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

**Minutes of the 15th meeting
held in Conference Room 1 of the Legislative Council Complex
on Wednesday, 4 June 2014, at 8:30 am**

Members present:

Ir Dr Hon LO Wai-kyok, BBS, MH, JP (Chairman)
Hon LEUNG Che-cheung, BBS, MH, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Emily LAU Wai-hing, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon WONG Kwok-hing, BBS, MH
Hon CHAN Hak-kan, JP
Hon CHAN Kin-por, BBS, JP
Hon IP Kwok-him, GBS, JP
Hon Alan LEONG Kah-kit, SC
Hon Albert CHAN Wai-yip
Hon Michael TIEN Puk-sun, BBS, JP
Hon James TIEN Pei-chun, GBS, JP
Hon WU Chi-wai, MH
Hon Gary FAN Kwok-wai
Hon MA Fung-kyok, SBS, JP
Hon Charles Peter MOK
Hon CHAN Han-pan
Dr Hon Kenneth CHAN Ka-lok
Hon CHAN Yuen-han, SBS, JP
Hon Alice MAK Mei-kyuen, JP
Dr Hon Fernando CHEUNG Chiu-hung

Dr Hon Helena WONG Pik-wan
Dr Hon Elizabeth QUAT, JP
Dr Hon CHIANG Lai-wan, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen

Members absent:

Hon Cyd HO Sau-lan
Dr Hon LEUNG Ka-lau
Hon Frankie YICK Chi-ming

Public officers attending:

Mr YEUNG Tak-keung	Deputy Secretary for Financial Services and the Treasury (Treasury) ³
Mr WAI Chi-sing, JP	Permanent Secretary for Development (Works)
Mr Thomas CHOW Tat-ming, JP	Permanent Secretary for Development (Planning and Lands)
Mr TSE Chin-wan, JP	Deputy Director (1) Environmental Protection Department
Ms Jasmine CHOI Suet-yung	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mr HON Chi-keung, JP	Director of Civil Engineering and Development
Mr Robin LEE Kui-biu	Deputy Head of Civil Engineering Office (Port and Land) Civil Engineering and Development Department
Ms Lilian YU Lai-han	Senior Landscape Architect (Land Works) ¹ Civil Engineering and Development Department
Mr MAK Chi-biu	Chief Engineer (Hong Kong (1)) Civil Engineering and Development Department
Ms Amy CHEUNG Yi-mei	Assistant Director (Territorial) (Acting) Planning Department

Clerk in attendance:

Ms Sharon CHUNG	Chief Council Secretary (1) ⁶
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Staff in attendance:

Mr Andy LAU	Assistant Secretary General 1
Mr Fred PANG	Senior Council Secretary (1)8
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Christy YAU	Legislative Assistant (1)7

Action

The Chairman reported that 19 Capital Works Reserve Fund items of \$58,445.0 million had been endorsed by the Public Works Subcommittee ("PWSC") in the 2013-2014 session so far, of which \$54,694.1 million was related to capital works projects. He advised that the Subcommittee would continue to consider the funding proposals under the six unfinished agenda items carried over from the meeting on 27 May 2014, which, if endorsed, would involve a total funding allocation of \$9,174.4 million. If these proposals were approved, the cumulative number of items approved by PWSC in the 2013-2014 session would be 25 while the total amount of funding approved would be \$67,619.4 million, of which \$63,868.5 million was related to capital works projects.

2. The Chairman advised that, according to the Administration, excluding the six items on the agenda for the meeting, it was anticipated that 19 more items, involving a proposed funding allocation of about \$15,258.2 million, would be submitted to PWSC for consideration in the current session.

3. The Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of the Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the funding proposals under discussion at the meeting before they spoke on the item. He also drew members' attention to Rule 84 of RoP on voting or withdrawal in case of direct pecuniary interest.

Head 705 – Civil Engineering

PWSC(2014-15)9 43CG Greening master plans for the New Territories

4. The Chairman advised that the proposal was to upgrade part of 43CG to Category A at an estimated cost of \$350 million in money-of-the-day ("MOD") prices to carry out the priority greening works in the Southeast and Northwest New Territories. The Panel on Development had been consulted on the proposal on 25 March 2014 and Panel members in general supported the funding proposal. The gist of the Panel's discussion had been tabled at

the meeting.

Implementation of the Greening Master Plans and maintenance of the greening works

5. Mr WONG Kwok-hing expressed support for the funding proposal and enquired if experts had been consulted when the Greening Master Plans ("GMPs") under discussion were being drawn up. Director of Civil Engineering and Development ("DCED") explained that they had gained substantial experience when they developed and completed the GMPs for all urban areas in 2011. Besides, the public were also consulted through meetings and/or site visits with District Councils ("DCs") or their relevant committees and Rural Committees in respect of the species of trees and shrubs to be planted and the greening themes.

6. Mr Gary FAN declared that he was a member of the Sai Kung DC and said that there had been small-scale localized greening plans proposed by DCs to improve the environment. Mr FAN enquired if the Administration had made use of the opportunity to carry out these large-scale priority greening works to consolidate the lay-out plan of underground facilities so that enhancement greening works could be effectively planned in future.

7. In reply, DCED advised that in devising the GMP for the Southeast New Territories, they had taken into consideration the existing greening conditions and localized greening plans of the districts and would complement the existing vegetation by adding new trees and shrubs as appropriate.

8. Mr Tony TSE showed support for the funding proposal, in particular the idea of setting one theme for each district. He asked for information about the manpower support at the relevant Government departments during the implementation of the project, and those for the maintenance of the greening works to be completed under the GMPs for the Southeast and Northwest New Territories.

9. DCED said that the Civil Engineering and Development Department ("CEDD") had employed consultants to design and carry out contract administration and site supervision in implementing GMPs. DCED agreed to provide the information as requested by Mr TSE on the manpower support for the maintenance of the greening works.

(Post-meeting note: The Administration's written response was forwarded to members vide LC Paper No. PWSC107/13-14(01) on 24 June 2014.)

10. Mr James TIEN said that he and members of the Liberal Party would support this funding proposal and noted that a total of 136 labourers and 37 experts would be hired to implement the project. He however expressed concern on the maintenance of the trees/plants to be grown over the vast area in the Southeast and Northwest New Territories under the project. He enquired about the parties to be responsible to carry out the daily maintenance of the trees/shrubs.

11. DCED said that within the first year after completion, i.e. the establishment period, CEDD would be responsible to carry out post-planting caring as establishment works, and that after the establishment period, the maintenance of the greening works would be taken up by the Leisure and Cultural Services Department ("LCSD") and other relevant departments, which would be given annual recurrent expenditure of about \$15.1 million in total to take care of the greening works.

12. Mr LEUNG Che-cheung said that he noted that about 2 500 tonnes of non-inert construction waste would be disposed of at landfills and asked for any measures to reduce waste to be generated by the project.

13. Mr CHAN Hak-kan also noted that the project would generate about as many as 136 520 tonnes of construction waste and about 90% would be inert construction waste, whereas about 2% would be non-inert construction waste. He enquired if there would be any measure to reduce the percentage of waste to be produced or to recycle it.

14. Mr Gary FAN asked if the Administration would specify in the contract the extent that to which the contractor should re-use inert construction waste to minimize the disposal of such.

15. DCED explained that the Administration shared the same concern over the quantity of waste to be generated by works projects and had during the planning and design stages considered ways to minimize the quantity of waste generation. DCED added that they would request the contractor to set out the waste management measures to avoid, reduce, reuse and recycle inert construction waste and would closely monitor their work throughout the construction period. He also pointed out that as specified in the document, of the inert construction waste, about 7.3% would be reused on site and about 90% would be sent to public fill reception facilities for reuse later.

16. Mr CHAN Han-pan expressed support for the funding proposal and his appreciation of the efforts of CEDD in consulting the views of local districts in devising GMPs. He however expressed concern over the

performance of LCSD in the maintenance of the greening works after completion of the project. DCED reiterated that similar to the arrangements for the GMPs implemented in urban areas, LCSD would be provided with funds to cover the expenditure to maintain the greening works.

Greening themes for different districts and species to be planted

17. Mr TAM Yiu-chung expressed support for the funding proposal. He asked if the Administration could consider the option of Cherry blossom trees because many Hong Kong citizens liked this species.

18. DCED explained that isolated *Prunus campanulata*, a species of Cherry blossom, were found growing well in Kadoorie Farm and Cheung Chau, suggesting that they could survive in the environment of Hong Kong. The Administration had received a proposal by experts to include this in GMPs for the New Territories and was considering seriously this proposal.

19. On the species to be planted under the project, Mr CHAN Han-pan enquired if there was any guideline on screening out some undesirable species such as *Leucaena leucocephala*, which would grow rampantly on the suburb and prevent natural succession of native species. DCED in response said that he would have to gather more information on the said "invasive trees" and give due consideration of it.

20. Mr Alan LEONG enquired about the source of the young trees to be procured and the species to be planted because it was known that some trees such as *Acacia confusa* would acidify the soil and adversely affect the growth of other species in the vicinity. Mr LEONG proposed to plant more native species.

21. DCED explained that the trees to be planted would be procured from the Mainland and it was estimated that 35% would be native species, whereas 65% would be non-native species which had been adapted to the local environment, such as the *Melaleuca cajuputi subsp. cumingiana* and *Bauhinia variegata*. Besides, expert's advice was sought as regards the species of trees to be planted. The basic principle would be "right-tree-at-the-right-place".

22. Mr Christopher CHUNG said that apart from the Cherry blossom trees proposed by Mr TAM Yiu-chung, trees having red leaves were also welcome by the public. He asked if such would be chosen for planting under the GMPs. He also reported that he had received a number of complaints in respect of the problems arisen from the planting of *Acacia confusa*, which should be excluded, and asked if the Administration would

remove them.

23. DCED in response said that they understood that the red leaves were appealing to the public and had included some in the greening theme to enhance the attractiveness of the scenery. Regarding the nuisance caused by *Acacia confusa*, DCED advised that the said species would not be included in the GMPs for the New Territories, but, under the GMP project, there was no plan to remove the existing ones already planted.

24. Mr WU Chi-wai expressed that the desired effect of the greening themes could not be fully achieved according to his observation of the end result of the GMPs implemented in urban areas. The flower bed or kerb planters would sometimes make narrow the pedestrian passage and the planters themselves unfortunately became garbage bins. He called for the Administration to review the implementation of GMPs in urban areas and to draw lessons from it in the carrying out of the GMPs under discussion. He further proposed to plant more trees instead of shrubs when GMPs for the New Territories were implemented.

25. DCED said that they would try to plant more trees as suggested having regard to the availability of space on roadsides and as a matter of course they would draw on experience from the implementation of the urban GMPs while carrying out GMPs in the New Territories. He believed that once the plants established and grew well, citizens would not throw garbage into the planters.

26. Mr Albert CHAN stressed that more trees of native species should be planted and quoted the example of *Enkianthus quinqueflorus* commonly found in Tung Chung. He also asked whether any specific native tree, shrub and flower would be planted at each district under the respective GMP to enhance the local character of the greening works; and if yes, the details about the selected species. Mr CHAN also proposed to avoid growing plants densely in a small area and in an unnatural way.

27. DCED stressed that appropriate trees would be selected, in particular those of native species or localized species which were found growing well in individual districts and fitting well into the local environment. He agreed to provide further information as requested by Mr Albert CHAN after the meeting.

(*Post-meeting note:* The Administration's written response was forwarded to members vide LC Paper No. PWSC107/13-14(01) on 24 June 2014.)

28. Dr Fernando CHEUNG said that he would definitely support greening initiatives to improve the environment, yet he wondered if there were any overlap of GMPs under discussion with other small-scale greening plans in the districts and called for better coordination of such plans. Besides, Dr CHEUNG expressed concern over the phenomenon that whilst trees and shrubs would be planted under GMPs, some green belts such as those in Tai Po were to be converted into land for residential purpose. He asked if there were any coordination between GMPs and other plans of development.

29. DCED explained that GMPs for the four districts in the Southeast and Northwest New Territories would aim to add trees and shrubs to the respective core town centres, major transportation routes and tourist attraction locations so as to enhance the appeal of the districts concerned and to help to improve the air quality. DCED added that the Administration was under pressure to find land for different building purposes and whether green belts were needed for development would depend on the needs to be assessed on individual basis.

30. Mr LEUNG Che-cheung raised that the airborne cotton floss released by seed pods of the *Bombax malabaricum* were not welcome by residents because it would affect the health, in particular the respiratory organs, of those living nearby. He asked if there would be resources to remove the seed pods before the airborne floss were dispersed into the air.

31. As regards the planting of *Bombax malabaricum*, DCED said the Administration noted the concern, though it was not yet proven on a scientific basis. DCED confirmed that no *Bombax malabaricum* would be planted under the GMPs under discussion and the management of existing trees would be carried out by LCSD.

32. Dr Elizabeth QUAT expressed support for the funding proposal. She enquired if certain plots of land earmarked for greening or recreational purposes but not yet developed could be covered by GMPs or not because mosquitoes would be bred and cause nuisances when the said plots were laid idle. Besides, Dr QUAT related the suggestion made by representatives of the districts that big-leave shrubs should be avoided because they would help breeding of the mosquitoes and that certain plants (like *Pelargonium graveolens*) that could help drive away the mosquitoes should be grown under GMPs.

33. DCED said that they had already considered including certain plots of land not yet developed in the relevant GMPs and he had not heard of any species of plants that would lead to the breeding of mosquitoes. He believed that the problem might arise from soil not draining well at isolated

locations.

34. Ms Emily LAU enquired if the Administration had the policy to plant small trees in place of big ones because she observed that quite many of those planted were small ones whereas most people preferred big trees which could provide shade. DCED said that there was not any policy to plant small trees in place of big ones and explained that very often the option was limited by the space underneath the road surface, and suggested that if there were enough space, big trees such as *Ficus microcarpa* and *Cinnamomum camphora* would be considered.

35. On the species of plants to be grown, Mr Gary FAN suggested that to strengthen or to realize the theme, it would need a large quantity of colourful flowers like those of Cherry blossom trees and *Pyrostegia venusta* to produce the desired effect.

36. Mr Albert CHAN suggested that the Administration, in implementing GMPs in the New Territories, should maintain the balance of the ecology in the suburb and complement the natural vegetation as far as possible and avoid over-design of the flower beds/planters. Mr CHAN also asked for the unit cost of planting trees and shrubs.

37. In response, DCED said that about 3 400 trees and 1.8 million shrubs would be planted, the cost being about \$4,000 each for the former and \$25 each for the latter.

38. Mr WU Chi-wai said he observed that very often layers of shrubs would be planted to circle around the trees. He urged the Administration to consider the growing conditions and to learn from the experience gained from the implementation of GMPs in urban areas.

39. DCED noted the views of members and would give priority to planting trees as far as practicable and closely supervise the implementation of GMPs.

Other views

40. Mr Gary FAN asked if there was any objective standard to measure the benefits brought by the trees or shrubs to be planted in respect of their capacity to mitigate carbon emission. Besides, he would like to know if GMPs would allow more trees or shrubs for towns like Tseung Kwan O, where the population density was high and space was limited in the town centre.

41. DCED responded that there was no objective standard to quantify the reduction of carbon emission vis-à-vis the amount of trees/shrubs to be planted. He explained that the Administration would try to plant as many as possible trees/shrubs in those town centres having regard to the space available.

42. Dr Fernando CHEUNG said that according to Report No. 48 of the Director of Audit, there had been criticism of the contractor having failed to complete the planting of about two million trees in Ma On Shan as specified in the contract, with only about 31% completed, reflecting the inability of CEDD to supervise well the execution of the job. DCED replied that, as far as he knew, the Audit Commission had not conducted any study on greening works contracts under GMP projects before but any experience gained in previous greening works would enhance the supervision and monitoring of future GMP projects.

43. The item was voted on and endorsed.

Head 707 – New Towns and Urban Area Development

PWSC(2014-15)10 770CL Planning, engineering and architectural study for topside development at Hong Kong boundary crossing facilities island of Hong Kong-Zhuhai-Macao Bridge

44. The Chairman advised that the proposal was to upgrade 770CL to Category A at an estimated cost of \$61.9 million in MOD prices for carrying out a planning, engineering and architectural study and the associated site investigation works for the proposed commercial development at the Hong Kong boundary crossing facilities ("HKBCF") island of Hong Kong-Zhuhai-Macao Bridge ("HZMB"). The Panel on Development had been consulted on the proposal on 25 March 2014 and the majority of Panel members supported the submission of the proposal to PWSC. The gist of the Panel's discussion had been tabled at the meeting.

45. Dr CHIANG Lai-wan suggested that to enable the public to better understand the project, the Administration should make use of 3-dimensional animation video to demonstrate the objectives and details to members of the community, students and visitors. DCED noted Dr CHIANG's view and advised that physical models and videos would be produced to illustrate the development proposals. Besides, the Administration would also make use of the computer-aided design software, namely the Building Information Model, to present the 3-dimension images of the development proposals so as to facilitate the public's understanding of the project.

46. Mr James TIEN said that despite repeated questions raised by LegCo members on the management and control of in-bound vehicles upon the commissioning of HZMB, there was not any definite answer given by the Administration on this issue. He expressed that if a commercial hub was to be built on the HKBCF island of HZMB, a lot more in-bound vehicles would be attracted and he had serious concern over the control of vehicles coming to Hong Kong from Macau and Mainland China, the availability of parking facilities for vehicles arriving the HKBCF island and the limited road space for the said vehicles if they were allowed to enter the urban areas of Hong Kong. He asked if these traffic-related questions would be covered by the study for the proposed commercial development on the HKBCF island or not.

47. In reply, DCED said that the Administration had indeed set up a working group amongst the three Governments, i.e. of Hong Kong, Zhuhai and Macao, to discuss the control and management of cross-boundary traffic and that related discussions were going on. He said that impacts of the cross-boundary traffic on the existing traffic and transport facilities would certainly be included in the proposed study with the input of the Transport and Housing Bureau ("THB") on the policy aspects. The Administration would consult LegCo Members when more definite options were available.

48. Mr Gary FAN said that the western waters of Hong Kong had much importance as the habitat for precious marine species like the Chinese White Dolphins. Besides, a marine park was also planned to be developed in the area. He said that reclamation area of the HKBCF island should be kept to the minimum for the accommodation of cross-boundary facilities according to the Environment Impact Report ("EIA") of the HZMB project. He questioned why additional spaces would be available on the HKBCF island for the proposed commercial development. Mr FAN requested the Administration to provide a written response to reports about possible reclamation works outside the prescribed works area of the construction of the HKBCF island of HZMB.

49. DCED said that there would not be any further reclamation works to be done in connection with the development of commercial facilities on HKBCF island. He explained that the current plan was to add topside or underground development to the original planned facilities for HKBCF.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. PWSC118/13-14(01) on 9 July 2014.)

50. Mr CHAN Han-pan expressed that if only one level of building for cross-boundary clearance facilities was to be erected on HKBCF, well-connected and valuable land resources might be wasted. He therefore supported the funding proposal to carry out an in-depth study into the feasibility and scale of developing commercial facilities there. He asked whether travellers would be allowed to enter the urban area of Hong Kong or not. Mr CHAN further suggested that a super car park could be built on the HKBCF island to accommodate in-bound vehicles entering Hong Kong from Macau and Zhuhai, and that thoughts could also be given to extend the Airport Rail currently ending at AsiaWorld-Expo station to the HKBCF island to carry travellers to other parts of Hong Kong.

51. DCED explained that the traffic and transport facilities to connect the HKBCF island would need to be studied jointly with the THB. The Administration would review in the proposed study the possible connection options including railway connection and recommend the best option.

52. Dr Fernando CHEUNG asked for the overall plan for developing the commercial hub and the Administration's stance in respect of visa requirements for the cross-boundary travellers arriving at the HKBCF island.

53. DCED said that visa requirements of the cross-boundary travellers had not been considered at this stage. He opined that the HKBCF island was indeed at an excellent geographical location with its proximity to the infrastructural facilities including the Hong Kong International Airport ("HKIA") and HZMB and therefore should have great potential for development of "bridgehead economy". DCED also quoted the Incheon International Airport in South Korea and the Amsterdam Airport Schiphol in the Netherlands as the successful cases.

54. Mr Albert CHAN enquired if there had been any plan for commercial development in the earlier town planning of the Lantau Island. Mr CHAN also questioned the appropriateness and suitability of implementing the proposed development due to its closeness to the runway, and whether EIA would be required for this project if approved.

55. DCED replied that CEDD had been working together with the Planning Department and confirmed that due to the nature and scale of the project, the conduct of EIA would be necessary and that noise and air pollution issues would be included in the scope of the study. Assistant Director (Territorial) (Acting) of Planning Department ("AD(T)/PlanD") supplemented that according to the 2007 Revised Concept Plan for Lantau, the overall planning vision for Lantau would be to promote sustainable

development by balancing development and conservation needs. She said that under the said Plan, the Administration intended to develop major economic infrastructure and tourism in North Lantau while conserving the majority of the island. She pointed out that the proposed commercial development on the HKBCF island was in line with the overall planning vision for Lantau, but there was a need to make adjustments to the Revised Concept Plan to take into account new planning circumstances arising from the completion of the infrastructural projects like HZMB and the third runway of HKIA.

[The Chairman advised that the meeting would be extended to 10:45 am.]

56. Ms Alice MAK said that given the commercial development to be implemented on the HKBCF island, the flow of vehicles and travellers would certainly increase. She enquired if the study would also assess the volume of public transport demand thus created and the need to develop other transport facilities. Ms MAK further proposed that the commercial development on the HKBCF island should not only cover shopping malls, but also logistics parks, theme parks and other forms of leisure activities.

57. DCED explained that the Administration would definitely include the assessment of traffic demand in the study in view of the fact that the HKBCF island would be further connected to the Tuen Mun-Chek Lap Kok Link which was expected to be commissioned by phases from 2016 to 2018. AD(T)/PlanD advised that the "Air City" development next to the Incheon International Airport in South Korea had various forms of commercial activities including shopping malls, theme parks, indoor gardens, offices, logistic parks and other entertainment premises too. The proposed study would aim to conduct detailed financial analysis as regards the overall development concept, market positioning of the commercial hub as well as the scope and scale of the commercial development, including topside and underground space to be built.

58. Mr Tony TSE noted that HZMB would soon be completed in 2016 and he was rather surprised that the Administration would undertake the proposed study only two years prior to the completion of HZMB. Referring to the financial implications set out in paragraph 9 of PWSC(2014-15)10, Mr TSE expressed that he had reservation over the practice that a main consultant would be hired to lead the various specialist consultants such as the site investigation, EIA study or planning and architectural studies. He requested the Administration to provide information about the previous consultancy study on the construction of the HKBCF island, including the time and cost of the study, and the recommendations of the study on the

commercial facilities to be developed on the island. He also enquired about the party to be responsible to supervise the main consultant to be hired.

59. DCED said that previous studies should have been conducted with respect to the provision of commercial facilities on the HKBCF island. He agreed to check with the relevant Government department and provide the information. With regard to the engagement of consultants, DCED said that as the proposed study was multi-disciplinary in nature, a main consultant would be appointed to coordinate the inputs and interface issues among the professionals in various disciplines. He said that he himself and the Director of Planning ("D of Planning") would be responsible to supervise the work of the main consultant. He would focus on the engineering aspects and D of Planning would take care of the planning part including the market positioning of the commercial development.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. PWSC118/13-14(01) on 9 July 2014.)

60. Mr WU Chi-wai recalled that currently only about 10 000 vehicles were using the Shenzhen Bay Bridge daily, compared to the target or planned capacity of 40 000 vehicles. He requested the Administration to provide information to justify the proposed commercial development on the HKBCF island such as data about the current shortage of commercial floor space (including floor space for hotels and retail facilities) in the area near HKIA to meet the demand of visitors.

61. DCED replied that detailed analysis of the commercial demand would be carried out in the proposed study. AD(T)/PlanD added that according to the Commissioner for Tourism's advice, there was a general lack of hotel rooms in the territory, though she did not have the information for Lantau. DCED agreed to provide the information before the relevant Finance Committee ("FC") meeting.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. PWSC118/13-14(01) on 9 July 2014.)

62. Ms Emily LAU expressed disappointment over the fact that this study was proposed only two years before the commissioning of HZMB and wondered why there had been no coordination over the development of various facilities. Ms LAU asked whether the Administration had done any estimate on the demand of tourists and vehicles making use of the commercial development on the HKBCF island.

63. DCED said that detailed assessments of all these demand would be covered in the proposed study.

64. Mr Michael TIEN declared that he was running a garment business and expressed that there had been a major blunder on the part of the Administration for having failed to plan well the retail and other facilities to complement the Mainland's implementation of the Individual Visit Scheme in 2003. He said that though the volume of retail business had expanded by 250% in the last 10 years, the retail floor area in Hong Kong had not increased at all, leading to the sharp rise in shop rental. Shops not selling items favoured by tourists were forced to move to less expensive areas. He expressed support for building a shopping city with hotel and other services on the HKBCF island and stressed the importance of providing well-connected traffic and transport facilities like railway or cross-boundary coach terminus there. Mr TIEN urged the Administration to avoid the duplication of the bad case of Kai Tak Cruise Terminal which suffered from lack of connecting traffic and transport facilities to other parts of the territory.

65. DCED said that the Administration would not rule out any traffic and transport options at the moment and they would coordinate with THB in formulating the strategy on in providing efficient traffic and transport facilities, as well as cross-boundary arrangements.

66. Dr Kenneth CHAN suspected that the study might have been prompted by the anticipated flow of travellers from the western Pearl River Delta when HZMB was to be commissioned in 2016. He enquired if there had been any expressed indication of interest about the commercial development on the HKBCF island because it was quite strange to have the study initiated and undertaken by a Government and at the expense of the tax-payers.

67. DCED said that the study was initiated to complement the overall economic development of Hong Kong as a whole rather than individuals' commercial interests. In view of the excellent geographical location of the HKBCF island and the many infrastructural projects to be completed nearby, he pointed out that it would be of utmost importance that this project be taken forward as soon as possible.

68. The Chairman advised that the Subcommittee would continue the discussion on PWSC(2014-15)10 at the next meeting scheduled for 9 am, 10 June 2014. He said that the Administration planned to submit the funding proposal under PWSC(2014-15)9 to FC at its meeting to be held on 27 June 2014. He consulted members whether this item would require

separate discussion and voting at the relevant FC meeting. Members did not raise any specific request.

Any other business

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

Council Business Division 1
Legislative Council Secretariat
11 July 2014