

# 立法會

## *Legislative Council*

LC Paper No. CB(1)1441/16-17  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/HG +DEV

### **Panel on Housing and Panel on Development**

**Minutes of joint meeting  
held on Tuesday, 6 December 2016, at 10:30 am  
in Conference Room 2 of the Legislative Council Complex**

**Members present** : Members of the Panel on Housing

- \* Hon Alice MAK Mei-kuen, BBS, JP (Chairman)
- \* Hon Andrew WAN Siu-kin (Deputy Chairman)
- \* Hon James TO Kun-sun
- \* Hon Abraham SHEK Lai-him, GBS, JP
- Prof Hon Joseph LEE Kok-long, SBS, JP
- Hon Starry LEE Wai-king, SBS, JP
- \* Hon CHAN Hak-kan, BBS, JP
- \* Hon CHAN Kin-por, BBS, JP
- \* Hon Paul TSE Wai-chun, JP
- \* Hon LEUNG Kwok-hung
- \* Hon Michael TIEN Puk-sun, BBS, JP
- \* Hon WU Chi-wai, MH
- \* Hon YIU Si-wing, BBS
- \* Hon CHAN Chi-chuen
- \* Hon CHAN Han-pan, JP
- \* Hon LEUNG Che-cheung, BBS, MH, JP
- \* Hon Kenneth LEUNG
- \* Dr Hon KWOK Ka-ki
- \* Hon KWOK Wai-keung
- Hon Christopher CHEUNG Wah-fung, SBS, JP
- \* Dr Hon Fernando CHEUNG Chiu-hung
- \* Ir Dr Hon LO Wai-kiwok, SBS, MH, JP
- \* Hon CHU Hoi-dick

- \* Dr Hon Junius HO Kwan-yiu, JP  
Hon SHIU Ka-fai
- \* Hon SHIU Ka-chun
- \* Hon Wilson OR Chong-shing, MH  
Hon YUNG Hoi-yan
- \* Hon Tanya CHAN
- \* Hon CHEUNG Kwok-kwan, JP
- \* Hon LUK Chung-hung
- \* Hon LAU Kwok-fan, MH
- \* Dr Hon CHENG Chung-tai
- \* 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 of the Panel on Development

- # Hon Tommy CHEUNG Yu-yan, GBS, JP (Chairman)
- Hon WONG Ting-kwong, SBS, JP
- Hon Frankie YICK Chi-ming, JP
- Hon MA Fung-kwok, SBS, JP
- Hon Charles Peter MOK, JP
- Dr Hon Elizabeth QUAT, JP
- Hon Alvin YEUNG
- Hon LAM Cheuk-ting
- Hon Holden CHOW Ho-ding
- Hon CHAN Chun-ying

- Members absent** : Members of the Panel on Housing
- \* Hon LEUNG Yiu-chung
  - \* Hon WONG Kwok-kin, SBS, JP
  - \* Hon Dennis KWOK Wing-hang
  - \* Dr Hon Helena WONG Pik-wan
  - Hon POON Siu-ping, BBS, MH
  - \* Hon Jimmy NG Wing-ka, JP
  - \* Hon HO Kai-ming
  - \* Hon HUI Chi-fung

Member of the Panel on Development

# Hon Kenneth LAU Ip-keung, MH, JP (Deputy Chairman)  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon Steven HO Chun-yin, BBS

\* Also members of the Panel on Development

# Also members of the Panel on Housing

[According to the Judgment of the Court of First Instance of the High Court on 14 July 2017, LEUNG Kwok-hung, Nathan LAW Kwun-chung, YIU Chung-yim and LAU Siu-lai have been disqualified from assuming the office of a member of the Legislative Council, and have vacated the same since 12 October 2016, and are not entitled to act as a member of the Legislative Council.]

**Public Officers** : **Agenda Item II**  
**attending**

Transport and Housing Bureau

Mr YAU Shing-mu, JP  
Under Secretary for Transport and Housing

Mr Stanley YING, JP  
Permanent Secretary for Transport and Housing (Housing)

Housing Department

Mr Jerry CHEUNG  
Assistant Director (Policy Support)

Mr HONG Wing-kit  
Senior Civil Engineer of Housing (6)

Development Bureau

Mr Ivan CHUNG  
Principal Assistant Secretary (Planning and Lands)5

Mr Francis CHAU  
Principal Assistant Secretary (Works)2

Civil Engineering and Development Department

Mr Ricky LAU, JP  
Head of Civil Engineering Office

Lands Department

Mr Tony MOYUNG  
Assistant Director (Acquisition)

**Clerk in attendance** : Mr Derek LO  
Chief Council Secretary (1)5

**Staff in attendance** : Mr Fred PANG  
Senior Council Secretary (1)5

Ms Michelle NIEN  
Legislative Assistant (1)5

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Action

**I. Election of Chairman**

Ms Alice MAK, Chairman of the Panel on Housing, advised that Mr Tommy CHEUNG, Chairman of the Panel on Development, had indicated his support for her to chair the joint meeting. Members agreed that Ms MAK would be the Chairman of the joint meeting ("the Chairman").

**II. Public Housing Development Plan at Wang Chau, Yuen Long**

(LC Paper No. CB(1)254/16-17(01) — Administration's supplementary information paper on public housing development plan at Wang Chau, Yuen Long for the joint meeting on 29 November 2016 (Follow-up paper)

LC Paper No. CB(1)254/16-17(02) — Letter from Dr Hon YIU Chung-yim dated 29 November 2016 (Chinese

- version only)
- LC Paper No. CB(1)213/16-17(01) — Letter from Dr Hon YIU Chung-yim dated 28 November 2016 (Chinese version only)
- LC Paper No. CB(1)213/16-17(02) — Letter from Dr Hon YIU Chung-yim to the Development Bureau dated 28 November 2016 (Chinese version only)
- LC Paper No. CB(1)201/16-17(01) — Administration's supplementary information paper on public housing development plan at Wang Chau, Yuen Long (Follow-up paper)
- LC Paper No. CB(1)16/16-17(01) — Administration's paper on public housing development plan at Wang Chau, Yuen Long
- LC Paper No. IN01/16-17 — Paper on public housing development plan at Wang Chau prepared by Information Services Division of the Legislative Council Secretariat (Information note)
- LC Paper No. CB(1)126/16-17(01) — Press releases on public housing development plan at Wang Chau issued by the Administration from 21 September 2016 to 13 November 2016
- LC Paper No. CB(1)138/16-17(01) — Speaking note of the Secretary for Transport and Housing at the joint meeting on 15 November 2016 (Chinese version only)
- LC Paper No. CB(1)138/16-17(02) — Speaking note of the Under Secretary for Development at the joint meeting on 15 November

2016 (Chinese version only)  
[http://www.legco.gov.hk/yr16-17/english/panels/hg/papers/wang\\_chau\\_report/wang\\_chau\\_report.htm](http://www.legco.gov.hk/yr16-17/english/panels/hg/papers/wang_chau_report/wang_chau_report.htm) — Planning and Engineering Study Report for the public housing development and Yuen Long Industrial Estate Extension at Wang Chau (English version only)

2. The Chairman said that the Administration had provided two written responses to members of the Panel on Housing and the Panel on Development ("the two Panels") on issues related to the public housing development at Wang Chau. One was LC Paper No. CB(1)254/16-17(01), which was a response to the issues raised by members at the previous joint meeting on 29 November 2016. The other one, not numbered yet, was a response to two letters from Dr YIU Chung-yim, dated 28 and 29 November 2016. Both papers had been sent to members of the two Panels by email and tabled at the meeting.

*(Post-meeting note: Hard copies of LC Paper No. CB(1)254/16-17(01) were issued to members on 5 December 2016. Hard copies of the Administration's response (later numbered LC Paper No. CB(1)260/16-17(01)) to Dr YIU Chung-yim's letters were issued to members on 7 December 2016.)*

3. With the aid of a powerpoint presentation, Head of Civil Engineering Office, Civil Engineering and Development Department ("Head/CEO/CEDD"), briefed members on the mechanism for the reporting and management of consultants' performance.

*(Post-meeting note: A soft copy of the powerpoint presentation materials (Chinese version only) was circulated to members vide LC Paper No. CB(1)271/16-17(01) by email on 6 December 2016.)*

#### Use of restricted government data by consultants for private projects

4. Members expressed concerns about the suspension on Ove Arup & Partners Hong Kong Ltd ("OAP") from bidding for all categories of consultancy agreements under the jurisdiction of the Engineering and Associated Consultants Selection Board ("EACSB") for three months. Mr LEUNG Che-cheung, Mr Andrew WAN, Mr LAM Cheuk-ting,

Mr Nathan LAW, Mr Alvin YEUNG, Ms YUNG Hoi-yan, Mr CHAN Chi-chuen, Dr KWOK Ka-ki and Mr LAU Kwok-fan opined that the penalty was too light to have a sufficient deterrent effect. Mr LEUNG Che-cheung enquired whether OAP could appeal against the penalty. Mr LAM Cheuk-ting, Mr Nathan LAW, Dr KWOK Ka-ki and Mr LAU Kwok-fan asked whether the Administration would consider extending the suspension period after the original three-month period.

5. Principal Assistant Secretary for Development (Works)2 ("PAS/DEV(W)2") responded that the Civil Engineering and Development Department ("CEDD") had conducted a detailed review of the consultancy agreement undertaken by OAP for the public housing development at Wang Chau and had considered that OAP had not complied with the "confidentiality" and "conflict of interest" provisions in the said agreement as the company had failed to apply for prior approval for undertaking the consultancy service for a private development that adjoined the study area of the public housing development, and had not followed strictly the company's internal procedures on preventing improper use of information, resulting in the information obtained from the government consultancy agreement being quoted in the planning application of the private development project. After obtaining the approval of EACSB, the Consultants Review Committee ("CRC") of CEDD invoked the aforementioned suspension on OAP. The regulating action was considered a proper penalty in accordance with the Development Bureau's Technical Circular (Works) No. 3/2016 ("the Technical Circular").

6. PAS/DEV(W)2 continued that OAP could appeal against the penalty in writing, with substantiations and supporting evidence to CEDD within a specified period. However, OAP had not submitted any appeal. The suspension lifting date would be subject to review by CRC before the expiry of the suspension period. CRC would take into account the latest performance of OAP under the consultancy agreement including the effective implementation of mitigation measures such as revamping the Chinese wall to prevent improper use of data/information obtained from government consultancies, and other relevant information in order to decide if the suspension should be extended or lifted as originally scheduled.

7. In response to Mr KWONG Chun-yu's enquiry, PAS/DEV(W)2 advised that there would be about 20 consultancy agreements under the jurisdiction of EACSB for which tenders would be invited during OAP's suspension period, and the company would not be allowed to participate

in the tendering of these consultancy agreements, of which the total value would be about \$200 million. In addition, for OAP's tenders for consultancy agreements currently under tender assessment, the tender assessment panels of related government departments should, in accordance with the related guidelines of the Technical Circular, assess them in details and seriously consider whether these tenders should be further processed. The total value of these consultancy agreements was about \$100 million.

8. Mr Alvin YEUNG, Dr CHENG Chung-tai and Mr KWONG Chun-yu asked about the composition of CRC of CEDD and EACSB. PAS/DEV(W)2 replied that CRC of CEDD was a standing committee formed in accordance with the relevant Technical Circular. It was composed of the Deputy Director of Civil Engineering and Development as the chairperson, a chief engineer and a senior engineer as the members. EACSB was chaired by the Director of Civil Engineering and Development, with members drawn from the Development Bureau and the Financial Services and the Treasury Bureau.

9. Dr CHENG Chung-tai enquired when the decision to invoke the abovementioned regulating action on OAP had been made. Mr Jeremy TAM asked about the number of consultancy agreements awarded to OAP in a three-month period in 2016 (e.g. January to March or April to June 2016, etc.), and the contract value of each of these agreements. The Administration would provide a written response to Dr CHENG's and Mr TAM's questions after the meeting.

*(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)387/16-17(02) on 4 January 2017.)*

10. Mr Alvin YEUNG enquired when the mechanism for the reporting and management of consultants' performance, including their compliance with ethical commitments, had been established. Mr YEUNG and Mr KWONG Chun-yu called on the Administration to review the said mechanism to better manage and monitor the consultants' performance. Mr YEUNG asked when the review on the said mechanism (including the level of regulating actions against poor performance and non-compliance) would be commenced; and the expected completion date of the review. The Administration would provide a written response to Mr YEUNG's questions after the meeting.



*(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)387/16-17(02) on 4 January 2017.)*

11. Mr Andrew WAN and Mr LAM Cheuk-ting criticized the Administration for its failure to provide to the two Panels the correspondences between CEDD and OAP on the unauthorized use of restricted government data. PAS/DEV(W)2 responded that as explained at the joint meeting of the two Panels on 15 November 2016, the correspondences between CEDD and OAP in respect of the issues on "confidentiality" and "conflict of interest" were bound by the confidentiality requirements of the consultancy agreement, and as such the Government was not able to provide those correspondences to the two Panels.

12. Mr Nathan LAW asked whether CEDD would make public its report on OAP's performance in respect of the issues on "confidentiality" and "conflict of interest". Head/CEO/CEDD replied that the relevant report was an internal document submitted to CRC, the disclosure of which to the public was considered inappropriate.

13. Mr LEUNG Che-cheung, Mr Andrew WAN, Dr CHENG Chung-tai, Mr KWONG Chun-yu, Mr CHAN Chi-chuen, Ms Tanya CHAN, Dr KWOK Ka-ki and Mr LEUNG Kwok-hung said that the Administration should forward the case to law enforcement agencies for criminal investigation. Mr CHAN Chun-ying said that the contract provisions on "confidentiality" and "conflict of interest" in the consultancy agreement between CEDD and OAP stated that "the Consultants shall indemnify and keep indemnified the Employer against all loss, liabilities, damages, costs, legal costs, professional and other expenses of any nature whatsoever the Employer may suffer, sustain or incur, whether direct or consequential, arising out of or in connection with any breach by the Consultants or their directors, employers, agents, sub-consultants, accountants, insurers or legal advisers of this clause". Mr CHAN Chun-ying and Mr LAU Kwok-fan enquired whether CEDD would initiate a civil claim against OAP for the time and human costs consumed by the investigation of OAP's breach of the contract provisions on "confidentiality" and "conflict of interest" in the consultancy agreement. PAS/DEV(W)2 replied that the Government was seeking legal advice on both criminal and civil cases against OAP currently, and it was inappropriate to disclose further details about the investigation work at the moment.

14. Mr CHU Hoi-dick asked whether the investigation regarding OAP's non-compliance with the "confidentiality" and "conflict of interest" provisions in its consultancy agreements with the Government would be extended to cover the private developer of which a planning application had quoted the information obtained from government consultancy projects. Mr CHAN Chi-chuen asked when the Development Bureau and/or CEDD had first sought legal advice from its internal legal advisory division and the Department of Justice respectively regarding OAP's non-compliance with the provisions in its consultancy agreements with the Government. The Administration would provide a written response to Mr CHU's and Mr CHAN's questions after the meeting.

*(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)387/16-17(02) on 4 January 2017.)*

15. Mr Andrew WAN, Dr KWOK Ka-ki, Mr Jeremy TAM and Ms Tanya CHAN referred to media reports in end-October 2016 on the suspected use of restricted government data by other consultants in private development projects. They expressed concern about the Administration's investigation of these cases in respect of non-compliance with the "confidentiality" and "conflict of interest" provisions in the consultancy agreements between the Government and the consultants. Ms Tanya CHAN requested the Administration to provide written information on when the investigation had been commenced, the total number of cases investigated, the number of identified non-compliant cases, and the number and names of the consultants involved.

*(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)387/16-17(02) on 4 January 2017.)*

16. Dr YIU Chung-yim asked whether the Administration would consider prohibiting consultants conducting studies for the Government from undertaking private development projects in the vicinity of the areas covered by the relevant studies. PAS/DEV(W)2 said that in accordance with the "confidentiality" and "conflict of interest" provisions in government consultancy agreements, consultants should apply for prior approval for undertaking private developments, and implement internal procedures on preventing improper use of information obtained from such consultancy agreements.

17. Mr Michael TIEN was concerned whether it had become a common practice that consultants made use of restricted government information without prior approval, and whether the case represented only the tip of an iceberg. Mr Michael TIEN and Dr LO Wai-kwok suggested that, to dispel the suspicion about transfer of benefits from the Administration to the private sector through disclosure of restricted government information, the Administration should consider making public the available planning data, such as the statistics and projections about population, employment and transportation. PAS/DEV(W)2 replied that the Planning Department would explore the aforesaid suggestion.

#### Public housing development plan at Wang Chau

18. Dr Fernando CHEUNG, Mr LAM Cheuk-ting and Mr Nathan LAW opined that the Administration had decided to defer Phases 2 and 3 of the public housing development at Wang Chau because of the pressure exerted by a handful of people, including rural representatives and brownfield operators, who had vested interests in the land sites concerned. The proposal to reduce the scale of the development had disregarded the society's imminent public housing demand, as well as the views of the villagers who were affected by Phase 1 of the Wang Chau development.

19. In response, Under Secretary for Transport and Housing ("USTH") said that as explained by the Secretary for Transport and Housing at the joint Panel meeting on 15 November 2016, the decision to adopt the phased development approach was based on the consideration that, as compared to proceeding with Phase 1 first, developing the three phases concurrently would involve more complicated problems in respect of undertaking infrastructural works, environmental mitigation measures, and the handling of existing brownfield operations, hence resulting in a longer time for housing development. The public, including the affected villagers, had ample opportunities to give views to the Town Planning Board on the project during the planning application process in 2014. The Administration had taken into consideration the public's opinions in the implementation of the Wang Chau development.

20. Mr CHU Hoi-dick expressed concern over the adoption of informal consultation (or "soft lobbying") for development projects in the New Territories, given that there might be conflicts between the interests of the local stakeholders selected for informal consultation and the projects. At the request of the Chairman, the Administration would

provide a written response to address Mr CHU's concern after the meeting.

*(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)387/16-17(02) on 4 January 2017.)*

21. Mr CHU Hoi-dick sought clarification on the area of Phase 1 of public housing development at Wang Chau. He requested the Administration to provide two maps for comparison, showing respectively (a) the government land (about 3.4 hectares ("ha")) and private land (about 3.5 ha) within the development boundary of Phase 1 of Wang Chau development as quoted in the press release on government response to media enquiries on the development at Wang Chau issued on 28 September 2016; and (b) the site of around 5.6 ha for Phase 1 of the Wang Chau development as included in the Planning and Engineering Study on the feasibility of the Wang Chau Housing Development and Yuen Long Industrial Estate Extension.

*(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)387/16-17(02) on 4 January 2017.)*

22. Dr Junius HO asked about the completion date of Phase 1 of the public housing development at Wang Chau. Permanent Secretary for Transport and Housing (Housing) replied that the about 4 000 public housing flats of Phase 1 of the Wang Chau development were expected to be completed in 2024-2025.

23. Mr Frankie YICK said that the existing brownfield operations provided important supporting services to the logistics industry, port-backup facilities, and some other industrial activities which had significant contribution to the local economy; moreover, these operations offered many employment opportunities. He urged the Administration to work out feasible compensation options and re-provisioning arrangements for the brownfield operations that would be affected by the public housing development at Wang Chau.

24. USTH responded that the Government aimed to formulate a policy framework to tackle brownfield sites in a holistic manner. Feasibility studies on multi-storey buildings for accommodating some brownfield operations were underway.

25. Mr CHU Hoi-dick queried the justifications for retaining the two items relating to the development at Wang Chau in the funding proposal "Capital Works Reserve Fund Block Allocations for 2017-2018" submitted to the Public Works Subcommittee, regardless of the motions passed by the Panel on Development at the Panel's meeting on 22 November 2016 requesting the Administration to take out the two items from the funding proposal for separate consideration (LC Paper No. CB(1)177/16-17(01)). At the request of the Chairman, the Administration would provide a written response to Mr CHU's question after the meeting.

*(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)387/16-17(02) on 4 January 2017.)*

26. Dr KWOK Ka-ki proposed a site visit to Wang Chau, Yuen Long to obtain information about the public housing development at Wang Chau, and the current situations at the concerned land sites, in particular the brownfield sites in the area. The Chairman said that members should follow up the policy issues related to the handling of brownfield sites at the Panel on Development.

*(Post-meeting note: Dr KWOK Ka-ki wrote to Mr Tommy CHEUNG, Chairman of the Panel on Development ("Chairman/DEV Panel"), on 14 December 2016 proposing a site visit of the Panel to Wang Chau, Yuen Long. Chairman/DEV Panel instructed the Clerk to DEV Panel to issue a circular (LC Paper No. CB(1)329/16-17)) to collect DEV Panel members' views on Dr KWOK's suggestion. Having considered members' replies, Chairman/DEV Panel directed the Clerk to DEV Panel to arrange with the Administration a site visit to Wang Chau. The visit was conducted on 3 March 2017. Non-DEV Panel Members had also been invited to join the visit.)*

#### Illegal occupation of government land

27. Mr CHAN Chun-ying, Mr CHAN Chi-chuen and Dr KWOK Ka-ki enquired about the enforcement action taken to deal with the cases of illegal occupation of government land at Wang Chau. Dr KWOK urged the Administration to resume the illegally-occupied government land for developing public housing.

28. In response, Assistant Director (Acquisition), Lands Department ("AD(A)/LandsD"), said that the total area of the government land that had been unlawfully occupied at Wang Chau was about 3.8 ha. The Lands Department ("LandsD") had taken land control action in March 2016. Notices had been posted pursuant to the relevant ordinance on government land being occupied, requiring the occupiers to cease the occupation. Upon receiving the applications from the occupiers, LandsD granted 19 Short Term Tenancies ("STTs") of three months for the purpose of regularization of their occupation. Since there was no public purpose for the sites in the short term, it was considered appropriate to follow the departmental guidelines to lease out the land by STTs for gainful use. In addition, LandsD had initiated prosecution against two of the occupiers who had failed to cease the illegal occupation.

29. Mr CHAN Chi-chuen referred to the 44 STTs in the sites for Phases 2 and 3 of the public housing development at Wang Chau and Yuen Long Industrial Estate Extension Area referred to in the Administration's response to the letters from Dr YIU Chung-yim (LC Paper No. CB(1)260/16-17(01)). He sought elaboration on the 18 STTs of which the land area and rent information were not provided in the Administration's response. AD(A)/LandsD responded that those 18 STTs had been made in earlier years when there was no provision which allowed the Government to disclose information of the tenancies unilaterally. The total area of those 44 land sites was about 3.4 ha. The STTs had been granted according to the market rental assessed by surveyors of LandsD.

*[At 12:25 pm, the Chairman directed that the meeting be extended for 15 minutes to allow sufficient time for discussion.]*

### **III. Any other business**

30. There being no other business, the meeting ended at 12:45 pm.