and 84 of the Rules of Procedure ("RoP").

Points of order

2. Before discussion on the agenda items, a number of members raised points of order and requested to speak thereon. The Chairman directed that members might each speak on their points of order for not more than one minute.

Holding the meeting while the Amber alert was in force

3. Ms Claudia MO, Mr HUI Chi-fung, Dr Fernando CHEUNG, Dr CHENG Chung-tai and Mr Andrew WAN pointed out that immediately after the Amber alert was issued at midnight, 12 June 2019, a large number of police officers were deployed to station within the Legislative Council ("LegCo") Complex. They queried that as the Amber alert had yet to be lifted, there were clearly risks involved in holding meetings in the LegCo Complex ("the Complex"). They requested the Chairman to explain the reasons for his decision to hold the present meeting of the Finance Committee ("FC") as scheduled.

4. Dr Fernando CHEUNG, Dr CHENG Chung-tai and Dr Helena WONG called on the Chairman to cancel the meeting. They pointed out that the most important issue at the moment was to handle the social crisis arising from the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 ("the Bill") introduced by the Administration to LegCo. Given the tense social atmosphere, it was not appropriate to consider any funding proposals at the moment. Dr CHEUNG opined that FC could arrange additional meetings later to deal with the outstanding financial proposals. Dr WONG and Mr LAM Cheuk-ting requested the Chairman and other Members of the pro-establishment camp to lobby the Government to withdraw the Bill.

5. Mr CHAN Chi-chuen asked whether the Chairman had suggested to The Legislative Council Commission ("LCC") that the Amber alert be cancelled if he was of the view that the Complex was safe enough to hold the FC meeting after assessing the risk involved. He pointed out that agenda item 2 of the present FC meeting was "Site formation and infrastructure works for public housing development at Wang Chau, Yuen Long", and the residents affected by the relevant works projects had originally planned to come and observe the meeting in the public galleries. But as the Amber alert was in force, they were not allowed to enter the Complex. Mr AU Nok-hin considered that the Amber alert could have

been cancelled as members of the public now gathering outside the Complex were peaceful and just singing hymns. Mr LAM Cheuk-ting enquired about the meeting arrangements in case crowds of people once again gathered outside the Complex while the meeting was in progress.

6. Mr HUI Chi-fung said that Dr Junius HO had once alleged that Members of the pro-democracy camp were ringleaders of the "riot" that took place outside the Complex on 12 June, and he requested that arrests be made by the Police. He sought clarification from Dr HO on his remarks and queried whether the Police would enter the meeting venue to arrest individual Members while the meeting was in progress.

7. Ms Claudia MO said that the House Committee meeting held just now had ended before the scheduled time on account of similar queries as those raised by members above. She considered that the FC meeting should only be continued if fully justified.

Security arrangements for the Complex on 12 June 2019

8. Mr LAM Cheuk-ting, Dr Helena WONG, Mr CHAN Chi-chuen and Mr KWONG Chun-yu said that a number of Members were on the scene when serious confrontations between the Police and the demonstrators arose outside the Complex on 12 June as they tried to call on both parties to exercise restraint. But when those Members wanted to return to the Complex later, they were denied access by the security officers of the Complex and police officers (and the Police was firing tear gas outside the Complex at that time). The safety of Members was disregarded. Mr CHAN also pointed out that at around 3 pm on 12 June, the security officers refused to let him leave the Complex. When he tried to enter the Complex today (i.e. 14 June), he was once again obstructed by the Police. He queried that the Red alert should have been issued if Members were not allowed to leave or enter the Complex.

9. Mr WU Chi-wai quoted from media reports that the Police had arranged to carry Members of the pro-establishment camp to "safe houses" on 12 June, while the same arrangement was not made for other Members.

Insurance issues

10. Mr Jeremy TAM asked whether the public liability insurance policy procured by LCC would cover meetings held inside the Complex while the Amber alert was in force. If so, he sought information about the insurance coverage as well as the persons covered under the insurance policy. Mr Andrew WAN was concerned that since the Police had declared the

demonstration on 12 June as a "riot", the public liability insurance policy procured by LCC as well as Members' personal insurance might not provide coverage for personal injuries or property damages caused by the demonstration.

Other concerns

11. Mr Gary FAN said that some members were allowed to ask more than 10 rounds of questions when the funding proposal concerning the Organic Resources Recovery Centre Phase 2 ("ORRC2") (PWSC(2018-19)32) was considered by the Public Works Subcommittee ("PWSC"). He asked the Chairman how many rounds of questions would be allowed from members at the FC meeting.

12. Mr LEUNG Yiu-chung asked whether the Chairman would allow a second round of questions from members on their points of order. He considered that the Chairman should respond to each member's points of order one by one, instead of giving a consolidated response after all members had spoken because follow-up questions could not be raised under such an arrangement.

13. Mr Charles Peter MOK said that the Chairman had become emotionally unstable and argued with members time and again when those members were speaking. He considered that it was not appropriate for the Chairman to continue presiding over the present FC meeting and suggested that the Deputy Chairman should take the chair instead. He also requested the Secretary General of LegCo Secretariat to attend the meeting to respond to the points of order raised by members.

14. Dr Junius HO was of the view that the speeches made by a number of members were irrelevant to the agenda of the present FC meeting and in breach of RoP 45(1) since the speeches were with just tedious repetition of arguments. He considered that the Chairman could direct them to discontinue their speeches.

15. The Chairman provided a consolidated response to the points of order raised by members. He considered that when a point of order was raised by a member under a specific provision of RoP or the Finance Committee Procedure ("FCP"), the member was trying to point out that the meeting should be discontinued as the proceedings had deviated from or were in breach of the relevant provision, possibly giving rise to a judicial review challenge. He held that all the questions raised by members were not points of order.

16. Regarding his decision to hold the FC meeting as scheduled, the Chairman advised that given the huge backlog of funding proposals relating to people's livelihood, there was a pressing need for FC to hold meetings to discuss the relevant proposals. The Police had also assured him personally that Members could leave the Complex safely after the meeting. He stressed that meetings could still be held in the Complex while the Amber alert was in force, and it was only when the Red alert was issued following a sudden outbreak of serious confrontations outside the Complex that all meetings should be suspended and all persons should be evacuated from the Complex. He said that he had already relayed the concerns raised by various sectors of the society on the Bill to the Chief Executive via different channels. If members agreed to focus on the discussion of the funding proposal concerning ORRC2, he would be willing to allow the Deputy Chairman to take the chair. However, he would not suspend or cancel the meeting.

17. Regarding the insurance issues, the Chairman advised that the public liability insurance policy procured by LCC covered meetings held inside the Complex while the Amber alert was in force. However, no coverage would be provided in case of riots. Since LCC had decided that it was not necessary to issue the Red alert and meetings could be held inside the Complex, LCC would ensure the safety of persons with access to the Complex. In case of any accidents, the persons concerned could claim compensation from LCC. Regarding Members' personal insurance, the Chairman said that Members should make enquiries with their own insurance agents.

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

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

19. The Chairman advised that the item sought FC's approval of the recommendation made by PWSC at its meeting held on 20 March 2019 vide PWSC(2018-19)32 for upgrading 173DR-ORRC2 to Category A at an estimated cost of \$2,453 million in money-of-the-day prices.

20. The Chairman declared that he was an Executive Director and the Chief Executive Officer of Well Link Insurance Group Holdings Limited.

Contract arrangement for the Organic Resources Recovery Centre Phase 2

21. Mr Tony TSE said that he supported in principle the overall direction of recycling food waste and turning waste into energy. However, he considered that the Administration had only made slow progress in promoting food waste recycling. He noted that the ORRC2 project would still be implemented under a Design-Build-and-Operate ("DBO") contract arrangement, whereby mechanisms would be specified in the contract to monitor the performance of the Contractor, including measures to deduct its operation fees or even terminate the contract on account of its performance. He asked whether the Administration had any fallback plan so that appropriate arrangements could be made in case of contract termination to avoid impact on the operation of ORRC2. He also suggested that other contract arrangements be adopted for the construction of ORRC3 in the future.

22. In response, Under Secretary for the Environment confirmed that a punishment mechanism (including the option of contract termination) was provided under the contract for ORRC2. If the contractor failed to meet the requirements and conditions set out in the contract, the Administration would handle the case accordingly in the light of actual circumstances (including giving consideration to inviting other contractors or having the Government itself take over the operation of ORRC2). He advised that as ORRC was a new kind of facilities in Hong Kong, it would be a safer approach to have one single contractor responsible for the entire project under the DBO contract arrangement. If three different contractors were engaged to design, construct and operate ORRC2, legal issues or operational interface problems might arise. He stressed that officers would be deployed to understand the operation of ORRC2, so that the Government could stand ready to take over ORRC2 immediately when necessary. In addition, arrangements had already been made to implement the Food Waste/Sewage Sludge Anaerobic Co-digestion Trial Scheme at certain existing sewage treatment works, while the relevant scheme would also be implemented at sewage treatment works to be developed in future, such that alternative facilities would be available to handle food waste even if problems with the operation of ORRC2 should arise in the future.

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

23. At 4:07 pm, Dr Fernando CHEUNG moved without notice under FCP 39 that discussion on item FCR(2019-20)4 be then adjourned ("the adjournment motion"). The Chairman proposed the question forthwith that discussion on item FCR(2019-20)4 be adjourned and directed that each member might speak once on the proposed question for not more than three minutes.

24. Dr Fernando CHEUNG briefed members on the adjournment motion. He said that the Bill presented by the Administration to LegCo had sparked off huge controversy in the community, with more than one million people taking to the streets to protest against the Bill. He considered that as Hong Kong was facing a major crisis, it was not appropriate for FC to consider the funding proposal of ORRC2 at this stage.

25. Mr Gary FAN, Mr CHAN Chi-chuen, Mr AU Nok-hin, Mr HUI Chi-fung and Mr WU Chi-wai spoke in support of the adjournment motion. In gist, they considered that the local political and economic situations had become increasingly unstable after the Administration introduced the Bill to LegCo. At this stage, the Administration should first assess the political and economic risks involved (such as the possibility of having the special treatment enjoyed by Hong Kong under the United States-Hong Kong Policy Act removed as a result) if the Bill was passed eventually, as well as the impact of such on the construction and running costs of ORRC2.

26. These members also said that although as many as 1.03 million people took to the streets to protest against the Bill on 9 June 2019, the Administration ignored people's views and insisted the resumption of the Second Reading debate on the Bill on 12 June 2019 as scheduled, given the blind support of Members of the pro-establishment camp. They further pointed out that while the demonstration outside the Complex on that day was by and large peaceful, the Police used force abusively by firing tear gas, bean bag rounds and rubber bullets at the demonstrators, which was most unacceptable.

27. The Chairman said that the Police resorted to firing tear gas, etc., because they were confronted by the demonstrators. He considered that Members should give comments in a fair and impartial manner, instead of glorifying the acts of the demonstrators. He was of the view that the remarks made by some members might further incite public sentiments. He also pointed out that should Hong Kong descend into chaos and

disorder, the general public would be made to suffer.

28. At 4:35 pm, the Chairman advised that as some members had become quite emotional and could not properly handle the adjournment motion and various funding proposals on the agenda, he declared the meeting be adjourned.

Legislative Council Secretariat
31 October 2019