

**立法會**  
**Legislative Council**

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**Finance Committee of the Legislative Council**

**Minutes of the 20th meeting  
held at the Legislative Council Chamber  
on Friday, 3 July 2009, at 3:00 pm**

**Members present:**

Hon Emily LAU Wai-hing, JP (Chairman)  
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)  
Hon Albert HO Chun-yan  
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP  
Hon LEE Cheuk-yan  
Dr Hon David LI Kwok-po, GBM, GBS, JP  
Hon Fred LI Wah-ming, SBS, JP  
Dr Hon Margaret NG  
Hon James TO Kun-sun  
Hon CHEUNG Man-kwong  
Hon CHAN Kam-lam, SBS, JP  
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP  
Hon LEUNG Yiu-chung  
Dr Hon Philip WONG Yu-hong, GBS  
Hon WONG Yung-kan, SBS, JP  
Hon LAU Kong-wah, JP  
Hon LAU Wong-fat, GBM, GBS, JP  
Hon Miriam LAU Kin-yee, GBS, JP  
Hon Andrew CHENG Kar-foo  
Hon TAM Yiu-chung, GBS, JP  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon LI Fung-ying, BBS, JP  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon Albert CHAN Wai-yip  
Hon Frederick FUNG Kin-kee, SBS, JP  
Hon Audrey EU Yuet-mee, SC, JP  
Hon Vincent FANG Kang, SBS, JP  
Hon WONG Kwok-hing, MH

Hon LEE Wing-tat  
Dr Hon Joseph LEE Kok-long, SBS, JP  
Hon Jeffrey LAM Kin-fung, SBS, JP  
Hon Andrew LEUNG Kwan-yuen, SBS, JP  
Hon Alan LEONG Kah-kit, SC  
Hon LEUNG Kwok-hung  
Hon CHEUNG Hok-ming, GBS, JP  
Hon WONG Ting-kwong, BBS, JP  
Hon Ronny TONG Ka-wah, SC  
Hon CHIM Pui-chung  
Hon KAM Nai-wai, MH  
Hon Cyd HO Sau-lan  
Hon Starry LEE Wai-king  
Dr Hon LAM Tai-fai, BBS, JP  
Hon CHAN Hak-kan  
Hon Paul CHAN Mo-po, MH, JP  
Hon CHAN Kin-por, JP  
Hon Tanya CHAN  
Dr Hon Priscilla LEUNG Mei-fun  
Dr Hon LEUNG Ka-lau  
Hon CHEUNG Kwok-che  
Hon WONG Sing-chi  
Hon WONG Kwok-kin, BBS  
Hon WONG Yuk-man  
Hon IP Wai-ming, MH  
Hon IP Kwok-him, GBS, JP  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Dr Hon PAN Pey-chyou  
Hon Paul TSE Wai-chun  
Dr Hon Samson TAM Wai-ho, JP

**Member absent:**

Hon Timothy FOK Tsun-ting, GBS, JP

**Public officers attending:**

Professor K C CHAN, SBS, JP	Secretary for Financial Services and the Treasury
Mr Stanley YING, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Bernadette LINN, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) <sup>1</sup>

Ms Elsie YUEN	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Ms Eva CHENG, JP	Secretary for Transport and Housing
Mr Philip YUNG Wai-hung, JP	Deputy Secretary for Transport and Housing (Transport)1
Mr WAI Chi-sing, JP	Director of Highways
Mr WAN Man-lung, JP	Principal Government Engineer (Railway Development), Highways Department
Mr Malcolm GIBSON	Head of Project Engineering, MTR Corporation Limited
Ms Maggie SO	Senior Manager - Projects and Property Communications, MTR Corporation Limited

**Clerk in attendance:**

Mrs Constance LI	Assistant Secretary General 1
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**Staff in attendance:**

Ms Anita SIT	Chief Council Secretary (1)4
Mr Simon CHEUNG	Senior Council Secretary (1)5
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Mr Frankie WOO	Legislative Assistant (1)2

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**Item No. 1 - FCR(2009-10)30**

**RECOMMENDATIONS OF THE ESTABLISHMENT SUBCOMMITTEE  
MADE ON 17 JUNE 2009**

The Chairman put the item to vote. The Committee approved the proposal.

## Item No. 2 - FCR(2009-10)31

### RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE MADE ON 10 AND 15 JUNE 2009

2. The Committee agreed that PWSC(2009-10)50, i.e. funding support for the West Island Line (WIL), should be voted on separately. The Chairman put the remaining items of FCR(2009-10)31 to vote. The Committee approved all these items.

#### **PWSC(2009-10)50 1QR West Island Line – funding support**

##### Ventilation shaft at Hill Road

3. Mr IP Kwok-him said that he supported the proposal as residents of Sai Wan and Kennedy Town areas had been waiting anxiously for the construction of WIL for many years. He asked whether the size of the ventilation shaft at Hill Road for the University station could be reduced, or if possible removed from the project plan.

4. The Director of Highways (DH<sub>y</sub>) advised that the MTR Corporation Limited (MTRCL) had already reduced the size of the Hill Road ventilation shaft from 110 square metres (m<sup>2</sup>) to 70 m<sup>2</sup>. The tendering exercise for the detailed design of the project would soon be held. One of the tender requirements was that the contractor should strive to keep the ventilation shaft at Hill Road as small as possible or, if possible, to remove the ventilation shaft from the project plan. He anticipated that the size and design of the ventilation shaft would be known in early 2010.

5. Mr KAM Nai-wai said that a group of local residents had staged an overnight sit-in protest against the construction of a ventilation shaft at Hill Road. He urged the Administration and MTRCL to address the nuisance that the ventilation shaft would generate and, if possible, remove it from the project plan. He suggested that in the tendering exercise, MTRCL should award extra marks to any tender bid which could come up with a feasible design without a ventilation shaft at Hill Road.

6. The Secretary for Transport and Housing (STH) said that it was necessary for an underground rail line to have adequate ventilation facilities. As a means for drawing air from outside into an underground station, ventilation shafts would not cause air pollution. DH<sub>y</sub> confirmed that the size of the ventilation shaft in Hill Road would constitute a major consideration for assessing the tenders. To address the needs and concerns of local residents, MTRCL had formed three community liaison groups for three station areas, i.e. Sai Ying Pun, University and Kennedy Town. There were representatives from relevant Government departments sitting on the liaison groups, which would hold regular meetings with local residents.

7. Miss Tanya CHAN said that she had met with the local residents participating in the overnight sit-in protest and had informed them that efforts were being made to reduce the size of the ventilation shaft. She was delighted to note that the Administration would not rule out the possibility of removing the Hill Road ventilation shaft from the project plan. She urged the Administration and MTRCL to keep local residents informed of the progress.

8. Ms Miriam LAU asked whether the Administration/MTRCL would consider relocating the ventilation shaft to the campus of the University of Hong Kong (HKU). She hoped that the Administration could report to the Subcommittee on Matters Relating to Railways again in early 2010 when there was a decision on the design of the ventilation shaft.

9. Mr LEUNG Kwok-hung urged the Administration and MTRCL to respond more actively to the wish of local residents by relocating the Hill Road ventilation shaft.

10. DHy assured members that the Administration was aiming to reduce or, if possible, to do without the Hill Road ventilation shaft. This would however be subject to technical feasibility, and MTRCL had incorporated relevant requirements in its tender documents. He also advised that reduction of the size of the ventilation shaft or its removal from the Hill Road site would lead to the enlargement of ventilation shafts elsewhere. A possible option might be to relocate the Hill Road ventilation shaft to the proposed ventilation and plant building near to Yam Pak Building of HKU. He understood that HKU had no objection to this arrangement. The Administration would inform Members when there was a decision on the design of the ventilation shaft.

#### Blasting and alignment of tunnels below the Belcher's

11. Relaying the concerns of the residents of the Belcher's, Mr KAM Nai-wai enquired whether the Administration was certain that the blasting assessment conducted so far were adequate in supporting the safety claims of MTRCL, and whether MTRCL would accede to local residents' request for re-routing the underground tunnels underneath the Belcher's.

12. Mr Malcolm GIBSON of MTRCL responded that the second draft of the blasting assessment reports had been submitted to the Mines Division of the Civil Engineering and Development Department (CEDD) and the Buildings Department on 30 June 2009 for approval. Once cleared, MTRCL would pass the reports to the Legislative Council (LegCo) Secretariat. At the same time, a summary of the reports would be made available.

13. As for the alignment of the underground tunnels below the Belcher's, Mr Malcolm GIBSON of MTRCL explained that the tunnels passing underneath the Belcher's were the only viable alignment that would not clash with the foundations of

other buildings, and could provide direct access to the main excavation site of the University Station during the construction period, allowing workers to bring in building materials and move out the excavated rocks and other useless materials without causing traffic congestion on the roads. Owing to local topography and the difficulties of finding accessible entrances which should be close to the railway stations, it was not possible to identify alternative tunnel alignment for WIL. Meanwhile, the proposed entrance to the north of the Belcher's was the only location in the area which would not involve resuming private buildings and encroaching onto road space. To assess the blasting effects, MTRCL would engage an independent consultant to monitor the blasting and vibrations before and throughout the construction period, and would communicate with the local communities through the three liaison groups. DHy added that preliminary details of the impacts of blasting had already been shared with residents of the Belcher's at their meetings with MTRCL.

14. Miss Tanya CHAN sought information on the differences between MTRCL and residents of the Belcher's towards the threats posed by blasting. She urged the Administration and MTRCL to step up their communication with local residents to ease the latter's concerns. Mr Malcolm GIBSON of MTRCL responded that he had met with Prof Wanbil LEE and the Chairman of the Owners' Committee of the Belcher's as well as some 15 residents/owners of the Belcher's to attend to their concerns about the blasting and alignment of the underground tunnels in respect of WIL. Since WIL had to be excavated in areas of hard rock blasting was necessary as a means to facilitate excavation and construction of tunnels. He had assured the residents of the Belcher's that as the WIL had to pass under many buildings, not just the Belcher's, all blasting had to be carried out safely. Blasting was a time-proven construction process and in HK is subject to the most stringent standards in the world. MTRCL would continue to communicate with local residents.

15. Ms Miriam LAU requested the Administration and MTRCL to meet with the local residents to explain to them the contents of the blasting assessment reports so as to allay their worries about the blasts. MTRCL should also consult local residents on the timing and locations of the blasting operations and implement appropriate mitigation measures to minimise nuisance and inconvenience.

16. DHy said that Hong Kong had a long history of using the drill-and-blast method for tunnel construction and a lot of blasting operations had been conducted safely in close proximity to buildings in dense built-up areas. After obtaining the approval of the blasting assessment reports, MTRCL would also need to obtain a permit for each and every blasting operation. To minimise risks, a number of trial blasts would be carried out to assess the impact of blasting. He believed that representatives of local residents could be invited to experience in person the actual vibration caused by the blasting. He understood that during the meeting on 30 June 2009, staff from MTRCL had already shared some preliminary information about the impacts of blasting with affected residents.

17. Mr WONG Kwok-hing expressed concern that the blasting operation and other WIL works might cause structural damage such as tilts and cracks to buildings. In reply to Mr WONG, DHy advised that MTRCL would carry out pre-construction surveys to take photographs and document the then condition of the concerned buildings for future reference.

18. On the application of the drill-and-blast method in the construction of WIL, Mr LEUNG Kwok-hung sought confirmation as to whether the Administration would undertake full responsibility in compensating residents of the Belcher's if there was any damage to their buildings and the insurance companies declined to provide compensation for one reason or another.

19. Mr LEUNG Yiu-chung said that he had handled many cases in which the building owners received no compensation for the damage caused by public works and railway projects to their buildings. He therefore urged the Administration and MTRCL to clearly demonstrate the details and coverage of the insurance policies to the affected building owners.

20. DHy advised that MTRCL would take out third-party insurance and liability insurance to protect the affected parties from damages and loss incurred. Nonetheless, the Administration and MTRCL would endeavour to minimise damage and avoid any accident during the construction period by adhering to stringent safety procedures and taking mitigation measures.

21. Mr CHAN Kin-por said that an insurance policy was a contract between the insured party and the insurance company, with all relevant terms including the coverage of the insurance clearly specified in writing. A contractor found by the court negligent in performing his duties would be required to compensate the building owners concerned for the loss and damage caused to their properties. Where third-party insurance had been taken out, compensation to the building owners concerned would be assured. He was confident that the Administration would intervene if damage was done to the Belcher's by the WIL project.

22. Mr Albert CHAN said that he had come across many cases where building owners were unable to obtain compensation for damages caused by public works and railway projects. Therefore, he did not believe that the third-party insurance policies taken out by MTRCL could give adequate protection to the building owners. Mr LEUNG Yiu-chung expressed similar views.

23. Mr Macolm GIBSON of MTRCL assured members that MTRCL would carry out pre-construction condition surveys which would include photo-taking to record the pre-construction building condition to protect the interests of building owners. DHy re-iterated that the Administration would exercise stringent risk control, and undertake safety measures and mitigation arrangements to protect the buildings from possible damage.

24. Ir Dr Raymond HO said that he supported the WIL project and believed that WIL could improve the quality of community life in the Central and Western (C&W) District. He found the various issues put forth by fellow members valid and reasonable, and urged the Administration to consider them carefully prior to formulating a viable implementation plan for WIL. Regarding the blasting works, he said that given the complexity of geological features in Hong Kong, the effects of blasting could not be based on vibration prediction formula alone without site data and trial blasts. He pointed out that blasting might at times lead to some minor cracks on the building surface, but these cracks would have no effect on the structural integrity of the buildings. Since the use of the drill-and-blast method would inevitably generate fears and worries among local residents and might cause minor cracks to nearby buildings, the Administration and MTRCL should communicate with local residents to allay their concerns and to effect immediate repair to any cracks caused. Being a civil engineer by profession, he believed that the Mines Division of CEDD had solid expertise to regulate the use of explosives in Hong Kong. DHy and Mr Malcolm GIBSON of MTRCL confirmed that the contractors engaged by MTRCL would undertake repair works for any cracks of buildings caused by the WIL works.

25. Mr KAM Nai-wai referred to the letter from the External Affairs Subcommittee of the Belcher's Owners' Committee tabled at the meeting (LC Paper No. FC137/08-09(04)) and sought the response of the Administration towards the five requests given in the letter. Noting that the WIL project had been planned for years, he queried why the blasting and other issues could not have been settled earlier.

26. STH explained that some of the issues raised in the letter could only be addressed when the project entered the detailed design stage and the relevant survey findings were available. As for the five requests raised in the letter, DHy advised that --

- (a) the alignment of WIL had gone through extensive research and analysis process and the current alignment option was found to be the best alignment for the rail line;
- (b) the Administration would follow the established procedures to ensure the safety of the blasting works. With years of experience and stringent regulations in place, the application of the drill-and-blast method in tunnel building in rocks was safe;
- (c) re-routing the pedestrian tunnel exit to Sai Cheung Street would cause great inconvenience to local residents;
- (d) the Mines Division of CEDD was the authority for supervising and monitoring the use of drill-and-blast method, and that all blasting assessment reports had to be approved by the Mines Division; and

- (e) MTRCL had included in its tender documents the requirement for a review of the existing project plans regarding ventilation shafts.

27. In response to Mr KAM's query on why the blasting assessment reports could not be released to local residents right now, STH and DHy explained that the blasting assessment reports were in their second draft versions and in the vetting process, CEDD might require MTRCL to fine tune certain parts of the reports. Based on the current schedule, the approved blasting assessment reports could be released in the last quarter of 2009.

#### Funding arrangement of WIL

28. Mr Andrew CHENG said that in view of the strong aspirations of the local residents for early completion of WIL, members belonging to the Democratic Party (DP) supported the WIL project. However, he was dissatisfied with the financial arrangement for the project. While the funding commitment of the Government for WIL had increased one-fold from \$6 billion to \$12.252 billion, MTRCL's share had reduced from \$2.9 billion to \$2.7 billion. Given that there were some railway projects in the pipeline, he was worried that the funding arrangement of WIL would set a precedent for those projects. He urged the Administration to stand firm in its future dealings with MTRCL and take heed of DP's proposal of setting up a fare stabilization fund, with MTRCL putting aside a portion of its profits for the fund.

29. Ms Audrey EU also queried why MTRCL could enjoy a reduction of its financial commitment by \$200 million, and urged the Administration to review the existing financial arrangement which was seemingly unfair to the Government.

30. STH said that the project cost estimate of WIL had gone through the most stringent scrutiny. The Administration had engaged an independent engineering consultant to look into the estimates provided by MTRCL and the consultant's conclusion was that the estimates were in order. The Administration had adopted the same methodology in the cost estimations of WIL in 2007 and 2009. In addition to a 48% price escalation for the construction sector since 2006, some substantial changes to the scope of the project had also been introduced as a result of detailed planning, site investigations and public consultation in the past few years. It was through careful calculations that the Administration had come to the present estimate and funding arrangement in respect of WIL. To safeguard public interests, the Administration had introduced relevant measures including the claw-back mechanism and the funding ceiling. The adjustment of the rail fares by MTRCL would be subject to overall economic condition of Hong Kong and the established fare adjustment mechanism.

31. DHy supplemented that the Administration would monitor the expenditure of the WIL project closely. The tendering exercises for the WIL project works would be by open tender and it was not possible for MTRCL to deploy the allocated funds to other areas. During the construction of WIL, the Administration would

exercise vigilance in monitoring the expenses of MTRCL on the project and if MTRCL wanted to change contract terms, MTRCL needed to inform the Highways Department about details of the changes for agreement. A re-assessment of the funding gap would be made in about two years after commencement of operation of WIL. Any excess of the original funding support over the reassessed amount would be returned to the Government with interest paid.

32. Ms Maggie SO of MTRCL said that the estimated cost for constructing WIL was \$8.9 billion in 2006 based on the fare level at that time. With the merger of the two railway companies in 2007, MTRCL had reduced the fares by 5% to 10%, and this had affected the revenue of MTRCL from the WIL project.

33. Mr LEE Wing-tat said that given that MTRCL was the only operator of railway services in the territories of Hong Kong, the Administration did not have much clout to bargain with it. He also felt sorry for the split of views amongst Members which did not permit LegCo to exert enough pressure on MTRCL to come to more favourable terms for the construction of WIL. He asked whether and how STH had strived to negotiate for more favourable terms with MTRCL for the project.

34. STH advised that the funding support for WIL was required because WIL was not a financially viable rail line. The Administration had been highly transparent in accounting for the financial arrangement for WIL, and as the financial arrangement required funding approval of LegCo, the relevant details had been placed under the scrutiny of Members and before the public. To safeguard against overpayment of funding support to MTRCL, the Administration had introduced a claw-back mechanism in that any excess of the original support would be returned to the Government with interest paid.

35. Mr Jeffrey LAM opined that the construction of WIL should commence as soon as possible, since it would resolve the traffic congestion problem of the C&W District, and create a large number of jobs for the construction sector. Given that the capital grant for MTRCL involved a huge sum of public funds, Mr Jeffrey LAM enquired how the Administration could effectively monitor the WIL project and how the claw-back mechanism would work. DHy advised that the Administration would closely monitor the expenditure of every WIL project, including the actual contract award prices, actual fluctuation payments, actual land cost payments and adjusted contingency sum, so as to reassess the funding gap that would form the basis for the claw-back amount. Furthermore, should there be any change to the scope and details of the project, MTRCL would be required to seek prior clearance from the Administration.

36. Ir Dr Raymond HO urged the Administration to tighten its control on MTRCL with a view to achieving more reasonable financial arrangements for future railway projects. Mr Albert HO opined that it might not be appropriate for the Administration to use public funds to subsidize a listed company such as MTRCL. He believed that a more appropriate financial arrangement would be for MTRCL to

reimburse the Government with an "operating fee", in return for the capital grant. He enquired whether the Administration could carry out a thorough review on the financial arrangements with MTRCL.

37. STH advised that since WIL was an extension of the Island Line, it would be difficult for it to operate on a model as proposed by Mr HO. Nevertheless, for new self-standing rail lines such as the Shatin to Central Link, the Administration would adopt a "concession approach" in that while the ownership of the new rail line would rest with the Government, MTRCL would be responsible for the daily operation of the rail line through a service concession to be granted by the Government.

#### Railway development policy

38. Mr Albert CHAN said that while he did not object to the Administration's policy of developing railways as the backbone of Hong Kong's transport system, he had considerable reservations over the railway development plans which were more in favour of certain districts in the urban areas, in particular those on the Hong Kong Island. In comparison, railway development in the New Territories West had been accorded lower priority. He queried why the Administration did not follow the planning ratio of having one railway station for a population size of 50 000 to 80 000 in the railway development in Tin Shui Wai, Tuen Mun and Tsuen Wan. He urged the Administration to review the existing railway development policy to rectify this discriminatory approach.

39. STH advised that the Administration would review the railway development policy from time to time to improve the transport system for the entire territory. For example, at present, the Administration was considering the feasibility of providing at Hung Shui Kiu a spur line from the planned rail link between the airports of Hong Kong and Shenzhen to cater for the needs of residents in New Territories Northwest.

#### Fare concessions and other views

40. Ms Audrey EU anticipated that the construction of WIL in a densely-populated place such as Western District would inevitably cause inconvenience such as traffic congestion to local residents during the construction period. She asked whether MTRCL would put up prominent signboards showing the contact telephone numbers of the Government departments and MTRCL for local residents to report/complain about irregularities to relevant authorities. DHy advised that most construction works of the WIL would be carried out underground and the nuisances caused to the environment and traffic would be minimal. In addition to erecting signboards and notices on site with contact telephone numbers of the relevant Government departments, MTRCL and the Administration would maintain dialogues with local residents through the three community liaison groups.

41. Ms Audrey EU said that given that MTRCL was a major beneficiary of WIL, it should endeavour to improve the quality of its service such as providing platform screen doors in all stations and offering more fare concessions for senior citizens and the disabled. Mr WONG Kwok-hing expressed similar views on fare concession and opined that enhancing fare concessions for senior citizens would attract them to use railway services more frequently at no additional costs to MTRCL. He also commented that MTRCL should not change fare concessions casually, since this would cause misunderstanding and confusion. He urged that the \$2 elderly concessionary fare for senior citizens should continue and be further extended to cover Wednesdays, Sundays and Public Holidays.

42. Ms Maggie SO of MTRCL said that MTRCL would review the fare concessions from time to time. With the provision of concessionary fares for senior citizens, the Student Travel Scheme and the Fare Saver discounts, passengers of MTRCL were benefiting from fare reduction in the amount of \$1.1 billion per annum. The \$2 elderly concessionary fare for senior citizens would expire in August 2009, and MTRCL would conduct surveys to gauge public views on fare concessions for senior citizens and other groups in due course. As regards fare concessions for the disabled, MTRCL would implement the relevant fare concession scheme upon enactment of the relevant legislation.

43. Mr LEUNG Yiu-chung expressed concern about the delay in implementing the fare concessions for disabled persons and enquired the reasons for the delay. STH advised that since it was necessary to obtain an exemption from the Disability Discrimination Ordinance (Cap. 487) for the fare concession scheme for disabled persons through legislative amendments, it was anticipated that the scheme would not be implemented until the end of 2009.

44. Mr WONG Kwok-hing opined that MTRCL should honour its promises at the time of the merger of the two railway companies that it would maintain close liaison with the seven trade unions and there would not be any depletion of service conditions and benefits of its employees. Ms Maggie SO of MTRCL responded that the MTRCL management would meet with the seven staff unions in the following week to attend to their views and concerns.

45. Noting that a man in Kowloon Bay Station had fallen to the rail and died earlier of the day, Mr LEUNG Kwok-hung expressed disappointment with MTRCL for not providing platform screen doors for all stations in time. He criticized that MTRCL's main concern was the interests of the company rather than the interests of the affected residents or the general public. He urged the Administration to step up efforts to regulate the services and operation of MTRCL.

46. Ms Cyd HO and Mr LEUNG Yiu-chung criticized the Administration for not conducting an assessment on the impacts of WIL on the local communities. Ms HO pointed out that the construction of WIL had led to escalation of the domestic rentals in Western District, thereby causing financial hardship to local residents and

lowering their living standard. She was disappointed that even though the Administration had promised to provide public housing in the C&W District some years ago, there had been no progress in this regard so far. Given that WIL would be completed in 2012-2013, she asked the Administration to clearly set out the timetable for the construction of public housing estates in the district.

47. STH said that the Administration agreed that more public housing should be provided in the C&W District. Nevertheless, the provision of public housing was subject to a host of factors including competition for land use from other sectors, and the town planning process took time. She assured members that the Administration would make all possible efforts in this respect. As regards the impacts of WIL on the local communities, she advised that the Administration's relevant assessment study had focused on those people directly affected by the land resumption for the project. The Administration had maintained close liaison with local residents who had to move out of their existing homes due to land resumption, and offer assistance to them in different aspects, such as compensations and provision of public housing units. The Administration would maintain close liaison with the C&W District Council to ensure that the needs of these residents were well taken care of.

48. The meeting was adjourned at 4:50 pm. The Chairman said that discussion of the item would continue at the next meeting commencing 5:05 pm.

Legislative Council Secretariat

30 October 2009