Extract of minutes of meeting
of the House Committee on 18 October 2002
(These minutes are subject to confirmation by the House Committee)

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VIII. Any other business

Proposed invitation to the Financial Secretary (FS) to attend a meeting of the House Committee to explain the funding policy on public works project

(Letter dated 16 October 2002 from the Chairman of the Public Works Subcommittee to the Chairman of the House Committee)

44. Referring to his letter, Ir Dr Raymond HO said that at the PWSC meeting on 16 October 2002, members expressed concern about the remarks made recently by FS regarding the need to review the priority order of public works projects. Members noted that according to FS's remarks, the primary consideration in prioritizing public works projects was whether and to what extent individual projects would benefit the Hong Kong economy. Dr HO further said that members would like to know whether this represented a change in Government's existing policy on public works projects, and how such a change would affect the implementation of certain public works project which were required to meet the needs of the community, but would not directly generate economic benefits.

45. Dr HO said that members of PWSC considered it necessary for FS to clarify his remarks as well as to explain whether there had been a change in Government's policy on public works projects, with particular regard to prioritizing projects for funding allocation. Dr HO added that as the subject matter straddled a number of policy areas, members of PWSC had suggested that FS should be invited to attend a meeting of the House Committee.

46. Referring to FS's letter dated 17 October 2002 tabled at the meeting, Dr HO informed Members that FS had just provided a response to the concerns and queries raised by PWSC. Dr HO said that in his letter, FS had pointed out that whether individual projects would generate economic benefits was not the only consideration in prioritizing public works projects, and that it was the normal practice to review the projects on the Public Works Programme. Moreover, the average annual funding earmarked for public works projects for the period from 2002-03 to 2006-07 remained to be in the region of $29.4

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billion. Dr HO further said that FS had also explained that his remarks on the funding policy of public works projects were made in response to press enquiries.

47. Dr HO further said that as the Panel on Financial Affairs (FA Panel) had already invited FS to attend a special meeting on 25 October 2002 to discuss the fiscal deficit and budgeting of Government expenditure for the years from 2003-2004 to 2006-2007, he personally considered that FS should be asked to take the opportunity to also explain Government's funding policy on public works projects.

48. Mr Albert CHAN expressed strong dissatisfaction that FS had said in paragraph 3 of his letter that some Members were concerned about certain public works projects being "dropped" from the Public Works Programme. Mr CHAN said that FS was twisting the facts as it was FS himself, and not Members, who had raised the need to review the priority order of public works projects in the first place. Mr CHAN pointed out that prioritizing public works projects on the basis of whether they would generate economic benefits was something new. It was therefore contradictory for FS to state in paragraph 4 of his letter that it was the existing practice to do so.

49. Mr CHAN further said that as the subject matter did not just concern the FA Panel, FS should be invited to attend a meeting of the House Committee to explain Government's funding policy on public works projects as well as to tell Members which projects would be deferred or "dropped" from the Public Works Programme completely.

50. Ms Emily LAU agreed with Mr Albert CHAN that FS's letter did not provide a satisfactory response and contained contradictory statements. Referring to the last paragraph of FS's letter, Ms LAU further said that it seemed that FS was now holding the media responsible for his making the remarks. She doubted whether the press would ask questions on the need to review the priority order of public works projects, if FS had not raised the subject matter in the first place. Ms LAU requested the LegCo Secretariat to obtain the relevant press statements made by FS for Members' information. Ms LAU added that she considered the meeting of the FA Panel scheduled for 25 October 2002 an appropriate forum for FS to explain Government's funding policy on public works projects.

51. Mr IP Kwok-him said that he had no strong views as to whether FS should attend a meeting of the FA Panel or the House Committee, as long as FS would have an opportunity to explain Government's funding policy on public works projects.

52. The Chairman said that it was the existing practice for FS to be invited

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to brief the FA Panel on the macro-economic situation of Hong Kong on a regular basis. As the FA Panel would discuss the fiscal deficits and the budgeting of Government expenditure for years from 2003-2004 to 2006-2007 at its special meeting on 25 October 2002, she considered it appropriate to ask FS to take the opportunity to also explain Government's funding policy on public works projects. The Chairman informed Members that the item was scheduled for discussion at 9:30 am.

53. Mr Albert CHAN said that he did not object to the proposed arrangement. However, he was concerned whether there would be adequate time for discussion since the meeting would end around 10:30 am. Ir Dr Raymond HO shared Mr CHAN's concern.

54. The Chairman suggested that the meeting could be extended to 10:45 am. The Chairman added that the FA Panel could always decide to hold further discussion with FS on the subject matter, after the meeting on 25 October 2002.

55. The Chairman informed Members that the Panel on Planning, Lands and Works had invited the Secretary for the Environment, Transport and Works to give a briefing on her work plan, and also provide information on the public works projects to be included in the Public Works Programme, at its meeting on 8 November 2002. The Chairman added that the item was scheduled for discussion at 9:15 am.

56. There being no further business, the meeting ended at 3:15 pm.

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