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**Public Works Subcommittee of the Finance Committee
of the Legislative Council**

**Minutes of the 3rd meeting
held in Conference Room 1 of the Legislative Council Complex
on Wednesday, 29 October 2014, at 8:30 am**

Members present:

Hon Alan LEONG Kah-kit, SC (Chairman)
Hon WU Chi-wai, MH (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon LEUNG Yiu-chung
Hon Emily LAU Wai-hing, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon WONG Kwok-hing, BBS, MH
Hon Ronny TONG Ka-wah, SC
Hon Cyd HO Sau-lan, JP
Hon CHAN Hak-kan, JP
Hon CHAN Kin-por, BBS, JP
Dr Hon LEUNG Ka-lau
Hon IP Kwok-him, GBS, JP
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon Frankie YICK Chi-ming

Hon Gary FAN Kwok-wai
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, JP
Dr Hon Kenneth CHAN Ka-lok
Hon CHAN Yuen-han, SBS, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Alice MAK Mei-kuen, JP
Dr Hon KWOK Ka-ki
Hon Dennis KWOK
Dr Hon Fernando CHEUNG Chiu-hung
Hon SIN Chung-kai, SBS, JP
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, JP
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen, BBS

Members absent:

Hon Frederick FUNG Kin-kee, SBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon CHEUNG Kwok-che
Hon James TIEN Pei-chun, GBS, JP
Hon Kenneth LEUNG

Public officers attending:

Mr YEUNG Tak-keung	Deputy Secretary for Financial Services and the Treasury (Treasury) ³
Mr Albert LAM Kai-chung, JP	Permanent Secretary for Development (Works)
Mr Thomas CHAN Chung-ching, JP	Deputy Secretary for Development (Planning and Lands) ¹
Mr TSE Chin-wan	Deputy Director (1) Environmental Protection Department

Ms Jasmine CHOI Suet-yung	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mr CHAN Chi-ming	Deputy Secretary for Development (Works)2
Mr Kevin LUK Fuk-man, JP	Director of Civil Engineering and Development (Acting)
Mr Robin LEE Kui-biu	Deputy Head of Civil Engineering Office (Port and Land) Civil Engineering and Development Department
Ms Phyllis LI Chi-miu, JP	Deputy Director (Territorial) Planning Department

Clerk in attendance:

Ms Sharon CHUNG	Chief Council Secretary (1)6
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Staff in attendance:

Mr Andy LAU	Assistant Secretary General 1
Mr Hugo CHIU	Senior Council Secretary (1)6
Mr Fred PANG	Senior Council Secretary (1)8
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Christy YAU	Legislative Assistant (1)7
Ms Haley CHEUNG	Legislative Assistant (1)8

Action

The Chairman advised that there were 20 funding proposals on the agenda of the meeting. He reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of the Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the funding proposals under discussion at the meeting before they spoke on the item. He also drew members' attention to Rule 84 of RoP on voting or withdrawal in case of direct pecuniary interest.

Order of the items on the agenda

2. The Chairman said that regarding the letter from Mr SIN Chung-kai dated 21 October 2014 suggesting the re-ordering of 12 items (13 works projects) on the agenda, members had expressed views on Mr SIN's

suggestion at the last meeting held on 22 October 2014, while discussing the agenda item of "PWSCI(2014-15)7 -- Forecast of Submissions for the 2014-15 Legislative Council Session". He had requested the Administration to carefully consider Mr SIN's suggestion and members' views.

3. The Chairman continued that, as he had advised at the meeting on 22 October 2014, before deciding whether he should depart from the established practice of the Subcommittee and exercise the power to re-arrange the order of the agenda items proposed by the Administration, he would consider with prudence members' views, the Legal Adviser's opinions and the Administration's submission on the matter. The criteria that should be adopted for fixing the order of the items would also be considered. The Chairman said Legal Adviser had informed him that he would provide the advice as soon as possible. According to the Deputy Secretary for Financial Services and the Treasury (Treasury)³ ("DS(Tsy)³"), the Administration was preparing the written response. The Chairman said that he had requested Legal Adviser and DS(Tsy)³ to provide their replies timely so that he could make a decision on whether to re-arrange the order of the agenda items before the meeting on 19 November 2014 and, in light of his decision, the Administration could make necessary preparatory arrangements for the meeting concerned.

4. Mr WONG Kwok-hing enquired whether, when and how the Chairman would inform members of his decision before the meeting on 19 November. He said that if the Chairman's decision departed from the established practice, members should be allowed to express views on it before it was implemented.

5. The Chairman said that according to his understanding, the Chairman had the final decision on the agenda of a meeting and the meeting arrangement. While members should have fully expressed their views at the previous meeting on re-ordering of agenda items, he was willing to listen to members' further views, if any, on the matter. To provide sufficient time for the Administration to make preparation for the meeting on 19 November, he would make the decision at a reasonable time. The Clerk should, in accordance with the Procedure of the Public Works Subcommittee ("PWSC"), provide members with the agenda approved by the Chairman at least five clear days before the day of the meeting.

6. Mr Gary FAN enquired whether Legal Adviser and the Administration had undertaken to provide their views on the matter in good time, say, in the first week of November, taking into account that the Chairman would need some time to consider their views before making the decision. The Chairman advised that he had not set a deadline for Legal Adviser and the

Administration for the submission of their views, as he expected that both of them would respond to his requests in reasonable time.

7. Mr IP Kwok-him said in the event that the Chairman would re-order the agenda items of a PWSC meeting, that would be an important decision as it would involve a change to the established practice of the Subcommittee. He enquired whether the Chairman would allow members to express views on the matter after the Chairman received the views of Legal Adviser and the Administration.

8. The Chairman said that in discharging his duties, he hoped to have members' full assistance. Although members had expressed views on Mr SIN's suggestion at the meeting on 22 October 2014, he was ready to listen to members' further views after the opinions of Legal Adviser and the Administration were available. If time allowed, and subject to members' availability, he would consider holding a meeting for the purpose. However, taking into consideration that the Council meetings had been taking up much of the time of Members, he would instruct the Clerk to circulate the opinions of Legal Adviser and the Administration as soon as they were received and invite members to give their further views, say, within five days after the circulation of the aforesaid opinions. The views received from members would be taken into account when he made a decision on whether to re-arrange the order of the agenda items. Members raised no objection to the Chairman's suggestion. The Chairman reminded the Administration to provide its submission timely to tie in with the relevant timeframes.

(Post-meeting note: With the concurrence of the Chairman, a letter dated 31 October 2014 from Legal Adviser to the Chairman, together with a note for the Chairman on "Chairman's power in setting the order of agenda items on the agenda of a meeting of PWSC" prepared by the Legal Service Division, was circulated to members on 3 November 2014 vide LC Paper No. PWSC23/14-15. A letter dated 5 November from the Administration to the Chairman on "Sequence of the Public Works Subcommittee Agenda Items" was issued to members on 5 November 2014 vide LC Paper No. PWSC25/14-15. By means of PWSC25/14-15, members were invited to give their views having regard to the information and views provided in the aforesaid letters/note.)

9. Mr SIN Chung-kai suggested that apart from the question on whether the Chairman had the power to re-arrange the order of agenda items, the Chairman should consider allowing members to express views on the order of the agenda items, and, where necessary, hold an informal meeting for the purpose. The Chairman shared the view of Mr SIN that members' views on

the order of the agenda items should be sought in the event that he decided to re-arrange it. He said that he would instruct the Clerk to issue a circular to invite members to give their views early on the order suggested by Mr SIN in his letter dated 21 October 2014, or give other views on the order of the 20 outstanding items on the agenda.

10. Mr Tony TSE opined that, to facilitate members to give views on the order suggested by Mr SIN, Mr SIN might consider providing supplementary information on the factors, preferably in quantitative terms, that he had taken into account when preparing his proposal. Mr SIN responded that he would provide the supplementary information as far as possible.

(Post-meeting note: The supplementary information provided by Mr SIN Chung-kai was circulated to members on 31 October 2014 vide LC Paper No. PWSC22/14-15, by means of which members were invited to express views on the order of agenda items proposed by Mr SIN, or give other views on the order.)

11. Mr LEUNG Che-cheung said that Members returned from different geographic constituencies might hold different views on the order of the agenda items. Considering that some Members had already made applications for late membership of the Subcommittee, he suggested that the Chairman should consider deferring the decision on the order of the agenda items until all these applications had been dealt with, so that the views of those members whose applications were eventually accepted by the Subcommittee could be taken into account.

12. The Chairman responded that as the Subcommittee would handle the applications for late membership from 12 Members in parallel with considering Mr SIN's suggestion about re-ordering of agenda items, he could not commit to taking forward the two matters in the manner suggested by Mr LEUNG.

13. Dr KWOK Ka-ki said that in addition to the 12 applications for late membership that had yet to be considered, the Subcommittee might receive more of such applications in the next few months. It was unreasonable to request the Chairman to hold his decision on the order of the agenda items until all applications for late membership had been dealt with. In his opinion, the items that Mr SIN had proposed to be accorded with priorities were those less controversial and more important to the livelihood of Hong Kong people. A people-oriented Government should accept the proposal.

Head 705 – Civil Engineering

PWSC(2014-15)11# 768CL Strategic studies for artificial islands in the Central Waters

14. The Chairman said that the proposal under the agenda item was to upgrade 768CL to Category A at an estimated cost of \$226.9 million in money-of-the-day prices for carrying out strategic studies for artificial islands in the Central Waters and associated site investigation works ("the proposed study"). The Subcommittee had deliberated on the item at the meetings on 18 and 24 June 2014. Two motions, including one to adjourn the discussion on the item and the other to adjourn further proceedings of the Subcommittee, had been dealt with by the Subcommittee according to Paragraph 33 of the PWSC Procedure and had been negatived. At the meetings on 24, 25 June and 2 July 2014, the Subcommittee had dealt with 111 motions proposed by members under paragraph 32A of the PWSC Procedure ("32A") which had been ruled in order by the Chairman of the 2013-2014 session and had decided by voting not to proceed with these motions. The Chairman advised that the Subcommittee had yet to decide whether to proceed with the remaining 59 motions proposed by members under 32A ("the 59 motions"). A list showing the serial numbers of these 59 motions had been tabled at the meeting. He said that he had no objection to the decision of the Chairman of the previous session that the 59 motions were in order, and he would deal with these motions in due course.

15. The Chairman advised that under the usual practice, the Subcommittee should first complete the deliberation on a funding proposal before it proceeded to deal with the motions proposed on the item under 32A and vote on the item. As the new members of the Subcommittee had not yet asked questions about the proposal, he would allow them to do so if they so wished. For those members who had asked questions on the proposal during the previous meetings, if they would like to raise questions again, he would consider their requests and exercise his discretion.

Purpose and cost of the proposed study

16. Dr KWOK Ka-ki was concerned that the public expenditure of more than \$200 million to be incurred for the proposed study would consequently become wastage. He cautioned the Administration that the proposed study should not be taken forward lightly as there were great controversies over the proposed development of artificial islands, the extent of the reclamation works to be involved and the impact of the proposed development on the environment. He was concerned that the project would be another "white elephant" and cost overrun might occur in future due to the continuing trend of rising labour and material costs. He enquired about the estimated cost for

the construction of the proposed artificial islands and the associated road infrastructure.

17. Deputy Secretary for Development (Works)2 ("DS/DEV(Works)2"), replied that the Administration had conducted a two-stage public engagement ("PE") exercise for the "Enhancing Land Supply Strategy: Reclamation outside Victoria Harbour and Rock Cavern Development" ("ELSS") and had identified five potential near-shore reclamation sites and artificial islands in the Central Waters for consultation in the Stage 2 PE. Although public comments on reclamation at these locations were mixed, there were relatively less objections against the development of artificial islands in the Central Waters. He advised that there were 2 377 submissions opposing the proposed development and 6 440 submissions accepting it. Taking public views into account, the Administration considered that the Central Waters were suitable for developing artificial islands and therefore had proposed to carry out the proposed study.

18. DS/DEV(Works)2 added that the proposed study was a continuation of ELSS. While the Administration had grasped certain preliminary information about the five potential near-shore reclamation sites, there was relatively less information about the Central Waters and the Administration needed to commission the proposed study to formulate proposals at strategic level for developing potential artificial islands. He advised that, after completing the proposed study, the Administration should be able to provide the estimated cost for the construction of the proposed artificial islands. Admitting that the cost for taking forward the proposed study was not insignificant, DS/DEV(Works)2 appealed to members to support the funding proposal as the proposed development of artificial islands in the Central Waters was an important investment for the future of Hong Kong.

19. Dr KWOK Ka-ki criticized the Administration for failing to provide even a rough cost estimate for developing the proposed artificial islands. He commented that it was irresponsible for the Administration to rely on the consultant undertaking the proposed study to work out such information. In reply, DS/DEV(Works)2 explained that to work out the cost estimate for developing the proposed artificial islands, the Administration would need to take into account, among others, the number of artificial islands to be constructed, the transport and connectivity issues, the implementation timetable, which had yet to be ascertained as part of the proposed study. He considered that it would not be a responsible move for the Administration to provide cost information based on a pre-mature estimate.

20. Mr LEUNG Yiu-chung said to ensure that the proposed study would be conducted effectively, the Administration should make clear its thinking

about the intended use of the proposed artificial islands for the consultant undertaking the proposed study to follow. The Administration should not allow the consultant to commence the study from scratch. Taking in view that the Administration was yet to have a development blueprint for the proposed artificial islands such as the total number of these islands and whether not-in-my-backyard ("NIMBY") facilities would be constructed on the islands, Mr LEUNG was concerned that after expending the proposed funding, the consultant could not come up with any practicable recommendations and the relevant cost estimate.

21. Deputy Head of Civil Engineering Office (Port and Land), Civil Engineering and Development Department ("DH(CEO)(P&L)/CEDD"), replied that during the Stage 2 PE for ELSS, the Administration had sought public views on possible land uses for the five potential near-shore reclamation sites and artificial islands in the Central Waters as well as the areas of concern to be addressed in future studies. Apart from the suggestion to develop new towns on the artificial islands, there were views proposing that some locations in the Central Waters which were not close to residential areas might be suitable for constructing artificial islands for accommodating NIMBY facilities or facilities that did not need to be provided in the urban areas, such as a container port, universities, columbaria and resort facilities. The consultant undertaking the proposed study had to make reference to such views when formulating the proposals for developing artificial islands in the Central Waters. He assured members that the Administration would seek views from the relevant local communities and LegCo Members on the development options to be formulated under the proposed study before it was put into implementation.

22. DH(CEO)(P&L)/CEDD continued that when working out the estimated cost of the proposed study, the Administration had some initial thinking on the subject matter to be studied. In order to assess the impact of the potential artificial islands on the surrounding environment and fisheries, the Administration had defined the boundary of the study area, which encompassed an area of more than 200 square kilometres. Within the study area, the number of artificial islands that could be constructed would be varied but limited. As regards the scope of the proposed study, the Administration had divided it into several main parts including engineering feasibility and infrastructure study, preliminary planning proposals (including possible land uses), port operations and marine traffic and safety study, strategic environmental assessment, fisheries impact assessment, consultation exercises with relevant stakeholders, and associated site investigation works. DH(CEO)(P&L)/CEDD explained that unlike the five potential near-shore reclamation sites, there were a number of technical issues yet to be resolved for developing artificial islands. The Administration needed to carry out the

proposed study to ascertain the extent and location of reclamation, and the possible land uses, having regard to the opportunities and constraints within the waters under study, before a reliable cost estimate for developing artificial islands could be produced.

23. Dr KWOK Ka-ki said that cost-effectiveness was one of the major public concerns about constructing artificial islands in the Central Waters. He enquired about the requirements that would be imposed on the proposed study in light of the concern. Dr KWOK stressed the importance for the Administration to exercise prudence in the use of public funds. Noting that according to the Administration's paper, the proposed study and the associated site investigation works would create about 53 jobs including 37 for professional/technical staff, he enquired about the remuneration level of the staff.

24. Director of Civil Engineering and Development (Acting) ("DCED(Atg.)") replied that for feasibility studies such as the proposed study, cost-effectiveness was an essential criterion for assessing the cost and benefits of different development options to be proposed in the studies. He advised that the consultant undertaking the proposed study was required to provide professional advice on the best option to meet the criterion. He continued that the estimated staff cost for the professional/technical staff had been provided at Enclosure 3 to the Administration's paper. The breakdown of the total estimated cost of the proposed study was set out in paragraph 11 of the Administration's paper.

25. Ir Dr LO Wai-kwok cited as an example the reclamation for constructing the airport at Chek Lap Kok and opined that land formation through reclamation had all along helped address the need for land resources in Hong Kong. Taking in view that the Administration had not put in any efforts to increase land supply in Hong Kong in the past decade, he opined that there was an imminent need to address the current shortage of land supply to cater for development needs including the provision of public housing units. As members of the public had expressed reservations about some possible near-shore reclamation sites during the Stage 1 PE for ELSS, the Administration should take forward the proposed study to explore the feasibility of developing a vast piece of land in the Central Waters. He appealed to members to consider the funding proposal in a rational and fair manner. Referring to the motions proposed by members under 32A on the agenda item at the meetings in the previous session, he considered that the views expressed in most of them were one-sided.

26. Taking the reclamation at the northern part of Hong Kong Island as an example, Mr Christopher CHUNG opined that the Administration had all

along adopted reclamation as a means to address shortage of land in Hong Kong. Recalling that the Central Waters had been identified suitable for providing airport facilities, he considered it appropriate to take forward the proposed study to ascertain whether the area was suitable for developing artificial islands and to examine the appropriate use of the islands.

27. Mr LEE Cheuk-yan enquired whether development of artificial islands in the Central Waters was proposed by the Administration having regard to a population policy assumption. Taking in view that reclamation projects would have adverse impacts on the marine ecology, he cast doubt on whether developing artificial islands was a suitable approach to cater for an assumed population growth. Noting that the Administration had advised at the meeting that a construction timetable for the islands was not available yet, Mr LEE queried whether it was an appropriate time to commission the proposed study.

28. Deputy Director (Territorial), Planning Department ("DD(Territorial)/Planning"), advised that Hong Kong's population by 2041 was forecast to increase to about 8.47 million and the number of domestic households would increase by about 680 000. There was also shortage of land for various economic land uses. As the planning and development of artificial islands would take time, the Administration considered it appropriate to carry out the proposed study as early as possible. She added that the results of ELSS had confirmed that, compared with reclamation at other potential sites, developing artificial islands in the Central Waters would have less environmental impact. She assured members that the proposed study would include strategic environmental assessment and formulation of suitable mitigation measures.

29. Ms Cyd HO enquired how the Administration had come up with the projection that Hong Kong's population would increase to about 8.47 million by 2041, given that the current fertility rate in Hong Kong was much lower than the replacement rate of 2.1. Holding the view that Hong Kong's population would continue to drop steadily, she queried whether there were grounds to create more reclaimed land in Hong Kong at the expense of the quality of the natural environment.

30. DD(Territorial)/Planning replied that the population projection had been worked out by the Census and Statistics Department based on a set of assumptions and factors such as birth and death rates, immigration and out-migration, change in demographic structure, etc. DS/DEV(Works)2 advised that there was a need to create more land not only to cater for the projected population growth, but also to create more spacious environment to improve the living quality of people of Hong Kong.

31. Ms Cyd HO opined that to increase Hong Kong's population to 8.4 million, the Administration would need to introduce an initiative to absorb new immigrants of more than a million. She queried whether the Administration had consulted Hong Kong people on such an initiative. She said that to effectively solve the problems arising from the ageing population, the Administration should explore ways to increase the labour productivity, instead of absorbing young immigrants. Mr Albert CHAN opined that if not for the influx of immigrants from China at the rate of 150 persons per day, Hong Kong's population would drop.

32. Dr CHIANG Lai-wan did not subscribe to the view that Hong Kong's population would drop continuously in future, given that according to forecasts, the world population would continue to grow. Ir Dr LO Wai-kwok said that while members might question about the need for developing artificial islands in the context of population policy, they should not query the population projections prepared by the Census and Statistics Department as they were scientific statistics.

Land uses of the artificial islands

33. Mr Albert CHAN opined that the proposal to develop artificial islands in the Central Waters had been worked out in a top-down approach and without careful thinking. The Administration should not get down to the proposed study before completing a territory-wide strategic planning study. He referred to suggestions of the private sector on reclamation in the 1980s and opined that reclaimed land in the Central Waters should be reserved for accommodating the airport and container facilities, the relocation of which would lead to the release of a large amount of precious land resources for resolving the existing land development problems. He criticized the Administration for rejecting those suggestions without studying them seriously.

34. DS/DEV(Works)2 replied that in line with the multi-pronged approach to increasing land supply, the Administration had been carrying out land use reviews on an on-going basis. Following the same direction, the Administration had explored the options of reclamation outside Victoria Harbour, including reclamation in the Central Waters. He reiterated that the proposed study was a continuation of ELSS.

35. The Chairman advised that some members had repeated the questions that had been raised at previous meetings. He called upon members to avoid repetition of questions.

36. Ir Dr LO Wai-kwok opined that the suggestion raised at the meeting about relocating airport or container facilities was not constructive. If the Administration accepted the suggestion, new land would have to be created to accommodate the relocated facilities. He shared the view that the proposed study should explore whether the potential artificial islands could accommodate not just housing development but also economic activities such as operation of the logistics industry.

37. Mr Albert CHAN did not subscribe to the comment that suggestions about relocating container and airport facilities were not constructive. He opined that, in carrying out the proposed study, the Administration should first explore different development options for the reclaimed land concerned before formulating concrete proposals. Apart from the option to develop the islands for housing and commercial developments, consideration should also be given to alternatives such as relocating the container facilities or the Airport to the islands, or relocating both, and making use of the vacated land for residential and commercial uses.

38. The Chairman advised that Mr Albert CHAN had expressed similar views at the meeting on 18 June 2014 urging the Administration to carry out a territory-wide strategic planning study before proposing the locations of artificial islands and had raised questions at the meeting on 24 June 2014 on whether the islands would accommodate container and airport facilities. He enquired whether the Administration would provide any updated information with respect to Mr CHAN's views.

39. DH(CEO)(P&L)/CEDD replied that the proposed study would explore the development options that were beneficial to the livelihood of Hong Kong people. He advised that the waters near Kau Yi Chau had been earmarked for container port development under the Lantau Port and Western Harbour Development Studies in 1993. The relevant outline zoning plan had been amended to incorporate the proposal. However, the proposed land use, i.e. container terminal, was later considered incompatible with the strategic planning intention of reserving land for tourism and recreational uses in northeast Lantau. Moreover, about half of the land reserved for port back-up area had been used for constructing the Hong Kong Disneyland. He advised that as the outlying islands were currently housing a substantial population, development of container port and airport facilities in the Central Waters might create environmental nuisances to them.

40. Ms Cyd HO was concerned whether, apart from carrying out an engineering feasibility study, the proposed study would include studies regarding the economic and social developments on the proposed artificial islands. She referred to a paper provided by the Administration for the

meeting of the Panel on Development on 28 October 2014 about the draft Recommended Outline Development Plans ("RODPs") formulated for the Tung Chung New Town Extension ("TCNTE") Study, which had set out the target population and number of jobs to be created in TCNTE. She queried why the Administration had not prepared similar estimates with regard to the proposed development of artificial islands so as to address the question of who would benefit from the development. She commented that the Administration should make clear the intended policy objectives to be achieved by way of the reclamation project.

41. DS/DEV(Works)2 replied that unlike the proposed study, the TCNTE project had been preceded by a consultancy study. The Administration was therefore ready to formulate proposals on the use of land in TCNTE. He advised that, as mentioned in the Administration's paper, the preliminary planning proposals and possible land uses were parts of the scope of the proposed study.

Reclamation as a strategy to enhance land supply

42. Dr KWOK Ka-ki said that apart from the proposed artificial islands, there were other potential reclamation projects within the Hong Kong waters. He held the view that reclamation projects would not help resolve the land shortage problem within a short time. He recalled that according to the former Secretary for Development, there were more than 2 000 hectares of vacant land in the territory. He queried why the Administration did not pursue more practicable and cost-effective approaches, such as rezoning, making good use of brownfield sites and land reserved for Village Type Development, etc., in its efforts to increase housing land supply. The Chairman said that Dr KWOK's question had been raised by members at previous meetings. However, he would exercise discretion to invite the Administration to provide updated information, if any, to respond to Dr KWOK's views.

43. DD(Territorial)/Planning replied that the Administration had stepped up its efforts to expand land resources. ELSS had put forward a six-pronged approach. She explained that each of the six approaches had its merits and limitations. While the Administration had been actively reviewing the potentials of a number of land-based sites for conversion to residential use, there were controversies over the rezoning proposals due to their impacts on local residents. She said the Administration had advised Members at a LegCo meeting in 2012 that there were over 300 hectares of unleased or unallocated vacant land in Hong Kong but they comprised small and irregular sites, back lanes and narrow strips of land alongside existing developments, etc., which were considered not a viable source of housing land supply. As

regards brownfield sites, the Administration was conducting studies to explore, among others, the development potential of such sites in Yuen Long South, Hung Shui Kiu, etc. Since there were operations of open storages, container yards and other logistics services at these sites, any land development projects therein would involve clearance, relocation as well as land resumption issues, which would require a relatively long time to tackle. Compared with other approaches to expanding land resources, reclamation outside Victoria Harbour would involve less controversial issues and would create land in a larger scale with relatively minor impacts to the residents nearby. The Administration therefore considered it appropriate to commission the proposed study.

44. Ms Emily LAU said there were concerns among the public that reclamation, though outside the Harbour, would create adverse impacts on the environment. She commented that, instead of pursuing reclamation projects to go against the public's wishes, the Administration should strive to actively overcome the challenges met in taking other land development approaches. She sought clarification on whether the Administration would address the difficulties in turning degraded brownfield land to beneficial uses.

45. In reply, DS/DEV(Works)2 asserted that the Administration would continue to adopt the multi-pronged approach to increasing land supply, including optimizing the use of degraded brownfield land. He explained that reclamation would not affect existing users much and there were established procedures to implement the works. On the other hand, the projects for turning degraded brownfield sites to beneficial uses might involve a change in land use.

46. Ms Emily LAU held the view that, compared with reclamation, development of brownfield sites would take a shorter time. In response to Ms LAU's enquiry about the timeframe required for handling the problems associated with developing brownfield sites, DD(Territorial)/Planning advised that the Administration was conducting planning and engineering studies for the Hung Shui Kiu New Development Area and for housing sites in Yuen Long South. As regards Hung Shui Kiu, the first population intake was expected to take place in around 2023-2024. At the request of Ms Emily LAU, the Administration undertook to provide information about the papers that had been submitted to LegCo and its committees on the Administration's initiatives with respect to the development of the existing degraded brownfield land and the handling of the associated problems.

(Post-meeting note: The supplementary information provided by the Administration was circulated to members on 17 November 2014 vide LC Paper No. PWSC32/14-15.)

Impacts of reclamation

47. Mr Christopher CHUNG opined that the Administration should assess the impact of the construction activities for developing the proposed artificial islands on the environment, marine ecology, fisheries, water flow and navigation channels. In reply, DCED(Atg.) assured members that the Administration would carry out the assessments mentioned by Mr CHUNG. He added that after the locations of artificial islands were ascertained, the Administration would conduct detailed assessments on the impacts of construction of the islands.

48. Considering that there were other reclamation projects under planning in the Hong Kong waters, Mr Albert HO was concerned that the fisheries industry would be extinguished due to the cumulative effect of these projects. Pointing out that the impact of reclamation projects on the natural environment would be irreversible, he cautioned that the Administration might not be able to secure members' support for all these projects and eventually it had to give up some of them.

49. DCED(Atg.) replied that the Administration would carry out broad-brush assessments on the cumulative impact of various major reclamation projects along the north shore of Lantau Island on fisheries and the environment under a separate study. He emphasized that the proposed study was a strategic one under which no construction works would be carried out. To address public concerns, the proposed study would include the fisheries impact assessment.

50. The Chairman remarked that at the meeting on 24 June 2014, Mr Albert CHAN and Mr Christopher CHUNG had raised questions about the impacts of reclamation on water flow, living environment of corals, habitats of fish fry and fishermen's livelihood.

51. Dr Fernando CHEUNG said it had been revealed in the results of one of the PE exercises for ELSS that under the six-pronged approach to increasing land supply, the option of reclamation had aroused the strongest opposing voices. He criticized that although the proposed development of artificial islands would involve an unprecedented scale of reclamation and would inevitably affect the ecology and the existing navigation channels in the Central Waters, the Administration so far had not clearly addressed the queries about the locations of the proposed artificial islands, the extent of reclamation, the cost for constructing the islands, etc.

52. In response, DS/DEV(Works)2 reiterated that as the cost for constructing an artificial island would vary significantly with factors such as the reclamation extent, it was not practicable for the Administration to give an estimated cost at this stage.

53. Dr Fernando CHEUNG opined that the proposed study should pay due regard to the concerns of the residents living in outlying islands such as Peng Chau. He enquired whether the Administration would conduct a social impact assessment on the proposed development of artificial islands. DCED(Atg.) replied that under the proposed study, the Administration would ascertain the locations of the proposed artificial islands and then proceed to study the impacts of the development.

Land development on Lantau and other outlying islands

54. Mr Gary FAN held the view that the initiative to develop artificial islands in the Central Waters was to dovetail with the proposed development of the East Lantau Metropolis ("ELM"). Pointing out that various conservation initiatives under the Revised Concept Plan for Lantau ("the Revised Plan") released in 2007 had not yet been implemented by the Administration, he questioned about the timetable for implementing them. He queried whether the Administration would pursue the initiatives under the Revised Plan.

55. DS/DEV(Works)2 replied that the ELM concept was aimed at developing a new core business district that would capitalize on the opportunities arising from its proximity to Hong Kong Island and would provide housing land and employment opportunities. He advised that in line with the Revised Plan, North Lantau would remain as the focus of major economic infrastructures and tourism developments, whereas South Lantau would be preserved for nature conservation and leisure/recreational uses. Moreover, the Lantau Development Advisory Committee established in 2014 had endorsed the strategic positioning that the central and southern parts of Lantau would be mainly for conservation and leisure development. He stressed that the development of Lantau had not departed from the Revised Plan. The Administration had taken forward in stages the initiatives proposed in the Revised Plan, such as designation of the Lantau North (Extension) Country Park. Local improvement works related to nature conservation at Tung Chung, Tai O, Mui Wo, etc. were in progress.

56. DD(Territorial)/Planning supplemented that the Administration had also included some country park enclaves in Lantau in statutory town plans for their better protection. She assured members that the Administration would continue to promote sustainable development for Lantau in accordance

with the overall planning concept of balanced development and conservation under the Revised Plan.

57. Mr WU Chi-wai said that designation of South West Lantau Marine Park in the waters near Soko Islands, which was one of the conservation initiatives included in the Revised Plan, had been put in the pipeline for more than a decade. He queried how the Administration planned to take forward the proposal. Referring to a public engagement exercise to be launched on the initiative, he enquired about the consultation strategies and the issues to be covered.

58. DS/DEV(Works)2 replied that there was no direct relationship between the proposed designation of the South West Lantau Marine Park and the item under discussion. In response to the Chairman, Deputy Director (1), Environmental Protection Department advised that he did not have detailed information on hand regarding the Marine Park. Mr WU Chi-wai said he was disappointed that the Administration was not ready to address his questions on the subject. He was concerned whether the Administration would implement the conservation initiatives set out in the Revised Plan and whether the proposed study would adopt those initiatives as given constraints.

59. Mr LEUNG Kwok-hung recalled that at the meeting of the Panel on Development in April 2014, Mr Albert CHAN had stated opposition to the reclamation project at Sunny Bay and had expressed disappointment that the Administration had neglected the log pond industry therein. He queried about the need for developing artificial islands in the Central Waters given that the Administration would proceed with the reclamation project at Sunny Bay.

60. DS/DEV(Works)2 replied that the proposed scale of reclamation at Sunny Bay involving not more than a hundred hectares of new land only was much different from the one under the proposed study. DH(CEO)(P&L)/CEDD supplemented that the proposed reclamation at Sunny Bay would not encroach upon and affect the log pond near Yam O Bay.

Extension of the meeting

61. Having regard to the number of members who had indicated that they would raise questions on the item, the Chairman sought members' views on extending the meeting time for 15 minutes to complete the discussion on the item. Mr LEUNG Kwok-hung said that he did not agree to extending the meeting. Mr Abraham SHEK said that he supported the extension of the meeting by 15 minutes. The Chairman put the question on whether the

meeting should be extended by 15 minutes to vote. Mr LEUNG Kwok-hung requested a division. The Chairman advised that the Subcommittee had passed at the meeting on 24 June 2014 the motion that in the event of further divisions being claimed in respect of any motions or questions under the agenda item, the Subcommittee would proceed to each of such divisions immediately after the division bell had been rung for one minute. He directed that the division bell be rung for one minute for the division proposed by Mr LEUNG. Of the 35 members present, 34 members voted. Twenty five members voted for, seven voted against the question, and two abstained. The voting result was as follows:

For:

Mr James TO
Ms Emily LAU
Mr Abraham SHEK
Mr CHAN Hak-kan
Dr LEUNG Ka-lau
Mr Michael TIEN
Mr WU Chi-wai
Miss CHAN Yuen-han
Miss Alice MAK
Mr SIN Chung-kai
Dr Elizabeth QUAT
Ir Dr LO Wai-kwok
Mr Tony TSE

Mr CHAN Kam-lam
Mr TAM Yiu-chung
Mr WONG Kwok-hing
Mr CHAN Kin-por
Mr IP Kwok-him
Mr Frankie YICK
Mr CHAN Han-pan
Mr LEUNG Che-cheung
Dr KWOK Ka-ki
Dr Helena WONG
Dr CHIANG Lai-wan
Mr Christopher CHUNG

(25 members)

Against:

Mr LEE Cheuk-yan
Mr LEUNG Kwok-hung
Mr Gary FAN
Dr Fernando CHEUNG

Mr LEUNG Yiu-chung
Mr Albert CHAN
Mr CHAN Chi-chuen

(7 members)

Abstain:

Ms Claudia MO

Mr IP Kin-yuen

(2 members)

62. The Chairman declared that the question was carried by a majority of members. He directed that the meeting be extended to 10:45 am.

Public consultation under the proposed study

63. Miss CHAN Yuen-han was concerned whether the Administration would take into account the impact of the development of the proposed artificial islands on the environment of the surrounding areas including the Central and Western District and the residents living there. She recalled that under the relevant planning framework of the Revised Plan, the Administration had proposed four development themes, namely "economic infrastructure and tourism", "theme attractions based on Heritage, Local Character and Natural Landscape", "maximizing the Recreational Potential of Country Parks" and "meeting Nature Conservation Needs". She enquired whether these proposed themes would be taken into account in the proposed study.

64. DS/DEV(Works)2 replied that the proposed study would include an assessment on the impact of development of artificial islands in the Central Waters on the residents of outlying islands such as Peng Chau and parts of Lantau close to the Central Waters. The affected stakeholders would be consulted. The Administration would brief LegCo Members on the public views received in the stakeholder engagement exercise to be conducted under the proposed study. Miss CHAN Yuen-han stressed that when briefing LegCo Members on the results of the stakeholder engagement exercise, the Administration should present to Members all the different views, but not selected views, collected.

65. In response to Dr CHIANG Lai-wan's enquiry on whether the proposed study would include her suggestion made at the meeting on 18 June 2014 that the Administration should produce an animation to illustrate the artificial island development concept, DCED(Atg.) advised that the Administration would include Dr CHIANG's suggestion.

Connectivity of the artificial islands

66. Dr CHIANG Lai-wan enquired whether the proposed development of artificial islands in the Central Waters would provide opportunities for enhancing the connectivity between Hong Kong Island and Lantau. Mr Michael TIEN declared he was the Chairman of the Panel on Transport and a Member returned from the New Territories West geographical constituency. He said he supported the Administration to carry out the proposed study. He opined that, as part of the study, the Administration should explore ways to capitalize on the opportunities of developing artificial islands in the Central Waters to improve the public transport accessibility of the New Territories North West. The proposed study should look into the feasibility of developing a cross-harbour railway linking up the proposed

artificial islands, Hong Kong Island West, running through Lantau via Sunny Bay, across the waters near Tuen Mun and Siu Lam, and terminating at the Tuen Mun South Station under planning. With such a railway in operation, West Rail passengers could then travel from Tuen Mun South Station to the artificial islands or Hong Kong Island easily. The Chairman remarked that Mr TIEN had expressed similar views previously. He asked if the Administration would provide any new information regarding Mr TIEN's view.

67. In reply, DCED(Atg.) said that under the proposed study, the Administration would examine different railway options for the proposed artificial islands after ascertaining their locations. DS/DEV(Works)2 assured members that the proposed study would take into account Mr TIEN's suggestion about the transport connections to Tuen Mun.

68. The Chairman said that due to the limited time left, the unfinished items on the agenda would be carried forward to the next regular meeting scheduled for 19 November 2014. Subject to his decision to be made about re-ordering of agenda items, he would deal with the 59 motions at the next meeting.

69. Mr Gary FAN said that he might submit a few amendment motions to the Chairman via the Clerk before the meeting on 19 November. The Chairman said he would handle them according to the relevant rules and procedures.

70. The Chairman reminded members that a special meeting had been scheduled for 11 November 2014 at 10:45 am to consider late applications for membership from 12 Members.

Any other business

71. There being no other business, the meeting ended at 10:44 am.