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

**Minutes of the 2nd meeting
held in Conference Room 1 of the Legislative Council Complex
on Wednesday, 7 December 2016, at 8:30 am**

Members present:

Ir Dr Hon LO Wai-kwok, SBS, MH, JP (Chairman)
Hon Charles Peter MOK, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon WONG Ting-kwong, SBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon LEUNG Kwok-hung
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon CHAN Chi-chuen

Hon CHAN Han-pan, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Dr Hon Elizabeth QUAT, JP
Dr Hon CHIANG Lai-wan, JP
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon Wilson OR Chong-shing, MH
Hon CHAN Chun-ying
Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LAU Kwok-fan, MH
Hon Kenneth LAU Ip-keung, MH, JP
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho
Hon Nathan LAW Kwun-chung
Dr Hon YIU Chung-yim
Dr Hon LAU Siu-lai

Members absent:

Hon Abraham SHEK Lai-him, GBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Dennis KWOK Wing-hang
Hon SHIU Ka-chun

Public officers attending:

Mr Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) ³
Mr HON Chi-keung, JP	Permanent Secretary for Development (Works)
Mr Michael WONG Wai-lun, JP	Permanent Secretary for Development (Planning and Lands)
Mr Donald TONG Chi-keung, JP	Permanent Secretary for the Environment
Ms Jasmine CHOI Suet-yung	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Ms Linda LAW Lai-tan	Principal Assistant Secretary for Home Affairs (Recreation and Sport) ²
Mr Michael Mak Sheung-ching	Senior Architect (Recreation and Sport) Home Affairs Bureau
Mr LEUNG Koon-kee, JP	Director of Architectural Services
Mr CHAU Kwun-tong	Chief Technical Adviser (Subvented Projects) Architectural Services Department
Mr LAM Sai-hung, JP	Director of Civil Engineering and Development
Mr Edwin TONG Ka-hung, JP	Director of Drainage Services
Mr Daniel CHUNG Kum-wah, JP	Director of Highways
Mr Jimmy CHAN Pai-ming	Principal Government Engineer (Railway Development) Highways Department
Mr Enoch LAM Tin-sing, JP	Director of Water Supplies

Clerk in attendance:

Ms Sharon CHUNG Chief Council Secretary (1)2

Staff in attendance:

Ms Anita SIT	Assistant Secretary General 1
Miss Rita YUNG	Senior Council Secretary (1)2
Mr Raymond CHOW	Senior Council Secretary (1)6
Ms Mandy LI	Council Secretary (1)2
Ms Christina SHIU	Legislative Assistant (1)2
Ms Christy YAU	Legislative Assistant (1)7
Ms Clara LO	Legislative Assistant (1)8

Action

The Chairman advised that there were two discussion items for the meeting, i.e. an information paper on the forecast of submissions to the Subcommittee for the 2016-2017 legislative session, and a funding proposal on block allocations under the Capital Works Reserve Fund.

2. The Chairman 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 proposals. He also drew members' attention to Rule 84 of RoP on voting in case of direct pecuniary interest.

**Overview of potential submissions to Public Works Subcommittee
PWSCI(2016-17)8 — Forecast of submissions for the 2016-17
Legislative Council Session**

3. The Chairman said that since the 2001-2002 legislative session, the Administration had been providing a list setting out the forecast of submissions to the Subcommittee every year to enable members and other LegCo Members to have a preliminary view of the potential capital works items to be submitted to the Subcommittee. The Clerk would circulate the 2016-2017 forecast to relevant LegCo Panels for Panel members to indicate which items would require detailed discussion by the relevant Panels before the funding proposals for these items were submitted to the Subcommittee.

Funding proposals that should be given priority for the Subcommittee's consideration

4. Dr KWOK Ka-ki enquired whether the Administration would, instead of rushing in more controversial items (e.g. strategic studies for artificial islands in the central waters, and ground decontamination works at the site of ex-Kennedy Town Incineration Plant/Abattoir and adjoining area), first submit less controversial and livelihood-related items (e.g. those relating to schools, social welfare organizations and hospitals) to the Subcommittee. Ms Claudia MO enquired about the criteria adopted for prioritizing the funding proposals to be submitted for the Subcommittee's consideration. Dr LAU Siu-lai opined that some of the proposed items were "white elephant" projects which failed to secure public support for their implementation. She said that she would move three motions to call on the Administration to shelve the planning and engineering study on Sunny Bay reclamation (Item 11 in Enclosure 1 to PWSCI(2016-17)8), strategic studies for artificial islands in the central waters (Item 20) and ground decontamination works at the site of ex-Kennedy Town Incineration Plant/Abattoir and adjoining area (Item 21).

5. Principal Assistant Secretary for Financial Services and the Treasury (Treasury)(Works) ("PAS(Tsy)(W)") advised that in determining the order in which the funding proposals would be submitted to the Subcommittee, the Administration had taken into account a host of factors, including the priorities, urgency and preparation progress (e.g. whether consultations and statutory procedures for the projects had been completed) of the relevant items. Permanent Secretary for Development (Works) ("PSD/W") added that he disagreed with Dr LAU Siu-Lai's comment that some of the proposed items were "white elephant" projects.

6. Mr LEUNG Kwok-hung stressed that he would not support the funding for the following items: those involving suspected "government-business-rural-triad" collusion/cooperation", e.g. engineering works for Ha Mei San Tsuen Village Expansion Area (Item 33); those related to political rewards of the Chief Executive election campaign, e.g. infrastructure works for West Kowloon Cultural District, phase 1—construction (Item 14) and Integrated Basement for West Kowloon Cultural District (Item 22), and strategic studies for artificial islands in the central waters (Item 20). He would support funding proposals relating to ageing in the community, development of public markets, etc.

Categorization of the projects on the list

7. Dr YIU Chung-yim said that Shatin to Central Link—construction of

railway works—advance works (Item 3) involved cost overrun and an approval had to be sought for increasing the approved project estimate. However, the list of projects (i.e. overview of capital works items) provided by the Administration contained limited information and could neither effectively explain to members the reasons for the cost overrun of the project nor facilitate their discussion on the ways to prevent the recurrence of similar problems. Noting that the planning and engineering study on Sunny Bay reclamation (Item 11) and strategic studies for artificial islands in the central waters (Item 20) had not had the support of the relevant LegCo Panels or Subcommittees of the last term, Dr YIU enquired whether the Administration had revised the proposal for the studies having regard to the views expressed by members. He suggested that the projects on the checklist should be categorized (say, by whether the projects had been rejected by Panels or subcommittees in the last legislative term; if yes, the reasons for rejection; and whether cost overrun was involved) to facilitate members' understanding of their background. Mr Fernando CHEUNG expressed similar views and opined that the Administration should give a clear account of the circumstances leading to cost overrun in individual projects.

8. PSD/W replied that the purpose of the list was to enable members to have a preliminary view of the potential projects to be submitted to the Subcommittee within the current legislative session. Detailed information on individual projects would be provided to the relevant Panels for discussion in due course. Deputy Secretary for Financial Services and the Treasury (Treasury)3 ("DSFST(T)3") supplemented that remarks were added to individual project items on the list to indicate whether they would require increases in approved project estimates or upgrading. Enclosure 2 to the paper also gave an account of the previous or planned panel consultation conducted or to be conducted by the Administration on individual projects. Dr YIU Chung-yim requested the Administration to relay his views (i.e. categorizing the projects) to the relevant departments for consideration.

Control of project costs

9. Dr YIU Chung-yim further enquired whether the Administration could provide information such as the value-for-money reports and cost-effectiveness analyses on relevant infrastructure projects to substantiate its claim that those items were not "white elephant" projects. He also suggested that independent quantity surveyors be engaged to monitor the costs and control the quality of public works projects.

10. PSD/W opined that it was unfair to describe some of the infrastructure projects as "white elephant" projects. Citing the Hong Kong Airport Core Programme as an example, he said that although there were comments

questioning it being a "white elephant" project years back, it had now been proved to be a driving force of Hong Kong's economy. He also advised that according to the findings of a commissioned study conducted by the Hong Kong Polytechnic University, every million dollar of public funding invested in the construction sector could generate \$1.7 million's worth of economic benefits in the short term. As for the Hong Kong Airport Core Programme, every million dollar invested in its transportation projects in those years generated a total of \$4.6 million's worth of economic and social benefits in the long term.

11. Dr YIU Chung-yim and Mr Alvin YEUNG asked whether the factor of social costs had been taken into account in assessing the economic benefits of works projects. PSD/W advised that the study was conducted from an economic perspective without factoring in the social costs.

12. Mr James TO said that it was not difficult to quantify social costs. Citing as an example the redevelopment projects of the Urban Renewal Authority in which the problems arising from the removal of residents were quantified, he urged the Administration to give due consideration to the social cost factor in public works projects. Mr LEUNG Kwok-hung expressed similar views.

13. In response, PSD/W agreed that in taking forward major works projects, the sustainable development in terms of economy, society and environment warranted careful consideration. Nonetheless, it was not possible to completely quantify the costs involved in each and every respect.

Members' concerns about individual items

7570CL Ground decontamination works at the site of ex-Kennedy Town Incineration Plant/Abattoir and adjoining area

14. Mr HUI Chi-fung took the view that as the abovementioned project had met strong opposition from the local community, the Administration should withdraw it and re-launch district consultation. Nothing that the project site was covered by the draft Kennedy Town and Mount Davis Outline Zoning Plan, Mr HUI considered that the Administration should determine the future land use of the site before carrying out ground decontamination works. The relevant proposal should then be submitted to the Town Planning Board ("TPB") to apply for rezoning prior to seeking funding approval from the Finance Committee ("FC").

15. Director of Civil Engineering and Development ("DCED") advised that TPB had completed the public consultation on amendments to the draft

Kennedy Town and Mount Davis Outline Zoning Plan during which a total of about 8 000 written representations had been received. TPB would commence hearing in January 2017 to consider the representations and any views submitted in respect of the representations. The Administration would submit the relevant funding proposal to the LegCo Panel on Development and the Subcommittee after the TPB hearing. He also advised that the Administration had prepared a land use proposal in tandem with the submission of the funding proposal to the relevant LegCo Panel/Committee in the last legislative term. DCED stressed that the project would not be commenced before TPB approved the land use changes of the subject site.

16. Mr Nathan LAW enquired about the operations proposed to be reprovisioned to the site after the ground decontamination works were carried out. DCED said that the operations to be reprovisioned to the site after the completion of the ground decontamination works included a temporary refuse collection point and a public car park.

17. Dr LAU Siu-lai and Mr Nathan LAW said that as Kennedy Town and Mount Davis had less open space than other districts, local residents were keen to keep the Cadogan Street Temporary Garden. Dr LAU was dissatisfied with the Administration's position on the contamination level of the underground soil in the site of the ex-incineration plant, abattoir and adjoining area (including the Cadogan Street Temporary Garden), which was based on the Environmental Impact Assessment ("EIA") report and site investigation findings published 12 years ago. She questioned the need to implement the project and whether the purpose of demolishing the Cadogan Street Temporary Garden was to make way for the development of luxurious flats. Dr LAU was also concerned that the decontamination works would generate fugitive dust, which would affect the environment of the residential area in the vicinity. She considered that the Administration should provide an EIA completed during the last six months. Failing that, it should shelve the project. Mr LAW requested the Administration to revise the scope of the project by rescinding the plan to demolish the Cadogan Street Temporary Garden.

18. In response, DCED advised that the Administration would explain in its funding proposal to be submitted in due course how the impact on the environment would be minimized during the works. On the other hand, a supplementary EIA for the project had been commenced in 2012 and the relevant report had been approved by the Director of Environment Protection in 2015. The Administration took note of Mr Nathan LAW's suggestions.

3183GK Reprovisioning of Shanghai Street refuse collection point and street sleepers' services units to the site on Hau Cheung Street, Yau Ma Tei for the phase II development of the Yau Ma Tei Theatre project

19. Dr Fernando CHEUNG recalled that the Panel on Home Affairs had passed a motion on 15 April 2013 requesting the Administration to reprovision the refuse collection point ("RCP") and the street sleepers' services units ("SSSU") to separate sites. He was dissatisfied with the Administration's plan of only providing air conditioning on the office floors in the proposed building on Hau Cheung Street and the absence of any plan to install central air conditioning on the floors where the SSSU would be located. Given that LegCo Members had expressed concerns about the reprovisioning project at meetings of various Panels/Committees and the Administration had also indicated that it would take FC members' views into account, Dr CHEUNG and Mr Alvin YEUNG urged the Administration to address the concerns of LegCo Members and revise the design scheme for the proposed building. Mr CHAN Chi-chuen opined that if the Administration decided to install a central air conditioning system for SSSU, it should provide windows in these units as well so that street sleepers could choose whether to use air conditioning or not.

20. Dr CHIANG Lai-wan said that despite years of discussion, consensus had not been reached on the proposed project. She suggested that the Administration should provide sufficient justifications to convince members that street sleepers might not be accustomed to the cooled air from central air conditioning units and that the operator of SSSU also had no plan to install air conditioners. Dr CHIANG also urged the Administration to build additional floors in the proposed building to provide more community facilities.

21. Director of Architectural Services ("DArchS") said that in view of the concerns expressed by LegCo Members, the Administration had enhanced the reprovisioning plan to minimize the impact of RCP on SSSU. As to the question whether an air conditioning system would be installed in the street sleepers' dormitory, it would be followed up by the Home Affairs Department, which would provide an account of the latest development when submitting the funding proposal for the proposed reprovisioning project. As regards the proposal of constructing additional floors in the proposed building, DArchS advised that the Administration would make reference to the requirements of the Planning Department and give consideration to the surrounding environment and ventilation requirements, so as to ensure that the project design could make the optimal use of the proposed plot ratio of the Hau Cheung Street site. In response to Dr Fernando CHEUNG's further enquiry, DArchS said that the relevant funding proposal would be submitted

to the Panel on Home Affairs for discussion prior to its submission to the Subcommittee.

3075MM Redevelopment of Prince of Wales Hospital, phase 2 (stage 1)

22. Mr LAM Cheuk-ting and Dr Fernando CHEUNG expressed support for the redevelopment project. However, Mr LAM and Dr CHEUNG were concerned that the redevelopment project would affect the operation of several care homes (including a residential care home for elderly persons, an ex-mentally ill care home and a hostel for the intellectually disabled). Mr LAM enquired how the Administration would accommodate the 100 odd elderly people who had been living in the residential care home for a long time.

23. Mr LAM Cheuk-ting expressed regret that the Administration had not arranged for public officers responsible for care home services to attend the meeting. Mr CHAN Hak-kan said that the Subcommittee was tasked with assisting FC in performing its functions and the Subcommittee's terms of reference were to consider funding proposals from the Administration, and as appropriate, to make recommendations to FC. Mr CHAN was of the view that since the Administration would consult the relevant Panels on individual capital works projects before submitting the funding proposals to the Subcommittee for consideration, it was not necessary for members to request detailed information on the specific contents and related policy matters in respect of the projects at this stage.

24. Mr LAM Cheuk-ting considered that the questions he raised could facilitate the Subcommittee's consideration of the scale and priority of the redevelopment project. The Chairman said that the Administration would consider a host of relevant factors before submitting a funding proposal to the Subcommittee. Although no public officers responsible for care home services attended the meeting to answer Mr LAM Cheuk-ting's questions, the questions raised by Mr LAM would be put on record.

25. Mr LAM Cheuk-ting and Dr Fernando CHEUNG requested the attendance of the relevant public officers at Panel meetings to report on the accommodation arrangements for the care home residents affected by the redevelopment project. In response, PAS(Tsy)(W) said that as set out in page 18 of Enclosure 2 to the paper, the Administration planned to consult the Panel on Health Services on the proposed works in May 2017.

5751CL Planning and engineering study on Sunny Bay reclamation

26. Noting that the proposed scope of the abovementioned study

comprised community engagement exercises with stakeholders, Mr Alvin YEUNG enquired about the specific target participants of these exercises and the details of the activities. Mr CHU Hoi-dick pointed out that the affected villagers were not invited to participate in the community engagement activities for the Wang Chau Development Project. He sought explanation on the criteria for selecting stakeholders to participate in community engagement activities.

27. DCED advised that a "stakeholder" of a works project could be construed in both the broad and the narrow senses. In the narrow sense, a "stakeholder" referred to anyone who worked or lived near the work sites and was affected by the project; in the broad sense, a "stakeholder" referred to the people affected across the territory. The Administration would not screen and select participants for roving exhibitions and public forums.

28. Mr Alvin YEUNG considered that as the funding proposal for this planning and engineering study had been voted down by the then Public Works Subcommittee on 9 January 2015, the Administration should refine the proposal before submitting it to the Subcommittee for consideration.

29. Noting that the Administration would inject \$5.8 billion to Hong Kong Disneyland to support its expansion and development plan, Ms Claudia MO enquired whether the study was related to the fund injection. DCED said that the injection was required for undertaking the Phase 1 expansion of Hong Kong Disneyland and had nothing to do with the study.

30. Dr Fernando CHEUNG enquired whether the Panel on Development would be consulted again on the proposed study. DCED said that the Administration intended to consult the Panel on Development again on the proposed study in the first quarter of 2017.

5768CL Strategic studies for artificial islands in the central waters

31. Mr WU Chi-wai said that Members of the last LegCo term had discussed the proposed strategic studies and expressed grave concerns about whether the construction of artificial islands in the central waters would be in conflict with the conservation of Lantau. As the project was highly controversial, he urged the Administration to reduce controversy by adjusting as appropriate the content of the proposed studies or project. He also hoped that the Administration would maintain close communication with Members of different political affiliations in respect of the proposed studies. Mr WU further enquired whether the Administration would amend the project content in response to the views previously expressed by members on the item and set out their views in tabulated form. Dr Fernando CHEUNG enquired

whether the Panel on Development would be consulted again on the proposed studies.

32. DCED said the Administration intended to consult the Panel on Development again on the proposed studies in March or April 2017. To facilitate Panel members' deliberation, the Administration would consider providing the public views collected in the last two years on the proposed development strategy for Lantau, together with the information on the pros and cons of different scales of development, for member's reference when submitting the relevant funding proposal to the Panel.

33. Noting that the target contract start date of the proposed studies was the third quarter of 2017, while consultation with the Panel on Development was expected to be conducted in March or April 2017, Mr CHAN Chi-chuen was concerned that FC might not be able to complete the examination of the relevant funding proposal within the current legislative session and there might be cost overrun as a result. He enquired whether the Administration had conducted a tender exercise for the proposed studies; if not, whether it could revise the content of the tender document. Mr CHAN called on the Administration to reserve sufficient time by making an early submission of the funding proposal to the Panel for discussion and to the Subcommittee for consideration. Dr CHIANG Lai-wan shared the view that the funding proposal should be submitted to the Subcommittee for consideration as early as possible.

34. DCED said that the tendering process for the consultancy contract of the strategic studies for artificial islands in the central waters had not been commenced. The timing of the tender exercise would depend on the progress of examination of the item by the Subcommittee. The Administration planned to start the studies in the third quarter of 2017.

35. Ms Tanya CHAN queried the justifications and urgency for the strategic studies for artificial islands in the central waters, given that several studies had already been conducted in respect of the planning for Lantau Island, including the "Technical Study on Transport Infrastructure at Kennedy Town for Connecting to East Lantau Metropolis" and the "Technical Study on Development at Siu Ho Wan and the Associated Transport Infrastructure". She considered that priority should be accorded to studies on issues relating to the resumption of brownfield sites and consideration should be given to withdraw the strategic studies for artificial islands in the central waters. Mr CHU Hoi-dick requested the Administration to provide information for the Subcommittee's reference on three studies, namely the "Technical Study on Transport Infrastructure at Kennedy Town for Connecting to East Lantau Metropolis" conducted by AECOM Asia Company Limited under the

commission of Civil Engineering and Development Department, the Green Island Reclamation Feasibility Study in 1994 and the study on the Outer Western Corridor under Railway Development Strategy 2000.

36. DCED replied that the technical/feasibility studies mentioned by Mr CHU Hoi-dick were not part of the strategic studies for artificial islands in the central waters. The Chairman suggested that if members wished to seek information on other studies, they might put forward their requests at the meetings of the relevant Panels.

37. Mr Jeremy TAM and Mr KWONG Chun-yu expressed concern about the consultation on the development of artificial islands in the central waters. Mr TAM enquired how the relevant strategic studies would dovetail with the Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030 ("HK2030+ Study"). Given that the public engagement exercise under HK2030+ Study, which covered the proposal to construct artificial islands in the central waters, was underway, there might be objection from the public to the artificial islands project. He queried whether it was the right time to submit the funding proposal on the strategic studies for artificial islands in the central waters. Mr KWONG enquired whether public consultations had been conducted in the past two years on the artificial islands project and how the transparency of the relevant work could be improved.

38. DCED explained that the objective of the HK2030+ Study was to cater for the sustainable development of Hong Kong. A three-month public engagement exercise for Lantau development had been conducted in 2016. In order to solicit public views on the updated territorial development strategy for Hong Kong, a six-month public engagement exercise on the HK2030+ Study had also been launched in October 2016. As the construction of artificial islands for developing the East Lantau Metropolis was a large-scale infrastructure project which took time to complete, it would be taken forward in phases. The Administration intended to consult the Panel on Development and submit the funding proposal to the Subcommittee in the first or second quarter of 2017, with a view to carrying out the strategic studies to examine the feasibility of developing artificial islands in the central waters between Hong Kong Island and Lantau.

39. PSD/W added that the funding proposal for the proposed strategic studies had been submitted to the Subcommittee for consideration two years ago following an extensive public consultation exercise on "Enhancing Land Supply Strategy" conducted by the Administration. In the long run, Hong Kong needed land resources for development and improvement of people's livelihood.

40. Mr CHU Hoi-dick commented that the relationship between the society and the environment had seriously been neglected, and sustainable development was not necessarily driven by infrastructure projects. He said that the development of artificial islands in the central waters involved considerable financial resources. The Administration should invest the relevant resources in community development and avoid devoting too many public resources to infrastructure development.

7754CL Infrastructure works for West Kowloon Cultural District, phase 1—Construction and 7763CL Integrated Basement for West Kowloon Cultural District

41. Mr YIU Si-wing enquired about the rationale for upgrading the abovementioned project to Category A while the West Kowloon Cultural District ("WKCD") project had commenced construction for a few years, and whether the expenditure incurred for the project would have any implications on the original budget estimate of the WKCD project. Mr MA Fung-kwok recalled that the Administration had informed members earlier of its plan to inject about \$10 billion for the construction of the WKCD basement. He enquired about the estimated cost of the abovementioned basement project and whether it would be paid out of the \$10 billion injection.

42. DCED advised that the two abovementioned projects were public works projects. The implementation timetables and arrangements had to dovetail with the development progress of WKCD. The costs involved in the two projects would not have any implications on the original budget estimate of the WKCD project, although the total construction cost of the integrated basement could not be confirmed at this stage.

43. Mr CHAN Chi-chuen asked whether the deferred handover of the works areas for the construction of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (Hong Kong Section) ("XRL") within WKCD would affect the construction progress of the WKCD basement. He expressed concern about the funding options for developing the arts and cultural facilities of WKCD, and enquired whether the development scale of WKCD could be finalized upon submission of the funding proposals for the two abovementioned projects.

44. DCED replied that the Administration intended to consult the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project formed under the Panel on Development and the Panel on Home Affairs on the two projects in April 2017. The relevant works were expected to commence in the third quarter of 2017. The progress of the

basement works was, in general, not affected by the deferred handover of the XRL works areas within WKCD.

7213CL Engineering works for Ha Mei San Tsuen Village Expansion Area and 7394CL Sha Tin New Town—Stage II: servicing and extension of Pai Tau Village in area 6A

45. Dr KWOK Ka-ki commented that the engineering works for Ha Mei San Tsuen Village Expansion Area ("VEA"), which involved the transfer of benefits, was another case of suspected "government-business-rural-triad collusion" mirroring the housing development project at Wang Chau. According to media reports, about 55 small houses could be built in Ha Mei San Tsuen VEA, translating into a sum of about \$700 million.

46. Mr Nathan LAW said that in 2002, the then Secretary for Planning and Lands put the two projects on hold pending the completion of the review of small house policy. In 2006, the Administration indicated that it would study the feasibility of building "small house blocks" on the two sites on a pilot basis. The study had subsequently been terminated, having regard to the fact that "small house blocks" might give rise to planning and building control issues. He enquired whether the Administration had currently formulated a new policy on small houses and so it intended to proceed with the two projects.

47. In response, DCED advised that as the land resumption procedures in respect of Ha Mei San Tsuen VEA had already been completed, the Administration decided to re-commence the infrastructure works in Ha Mei San Tsuen VEA so as to restore the site to its original planned use.

48. Mr KWONG Chun-yu questioned whether the reasons behind the Administration's plan to commence the Ha Mei San Tsuen VEA project was related to the Wang Chau Development Project. DCED replied in the negative.

B781CL Infrastructure works for public housing development at Area 54, Tung Chung

49. Mr LEUNG Yiu-chung expressed support for the expeditious completion of the infrastructure works for public housing development at Area 54, Tung Chung. Recalling that Members had, on numerous occasions in the last legislative session, urged the Administration for provision of public markets operated by the Food and Environmental Hygiene Department ("FEHD") in Tung Chung, he was concerned that the Administration had not reserved any sites in Tung Chung for such purpose. Mr LEUNG noted from

the paper submitted to the Islands District Council in April 2016 that the Hong Kong Housing Authority had proposed to reserve a site of about 1 500 sq m for retail facilities in the Subsidized Sale Flats Development at Area 54, Tung Chung. He was worried that the retail facilities would compete for business with public markets, which would affect the Administration's plan to provide public markets under the management of FEHD. He enquired whether the Administration had conducted a tender exercise for the project, and whether it would revise the tender documents in the light of members' comments.

50. DCED advised that the project was for the construction of infrastructure works for the proposed public housing development at Area 54, Tung Chung. The Administration had yet to conduct the tender exercise and the tender date was subject to the progress of seeking funding approval. In finalizing the facilities to be provided in the Tung Chung New Town Extension, the relevant bureaux and departments would review the need to reserve sites for the development of public markets and other related facilities, and would maintain communication with district stakeholders. At the request of Mr LEUNG Yiu-chung, the Administration would provide supplementary information on the progress of site reservation in Tung Chung for the development of public markets.

Admin

51. Mr LEUNG Yiu-chung further said that the works for the public housing development at Area 54, Tung Chung, would commence in 2017 and was expected to be completed in 2012/2022. As the related infrastructure works would not commence until the third quarter of 2017, he wondered whether the housing development could be completed on schedule. DCED responded that the housing development in Tung Chung and the related infrastructure works would be carried out concurrently.

3064JA Construction of Rank and File Quarters for Fire Services Department at Area 106, Pak Shing Kok, Tseung Kwan O and 3067JA Construction of Departmental Quarters for Customs and Excise Department at Tseung Kwan O Area 123, Po Lam Road

52. Mr HO Kai-ming noted that there were a large number of applicants from the disciplined services awaiting allocation of departmental quarters ("DQs"). He enquired whether more DQ units could be provided, subject to the consent of the local community, so as to shorten applicants' waiting time for DQ allocation. Referring to the comments that DQs designed by the Architectural Services Department ("ArchSD") compared unfavourably with the public housing units designed by the Housing Department ("HD"), say, in terms of sound insulation between units, Mr HO hoped that ArchSD could draw reference from the relevant design of HD. He also suggested that

ArchSD should provide more bicycles parking spaces in disciplined services DQs to meet residents' needs. Moreover, ArchSD should improve local consultation work, including strengthening communication with District Councils and the owners' corporations concerned.

53. DArchS advised that, to tie in with the timetable set by the Security Bureau, the funding proposals for the projects of the three disciplined services quarters, namely the Redevelopment of Junior Police Officers Married Quarters at Fan Garden, Fanling (Item 7), Construction of Rank and File Quarters for Fire Services Department at Area 106, Pak Shing Kok, Tseung Kwan O (Item 16) and Construction of Departmental Quarters for Customs and Excise Department at Tseung Kwan O Area 123, Po Lam (Item 17), would be submitted to the Subcommittee within the 2016-2017 legislative session. DArchS said that ArchSD would conduct the local consultation jointly with the Security Bureau.

B440RO District open space adjoining public housing development at Anderson Road and 7765CL Development of Anderson Road Quarry Site

54. Mr HO Kai-ming opined that the construction of the pedestrian connectivity facilities ("PCFs") under the project entitled Development of Anderson Road Quarry ("ARQ") Site (i.e. a footbridge project) and the bus-to-bus interchange ("BBI") at Tseung Kwan Tunnel should be expedited to facilitate the use by residents in the neighbouring areas (e.g. Shau Mau Ping and Hing Tin). He also suggested that the construction time of the projects should be compressed in order to alleviate traffic congestion.

55. DCED advised that the proposed project scope of Development of ARQ site comprised off-site improvement works, provision of PCFs, and landscaping and other ancillary works for the open space at the site. The project would be completed as early as possible to cater for the needs of local residents.

*3272RS Kai Tak Sports Park at Kai Tak, Kowloon City District—
construction works*

56. Mr MA fung-kwok enquired whether the Administration would bear all the construction cost of the project; if so, the estimated amount of commitment; if not, whether it would resort to fundraising or adopting the mode of "build, operate and transfer" for the construction of the sports park.

57. Principal Assistant Secretary for Home Affairs (Recreation and Sport)² responded that the construction of the Kai Tak Sports Park was a public works project and the Administration would bear the full cost of the

works concerned. The Administration would provide information on the project commitment when consulting the Panel on Home Affairs.

[At 10:25 am, the Chairman asked members if they agreed to extending the meeting for 15 minutes. No member raised objection.]

3087MM New Acute Hospital at Kai Tak Development Area

58. Mr Jeremy TAM referred to the remarks of the Director (Strategy and Planning) of the Hospital Authority made on 30 November that the construction of the new acute hospital at Kai Tak Development Area would not be implemented in phases. As Queen Elizabeth Hospital would decant some services to the new acute hospital, he was concerned that the completion time of the project would have a significant impact on the provision of public healthcare services in Kowloon. He considered that the Administration should discuss its plan to construct the new acute hospital with the relevant Panel(s).

59. DArchS responded that the Administration intended to submit the funding proposal for the abovementioned project in 2017. The project was for the preparatory works of the new acute hospital at Kai Tak Development Area, including preliminary studies and design works for major works. Upon completion of the relevant preparatory works, the Administration would submit a funding proposal for the whole construction project separately. DArchS said that he would relay Mr Jeremy TAM's views to the Food and Welfare Bureau for follow-up.

Proposed motions submitted to the Chairman by members

60. The Chairman advised that he had received three motions from Dr LAU Siu-lai and one from Mr HUI Chi-fung proposed to be moved under paragraph 32A of the Public Works Subcommittee Procedure. Dr LAU Siu-lai intended to move three motions calling for shelving three projects, i.e. planning and engineering study on Sunny Bay reclamation (Item 11), strategic studies for artificial islands in the central waters (Item 20) and ground decontamination works at the site of ex-Kennedy Town Incineration Plant/Abattoir and adjoining area (Item 21). Mr HUI Chi-fung intended to move a motion demanding that the project on the ground decontamination works at the site of ex-Kennedy Town Incineration Plant/Abattoir and adjoining area (Item 21) be withdrawn.

61. The Chairman said that the information paper (PWSCI(2016-17)8) being discussed at the Subcommittee meeting did not involve any item which

needed to be put to vote. As such, paragraph 32A was not applicable and the two members were not allowed to move the motions.

62. The Chairman supplemented that at the Subcommittee meeting held on 27 November 2013, Mr Gary FAN had also intended to move a motion on an information paper of a similar nature. On that occasion, he had also decided that the motion could not be moved. Should members have any views on the projects set out in PWSCI(2016-17)8, they might write to the Administration directly or bring them up at the meetings of the relevant Panels.

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

Council Business Division 1
Legislative Council Secretariat
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