

Press Release

LCQ6: Impacts of filibusters on Government's implementation of policies and HK society

Wednesday, May 18, 2016

Following is a question by the Hon Wong Ting-kwong and a reply by the Under Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (May 18):

Question:

At the Legislative Council (LegCo) meeting on February 19 this year, the Chief Secretary for Administration (CS) criticised some Members of this Council for pursuing resistance by means of filibustering in this Council (e.g. deliberately creating situations of meetings being adjourned due to a lack of quorum and proposing motions to adjourn proceedings), thereby deliberately impeding the Government's implementation of policies and causing the operation of this Council to lose its balance. In addition, at the LegCo meeting on April 20 this year, the Secretary for Development pointed out that filibusters had resulted in extremely slow progress in the vetting and approval of the funding applications of works projects, which had not only adversely affected the construction industry, but also hindered economic development and weakened Hong Kong's competitiveness. Moreover, a number of chambers of commerce in Hong Kong have jointly pointed out that the growth in Gross Domestic Product is declining year by year, and the retail and tourism industries have found themselves in the midst of a harsh winter. In this connection, will the Government inform this Council:

- (1) whether it has studied the impacts of filibusters on the executive-led system, which has all along been implemented in Hong Kong; if it has studied, of the outcome; given that there are views that filibusters have led to a waste of public money in the amount of \$2.55 million daily, whether the authorities have calculated the amount of public expenditure incurred by filibusters since the 2014-2015 financial year;
- (2) given that CS pointed out at the LegCo meeting on February 19 this year that within the remainder of the current session, the Finance Committee of this Council needed to vet and approve nearly 50 funding proposals, and the Public

Works Subcommittee and the Establishment Subcommittee needed to discuss 60 and 30 funding proposals respectively (quite a number of which are pertinent to economic development and improvement of people's livelihood), whether the authorities have studied the impacts of persistent filibusters on aspects such as economic development, infrastructure projects and people's livelihood; if they have studied, of the outcome; if not, the reasons for that; and

(3) whether it has studied the impacts of the Finance Committee not being able to timely vet and approve the relevant funding applications of public works projects on contractors, engineers, architects and workers; if it has studied, of the outcome?

Reply:

Acting President,

My consolidated reply to the three parts of the question is as follows:

The Legislative Council (LegCo) has the responsibility to enact, amend and repeal laws in accordance with legal procedures and to examine and approve budgets introduced by the Government. The Government always pays due regard to the functions and powers of LegCo and attaches great importance to the relationship between the executive authorities and the legislature.

Over the past few years, some Members have impeded the normal operations of LegCo by filibustering, in an attempt to force the Government to accede to their demands. The Appropriation Bill 2016 was passed by LegCo last week. Thanks to the filibustering, it took LegCo three more rounds of meetings to scrutinise the Bill when compared with the usual completion of the process by around the end of April in the past. Besides, meetings were adjourned three times due to a lack of quorum. In fact, this is already the fourth year in which Members put forward loads of amendments to the Appropriation Bills and made incessant quorum calls for the purpose of filibustering. Scrutiny work often lasted until the end of May or even June in these years, driving the Government to the verge of a "fiscal cliff" and affecting government payment cycles for the Hospital Authority, the Legislative Council Commission, the University Grants Committee and trading funds, etc.

Filibusters have not only been staged during LegCo's scrutiny of the Appropriation Bills and other bills at Council meetings. The meetings of the Finance Committee (FC) and its Public Works Sub-committee (PWSC) and Establishment Sub-committee (ESC) have also been affected by individual Members' filibusters from time to time. The objective result is a serious congestion of agenda items. In terms of time spent, it took an average of 1.12 hours for the FC to vet and approve an item in the 2012-13 legislative session. However, as of May 13, 2016, the average time required for vetting and approving an item has multiplied to 3.21 hours. For some controversial items, the time required was often as long as tens of hours. As to project items, proposals of works projects will in general be put forward to the relevant LegCo panels to seek their support before being submitted to the PWSC for deliberation and finally to the FC for approval. On average, it takes about 9 months for a works project to go through the process of obtaining the support of the relevant LegCo panel(s) and until the approval of the FC, while it took only about 7 months in the 2014-15 legislative session and about 3 months in the 2005-06 legislative session, representing a two-fold increase.

Although we have not conducted any quantitative assessment on the implications of Members' filibusters on public funds, the considerable extension of time required for LegCo to scrutinise various issues and frequent adjournment of LegCo meetings due to a lack of quorum have incurred additional public expenditure.

It is indeed worrying especially given the present economic situation of Hong Kong. As an externally oriented, small and open economy, Hong Kong is susceptible to changes in the external environment. Infrastructure developments are important long-term investments that help strengthen our competitiveness. Continuous and steady investment in capital works projects can also contribute in no small measure to promoting economic growth and maintaining overall employment, creating a buffer against economic downturn. Moreover, public works projects are closely related to people's livelihood. The project items pending FC's scrutiny include schools, sports centres, community halls, cycle tracks and infrastructural facilities related to land and public housing developments, many of which are long awaited by the communities.

At present, the annual expenditure on capital works projects accounts for about one-third of the overall expenditure for public and private works projects

in Hong Kong. There are over 0.3 million practitioners, including workers, professionals and other related personnel, in the local construction industry, accounting for about 10 per cent of our total labour force. In the middle to long term, if LegCo's approval cannot be obtained for public works items, there will be a fall in the works expenditure, thus dealing a blow to the industry and causing hindrance to the enhancement of community facilities and the sustainable development of Hong Kong. From 2010-11 to 2014-15, the costs of works projects approved by the FC totalled a yearly average of about \$91 billion, of which new projects accounted for some \$74 billion. In the current legislative session, works projects costing only about \$46 billion in total have so far been approved by the FC, of which new projects account for only about \$11.2 billion. The impact on the construction sector as well as the whole economy is imaginable.

While there are only two months left before the end of the current legislative session, items on 22 bills and 7 subsidiary legislations are outstanding, and a number of funding proposals and public works projects are pending approval. As at May 13, over 20 non-works funding proposals are still pending approval by the FC. Besides, around 40 works projects are yet to be approved by the FC or the PWSC, with their costs totalling some \$47 billion. In respect of the ESC, about 20 proposals are also still pending. Upon discussion with the LegCo Members, the Government decided to reschedule the remaining agenda items on the principle of "dealing with livelihood-related and straightforward issues first". The Government will also actively request LegCo and its committee/subcommittees to arrange additional meeting sessions, with the aim of completing the scrutiny of all the outstanding bills and funding proposals in the remaining time of this legislative session as far as possible.

Acting President, this is the last year of the current LegCo term and LegCo will go into prorogue on July 16. The Government sincerely hopes that Members would make effective use of the limited meeting time and endeavour to complete the outstanding business of LegCo, and we will certainly make every effort to facilitate LegCo's work.

Thank you.

Ends