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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, 21 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 Jeffrey LAM Kin-fung, 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 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 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 CHIANG Lai-wan, JP
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Hon CHAN Chun-ying
Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon LAU Kwok-fan, MH
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 WONG Kwok-kin, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Dr Hon Elizabeth QUAT, JP
Hon Jimmy NG Wing-ka, JP
Hon HUI Chi-fung
Hon Kenneth LAU Ip-keung, MH, JP

Public officers attending:

Ms Jasmine CHOI Suet-yung	Deputy Secretary for Financial Services and the Treasury (Treasury) ³ (Acting)
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 June HO Hoi-kwan	Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)2
Mr Kenneth LEUNG Tak-yan	Chief Civil Engineer (Public Works Programme)(Acting) Transport and Housing Bureau
Mr LAM Sai-hung, JP	Director of Civil Engineering and Development
Mr WAN Man-leung	Principal Project Coordinator (Housing Projects)1 Civil Engineering and Development Department
Mr HO Hin-leung	Chief Civil Engineer (1) Housing Department
Ms Anissa WONG Yim-tao	Chief Architect (6)(Acting) Housing Department

Clerk in attendance:

Ms Sharon CHUNG	Chief Council Secretary (1)2
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Staff in attendance:

Miss Rita YUNG	Senior Council Secretary (1)2
Mr Raymond CHOW	Senior Council Secretary (1)6
Miss Queenie LAM	Senior Legislative Assistant (1)2
Ms Christina SHIU	Legislative Assistant (1)2
Ms Christy YAU	Legislative Assistant (1)7
Ms Clara LO	Legislative Assistant (1)8

The Chairman advised that there were three funding proposals on the agenda for 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 proposals. He also drew members' attention to Rule 84 of RoP on voting in case of direct pecuniary interest.

Head 711–Housing

PWSC(2016-17)38 778CL Site formation and infrastructure works for public housing developments at Chung Nga Road and Area 9, Tai Po

2. The Chairman advised that the proposal, i.e. PWSC(2016-17)38, was to upgrade part of 778CL to Category A at an estimated cost of \$1,146.8 million in money-of-the-day prices to carry out site formation works at Tai Po Area 9 site, and construct associated infrastructure works to support the public housing developments at Chung Nga Road East site and Tai Po Area 9 site ("proposed public housing developments"). The Panel on Housing had been consulted on the proposal on 5 December 2016. Panel members supported the submission of the proposal to the Subcommittee for consideration. At the request of the Panel, the Administration had provided supplementary information (LC Paper No. CB(1)336/16-17(01)) on the funding proposal to the Panel on 19 December 2016. A report on the gist of the Panel's discussion had been tabled at the meeting.

Traffic implications of the proposed project

3. Mr Alvin YEUNG noted that the proposed public housing developments would provide a total of about 7 070 flats. He was concerned whether the traffic capacity of the local and external road networks in Tai Po as well as the MTR East Rail Line could cope with the increased population arising from the project. Mr LAM Cheuk-ting was also concerned about the traffic impact of the proposed public housing developments on the roads in the vicinity. He enquired whether the Administration would formulate corresponding traffic mitigation measures, e.g. constructing a new carriageway connecting the proposed public housing developments and Ting Kok Road.

4. Director of Civil Engineering and Development ("DCED") responded that according to the results of a traffic impact assessment ("TIA") consultancy study commissioned by the Administration, the traffic capacity

of the roads near the proposed public housing developments was adequate to cope with the traffic flow generated by the proposed public housing developments. In the light of the TIA results, the Administration planned to construct a new carriageway with footpaths connecting Tai Po Area 9 site and Chuen On Road, and carry out improvement works along three junctions at Chung Nga Road. The above works were included in the proposed project scope. Moreover, the Railway Development Strategy 2014 had also made an assessment on the external traffic of Tai Po.

5. Mr WU Chi-wai was concerned that the increased population arising from the proposed public housing developments at Chung Nga Road East and Chung Nga Road West would increase the traffic load at Chung Nga Road, particularly the junction between Chung Nga Road and north of Chuen On Road outside Tai Po Hospital. He requested the Administration to provide statistics on the traffic flow along Chung Nga Road and enquired whether the Administration would take the opportunity of implementing the proposed works to widen Chung Nga Road in addition to carrying out the improvement works at the above junction.

6. Chief Architect (6), Housing Department (Acting) ("CA(6)/HD(Atg")), replied that the public housing developments at Chung Nga Road East and Chung Nga Road West could accommodate about 1 500 and 2 400 people respectively. Chief Civil Engineer (Public Works Programme), Transport and Housing Bureau (Acting) ("CCE(PWP)/THB(Atg")), supplemented that the TIA study had already taken into account the traffic impact of the additional pedestrian and traffic flows arising from the proposed public housing developments at Chung Nga Road East, Chung Nga Road West and Tai Po Area 9. In view of the assessment results, the proposed works included the provision of an additional traffic lane at the bends at both the south and north junctions of Chung Nga Road and Chuen On Road to improve traffic flow. He further advised that the Administration had provided a supplementary information paper (LC Paper No. CB(1)336/16-17(01)) to the Panel on Housing setting out the information on the traffic volume to capacity ratio of Chung Nga Road and the capacities of both the south and north junctions of Chung Nga Road and Chuen On Road.

7. Mr Andrew WAN said that the supplementary information in the Administration's paper was not sufficient to allay members' concerns about the impact of the proposed public housing developments on nearby traffic. He requested the Administration to provide details of the external public transport arrangements upon the population intake of the housing developments concerned and consult local residents on the relevant arrangements. Mr CHU Hoi-dick relayed the years-long request of the

residents of Fu Heng Estate for the provision of MTR feeder bus services in the estate and enquired about the progress of the service provision.

8. CCE(PWP)/THB(Atg) advised that a public transport terminus was planned to be built at Tai Po Area 9 site to facilitate the provision of bus, minibus and taxi services. Chief Civil Engineer (1), Housing Department ("CCE(1)/HD"), supplemented that the Transport Department ("TD") would put forward a proposal for adjusting the public transport services of the district one to two years before the population intake of the proposed public housing developments having regard to the local traffic conditions and demand for public transport services, and the Tai Po District Council would be consulted. If necessary, the Administration would explain to local residents the arrangements relating to transport services. As for the request for the provision of MTR feeder bus services, the Administration had referred the suggestion to TD.

9. Mr CHAN Chi-chuen noted that according to the Administration's forecast, the traffic volume to capacity ratio of Chung Nga Road and Chuen On Road would be about 0.58 during peak hours after the population intake of the proposed public housing developments (i.e. the road had sufficient capacity to cope with the expected vehicular traffic). He sought elaboration on how the Administration had come up with this projection.

10. Principal Project Coordinator (Housing Projects)1, Civil Engineering and Development Department ("PPC(HP)1/CEDD"), explained that in conducting the TIA study, the Administration had discussed the assessment scope with TD and carried out a traffic survey to measure the existing traffic volume of the roads concerned. The traffic flows of the roads and junctions concerned after the population intake of the proposed public housing developments had been assessed taking into account factors such as the future traffic growth and the traffic flow to be generated by the proposed public housing developments.

11. Mr HO Kai-ming said that during its consultation with the Tai Po District Council on the proposed public housing developments in 2014, the Administration had mentioned that Chung Nga Road was expected to reach its capacity three to four years after the population intake of the project. Mr HO queried why Chung Nga Road would reach its capacity in a few years' time if the additional traffic flow at Chung Nga Road could be accommodated by implementing the improvement works at the junctions of Chung Nga Road and Chuen On Road.

12. CCE(PWP)/THB(Atg) replied that the TIA study had taken into account the traffic conditions after the population intake of the proposed

public housing developments. The assessment results indicated that upon completion of the proposed road improvement works, the capacity of the road concerned was sufficient to cope with the additional traffic flow generated by the proposed public housing developments.

13. Dr Fernando CHEUNG pointed out that Chung Nga Road was the main external access link for Fu Heng Estate and Chung Nga Court, and the proposed public housing developments would increase the traffic load at Chung Nga Road. He asked whether the Administration had also taken into account the existing public transport needs of Fu Heng Estate and Chung Nga Court in assessing the traffic impact of the proposed public housing developments on Chung Nga Road; if so, of the details of the assessment. Dr CHEUNG also requested the Administration to provide information on whether it had assessed the traffic impact of the proposed public housing developments on the road networks outside Chung Nga Road (such as roads leading to the Tai Po town centre and the Tolo Highway); if it had, the details. Mr CHAN Chi-chuen expressed similar concerns.

14. Mr LAU Kwok-fan opined that in assessing the traffic impact of the proposed public housing developments on road networks such as the Tolo Highway, the Administration should also take into consideration the external transport needs of the residents of new public housing estates to be built in Tai Po and the North District in future. Otherwise, this would not help alleviate the problem of traffic congestion.

15. DCED advised that according to the TIA study, there would not be too many vehicles going to Ting Kok Road from Chung Nga Road and hence, traffic in the vicinity would not be affected significantly. As such, the proposed works would mainly focus on improving the capacity of the junctions of Chung Nga Road and Chuen On Road. He undertook to provide the information requested by Dr CHEUNG after the meeting.

(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC36/16-17\(01\)](#) on 10 January 2017.)

16. Mr Jeremy TAM urged the Administration to ensure that the proposed road works would not affect the service provision of the nearby Tai Po Hospital and the Alice Ho Mui Ling Nethersole Hospital ("Nethersole Hospital"). He enquired about the details of the traffic arrangements during the construction period (e.g. the road closure schedule) and whether the hospitals had been consulted on the arrangements.

17. DCED explained that due to the proximity of the work site of the proposed road works to Fu Heng Estate, Chung Nga Court, the two hospitals and a number of schools, the TIA study had already covered the preliminary temporary traffic arrangements during construction. In the assessment process, the Administration had briefed and consulted the hospitals and schools in the vicinity on the proposed works arrangements. He further advised that prior to the commencement of the proposed works, the works departments would discuss road closure and other temporary traffic arrangements with the relevant government departments, and consult the stakeholders.

18. Mr YIU Si-wing supported the funding proposal. He enquired: (a) whether the carriageway connecting Tai Po Area 9 site and Chuen On Road was the only vehicular access to Tai Po Area 9; (b) if any traffic accidents took place on the above road, the traffic arrangements to be made by the Administration to maintain vehicular access to and from Tai Po Area 9; (c) whether the Administration had sought the advice of the Police and other experts on the proposed traffic arrangements; and (d) whether cycle tracks would be provided along the above road to facilitate residents' access to Tai Po Area 9.

19. CCE(1)/HD advised that the proposed carriageway with footpaths connecting Tai Po Area 9 site and Chuen On Road was the only road access to Tai Po Area 9. The carriageway was a single two-lane carriageway of about 10.3 metres wide while the footpaths on both sides of it were about 3.5 metres wide. In the event of traffic accidents, vehicular traffic to and from Tai Po Area 9 was still possible as the road design had already taken this situation into account. In designing the roads concerned, the Hong Kong Housing Authority ("HKHA") had submitted the design to the relevant government departments for consideration and obtained their endorsement. As regards the provision of cycle tracks, the Administration decided after assessment not to provide cycle tracks along the road due to its steepness. Nevertheless, the Administration would provide bicycle parking spaces in the public housing development at Chung Nga Road East. Residents of Tai Po Area 9 could go there via lifts and covered pedestrian paths to park/pick up their bicycles and then go to other places.

Parking spaces for cars and bicycles

20. Mr YIU Si-wing was concerned whether the number of bicycle parking spaces in the public housing development at Chung Nga Road East was sufficient to meet the needs of residents of the new public housing estates at Chung Nga Road East and Tai Po Area 9 in future. Mr LEUNG

Yiu-ching enquired about the number of bicycle parking spaces to be provided.

21. CCE(PWP)/THB(Atg) advised that in accordance with the Hong Kong Planning Standards and Guidelines ("HKPSG"), HKHA would provide a total of 258 bicycle parking spaces in the proposed public housing developments. CCE(1)/HD said that the number of bicycle parking spaces was adequate.

22. Mr LEUNG Yiu-chung considered that 258 bicycle parking spaces were not enough to meet the parking need of 17 500 residents. He requested the Administration to consider providing additional bicycle parking spaces for residents. Mr KWONG Chun-yu shared Mr LEUNG's views. CCE(PWP)/THB(Atg) said that the Administration had taken note of Mr LEUNG's suggestion.

23. Mr LAU Kwok-fan enquired whether the proposed public housing developments would provide sufficient car parking spaces to prevent drivers from illegally parking their vehicles due to insufficient parking spaces along the one and only proposed carriageway connecting Tai Po Area 9 site and Chuen On Road, and affecting the traffic flow therein. Mr HO Kai-ming expressed a similar concern.

24. CCE(PWP)/THB(Atg) explained that HKHA would provide a total of 243 parking spaces for private cars, which was the maximum number under HKPSG.

25. Mr HO Kai-ming said that the number of parking spaces for private cars could neither meet the residents' need nor tackle the issue of illegal parking. He asked if the Administration would consider introducing measures to combat illegal parking, such as designating a no-stopping zone marked by double yellow lines on the proposed carriageway connecting Tai Po Area 9 site and Chuen On Road and deploying additional police officers to issue fixed penalty notices for illegal parking.

26. CCE(1)/HD said that the Police would take enforcement actions against illegal parking. The Administration would put in place corresponding traffic control measures as and when required.

Feasibility of the proposed public housing development at Tai Po Area 9

27. Dr Fernando CHEUNG said that the Administration had submitted a paper entitled "Tai Po Area 9 (the Site behind Tai Po Hospital) — Report of the Feasibility Study on Development of Public Housing" ("the Study

Report") to the Tai Po District Council in 2009. According to the Study Report, Tai Po Area 9 was not suitable for high-density residential development as pollutants produced by chimney emissions at Tai Po Hospital and Nethersole Hospital might cause air pollution to nearby high-rise buildings. Dr CHEUNG queried the new justifications based on which the Administration considered Tai Po Area 9 suitable for public housing development.

28. CCE(1)/HD explained that as pointed out in a preliminary analysis ("qualitative review") on the location of the proposed public housing development at Tai Po Area 9 conducted by HKHA in 2009, the proposed project might be subject to chimney emissions as the site was within the buffer zone of chimneys at Tai Po Hospital. In view of the results of the above preliminary analysis, HKHA conducted a more detailed air quality assessment ("quantitative assessment") (through computer modelling) for the proposed housing development in 2013. The assessment results indicated that all relevant parameters under the Air Quality Objectives were met. As such, there would be no adverse impact on the proposed housing development due to the chimney emissions at Tai Po Hospital.

29. Dr Fernando CHEUNG requested the Administration to provide information on the results of the qualitative review in 2009 and those of the quantitative assessment in 2013 on the feasibility of the proposed public housing development at Tai Po Area 9.

(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC36/16-17\(01\)](#) on 10 January 2017.)

Provision of supporting facilities for residents

30. Mr LAM Cheuk-ting enquired whether the Administration would provide additional community facilities (e.g. community centres) and markets in the district for the proposed public housing developments.

31. CCE(PWP)/THB(Atg) said that the Administration planned to provide different types of community facilities within the proposed public housing developments, e.g. a child care centre, a residential care home for the elderly, and a centre providing integrated support services for people with severe physical disabilities. The Housing Department had also commissioned a consultancy study on retail facilities for the proposed public housing developments, which recommended that retail facilities with an area of about 5 000 square metres ("sq m") be provided under the development project.

32. Mr LAU Kwok-fan enquired about the size of the area earmarked for the development of markets out of the retail space of about 5 000 sq m. In response, CA(6)/HD(Atg) said that the proposed retail facilities included shops such as eateries, frozen meat shops and supermarkets but did not include markets.

33. Referring to the Study Report published in 2009, Mr Nathan LAW said that the proposed public housing developments would put pressure on the facilities of Fu Heng Estate as the proposed developments would not be a self-sufficient community. Mr LAW sought explanation from the Administration on whether any further assessment on the impact of the proposed public housing developments on Fu Heng Estate had been conducted before it decided to re-launch the project. He also queried whether the public health care services provided by the hospitals in Tai Po District were sufficient to meet the needs of the increased population arising from the proposed public housing developments. Mr LEUNG Kwok-hung opined that the Administration should identify suitable sites for expansion of Tai Po Hospital and Nethersole Hospital in view of the inadequate provision of public health care services in the district.

34. CCE(1)/HD explained that the public housing developments proposed in 2009, which could only provide 1 000 odd to 2 000 odd flats, was smaller in scale and thus could not develop the area into a self-sufficient community. The public housing developments proposed in 2013, which would provide a total of about 7 070 flats, were larger in scale and had sufficient potential for developing into a community.

35. Mr LEUNG Yiu-chung was dissatisfied with the Administration's reply that the proposed public housing developments did not include market facilities. He opined that market facilities were indispensable for the proposed public housing developments to become a self-sufficient community. Citing Tin Ching Estate in Tin Shui Wai as an example, Mr LEUNG pointed out that the residents were gravely dissatisfied with the unavailability of a market in Tin Ching Estate and hence the need for them to walk for about 15 minutes to shop at the markets in nearby housing estates. The Chairman enquired about the location of the market nearest to the proposed public housing developments.

36. CCE(PWP)/THB(Atg) replied that after inspecting the market facilities in the housing estates near the proposed public housing developments, the consultant came to the view that the markets located in nearby housing estates could meet the shopping needs of the residents in the

area. The market nearest to Tai Po Area 9 was Fu Heng Market, which was accessible to the residents concerned via lifts and covered pedestrian paths.

37. Mr LEUNG Yiu-chung did not accept the Administration's explanation. He commented that the Administration had failed to learn a lesson from the experience of Tin Shui Wai and Tung Chung, where the unavailability of market facilities in a number of housing estates had caused inconvenience to the living of the residents. He pointed out that many public housing tenants were elderly people. It was unreasonable to require them to travel a long distance to shop from markets far from their homes. Moreover, if a market was not included in the planning of the proposed public housing developments, it would be difficult to construct a market there in future. Mr Andrew WAN, Mr SHIU Ka-chun and Mr KWONG Chun-yu shared Mr LEUNG Yiu-chung's view. Mr WAN opined that the Administration should not merely rely on the findings of consultancy studies in the planning of public housing developments. Mr SHIU and Mr KWONG pointed out that poor planning was the reason contributing to the lack of the necessary supporting community facilities in Tin Shui Wai and such a mistake should not repeat in the proposed public housing developments.

38. CCE(PWP)/THB(Atg) explained that the planning of various facilities under the proposed public housing developments was based on the guidelines set out in HKPSG. The Administration had also consulted the relevant departments and local community on the proposed developments.

39. Dr KWOK Ka-ki considered that it would be difficult for members to support the proposed works given the inadequate provision of supporting facilities under the proposed public housing developments. Since markets would not be provided in the proposed public housing developments, the residents would have no choice but to shop at Fu Heng Market under Link Asset Management Limited. He questioned why the Administration maintained its view that there was no need to provide a market in the proposed public housing developments, which would provide as many as 7 070 flats. Dr KWOK requested the Administration to re-consider providing markets in the proposed public housing developments. Mr LEUNG Kwok-hung shared similar views and enquired about the Administration's overall policy on markets, such as whether the population size of a place was a factor for considering whether public markets should be provided.

40. Mr CHAN Hak-kan pointed out that while the proposed public housing developments were the largest of its kind in Tai Po District in recent years, the site was far from the Tai Po town centre. He therefore urged the

Administration to formulate a comprehensive planning proposal to provide residents with the necessary public transport services and market facilities, and to re-consider providing markets in the proposed public housing developments.

41. Permanent Secretary for Development (Planning and Lands) said that the planning criteria relating to public markets currently contained in HKPSG were not based on population size, nor did HKPSG stipulate that there should be a market in each housing estate. That said, the Food and Health Bureau had been committed to identifying easily accessible sites in Tin Shui Wai and Tung Chung for the development of public markets. Members might raise their comments, if any, on the overall policy on markets for discussion at the relevant Panels. CCE(PWP)/THB(Atg) advised that the proposed project submitted by the Administration to the Subcommittee was a project under the Capital Works Reserve Fund, while supporting facilities such as markets fell under the scope of HKHA's plans for the proposed public housing developments. The Administration and HKHA took note of members' requests for providing markets in the proposed public housing developments.

42. Ms Claudia MO said that although the proposed project only involved works such as site formation but not the construction of public housing and ancillary facilities, the planning of related facilities should be confirmed at an early stage. In this regard, she enquired when the Administration would complete a review on the provision of supporting facilities for the proposed public housing developments.

43. CCE(PWP)/THB(Atg) replied that the various works projects under the proposed public housing developments were inter-related. The Administration planned to first proceed with the site formation works at the present stage.

Consultation work

44. Mr Nathan LAW opined that given the pressure which the large-scale proposed public housing developments put on the transport and public health care services in the district, the Administration should hear more views from local stakeholders. However, except for the consultation with the Tai Po District Council, the Administration had not adequately consulted the residents of Fu Heng Estate. Mr LAW urged the Administration to conduct further large-scale consultation on the proposed public housing developments. Mr Andrew WAN expressed similar views. Mr Jeremy TAM and Mr SHIU Ka-chun requested the Administration to provide detailed information on the persons from the local community who

had been consulted previously on the proposed public housing developments, including the number of people attending the consultation session(s).

45. CCE(PWP)/THB(Atg) advised that the Administration consulted the Tai Po District Council on the proposed public housing developments in 2014 and 2016. The District Council supported the project. Public views had been invited under the established mechanism. The proposal for the public housing developments had been refined in response to public concerns. CA(6)/HD(Atg) supplemented that local residents had been consulted on the proposed public housing developments in October 2014. The consultation session had been attended by about 50 people, including members of the District Council concerned, principals of nearby schools and residents. Representatives of nearby hospitals had also been consulted on the proposed public housing developments on other occasions.

Completion date and scale of the proposed public housing developments

46. Mr WU Chi-wai enquired when the Administration would commence the project on the proposed public housing development at Chung Nga Road West. CA(6)/HD(Atg) said that the project was expected to be completed in 2025.

47. Dr Fernando CHEUNG pointed out that according to a paper submitted by the Administration to the Tai Po District Council in 2009, the proposed public housing developments at Tai Po Area 9 and Chung Nga Road East would provide about 5 600 flats. However, the figure had been revised to 7 070 flats in the discussion paper submitted by the Administration to the Subcommittee. Given that the number of flats had increased to 7 070, he was concerned that the assessment results would become obsolete if the original number of flats to be provided was taken as the basis for the various impact assessments conducted for the proposed public housing developments.

48. CCE(1)/HD replied that both the quantitative assessment conducted in 2013 and the various impact assessments conducted by HKHA for the proposed public housing developments had taken into account the fact that about 7 070 public housing flats would be provided in the area. DCED supplemented that in conducting the TIA study, projections had been made on the basis of the traffic flow in the area in 2022 (i.e. the expected time by which all the 7 070 odd flats under the proposed public housing developments at Tai Po Area 9 and Chung Nga Road East would be completed) and beyond.

49. Mr CHU Hoi-dick said that the public housing development at Tai Po Area 9 was part of a proposed project on rezoning the Green Belt areas in

Tai Po for housing development. He was concerned that with the rezoning of the relevant Green Belt areas for housing development, the additional population would add pressure to the traffic load in Tai Po District, particularly Fu Heng Estate. In this regard, Mr CHU enquired about the number of flats and people that could be accommodated under the whole project on rezoning the Green Belt areas for housing development. The Chairman said that Mr CHU's question was outside the scope of the proposed project.

Environmental implications of the proposed works

50. Mr Alvin YEUNG enquired whether the proposed public housing development at Tai Po Area 9 would affect the natural environment of the sites of special scientific interest in the vicinity, such as Fung Yuen and Sha Lo Tung.

51. DCED explained that the proposed public housing development at Tai Po Area 9 was about 250 to 300 metres away from Fung Yuen Site of Special Scientific Interest, with bushes and derelict farmlands in between. As such, the Administration considered that the proposed development would not have much impact on Fung Yuen.

52. Mr Alvin YEUNG sought confirmation on: (a) whether the authorities or other persons had felled any trees within or adjacent to the proposed project site; and (b) the number of trees to be removed after the commencement of the proposed works. Ms Claudia MO requested the Administration to provide the number of trees to be removed, transplanted and newly planted under the proposed project.

53. DCED replied that 1 937 trees, including 1 925 trees to be felled and 12 trees to be transplanted, would be removed within or adjacent to the project site after the commencement of the proposed works. CCE(PWP)/THB(Atg) supplemented that under the proposed project, the Administration would plant/replant 1 948 trees, including planting 1 921 trees and 15 whips, and replanting the abovementioned 12 trees at their original locations. As to whether any trees had been felled before the commencement of the proposed works, the Administration undertook to provide relevant information after the meeting.

(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC36/16-17\(01\)](#) on 10 January 2017.)

Works arrangements

54. Mr CHAN Chun-ying noted that due to insufficient in-house resources, the Administration proposed engaging consultants to undertake the contract administration and site supervision for the proposed infrastructure works to be carried out in the vicinity of Chung Nga Road and Chuen On Road, while the estimated costs of resident site staff were calculated by applying a multiplier of 1.6 to the average Master Pay Scale ("MPS") salary point. Moreover, the actual man-months and actual costs of resident site staff would only be known to the Administration after completion of the construction works. Mr CHAN sought information on: (a) the mechanism in place to determine that in-house resources were insufficient and hence there was a need for engaging consultants to undertake the relevant works; (b) whether the estimated costs of resident site staff for all other public works projects were calculated by applying a multiplier of 1.6 to the average MPS salary point in any case; and (c) whether the actual costs of resident site staff would exceed the estimates.

55. DCED explained that the Administration would determine whether the relevant works should be undertaken by using internal resources or by engaging consultants, having considered factors such as the construction periods of different projects and workload of the works departments. As for the costs of resident site staff, it was the long-term practice of the Administration to estimate these costs by applying a multiplier of 1.6 to the average MPS salary point and basing on the number of working hours required by resident site staff. Such costs encompassed salaries and other expenses. In general, the cost estimates for resident site staff were more or less the same as the actual costs.

56. Dr YIU Chung-yim enquired whether the proposed works were carried out under the third edition of the New Engineering Contract ("NEC") devised by the Institution of Civil Engineers, the United Kingdom. He pointed out that the spirit of NEC emphasized co-operation, mutual trust and collaborative risk management. However, the findings of many studies revealed that the traditional mode of operation adopted for local works projects (e.g. the pre-nomination of subcontractors, not resolving works disputes until project completion, absence of an alert mechanism for project risks, and the practice of adding Z clauses (i.e. additional clauses) to the works contracts) ran contrary to the original objectives of NEC. Dr YIU enquired about the possible risks associated with the proposed works and the measures taken by the Administration to prevent cost overruns and works delays in case the contracting parties to the proposed works could not adapt to the NEC mode.

57. DCED said that the proposed works would be carried out under the NEC mode and subcontractors would not be nominated in advance. The Administration had adopted the NEC mode for some public works contracts since 2009. The construction sector had also become more and more adapted to the NEC mode, including the early resolution of works disputes. PPC(HP)1/CEDD supplemented that the project consultant had examined the possible risks of the proposed works and had taken into account the additional expenses that might incur from those risks in calculating the project costs. Permanent Secretary for Development (Works) advised that the Administration would update the LegCo Panel on Development in due course on matters relating to the management of public works projects, including the management of project costs and the arrangement for implementing works projects under the NEC mode.

58. Dr YIU Chung-yim noted that the cost of the proposed works comprised the provision for price adjustment. He said that according to the latest figures of Construction Cost Indices published by the Civil Engineering and Development Department and tender price index over building works released by the private sector, the rise in construction costs had shown signs of softening. However, the estimated increase in project costs in the coming years derived by the Administration on the basis of the price adjustment factors still maintained at a relatively high level. Dr YIU queried that the Administration had not made reference to the latest figures when working out the estimates, leading to an over-estimation of the increase in project costs. He sought details of the calculation of the price adjustment factors.

59. Deputy Secretary for Financial Services and the Treasury (Treasury)3 (Atg) said that the Administration updated the price adjustment factors on a half-yearly basis having regard to a number of factors, such as the situation of the local construction labour market, changes in construction prices and overall construction output forecast. The most recent update, which had been made in October 2016, was set out in PWSCI(2016-17)6 and circulated to members for information. The Administration would refer to the latest data as well as projected figures when updating the price adjustment factors.

60. The Chairman said that the Subcommittee would continue its discussion on the funding proposal (PWSC(2016-17)38) at the next meeting.

61. There being no other business, the meeting ended at 10:29 am.