

## **ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE**

### **HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT**

#### **Civil Engineering – Land development**

#### **712CL – Planning and engineering study on the remaining development in Tung Chung**

Members are invited to recommend to Finance Committee the upgrading of **712CL** to Category A at an estimated cost of \$44.0 million in money-of-the-day prices for carrying out a planning and engineering study on the remaining development in Tung Chung and associated site investigation works.

### **PROBLEM**

We need to take forward the remaining development in Tung Chung for the continued development of the new town and address the long-term housing needs of the territory.

### **PROPOSAL**

2. The Director of Civil Engineering and Development, on the advice of the Director of Planning and with the support of the Secretary for Development, proposes to upgrade **712CL** to Category A at an estimated cost of \$44.0 million in money-of-the-day (MOD) prices to engage consultants to undertake a planning and engineering study on the remaining development in Tung Chung (the Study) and the associated site investigation works.

**/PROJECT .....**

**PROJECT SCOPE AND NATURE**

3. The scope of **712CL** comprises –
- (a) a detailed planning and engineering study to establish the scope and ascertain the feasibility of the remaining development in Tung Chung to meet the long-term housing needs of the territory, including the formulation of the Recommended Outline Development Plan and Recommended Layout Plan, preparation of preliminary design of engineering works supporting the proposed developments and formulation of the implementation strategies;
  - (b) a statutory environmental impact assessment (EIA) for the remaining development in Tung Chung and associated engineering infrastructure;
  - (c) public engagement exercises in relation to the formulation of the development proposals and the EIA study;
  - (d) associated site investigation including supervision; and
  - (e) evaluation of interface matters with adjacent land uses and infrastructure projects.

———— A site plan showing the area covered by the Study is at Enclosure 1. The study site covers Tung Chung and its adjoining area in the form of fallow land, foreshore and sea-bed.

4. Subject to the funding approval of the Finance Committee, we plan to commence the Study in December 2011 for completion in 30 months.

**JUSTIFICATION**

5. In 2004, the Concept Plan for Lantau was formulated and then further revised in mid-2007 to become the Revised Concept Plan for Lantau (Revised Concept Plan) taking into account comments from the public. The Revised Concept Plan provides an overall planning framework for a balanced and coordinated development and promotes sustainable development for Lantau.

6. According to the Revised Concept Plan, Tung Chung in North Lantau is to remain a comprehensively planned new town for a total population of 220 000 with corresponding local and regional community facilities. The engineering infrastructure works for the Phases 1, 2 and 3A of Tung Chung New Town development<sup>1</sup> have been completed to support a population capacity of about 108 000 (at present, the population of Tung Chung New Town is about 82 000). Against this background, and as part of the Government's enhanced efforts to increase housing land supply, we need to review and establish the planning and engineering feasibility of the remaining development of Tung Chung New Town to help meet the long-term housing need of our community.

7. The remaining development in Tung Chung, if it is to be proceeded with, will likely be located at Tung Chung East and West by reclamation<sup>2</sup>. The scale and feasibility of reclamation and the development proposals will be decided in the light of the findings of the EIA and the outcome of the Study. The existing and committed developments<sup>3</sup> on formed land in Tung Chung Central will be taken as given constraints to be accommodated in the Study.

8. Owing to insufficient in-house resources, we propose to engage consultants to carry out the Study and to supervise the associated site investigation works. The Study will be jointly commissioned by the Civil Engineering and Development Department and the Planning Department.

## FINANCIAL IMPLICATIONS

9. We estimate the capital costs of **712CL** to be \$44.0 million in MOD prices (please see paragraph 10 below), broken down as follows –

/(a) .....

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<sup>1</sup> Engineering infrastructure works comprising land formation, reclamation, roadworks, waterworks, drainage and sewerage works etc. were carried out in phases since early 1990s and substantially completed in 2003 to facilitate the new town development in the Tung Chung central area.

<sup>2</sup> As measured from the Revised Concept Plan, the indicative scale of reclamation is about 50 hectares at Tung Chung West and 70 hectares at Tung Chung East for the remaining development. The latter has interface with a possible site for a theme park/major recreational uses of about 40 hectares for long-term planning purpose.

<sup>3</sup> The committed developments such as the North Lantau Hospital developments and land sale sites on the 2011/12 application list and tender programme will be taken as the given constraints to be accommodated in the Study.

	\$ million	
(a) Consultants' fee for	26.8	
(i) planning and engineering study	19.6	
(ii) EIA	6.5	
(iii) supervision of site investigation works	0.7	
(b) Site investigation works	4.5	
(c) Expenses for public engagement programme and other miscellaneous items <sup>4</sup>	3.3	
(d) Contingencies	3.4	
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Sub-total	38.0	(in September 2010 prices)
(e) Provision for price adjustment	6.0	
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Total	44.0	(in MOD prices)
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— A detailed breakdown of the estimate for consultants' fees by man-months is at Enclosure 2.

10. Subject to funding approval, we will phase the expenditure as follows –

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<sup>4</sup> Other miscellaneous items comprise mainly overseas technical visits on relevant topics such as environmentally friendly reclamation technologies at an estimated cost of \$0.1 million; and special investigations for some special areas of interest such as study of rare marine/terrestrial species on a need basis at an estimated cost of \$0.2 million.

<b>Year</b>	<b>\$ million (Sept 2010)</b>	<b>Price adjustment factor</b>	<b>\$ million (MOD)</b>
2011 – 12	0.3	1.04525	0.3
2012 – 13	12.0	1.10143	13.2
2013 – 14	15.0	1.16201	17.4
2014 – 15	10.7	1.22592	13.1
	38.0		44.0

11. We have derived the MOD estimates on the basis of the Government's latest set of assumptions on the trend rate of change in the prices of public sector building and construction output for the period from 2011 to 2015. Subject to funding approval, we will engage consultants to undertake the proposed consultancy on a lump sum basis with provision for price adjustment as the consultancy period will exceed 12 months. We will procure the site investigation works under a standard re-measurement contract because the quantity of works involved may vary depending on the actual ground conditions. The contract for site investigation works will provide for price adjustments.

12. The Study and the associated site investigation works will not give rise to any recurrent expenditure.

## **PUBLIC CONSULTATION**

13. Members of the Islands District Council (IDC) have been urging the Administration to expedite the expansion of Tung Chung New Town and hence for early commencement of the Study. IDC considers that better community and regional facilities would be provided to the residents of Tung Chung if there is a larger population, and that the expansion of the new town (particularly with more infrastructural developments in the area) would also boost economic activities. A Legislative Council (LegCo) case conference on the remaining development in Tung Chung was held in November 2010 and similar comments were made.

14. We consulted the Tung Chung Rural Committee, IDC and the Town Planning Board on 14 April 2011, 18 April 2011 and 29 April 2011 respectively. They all supported the proposal to conduct the Study.

15. We briefed the green groups on the latest proposal of the project on 19 April 2011. We take note of their concern on the possible implications of future reclamation on the ecological habitat at the basin and estuary of Tung Chung River and will assess and address these issues in the Study.

16. We briefed the Panel on Development of the LegCo at its meeting on 24 May 2011 on the study framework, the public engagement programme and other relevant issues. While some Members were concerned about specific aspects of the EIA, the proposal to conduct the Study was supported by the Panel. The relevant issues would be examined under the Study.

## **ENVIRONMENTAL IMPLICATIONS**

17. The Study is a designated project under Schedule 3 of the Environmental Impact Assessment Ordinance (EIAO) (Cap 499). We will prepare and submit an EIA study report in compliance with the requirements under the EIAO, the Technical Memorandum on the EIA Process and the EIA Study Brief. An application for approval of the EIA study report will be submitted to the Director of Environmental Protection under the EIAO. Some works items (such as reclamation, roads and sewage pumping stations) that may be proposed under the Study to support the remaining development in Tung Chung are designated projects under Schedule 2 of the EIAO that require Environmental Permits prior to construction and operation. The assessments to be carried out in the EIA will cover all necessary aspects such as air quality, water quality and hydraulics, ecology, fisheries, heritage and archaeology, noise and visual impacts.

18. The Study and the associated site investigation works will only generate very little construction waste. We will require the consultants to fully consider measures to minimise the generation of construction waste and to reuse/recycle construction waste as much as possible in the future implementation of construction projects for the remaining development in Tung Chung.

**/HERITAGE .....**

## HERITAGE IMPLICATIONS

19. The Study and the associated site investigation works will not affect any heritage site, i.e. all declared monuments, proposed monuments, graded historic sites/buildings, sites of archaeological interest and Government historic sites identified by the Antiquities and Monuments Office.

## LAND ACQUISITION

20. The Study and the associated site investigation works will not require any land acquisition and/or clearance. The Study will examine the need and extent of land acquisition and/or clearance required for implementation of the remaining development in Tung Chung.

## BACKGROUND INFORMATION

21. The Port and Airport Development Strategy conducted in the late 80s recommended development of a new town in North Lantau, i.e. North Lantau New Town (NLNT), as a supporting community of the new international airport in Chek Lap Kok. The North Lantau Development Study (NLDS) was then carried out in 1990. According to the NLDS, NLNT was recommended to be developed in phases with a population level at 120 000 by 2006 and 210 000 by 2011. There would also be a potential for an ultimate population of 260 000 after 2011.

22. In 1999, a comprehensive feasibility study for the remaining development in Tung Chung and Tai Ho was completed and showed that it would be feasible for NLNT to accommodate a population target of about 334 000. The then Panel on Planning, Lands and Works of LegCo was briefed in May 2000 on the development proposals.

23. We upgraded **712CL** to Category B in December 2004.

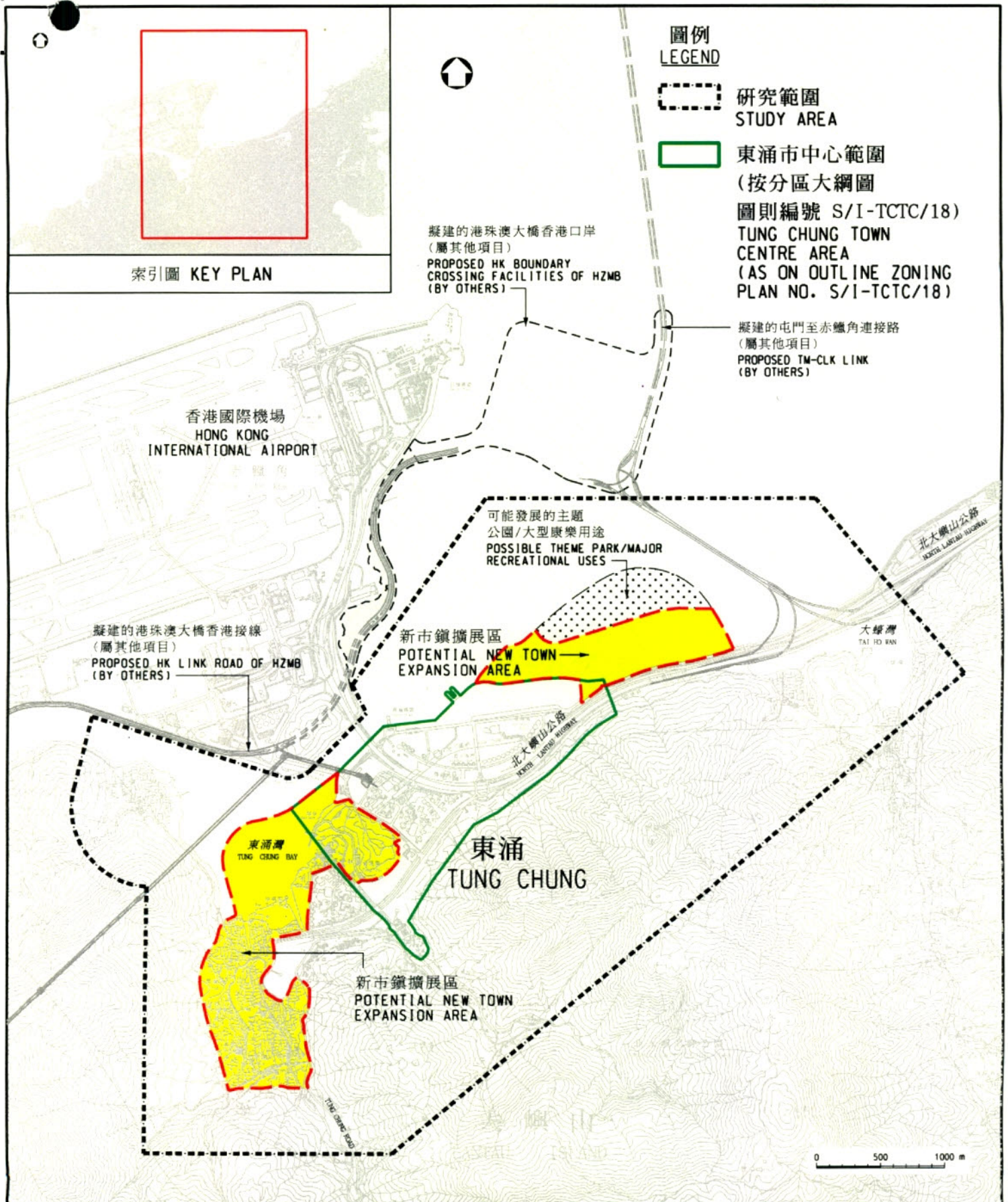
24. The Study and the associated site investigation works will not involve any tree removal or planting proposals. We will require the consultants to take into consideration the need for tree preservation during the planning and design stages of projects that are proposed under the Study. We will also incorporate tree planting proposals, where possible, in the construction phase in future.

25. We estimate that the proposed consultancy and site investigation works will create about 22 jobs (2 for labourers and another 20 for professional/technical staff) providing a total employment of 560 man-months.

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Development Bureau  
June 2011





二零一一年至二零一二年年度工務小組委員會文件		P.W.S.C. SUBMISSION 2011/2012		修訂 REVISION	
圖則名稱 drawing title  東涌餘下發展計劃的規劃及工程研究 PLANNING AND ENGINEERING STUDY ON THE REMAINING DEVELOPMENT IN TUNG CHUNG	繪圖 drawn	簽署 initial	日期 date	項目編號 item no.	辦事處 office 港島及離島拓展處 HONG KONG ISLAND AND ISLANDS DEVELOPMENT OFFICE
	核對 checked	簽署 initial	日期 date	比例 scale	
	核准 approved	簽署 initial	日期 date	圖則編號 drawing no.	 土木工程拓展署 CIVIL ENGINEERING AND DEVELOPMENT DEPARTMENT

**712CL – Planning and engineering study on the remaining development in Tung Chung**

**Breakdown of the estimates for consultants' fees (in September 2010 prices)**

<b>Consultants' staff costs</b> <small>(Note 2)</small>		<b>Estimated man-months</b>	<b>Average MPS* salary point</b>	<b>Multiplier</b> <small>(Note 1)</small>	<b>Estimated fee</b> <b>(\$ million)</b>
(i) Planning and engineering study	Professional	109	38	2.0	12.7
	Technical	173	14	2.0	6.9
(ii) Environmental impact assessment	Professional	36	38	2.0	4.2
	Technical	58	14	2.0	2.3
(iii) Supervision of site investigation works	Professional	4	38	1.6	0.4
	Technical	9	14	1.6	0.3
<b>Total</b>					<b>26.8</b>

\*MPS = Master Pay Scale

**Notes**

1. A multiplier of 2.0 is applied to the average MPS salary point to estimate the full staff costs including the consultants' overheads and profit as the staff will be employed in the consultants' offices. A multiplier of 1.6 is applied to the average MPS salary point to estimate the cost of resident site staff supplied by the consultants. (As at now, MPS salary point 38 = \$58,195 per month and MPS salary point 14 = \$19,945 per month.)
2. The consultants' staff costs given above are only estimates prepared by the Director of Civil Engineering and Development. The actual man-months and fees will only be known when we have selected the consultants through the usual competitive fee bid system.