

立法會
Legislative Council

LC Paper No. CB(1)1463/16-17
(These minutes have been seen
by the Administration)

Ref : CB1/PL/DEV

Panel on Development

Minutes of meeting
held on Monday, 17 July 2017, at 8:45 am
in Conference Room 3 of the Legislative Council Complex

Members present : Hon Tommy CHEUNG Yu-yan, GBS, JP (Chairman)
Hon Kenneth LAU Ip-keung, BBS, MH, JP (Deputy
Chairman)
Hon CHAN Kin-por, GBS, JP
Hon Paul TSE Wai-chun, 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 Kenneth LEUNG
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Ir Dr Hon LO Wai-kwok, SBS, MH, 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 CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho

Members absent : Hon Abraham SHEK Lai-him, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-yea, GBS, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon Frankie YICK Chi-ming, SBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Tanya CHAN
Hon LUK Chung-hung

Member attending : Hon Jeffrey LAM Kin-fung, GBS, JP

Public officers attending : **Agenda item III**

Mr Michael WONG Wai-lun, JP
Secretary for Development

Mr Maurice LOO Kam-wah, JP
Deputy Secretary for Development (Planning and
Lands)²

Dr CHEUNG Tin-cheung, JP
Director of Buildings

Mr Van HO Chun-hung
Assistant Director of Buildings/Existing
Buildings 2

Mr Terrance TSANG Wing-hung
Assistant Director (Fire Safety)
Fire Services Department

Mrs Rosa HO LOK So-fun
Assistant Director (Housing Subsidies)
Housing Department

Agenda item IV

Mr HON Chi-keung, JP
Permanent Secretary for Development (Works)

Mr John KWONG Ka-sing
Head of Project Cost Management Office
Development Bureau

Mr Joseph LO Kwok-kuen
Chief Assistant Secretary (Works)1
Development Bureau

Agenda item V

Mr Victor CHAN
Principal Assistant Secretary (Works)2
Development Bureau

Mr Frank WONG
Deputy Head of Energizing Kowloon East Office
Development Bureau

Mr Tim FUNG
Assistant Secretary (Infrastructure Coordination)4
Development Bureau

Ms Alice PANG, JP
Project Manager (Kowloon)
Civil Engineering and Development Department

Mr Harry MA
Acting Head (Kai Tak Office)
Civil Engineering and Development Department

Mr Peter CHUI
Chief Engineer/Kowloon 1
Civil Engineering and Development Department

Attendance by Invitation : Agenda item V

Ms Amanda MO
Associate Director/Transport
Arup Hong Kong

Mr Ray TANG
Associate/Transport
Arup Hong Kong

Mr Corey WONG
Associate/Transport
Arup Hong Kong

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

Staff in attendance : Miss Rita YUNG
Senior Council Secretary (1)2

Mr Raymond CHOW
Senior Council Secretary (1)6

Ms Christina SHIU
Legislative Assistant (1)2

Action

- I Information papers issued since the last meeting**
(LC Paper Nos. — Issues raised at the
CB(1)1236/16-17(01)-(03) meeting between
Legislative Council
Members and Heung Yee
Kuk Councillors on
12 May 2017 relating to
(a) planning and
development of land in
the New Territories;
(b) development of
villages in the New
Territories; and (c) new
development areas and
new town extension

LC Paper No. CB(1)1270/16-17(01) — Letter dated 5 July 2017 from Hon LEUNG Che-cheung on signboard control

LC Paper No. CB(1)1313/16-17(01) — Administration's response to the letter dated 22 June 2017 from Hon LAU Kwok-fan on the collapse of a balcony of a residential building in Hung Hom on 21 June 2017 (LC Paper No. CB(1)1196/16-17(01))

Members noted that the above information papers had been issued since the meeting on 26 June 2017.

II Proposal for setting up a joint subcommittee under the Panel on Development and the Panel on Home Affairs to follow up the issues relating to the redevelopment, maintenance and management of aged buildings

(LC Paper No. CB(1)1307/16-17(01) — Letter dated 11 July 2017 from Hon LAU Kwok-fan)

2. The Chairman referred to the letter dated 11 July 2017 from Mr LAU Kwok-fan to him (LC Paper No. CB(1)1307/16-17(01)) suggesting the setting up of a joint subcommittee under the Panel on Development and the Panel on Home Affairs ("the two Panels") to follow up the issues relating to the redevelopment, maintenance and management of aged buildings ("the proposed Joint Subcommittee"). The Chairman said that the proposed terms of reference, work plan and time frame of the proposed Joint Subcommittee had been set out in Mr LAU's letter.

3. Mr LAU Kwok-fan said he was concerned about the problems faced by flat owners of aged and dilapidated buildings relating to the redevelopment, maintenance and management of such buildings, of which the number was increasing rapidly. He held the view that a joint subcommittee should be set up under the two Panels to follow up the relevant issues.

4. The Panel agreed to Mr LAU's proposal as set out in his letter (LC Paper No. CB(1)1307/16-17(01)). The Chairman instructed the Clerk to convey the Panel's decision to the Panel on Home Affairs. He advised that as at 14 July 2017, eight subcommittees on policy issues were on the waiting list for commencing operation.

(Post-meeting note: At its meeting on 17 July 2017, the Panel on Home Affairs agreed to set up the proposed Joint Subcommittee, and endorsed the terms of reference, work plan and time frame as proposed by Mr LAU Kwok-fan in his letter.)

III Proposed amendments to the Buildings Ordinance (Cap. 123) for strengthening enforcement action against illegal domestic use in industrial buildings

(LC Paper No. CB(1)1165/16-17(03) — Administration's paper on proposed amendments to the Buildings Ordinance (Cap. 123) for strengthening enforcement action against illegal domestic use in industrial buildings

LC Paper No. CB(1)1310/16-17(01) — Administration's paper on proposed amendments to the Buildings Ordinance (Cap. 123) for strengthening enforcement action against illegal domestic use in industrial buildings (Follow-up paper)

LC Paper No. CB(1)1165/16-17(04) — Paper on enforcement actions against illegal domestic premises in industrial buildings prepared by the Legislative Council Secretariat (Background brief)

Other relevant papers

- (LC Paper No. CB(1)1284/16-17(01) — Letter dated 26 June 2017 from Dr Hon LAU Siu-lai
- LC Paper No. CB(1)1284/16-17(02) — Letter dated 28 June 2017 from Hon Alvin YEUNG
- LC Paper No. CB(1)1284/16-17(03) — Administration's response to the letter dated 28 June 2017 from Hon Alvin YEUNG (LC Paper No. CB(1)1284/16-17(02))

5. The Chairman said that the Panel had commenced the discussion on the agenda item at the previous meeting on 26 June 2017. The discussion would be continued at the present meeting.

Enforcement actions against illegal domestic premises in industrial buildings

6. Referring to a follow-up paper provided by the Administration (LC Paper No. CB(1)1310/16-17(01)) on the agenda item, Mr CHAN Chi-chuen noted that in October 2016, the Buildings Department ("BD") had promulgated new measures vide a practice note to building professionals with a view to deterring the misuse of industrial buildings ("IBs") for domestic purpose. The new measures included requiring building professionals to provide justifications for designs and facilities that were not commonly found in IBs or commensurate with industrial use. Mr CHAN enquired if (a) any building professionals had been requested to provide such justifications after the issuance of the said practice note; and (b) the Administration would check the building plans of IBs approved by BD before the issuance of the practice note in order to find out how many IBs had designs and facilities that were not commensurate with industrial use.

7. Director of Buildings ("D of B") explained that the justification requirement was a preventive measure to deter the provision of facilities in IBs that were not commensurate with industrial use (e.g. club house and swimming pool). After the practice note had been issued in October 2016, BD had not approved any building plans of proposed IBs

with designs and facilities that were not commensurate with industrial use. Secretary for Development ("SDEV") added that, for those IBs of which the building plans had been approved, it would be necessary to strengthen BD's enforcement powers in order to tackle the illegal domestic uses (if any) in such buildings. As such, the Government had proposed amendments to the Buildings Ordinance (Cap. 123) ("BO").

8. In view of the proliferation of small workshop units in IBs with many of them being used as illegal domestic premises, Mr Jeremy TAM sought information about the number of building plans of such workshop units that had been approved by BD. The Administration undertook to provide the information requested by Mr TAM after the meeting.

(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)1399/16-17(01) on 31 August 2017.)

The proposed legislative amendments

9. Mr Holden CHOW sought confirmation from the Administration that the proposed legislative amendments to BO to strengthen the Administration's enforcement action against illegal domestic use in IBs would have no retrospective effect. SDEV replied in the affirmative.

10. Mr CHAN Chun-ying enquired whether the contractors/workers renovating IB premises for domestic use would be regarded as aiding or abetting the owners, tenants, lessees, persons in charge, etc. ("owners etc.") in allowing another person to use the premises for illegal domestic purpose, and therefore be liable for the new criminal offence under the proposed legislative amendments. Mr YIU Si-wing referred to the marketing of IB premises for use as temporary accommodation for visitors by some vacation rental websites and asked whether the owners/operators of these websites would be held liable for the proposed criminal offence of aiding and abetting the owners etc. in allowing another person to use the premises for illegal domestic purpose; if so, how the prosecution actions against these website owners/operators, who might not be operating their business in Hong Kong, could be taken.

11. SDEV replied that whether a person would be held liable for the proposed criminal offence would depend on the circumstances of the individual case and the evidence. The Government considered it inappropriate to comment on various hypothetical situations. However, it was likely that an agent who had actual knowledge that a premises was

located in an IB and was proven to have aided/abetted the owners etc. in allowing another person to use the premises concerned for illegal domestic purpose would be liable for the proposed criminal offence. The issue of whether agents operating through overseas electronic platforms would be liable should more appropriately be dealt with outside the context of the proposed legislative amendments.

12. Mr CHAN Chun-ying sought information about: (a) the number of cases that BD officers had been refused entry into IB premises suspected of being used for domestic purpose every year; (b) the number of visits required to be paid by BD officers to an IB premises suspected of being used for domestic purpose for obtaining a court warrant for entering the concerned premises; and (c) the time required to go through the aforementioned process.

13. Assistant Director of Buildings/Existing Buildings 2 advised that based on BD's experience, occupants might refuse BD officers' entry into the premises for inspection. Some might not answer the door and some might procrastinate to delay BD officers' inspection. Under the current legislation, before applying for a warrant from the court, BD had to issue to the owner/occupant of the premises concerned a notice of intention to apply for such a warrant in order to urge the owner/occupant to allow BD officers to enter into his/her premises for inspection. If the owner/occupant still refused to allow BD officers' entry to the premises after receiving the notice, BD would apply for a warrant from the court. BD officers might have to pay a few visits to the premises concerned over a few months before a court warrant could be obtained. The proposed legislative amendment aimed to strengthen BD's power and enhance the efficiency of BD officers in gaining access to IB premises for inspection and collection of evidence.

Rehousing arrangements for displaced tenants

14. While acknowledging the need to combat illegal domestic use in IBs, Mr WU Chi-wai urged the Administration to provide adequate rehousing support for the inhabitants residing in IBs affected by BD's enforcement actions. Mr Andrew WAN, Dr KWOK Ka-ki and Mr Holden CHOW expressed a similar view. Mr WAN and Dr KWOK requested the Administration to collect information on the number of inhabitants residing in IBs, whereas Mr CHOW urged the Administration to provide sufficient bedspaces at Po Tin Transit Centre in Tuen Mun, a temporary accommodation to those IB inhabitants who were rendered homeless as a result of BD's enforcement actions.

15. SDEV said that partly owing to the difficulty of BD officers in entering the premises concerned to conduct a survey, the Government was not able to compile the figures on the number of inhabitants residing in IBs. However, the Government understood that surveys conducted by welfare organizations estimated that there were some 10 000 persons residing in IBs. These persons, if affected by BD's enforcement actions, might have to move farther away from the urban areas or pay higher rentals for housing in the urban areas. Alternatively, these persons could be temporarily admitted to the Po Tin Transit Centre through referrals by BD while looking for alternative accommodation. It was noteworthy that only a few affectees had stayed in the Transit Centre in the past few years. All in all, the Government had to strike a balance between the benefits of eliminating the safety risk on those inhabiting in IBs and the housing needs of these inhabitants.

16. Assistant Director (Housing Subsidies), Housing Department ("AD(HS)/HD"), supplemented that the established practice was to allow these persons to stay in the Po Tin Transit Centre for up to three months while they would look for their own accommodation. After this period, if they passed the "homeless test" but still failed to find their own alternative accommodation and fulfilled the eligibility criteria for public rental housing ("PRH"), they would be admitted to Interim Housing while awaiting PRH. Mr Andrew WAN expressed concern that Interim Housing units in Shek Lei and Po Tin would be insufficient to accommodate all the affectees once the proposed legislative amendments came into effect.

17. Mr Jeremy TAM opined that in order to ascertain the impact of the proposed legislative amendments on the inhabitants in IBs, the Administration should first strengthen the investigatory powers of BD officers, so that they could enter IB premises to conduct a survey on the number of inhabitants residing in these premises.

18. SDEV responded that the proposed legislative amendments mainly consisted of two parts: (a) strengthening the investigatory powers of BD officers; and (b) creating a new criminal offence against the owners etc. who used IB premises for illegal domestic purpose. In the light of the views expressed by Panel members, the Government would consider the option of taking forward the proposal in stages, namely, to strengthen the investigatory powers of BD officers before imposing criminal sanction on the owners etc.

19. Mr SHIU Ka-chun held the view that it was unnecessary to require the affectees to stay in the Po Tin Transit Centre for three months and pass the "homeless test" before admitting them to Interim Housing, as they had already been rendered homeless as a result of BD's enforcement actions. He enquired whether: (a) the three-month accommodation period could be shortened; and (b) the living conditions of the Po Tin Transit Centre could be improved, such as by providing independent kitchens and toilets for all the households.

20. AD(HS)/HD explained that a three-month period was required for the affectees to go through the "homeless test" to ascertain their eligibility for further rehousing. As for the facilities in the Po Tin Transit Centre, the centre was equipped with shared kitchens and toilets, as well as partition panels between bedspaces for family cubicles to enhance privacy. It was practically difficult to provide independent kitchens and toilets for all the households in the Po Tin Transit Centre.

21. Dr CHENG Chung-tai opined that apart from introducing the proposed legislative amendments, the Administration should formulate a policy to tackle the problem of illegal domestic use in IBs in a holistic manner, including an enhancement of the rehousing arrangements for the IB inhabitants affected by BD's enforcement actions. Given the high vacancy rate of the Shek Lei Interim Housing, Dr CHENG requested the Administration to consider allowing the affected inhabitants to be immediately admitted to the Shek Lei Interim Housing, instead of requiring them to stay in the Po Tin Transit Centre, which was remote and providing poor living conditions, for three months. Dr KWOK Ka-ki made a similar request.

22. AD(HS)/HD replied that the Shek Lei Interim Housing had been completed in the 1960s. In view of the old building age, increasing maintenance cost and high vacancy rates of the Shek Lei Interim Housing, the Audit Commission had recommended that the Hong Kong Housing Authority should study measures to make better use of it. SDEV undertook to convey the suggestion of immediately admitting the affectees to the Shek Lei Interim Housing to the Transport and Housing Bureau, and that the Government would provide a written response on the suggestion in due course.

(Post-meeting note: The Administration's written response was issued to members vide LC Paper No. CB(1)1399/16-17(01) on 31 August 2017.)

Motion proposed by Mr SHIU Ka-chun

23. The Chairman advised that he had received a motion proposed by Mr SHIU Ka-chun. He considered that the motion was not directly related to the agenda item under discussion, therefore the motion should not be dealt with at the meeting.

IV Cost Management for Capital Works Projects

(LC Paper No. CB(1)1284/16-17(04) — Administration's paper on Cost Management for Capital Works Projects — Progress and Outlook

LC Paper No. CB(1)1284/16-17(05) — Paper on the Project Cost Management Office prepared by the Legislative Council Secretariat (Background brief))

24. Permanent Secretary for Development (Works) ("PS/DEV(W)") said that the Administration had submitted a paper (LC Paper No. CB(1)1284/16-17(04)) to the Panel to report the work progress of the Project Cost Management Office ("PCMO"), which had been established by the Development Bureau ("DEVB") in June last year to take forward various cost management initiatives for public works projects. The paper also provided an outlook of cost management for such projects and gave an overview of the implementation of the Capital Works Programme. He and other representatives of the Administration present at the meeting were ready to answer members' questions on the aforesaid subject. With the concurrence of the Chairman, a set of powerpoint presentation materials highlighting the key points of the paper had been tabled at the meeting.

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)1316/16-17(01) by email on 17 July 2017.)

25. The Chairman advised that, in view of the limited time for discussion, the Administration should provide written responses to unanswered questions, and supplementary information to follow up incomplete replies to the Panel after the meeting.

Tackling budget overrun

26. Dr KWOK Ka-ki held the view that the Administration had been over-spending public monies on some "white elephant" infrastructure projects. He noted with concern that under the existing contractual arrangements for public works projects, the Administration would cater for contractors' requests for additional funding after the contracts had been signed. He called on the Administration to review the relevant arrangements. In respect of the Administration's performance in cost estimation for public works projects, Dr KWOK enquired whether any Government officials should be held accountable for the recent cost overruns for some of these projects, e.g. the South Island Line (East) Essential Public Infrastructure Works ("SIL(E) EPIW") and the advance works of the construction of railway works of the Shatin to Central Link; if yes, the details; if no, the reasons.

27. PS/DEV(W) opined that it was unfair to describe infrastructure projects as "white elephant" projects. The Administration sought to implement public works projects in an orderly manner with a view to improving the quality of living in Hong Kong, enhancing the long-term competitiveness of the city and supporting its economic development. Separately, DEVB had been promoting the use of the "open-book target cost" option under the New Engineering Contract ("NEC") in major public works projects so as to enhance contract management efficiency and cost-effectiveness.

(Post-meeting note: The Administration's written response to Dr KWOK Ka-ki's question was issued to members vide LC Paper No. CB(1)1385/16-17(01) on 25 August 2017.)

28. Mr LAU Kwok-fan asked whether PCMO would stipulate in the tender documents of public works projects that the fees payable to consultants/contractors would be subject to an upper limit, with a view to minimizing the risk of budget overrun. Dr Fernando CHEUNG raised similar enquiries. Citing the SIL(E) EPIW project as an example, Dr CHEUNG opined that it should be the contractors themselves instead of the Administration to bear the risks and liabilities in respect of budget overrun.

29. PS/DEV(W) stressed that the Administration had to be prudent in considering whether an upper limit should be imposed on the fees to be paid to contractors engaged in public works projects, taking in view that the number of contractors that would still be capable to implement public

works projects with such a practice taking place. Furthermore, if the risks of budget overrun were to be borne by the contractor, the bidders would impose a higher premium which would result in escalation of the tender price. That said, the Administration would review the terms and conditions of public works contracts with a view to improving project cost management. Regarding the SIL(E) EPIW project, PS/DEV(W) advised that the major reasons for budget overrun included, inter alia, unfavorable ground conditions, underground utilities being more complicated than expected, etc. Mr Holden CHOW remarked that the government departments concerned should learn from the experience of the SIL(E) EPIW project and improve the coordination among themselves to ensure the accuracy of records of underground utilities.

30. Expressing concern on the escalating construction costs, Mr CHAN Han-pan asked: (a) how the Administration would uplift cost estimation performance to minimize the risk of budget overrun; (b) how the Administration could prevent possible oligopoly by a small number of large engineering/construction consultants/companies for the implementation of public works projects; and (c) whether the Administration would consider taking punitive action against the contractors of multiple public works projects which had cost overruns; if yes, the details; if no, the reasons.

(Post-meeting note: The Administration's written response was issued to members vide LC Paper No. CB(1)1385/16-17(01) on 25 August 2017.)

Contract procurement strategy

31. Mr CHAN Chun-ying enquired: (a) whether the Administration would avoid launching a large number of public works projects within the same period; and (b) why railway-related construction projects had not adopted NEC as the major contract form.

32. PS/DEV(W) responded that in the past years, the Administration had been launching construction projects of various scales over a long period of time. Regarding the NEC form, it had been adopted by the Administration under a pilot scheme for only a few years. As the existing railway-related construction projects had started earlier, they had not adopted the NEC form. That said, the Administration would adopt NEC as the major contract form for public works projects in a progressive manner.

33. Dr Fernando CHEUNG sought elaboration on the partnering approach and open-book target cost contract forms of NEC. PS/DEV(W) advised that the NEC form encompassed contract provisions to encourage contracting parties to adopt a partnering approach in taking forward construction works, thereby avoiding or minimizing disputes. The target cost options of NEC featured a pain-gain share mechanism under an open-book environment whereby the contracting parties were required to bear cost overrun and entitled to sharing savings from the target cost. This option provided a common objective for the contracting parties to undertake the works with an aim to enhancing project management and cost control.

(Post-meeting note: Written information provided by the Administration on the partnering approach and open-book target cost contract forms of NEC was issued to members vide LC Paper No. CB(1)1385/16-17(01) on 25 August 2017.)

Costs of construction materials

34. Noting there had been a significant increase in the costs of construction materials (e.g. sand) used in public works projects in recent years, Mr CHAN Chun-ying enquired whether the Administration had engaged industry stakeholders and local research institutions to find suitable replacement materials. PS/DEV(W) replied in the affirmative.

35. Mr Holden CHOW asked how the Administration would cope with the escalating material costs, such as whether it would require contractors to purchase construction materials well in advance to offset part of the increase in material costs. PS/DEV(W) replied that it would be contractors' commercial decision as to whether to purchase construction materials in advance. Mr CHOW suggested that the Administration should maintain close liaison with the contractors concerned in working out ways to tackle material cost escalation. PS/DEV(W) took note of Mr CHOW's views.

36. With reference to the different types of construction materials and various categories of construction workers shown in Annexes 2 and 3 of Enclosure 4 to the Administration's paper, Mr Jeremy TAM requested the Administration to provide written information on the proportion of the cost of each item (e.g. sand, bitumen; concreter, bricklayer) in the total cost of construction works.

37. PS/DEV(W) advised that in general, material and labour costs accounted for about 50% and 30% to 40% respectively of a construction contract, depending on the nature of the works. DEVB had conducted a study in 2015 on the escalation of construction cost, which had revealed that the construction cost for various types of construction works had risen by around 40% to 60% during the period from first quarter/2010 to first quarter/2013, in which around 30% of the increase was attributed to the increase in material, labour and plant costs.

(Post-meeting note: The written information provided by the Administration in response to Mr Jeremy TAM's request was issued to members vide LC Paper No. CB(1)1385/16-17(01) on 25 August 2017.)

Reviewing works policies

38. Mr LAU Kwok-fan asked whether the Administration would review and, if necessary, amend the Buildings Ordinance (Cap. 123) and related regulations to achieve cost reduction by removing outdated requirements and consolidating overlapped ones which had accumulated incrementally over the years.

39. In response, PS/DEV(W) said that a high-level working group led by DEVB and comprising senior directorates from Works Departments had been established to comprehensively review relevant requirements and policies. Since its establishment in mid-2016, the working group had reviewed more than 20 requirements/policies and promulgated eight revised requirements. The eight revised requirements were listed in Enclosure 3 to the Administration's paper. At the request of Mr LAU Kwok-fan, the Administration would provide written information about the details of the eight revised requirements.

(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)1385/16-17(01) on 25 August 2017.)

Application of technology

40. Mr WU Chi-wai referred to paragraph 4 of the Administration's paper, which stated that the annual capital works expenditure ("CapWex") in 2016-2017 was \$84 billion, representing around 3.3% of the real Gross Domestic Product ("GDP") of Hong Kong, which was equal to the 35-year long term average of CapWex to real GDP. Noting

that the Administration considered the level of CapWex healthy, he queried whether the Administration would take into account the ageing of the construction workforce and subsequently the decreasing productivity when setting the target for Hong Kong's overall construction outputs in the future.

41. PS/DEV(W) explained that the Administration would need to sustain the capital works investment to meet the needs of various fronts. Well aware of the fact that the construction industry was facing an acute ageing problem (particularly that the average age of registered skilled workers was over 50), the Administration would explore and introduce more practical and less labour-intensive construction methods for Hong Kong. Besides, the Administration would continue to collaborate with the Construction Industry Council ("CIC") on introducing innovation and advanced technology to the construction industry with the objective of reducing manpower requirements, enhancing productivity and lowering the construction cost. Mr WU Chi-wai sought elaboration on the work of DEVB in collaboration with CIC in adopting innovation and advanced technology in public works projects. At the request of the Chairman, the Administration would provide a written response to Mr WU's request after the meeting.

(Post-meeting note: The Administration's written response was issued to members vide LC Paper No. CB(1)1385/16-17(01) on 25 August 2017.)

V Interim Public Consultation on the Detailed Feasibility Study for Environmentally Friendly Linkage System for Kowloon East and Progress Report on Kai Tak Development

(LC Paper No. CB(1)1165/16-17(05) — Administration's paper on Interim Public Consultation on the Detailed Feasibility Study for Environmentally Friendly Linkage System for Kowloon East and Progress Report on Kai Tak Development

LC Paper No. CB(1)1165/16-17(06) — Paper on the proposed Environmentally Friendly Linkage System

for Kowloon East prepared by the Legislative Council Secretariat (Updated background brief)

LC Paper No. CB(1)1165/16-17(07) — Paper on Kai Tak Development prepared by the Legislative Council Secretariat (Updated background brief))

42. Principal Assistant Secretary (Works)2, Development Bureau ("PAS(W)2/DEVB"), said that the Administration had completed Stage 1 of the Detailed Feasibility Study ("DFS") for the proposed Environmentally Friendly Linkage System ("EFLS") for Kowloon East and according to the recommendations of the Stage 1 Study, the elevated mode should be selected as the green transport mode for EFLS to be further studied in the next stage of the DFS. A Progress Report on Kai Tak Development was also included in the Administration's paper (LC Paper No. CB(1)1165/16-17(05)) for members' information. With the aid of a powerpoint presentation, Acting Head (Kai Tak Office), Civil Engineering and Development Department, briefed members on the details of the findings of the Stage 1 Study. He advised that the Stage 2 DFS would further examine in detail the proposed elevated EFLS alignment coverage, station locations, implementation programme, management and procurement approaches, etc.

(Post-meeting note: A soft copy of the powerpoint presentation materials was issued to members vide LC Paper No. CB(1)1316/16-17(02) by email on 17 July 2017.)

Transport mode and alignment of the proposed Environmentally Friendly Linkage System

43. Mr WU Chi-wai opined that the proposed EFLS should help relieve the crowdedness along the MTR Kwun Tong Line rather than serving as a transport infrastructure for promoting tourism. He asked whether the Administration would consider adopting a mixed-modal system, instead of the elevated mode as suggested, so as to facilitate the passengers travelling from the Kai Tak Development Area ("Kai Tak") to various locations in Kowloon East, including the MTR Yau Tong Station, an interchange station, by road transport.

44. PAS(W)2/DEVB replied that the development of an EFLS in Kowloon East aimed at enhancing the connectivity of the district to support its development into a new Core Business District. Project Manager (Kowloon), Civil Engineering and Development Department ("PM(Kowloon)/CEDD"), stressed that the proposed EFLS was not a transport infrastructure project solely for promoting tourism. The System aimed at enhancing the connectivity of the major transport nodes and key developments (e.g. the Kai Tak Sports Park, the new hospital in Kai Tak) in Kowloon East. The Stage 2 DFS would also study the possible alignment extension of the EFLS to the adjacent districts. At the request of the Chairman, the Administration would provide a written response to Mr WU's question after the meeting.

(Post-meeting note: The Administration's written response was issued to members vide LC Paper No. CB(1)1424/16-17(01) on 15 September 2017.)

45. Dr Fernando CHEUNG said that the Labour Party had reservation on the proposed elevated EFLS, taking in view that the proposed system might enhance the connectivity of the business areas in Kowloon East but could hardly alleviate the road traffic congestion in the district.

46. Mr Jeremy TAM considered that the benefits/limitations of adopting an elevated system and an at-grade system for the proposed EFLS should be further examined in Stage 2 of the DFS. He enquired if the Administration would consider including bus rapid transit and modern tramway as the elevated EFLS in the next stage of the Study.

47. PM(Kowloon)/CEDD explained that in view of the limited road space and congested traffic conditions in Kowloon Bay and Kwun Tong, it would be difficult to accommodate an at-grade EFLS in these areas without affecting the road traffic therein. Moreover, taking into account the constraints imposed by the existing Kwun Tong Bypass and the future Central Kowloon Route, the EFLS needed to be elevated in the areas around the future Station Square and the Kai Tak Sports Park. At the request of the Chairman, the Administration would provide a written response to Mr TAM's question after the meeting.

(Post-meeting note: The Administration's written response was issued to members vide LC Paper No. CB(1)1424/16-17(01) on 15 September 2017.)

48. Citing the defunct Sydney monorail as an example, Dr KWOK Ka-ki cast doubt on the financial sustainability of developing an elevated monorail system in Kowloon East. He requested the Administration to provide information about the estimated cost for developing such a system and to consider other green transport modes, such as bus rapid transit.

49. PAS(W)2/DEVB responded that the construction cost of the proposed EFLS would depend on the transport mode adopted and the alignment coverage. According to an estimate made in 2010, the construction cost of the proposed EFLS was about \$12 billion. An updated cost estimate would be made during Stage 2 of the DFS. Dr KWOK Ka-ki requested the Administration to provide a full report of the part(s) of the DFS (including the cost estimate for the proposed EFLS, if any) that had been completed so far. PM(Kowloon)/CEDD advised that two completed Stage 1 Study reports, namely "Literature Review Report on Worldwide Application of Road-based and Rail-based Green Public Transport Systems" and "Report on Identification of Suitable Green Public Transport Modes", were available on the EFLS website for public information, and members could access these reports if necessary.

(Post-meeting note: The Administration's written response to Dr KWOK Ka-ki's request was issued to members via LC Paper No. CB(1)1424/16-17(01) on 15 September 2017.)

50. Mr HO Kai-ming and Mr Wilson OR considered that the option of developing an at-grade EFLS in Kowloon East was infeasible given the existing congested traffic in the district. Mr OR sought information about the short-, medium- and long-term measures implemented/to be implemented by the Administration to improve road traffic in Kowloon East.

51. PM(Kowloon)/CEDD replied that the Administration would implement various measures (including developing the Shatin to Central Link and the proposed Route 6, etc.) to handle the inter-district transport demand. The Administration would also introduce measures to improve the walkability of Kowloon East under the "Energizing Kowloon East" initiative. In the longer term, the introduction of EFLS as an additional transport mode would deal with the rising demand and enhance the intra-district connectivity in Kowloon East. The Administration undertook to provide the information requested by Mr OR after the meeting.

(Post-meeting note: The Administration's written response was issued to members vide LC Paper No. CB(1)1424/16-17(01) on 15 September 2017.)

52. Mr LAU Kwok-fan enquired if the alignment and station locations of the proposed EFLS would be examined in Stage 2 of the DFS. PM(Kowloon)/CEDD replied in the affirmative.

53. Mr HO Kai-ming asked whether (a) the proposed EFLS would be extended to old districts like Wong Tai Sin, Kowloon City, etc., in order to increase the passenger flow and maintain the financial viability of the system; and (b) the requirements under the Protection of the Harbour Ordinance (Cap. 531) would affect the alignment of the EFLS.

54. PAS(W)2/DEVB advised that the proposed EFLS would initially cover Kowloon East, though Stage 2 of the DFS would study, among other things, the feasibility of extending the alignment to other areas in the future. He said that any EFLS development affecting the Kwun Tong Typhoon Shelter was subject to the requirements under the Protection of the Harbour Ordinance.

55. The Chairman said that the Liberal Party was not opposed to the EFLS project. However, the party had reservation on the adoption of an elevated system for the proposed EFLS in view of the issues related to its financial viability, future expansion and maintenance. He enquired if the Administration would consider revising the alignment of the proposed elevated EFLS, so that the development of the proposed KTTL above the Kwun Tong Typhoon Shelter would no longer be required; if so, the details; if not, how the Administration would ensure the safety of high-mast vessels and the seamen working on these vessels that could not enter the said typhoon shelter during typhoons as a result of the KTTL development. The Administration undertook to provide a written response to the aforesaid questions after the meeting.

(Post-meeting note: The Administration's written response was issued to members vide LC Paper No. CB(1)1424/16-17(01) on 15 September 2017.)

56. Mr Wilson OR expressed concern on whether the carrying capacity of the MTR Kwun Tong Line would be sufficient to accommodate the EFLS passengers who took interchange for MTR at the Kowloon Bay or Kwun Tong Station. PAS(W)2/DEVB responded that the subject matter would be examined during Stage 2 of the DFS.

57. Noting that the traveller system was one of the green transport modes evaluated under the DFS, Dr Junius HO sought details about this system, including examples of places where this system was being used, the reason(s) for not adopting this system for the proposed EFLS, and a cost estimate (if any) for developing this system as the EFLS for Kowloon East.

58. PAS(W)2/DEVB explained that based on the criteria of capacity, efficiency, reliability and sustainability, the traveller system was considered not suitable as the EFLS for Kowloon East. PM(Kowloon)/CEDD added that the traveller usually served as a supplementary pedestrian facility to shorten walking time and provide a better walking environment. Moreover, the traveller operated at a relatively low speed and was mainly to serve short-distance trips. The Administration undertook to provide a written response to Dr HO's questions after the meeting.

(Post-meeting note: The Administration's written response was issued to members vide LC Paper No. CB(1)1424/16-17(01) on 15 September 2017.)

Implementation programme

59. Mr Paul TSE said that the Kai Tak Outline Zoning Plan approved in 2007 had provided for a possible rail-based EFLS running within Kai Tak, but the development of the EFLS was still being studied. He opined that the progress of the EFLS project was too slow and urged the Administration to expedite the DFS. Mr Wilson OR expressed a similar view.

60. Mr LAU Kwok-fan asked when the construction of the EFLS would commence and, in case the EFLS project could not be proceeded with, whether the Administration had evaluated the impact of the abeyance of the project on the road traffic in Kowloon East. He also urged the Administration to proactively consult the local residents on the EFLS proposal in the next stage of the DFS.

61. PAS(W)2/DEVB advised that the Administration would conduct a public consultation on the EFLS proposal in the next stage of the DFS. PM(Kowloon)/CEDD supplemented that the implementation timetable for EFLS would depend on the findings of the DFS, including the procurement approach to be adopted and the EFLS alignment coverage.

Meanwhile, the Administration would implement various measures to improve road traffic in Kowloon East.

Motion proposed by Mr Jeremy TAM

62. The Chairman advised that he had received a motion proposed by Mr Jeremy TAM, which was directly related to the agenda item under discussion. Members agreed that the motion be proceeded with at the meeting.

63. At 10:41 am, the Chairman instructed the Clerk to ring the voting bell and the bell was rung for five minutes. At 10:43 am, the Chairman ordered that the meeting be extended for three or four minutes so as to enable the Panel to complete the voting on Mr TAM's motion.

64. When the voting bell was ringing, Mr Jeremy TAM spoke on his motion, which stated that the Panel did not support that only two elevated modes (Monorail or Automated People Mover) be selected for further examination, and that other green transport modes, such as bus rapid transit and modern tramway, should be further examined under the elevated modes. Mr TAM said that according to the Chartered Institute of Logistics and Transport in Hong Kong, elevated modes included bus rapid transit and modern tramway as well.

65. Mr Paul TSE said he did not support the motion.

66. The Chairman put the motion to vote. After counting the numbers of members voting for and against the motion by a show of hands, the Chairman said that 10 members voted for, 12 members voted against the motion, and no member abstained. The Chairman declared that the motion was not carried.

[During the discussion on this item, the Chairman advised that due to time constraints, the Panel would not discuss agenda item VI (Lifts and Escalators Ordinance (Cap. 618) Commencement Notices under Sections 14, 15, 19, 20, 21, 23, 25 and 26 of Schedule 16 in respect of Recognized Qualifications for Registered Engineer and Registered Worker) at the meeting.]

VI Any other business

67. There being no other business, the meeting ended at 10:48 am.

Council Business Division 1
Legislative Council Secretariat
10 October 2017