Finance Committee of the Legislative Council

Minutes of the 21st meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 6 April 2018, at 2:30 pm

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon LEUNG Yiu-chung
Prof Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-yan
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, BBS, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Hon POON Siu-ping, BBS, MH
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan
Hon CHAN Chun-ying
Hon Tanya CHAN
Hon LUK Chung-hung
Hon LAU Kwok-fan, MH
Hon Kenneth LAU Ip-keung, BBS, MH, JP
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho
Hon Gary FAN Kwok-wai
Hon AU Nok-hin
Hon Vincent CHENG Wing-shun, MH
Hon Tony TSE Wai-chuen, BBS

Members absent:

Hon Michael TIEN Puk-sun, BBS, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon CHAN Hak-kan, BBS, JP
Hon YIU Si-wing, BBS
Hon CHAN Han-pan, JP
Hon Dennis KWOK Wing-hang
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon HO Kai-ming
Dr Hon Pierre CHAN
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung

**Public officers attending:**

Ms Carol YUEN, JP
Mr Mike CHENG Wai-man
Mr TSE Chin-wan, BBS, JP
Mrs Vicki KWOK WONG Wing-ki, JP
Mr Andy CHAN Siu-wing
Ms Rebecca Pun Ting-ting, JP
Mr Peter Mak Chi-kwong
Mr Daniel Chung Kum-wah, JP
Mr Kelvin LO Kwok-wah, JP
Mr Kelvin SIU Kin-man
Mr SHEA Tin-cheung
Mr Patrick HO Kwong-hang

Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Under Secretary for the Environment
Deputy Director of Environmental Protection (2)
Principal Environmental Protection Officer (Waste Reduction and Recycling), Environmental Protection Department
Deputy Secretary for Transport and Housing (Transport) 1
Principal Assistant Secretary for Transport and Housing (Transport) 7
Director of Highways
Project Manager (Major Works), Highways Department
Acting Assistant Commissioner for Transport (Planning)
Chief Engineer (Transport Planning), Transport Department
Chief Traffic Engineer (New Territories West), Transport Department

**Clerk in attendance:**

Ms Anita SIT
Assistant Secretary General 1

**Staff in attendance:**

Mr Derek LO
Chief Council Secretary (1)5
Ms Ada LAU
Senior Council Secretary (1)7
Mr Raymond SZETO
Council Secretary (1)5
Action

The Chairman reminded members of the requirements under Rule 83A and Rule 84 of the Rules of Procedure.

Item 1 — FCR(2017-18)64
RECOMMENDATION OF THE ESTABLISHMENT SUBCOMMITTEE MADE ON 10 JANUARY 2018

EC(2017-18)11
HEAD 44 — ENVIRONMENTAL PROTECTION DEPARTMENT
Subhead 000 — Operational expenses

2. The Chairman advised that this item sought the approval of the Finance Committee ("FC") for the recommendation of the Establishment Subcommittee made at its meeting held on 10 January 2018 regarding EC(2017-18)11 for the creation of one permanent post of Assistant Director of Environmental Protection ("ADEP") in the Environmental Protection Department ("EPD"), designated as ADEP (Waste Reduction & Recycling), to lead the Waste Reduction and Recycling Division with effect from the date of approval by FC for providing dedicated staffing support at the directorate level on a permanent basis, to implement the on-going measures and formulate new initiatives to promote waste reduction and recycling.

Overall results of waste reduction and recycling

3. Dr Elizabeth QUAT and Mr CHU Hoi-dick considered that the Community Green Station ("CGS(s)") projects had failed to yield satisfactory results in the area of recycling. Mr CHU advised that, according to the supplementary information provided by the Administration, the quantity of waste plastics recycled through CGS projects only constituted a small portion of total waste plastics disposed of in Hong Kong. Mr CHU queried the results that could be achieved by creating the proposed post in reducing the quantity of waste plastics disposal.

4. Mr WU Chi-wai was of the view that it was incumbent upon EPD to work in coordination with the Food and Environmental Hygiene Department ("FEHD") in order to effectively implement waste reduction
and recycling. Mr CHU Hoi-dick expressed a similar view and suggested that the Administration should consider making appropriate alternations to some refuse collection points ("RCPs") under FEHD to accommodate CGS facilities, so as to assist in improving the effectiveness of CGSs in collecting recyclables.

5. Under Secretary for the Environment ("USEN") and Deputy Director of Environmental Protection (2) ("DDEP(2)") advised that the Administration had put in place different policies and measures throughout the whole process from waste source separation to recycling and treatment of waste plastics. In summary, CGS projects were one of the various measures to carry out environmental education and assist in strengthening recycling support in the community. USEN advised that as CGS projects not only involved the setting up of collection points, but also other relevant district work, it was not appropriate to carry out such district work at RCPs under FEHD. The Administration, therefore, had no plan to adopt the suggestion on accommodating CGS facilities at RCPs under FEHD.

6. Dr Elizabeth QUAT expressed her views on several environmental protection measures and considered their results disappointing. Expressing her support for the creation of the proposed post, Dr QUAT hoped that the proposed ADEP (Waste Reduction & Recycling) post could help reduce the workload of other directorate officers in EPD, so as to make better progress in various environmental protection policies and measures. Dr QUAT also urged the Administration to enhance its cooperation with non-governmental organizations in taking forward environmental protection initiatives.

7. Ms Tanya CHAN advised that the Civic Party supported the creation of the proposed ADEP post, but was dissatisfied with the waste reduction and recycling work carried out by the Administration over the years and considered its performance unsatisfactory. Ms CHAN advised that the Civic Party would watch closely the results of waste reduction and recycling work in the next two years, and if the work performance in this area did not improve, the Civic Party would no longer support establishment proposals to create additional posts in EPD. Ms CHAN also urged the Administration to proactively develop and enhance the operation of waste recycling chains in Hong Kong, so as to meet the Mainland's tightened requirements for imported recyclables.

8. USEN noted the views of members. He advised that the proposed ADEP post would assist in enhancing the implementation of measures that aimed to facilitate the operation of recycling chains for recyclables, and would strengthen the collaboration with district organizations.
9. Mr Andrew WAN considered that no clear policies and objectives had been formulated in respect of collection and treatment of household food waste, and enquired whether the proposed post would be responsible for formulating the policies and measures relating to treatment of household food waste. Ms Claudia MO criticized the Administration for having accomplished nothing in handling household waste recycling. Ms MO advised that even though members of the public (including herself) had properly separated household waste, the outsourced recyclers of FEHD often mixed the separated household waste together with other refuse for delivery. Dr Fernando CHEUNG raised similar concerns. Mr CHU Hoi-dick enquired about the policies and measures adopted by the Administration for the collection and treatment of household waste to tie in with the municipal solid waste ("MSW") charging that was about to be implemented by the Government.

10. USEN and DDEP(2) advised that:

(a) concerning food waste treatment policies, it was evident from successful overseas experiences that policies were first implemented in the commercial and industrial ("C&I") sectors. The Administration considered it worthwhile to draw reference from these successful examples;

(b) in the second half of 2018, the first Organic Resources Recovery Centre in Hong Kong would be commissioned for treatment of C&I food waste;

(c) the Government planned to construct additional five to six organic resources recovery centres in the future to increase food waste treatment capacity;

(d) EPD and the Drainage Services Department were implementing the "food waste/sewage sludge anaerobic co-digestion trial scheme" to examine and establish the technical feasibility and installation requirements of food waste/sewage sludge anaerobic co-digestion using the existing facilities in sewage treatment works, so as to enhance the overall food waste treatment facilities and capability of Hong Kong;

(e) at the household level, the Government implemented on-site food waste recycling measures in housing estates through the Environment and Conservation Fund with a view to
advocating the habit of household waste separation at the community level, so as to prepare for further implementation of large-scale recycling by the Government in the future;

(f) food waste treatment was an essential part of EPD's waste management policy, so EPD had established a dedicated policy division to handle policy measures in this respect and that division was in charge by another ADEP; and

(g) FEHD would, from time to time, conduct surprise inspections on the work of outsourced contractors to ensure that the contractors delivered recyclables to appropriate recyclers in accordance with the contractual requirements, and what Ms Claudia MO had seen was an individual case.

11. Mr CHU Hoi-dick was concerned about the policy measure to reduce the distribution of plastic tableware by restaurants. He requested the authorities to provide supplementary information on the details of the lists of restaurants and organizations, which the authorities had contacted and advised to reduce the use or distribution of disposable tableware and containers to customers.

12. DDEP(2) advised that the Administration encouraged various departments to reduce the use of disposable tableware and containers internally and in public activities by providing them with circulars and guidelines. She undertook to provide the supplementary information requested by Mr CHU Hoi-dick after the meeting.

[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC299/17-18(01) on 27 June 2018.]

Functions of the proposed post

13. Dr Fernando CHEUNG enquired about the specific duties of the ADEP post in implementing the Producer Responsibility Scheme ("PRS"). Noting that the Administration had put in place an additional specification requirement in its green procurement list regarding the use of recyclable raw materials, Dr CHEUNG asked the Administration whether it would, apart from the above initiative, consider making it a mandatory requirement that only those product manufacturers who supplied products of the same specification to the private market were qualified to be put on the list of material suppliers for the Government. Dr CHEUNG requested the Administration to provide supplementary information to state clearly:
Action

(a) the timetable for gradually increasing the proportion of recycled content in the raw materials of the products procured under the Government's green procurement policy (including general stores, project stores and energy products); in addition, whether the Administration would request suppliers to apply the same standard to their other products supplied to the market; if yes, the timetable for implementing such policy; and

(b) whether the Administration had set respective indicators for the recovery and disposal rates of glass bottles after the implementation of PRS on glass bottles, and what the two indicators were.

14. USEN replied that the proposed ADEP (Waste Reduction & Recycling) post would provide appropriate incentives to the recycling industry and recycled products by promoting green procurement, so as to more effectively implement PRS. Principal Environmental Protection Officer (Waste Reduction and Recycling), EPD ("PEPO(WRR)/EPD") supplemented that the Administration's procurement list currently covered green specifications of 150 items of products and services and these products included construction materials and fuel. He advised that the information requested by Dr Fernando CHEUNG would be provided after the meeting.

15. With regard to PRS, USEN advised that the Administration had plans to gradually legislate for the regulation of the recycling of household electric appliances, glass containers and plastic bottles. One of the duties of the proposed ADEP post was to enhance the recycling support for waste plastic bottles. In October 2017, the Administration commenced a study to explore how PRS on waste plastic containers (mainly plastic containers carrying beverages or personal care products) might be implemented, and the study would take 18 months to complete.

[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC299/17-18(01) on 27 June 2018.]

16. Mr Tony TSE noted that a three-year supernumerary ADEP (Waste Reduction & Recycling) post created in mid-2014 had lapsed in June 2017. Mr TSE enquired about:

(a) the results of the supernumerary post's work; and
(b) the difference between the duties of the proposed ADEP post and those that had been taken up by the incumbent of that supernumerary post.

17. DDEP(2) advised that the duties of that supernumerary post included the followings:

(a) to assist in formulating and implementing the Source Separation of Waste Programme and, through the Environmental Campaign Committee, giving free recycling bins to C&I and residential buildings to encourage various sectors to carry out source separation;

(b) to educate the public the importance of clean recycling; and

(c) to assist in establishing the Recycling Fund to help the recycling industry enhance their operational efficiency and standards.

18. DDEP(2) continued to advise that the proposed ADEP (Waste Reduction & Recycling) post would be created on a permanent basis to implement various on-going measures that had been taken forward after that supernumerary post was created and before it lapsed. In light of the challenges in association with the Mainland's tightened standards for imported recyclables, the proposed ADEP post had to continue working closely with the Advisory Committee on Recycling Fund to keep in view the needs and concerns of the recycling industry, enhance support for the industry as and when necessary and review whether and how to promote the development of the recycling industry to identify more outlets for recyclables.

19. Mr Tony TSE and Mr CHAN Chi-chuen were concerned about how the proposed ADEP (Waste Reduction & Recycling) post would enhance the efficiency of household recycling. Noting that EPD planned to set up outreaching teams to enhance the efficiency of recycling at the district level, Mr CHAN enquired:

(a) whether organizing and managing the outreaching teams was one of the duties of the proposed post, and about the progress of organizing such outreaching teams;

(b) about the scale and specific tasks of the outreaching teams, including providing assistance to residents living in buildings
without owners' corporations in carrying out household recycling; and

(c) about the performance indicators to assess the outreaching teams' work performance.

20. **DDEP(2) and PEPO(WRR)/EPD** replied that:

(a) recycling work in the community involved recycling and treatment of recyclables collected in public places and such work would be conducted by FEHD and its contractors;

(b) the outreaching teams to be formed by EPD would mainly be responsible for establishing a network with property management companies and residents, assisting them in waste separation and clean recycling, building a platform to communicate with the public and striving to assist residents (including those living in buildings without owners' corporations) to identify downstream recyclers; in the medium term, the outreaching teams would assist residents in preparing for MSW charging that was about to be implemented; in the long term, the Administration hoped that the outreaching teams would take forward food waste recycling work;

(c) the incumbent of the proposed post had to be in charge of organizing the outreaching teams and these outreaching teams would be implemented in two to three selected areas in the form of pilot schemes to ascertain the outreaching teams' work nature, scope, resources required, etc.;

(d) sufficient resources had been reserved in the estimates of expenditure for 2018-2019 to create around 30 posts to cope with the needs of setting up outreaching teams under pilot schemes; and

(e) the outreaching teams would also proactively communicate and coordinate with other departments concerned (such as FEHD) which were required to process recyclables, so as to jointly carry out recycling in the community.

21. Noting that while the Administration had promulgated the Guidelines on Yard Waste Reduction and Treatment, individual departments did not follow the Guidelines in handling the yard waste generated from daily operations, **Mr Andrew WAN** alleged that some
departments even delivered yard waste to landfills for disposal. Mr WAN was concerned whether that was really the case and asked whether the Administration had put in place any remedial measures. Mr CHU Hoi-dick considered that the recovery rate of yard waste was pretty low. Mr WAN was of the view that the proposed post should be tasked with the handling of yard waste. Mr WAN requested the Administration to separately set out the measures, effectiveness and indicators of various government departments in handling yard waste (with figures provided).

22. In response, USEN and DDEP(2) advised that:

(a) handling yard waste was an important part of EPD's waste management policy and such work would be handled by a dedicated policy division led by another ADEP;

(b) the annual weight of yard waste delivered to landfills for disposal by the Administration was about 7,000 tonnes; and

(c) government departments were required to handle yard waste generated from departments in accordance with the Guidelines on Yard Waste Reduction and Treatment, but not every department could absorb all such yard waste, so some yard waste had to be disposed of at landfills. However, each department would endeavor to reduce waste at source, including utilizing yard waste and choosing suitable species of plants for planting.

The Administration undertook to provide the information requested by Mr Andrew WAN after the meeting.

[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC299/17-18(01) on 27 June 2018.]

Law enforcement

23. Mr Vincent CHENG was concerned that illegal disposal of construction waste was commonplace in Kowloon West, especially Sham Shui Po district. He considered that EPD’s performance was poor in terms of law enforcement, and requested the Administration to instruct the staff concerned to step up law enforcement.

24. USEN advised that issues relating to illegal disposal of construction waste involved EPD and several other departments. There was a
dedicated division under EPD that was responsible for coordinating with other departments in carrying out different aspects of treatment and law enforcement work. Such work included installation of closed-circuit televisions at construction waste disposal black spots; and enhancing public education and publicity to encourage members of the public to proactively report and provide information to the departments concerned to assist in prosecution.

Organizational structure of the Environmental Protection Department

25. Noting that the proposed ADEP (Waste Reduction & Recycling) post would be placed under DDEP(2), Mr WU Chi-wai considered that the duties of the proposed ADEP post were more relevant to the Waste Management Policy Division and Waste Management (Special Duties) Division led by Deputy Director of Environmental Protection (4) ("DDEP(4)"). Mr WU enquired whether the Administration would consider handing over the Waste Reduction & Recycling Division to be led by DDEP(4) in future.

26. USEN advised that DDEP(2) had all along been responsible for waste management, so the Waste Reduction & Recycling Division was led by DDEP(2) after establishment. In 2015, given that EPD needed additional and dedicated manpower to plan for the work relating to PRS and MSW charging programme, EPD created the DDEP(4) post to lead the Waste Management Policy Division and Waste Management (Special Duties) Division. Under this arrangement, DDEP(2) and DDEP(4) had all along maintained close association with each other in respect of waste management work. Upon the implementation of the MSW charging programme, EPD would set up a MSW Reduction Office, and by that time, it would review how various EPD divisions relating to waste management, waste reduction and recycling should be restructured.

Arrangement of scrutiny of this item

27. At 3:31 pm, the Chairman considered that the Administration had not addressed members' enquiries satisfactorily. However, given that there were a number of agenda items awaiting scrutiny by FC, he urged the Administration to enhance its communication with members outside this meeting and answer members' questions.

Voting on FCR(2017-18)64

28. There being no further questions from members, the Chairman put item FCR(2017-18)64 to vote. At the request of members, the Chairman
ordered a division. The Chairman declared that 32 members voted in favour of and eight members voted against this item, and one member abstained from voting. The votes of individual members were as follows:

For:
- Mr Jeffrey LAM Kin-fung
- Ms Starry LEE Wai-king
- Mr Paul TSE Wai-chun
- Mr Frankie YICK Chi-ming
- Mr Charles Peter MOK
- Ms Alice MAK Mei-kuen
- Mr KWOK Wai-keung
- Mr IP Kin-yuen
- Mr POON Siu-ping
- Mr Andrew WAN Siu-kin
- Dr Juniux HO Kwan-yiu
- Mr Holden CHOW Ho-ding
- Ms YUNG Hoi-yan
- Ms Tanya CHAN
- Mr LAU Kwok-fan
- Mr Vincent CHENG Wing-shun

(32 members)

Against:
- Mr LEUNG Yiu-chung
- Mr CHAN Chi-chuen
- Mr CHU Hoi-dick
- Mr Gary FAN Kwok-wai

(8 members)

Abstained:
- Dr CHENG Chung-tai

(1 member)

29. The Chairman declared that the item was approved.

**Item 2 — FCR(2017-18)65**

RECOMMENDATION OF THE PUBLIC WORKS SUBCOMMITTEE MADE ON 17 JANUARY 2018

**PWSC(2017-18)23**

HEAD 706 — HIGHWAYS

Transport — Roads
30. The Chairman advised that this item sought FC's approval for the recommendation made by the Public Works Subcommittee ("PWSC") at its meeting held on 17 January 2018 on PWSC(2017-18)23 regarding the upgrading of 870TH (i.e. Feasibility Study on Route 11 (Between North Lantau and Yuen Long)) to Category A at an estimated cost of $87.7 million in money-of-the-day prices. PWSC had spent about four hours and seven minutes on the scrutiny of the above item. The Chairman declared that he was an independent non-executive director of The Bank of East Asia.

Financial arrangements of the item

31. Mr CHAN Chun-ying enquired about:

(a) the reasons why there would be outstanding works payments after 2020 for a study which would be completed in 2020;

(b) the reasons why the Administration planned to undertake the study on a lump sum basis and conduct the site investigation works under a standard contract; and the specific use of the sum of $7.6 million suggested to be used as provision for price adjustment; and

(c) the reasons why, according to Enclosure 2 to the discussion paper, the number of professional staff was less than that of technical staff in respect of supervision of associated site investigation works.

32. Director of Highways ("DH") replied that:

(a) this item included a feasibility study and site investigation works and the payment arrangements were substantially the same as those of other public works, i.e. the accounts for the whole project had to be cleared and all outstanding payments had to be settled within a certain period of time after the completion of the study and the site investigation works;

(b) provision for price adjustment would be used for the study and site investigation works based on the needs; consultants would be engaged to undertake the study on a lump sum basis; the proposed site investigation works would be tendered under a
standard re-measurement contract because the quantity of works involved might vary depending on actual ground conditions; and

(c) the proposed feasibility study and other studies under this item required more participation of professional staff, while in the area of supervision of associated site investigation works, such work would be implemented mainly by Inspector of Works grade staff; as a result, the number of technical staff required would be more than that of professional staff.

33. Dr KWOK Ka-ki was dissatisfied that the Administration failed to give an account of the construction cost of proposed Route 11. Ms Claudia MO enquired about the preliminary estimation of the construction cost of Route 11.

34. Deputy Secretary for Transport and Housing (Transport)1 ("DSTH(T)1") advised that only after the completion of the proposed feasibility study would the Administration have a clearer picture of the estimated construction cost of Route 11, so the estimated construction cost could not be provided to members at the moment.

35. Mr Alvin YEUNG advised that the Civic Party did not support this item. Mr YEUNG said that the proposed feasibility study would also examine the need to provide an additional link between Lantau and Tsing Yi, while the concept of the proposed Route 11 was also similar to the project formerly known as Route 10 ("ex-Route 10"), a project that the Administration had attempted to implement few years ago. In addition, the "Tsing Yi-Lantau Link - Feasibility Study" that commenced in 2007 was completed in 2009. Mr YEUNG enquired whether the Administration would consider referring to or reusing and updating the information in order to achieve some savings; if so, how much information was reusable.

36. DHy replied that as the proposed feasibility study had not yet commenced, the Administration was unable to ascertain the planning of Route 11 and whether there was a need to provide an additional road connecting Lantau and Tsing Yi. Therefore, it was impossible to state clearly the amount of reusable information. He advised that if it was ascertained that there was a need to provide an additional road connecting Lantau and Tsing Yi, the Administration would refer to and utilize the information and results of the relevant study as much as possible.
Scope of the Feasibility Study on Route 11

Provision of additional roads connecting Lantau and the urban areas

37. Ms Alice MAK and Mr LUK Chung-hung considered that traffic congestion in Northwest New Territories ("NWNT") was serious and there was a pressing need for the Administration to complete the feasibility study on Route 11 and commence the construction works as soon as possible. Ms MAK, Mr LEUNG Che-cheung, Mr Holden CHOW and Mr Steven HO were concerned that, without the provision of roads connecting Lantau and the urban areas other than the Lantau Link, the currently proposed alignment design of Route 11 would increase the traffic load between North Lantau and Tsing Yi. Ms MAK and Mr LUK urged the Administration to:

(a) not only examine the need to provide an additional road between Lantau and Tsing Yi in the feasibility study, but also study the feasibility of the construction of other links between Lantau and the urban areas; and

(b) coordinate the implementation schedules of Route 11 and the links mentioned in (a) with a view to tying in the commissioning dates of these links with that of Route 11 for simultaneous commissioning, so as to prevent the current traffic from North Lantau Highway to the urban areas via Tsing Yi from further aggravating.

38. Mr LEUNG Che-cheung expressed support for the Government to construct additional traffic infrastructures to cater for the development needs in NWNT. Mr Holden CHOW pointed out that, apart from the proposed new development areas in NWNT, the future new development plan in Tung Chung would also increase the traffic burden of North Lantau Highway and Tsing Ma Bridge. He requested the Administration to elaborate on the related mitigating measures. Mr Steven HO was concerned about the same traffic congestion problem of Ting Kau Bridge. Having considered that Route 11 would involve marine works, Mr HO also urged the Administration to thoroughly consult fisheries stakeholders in conducting the feasibility study, with special consideration to the impact on the industry's operations. Mr LEUNG requested the Administration to provide information on the alignment design of the proposed Route 11 and the estimated vehicular flow commuting between Tuen Mun/Yuen Long and the urban areas via Tsing Ma Bridge.
[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC221/17-18(01) on 12 April 2018.]

39. DHy, DSTH(T)1 and Acting Assistant Commissioner for Transport (Planning) ("AACT(P)") advised that:

(a) in the proposed feasibility study, the Administration would examine the need to provide an additional road between Lantau and Tsing Yi based on the alignment design in the "Tsing Yi-Lantau Link - Feasibility Study" completed in 2009. The Administration also planned to conduct studies on the feasibility of constructing other links connecting Lantau and Stonecutters Bridge as well as connecting Lantau and the urban areas;

(b) the Administration believed that the links mentioned in (a) would have no impact on the current traffic in the Tsing Yi district;

(c) the contractual fee of the consultancy study would not increase due to the need to conduct the additional studies mentioned in (a); and

(d) the Administration would conduct a port operations, marine traffic impact and safety study arising from Route 11 crossing the channel between Tsing Lung Tau and North Lantau in the feasibility study.

40. Mr CHU Hoi-dick said that he used Tai Lam Tunnel to commute from and to the urban areas every day. He advised that as neither the PWSC paper nor the FC paper had mentioned that the Administration would include the study on the feasibility of Tsing Yi-Lantau Link in the proposed feasibility study, it was doubtful whether the Administration would actually conduct the studies concerned. Mr Andrew WAN also expressed similar concerns. Mr Andrew WAN also expressed similar concerns. Mr CHU enquired about the amount of resources to be injected into the study to be conducted on the need to provide the additional Tsing Yi-Lantau Link under the current funding proposal. He also asked whether the Administration would, at the request of the Yuen Long District Council, consider conducting a study on the feasibility of constructing the Kung Um Shan Tunnel and providing a spur line from Route 11 to link up Shap Pat Heung with the trunk road of Route 11.
41. Mr CHAN Chi-chuen was concerned that even though the Administration undertook to conduct a study on the need of the Link, the Link concerned was described as "a longer-term option under contemplation" in the paper provided to the Legislative Council ("LegCo"), which was different from the description of Route 11 as "under planning"; he enquired about the reasons for that. Mr CHAN also asked in case the result of the consultancy study showed that there was no need to provide an additional road connecting Lantau and Tsing Yi, whether the Administration would still take forward Route 11. Mr CHAN and Mr Holden CHOW requested the Administration to provide relevant tendering documents to show that there were provisions/terms in these documents stating that the successful tenderer was required to conduct a study on the feasibility and the need of Tsing Yi-Lantau Link.

42. DHy replied that the Administration would, in the tendering documents of the consultancy contact, request the consultant to conduct a study on the need to construct an additional road connecting Lantau and Tsing Yi. The study in this respect would form a part of the traffic demand study in the feasibility study under this item. The Administration undertook to provide relevant provisions/terms in the tendering documents after the meeting. In response to Mr CHAN Chi-chuen's enquiry, DHy added that as part of this item was about the engineering technical feasibility study on Route 11, so it was described as "under planning"; on the other hand, given that the Tsing Yi-Lantau Link - Feasibility Study had been completed earlier, there was no need to conduct a technical feasibility study on that Link under this item and only an assessment on whether there was a need to provide that additional Link was required, so the Administration used different expressions in its paper (LC Paper No. PWSC118/17-18(01)) for Route 11 and Tsing Yi-Lantau Link. DSTH(T)1 advised that the Administration anticipated that Route 11 would be completed in the years between 2031 and 2036 at the earliest.

[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC221/17-18(01) on 12 April 2018.]

Modus operandi and pricing policy

43. Besides urging the Administration to expedite its study on whether to provide an additional road connecting Tsing Yi and Lantau and commence the works required as early as possible, Mr LUK Chung-hung requested the Administration to:
(a) consider adopting a modus operandi other than Build-Operate-Transfer ("BOT") to operate Route 11 as the tolls under BOT mode would be too high, resulting in an increase in the cost of using Route 11 by members of the public and a reduction in its utilization rate; and

(b) properly plan for the manpower resources required to construct Route 11, including enhancing the provision of training and safety measures for local workers, and reducing the need for imported workers.

44. DSTH(T)1 noted the views expressed by Mr LUK Chung-hung. She supplemented that the Administration would plan for the related works and submit a funding proposal to LegCo as soon as possible after it was ascertained that there was a need to provide an additional link connecting Lantau and Tsing Yi. DHy advised that the Development Bureau and relevant policy bureaux would coordinate accordingly in respect of manpower resources based on the demands of the works.

45. Mr Steven HO, Mr Tony TSE and Ms Alice MAK raised concerns about the pricing policy of the proposed Route 11. They considered that the pricing policy would affect the effectiveness of Route 11 in diverting traffic flow. Mr CHU Hoi-dick and Mr Andrew WAN expressed similar concerns. DSTH(T)1 advised that the proposed feasibility study would include a policy study on whether toll would be collected for using Route 11. She said that free use of Route 11 by the public was one of the options under study.

Other concerns

46. Mr Alvin YEUNG was concerned that objections had been received when the Administration planned to implement the ex-Route 10 project. He also enquired whether the Administration anticipated that the same kind of objections would be encountered in taking forward Route 11 and how such issues would be resolved.

47. DHy replied that some of the objections received during the proposed implementation of Route 10 were not applicable nowadays. The Administration would consider and strive to resolve the objections that were still relevant. Meanwhile, some of the information collected and the studies conducted on the planning for the implementation of Route 10 were also outdated. There was a need for the Administration to collect and assess afresh the latest available information.
48. Mr KWONG Chun-yu considered that the Administration should also take into account the operational arrangements, the corresponding safety measures and contingency plans for Route 11 under adverse weather conditions in the proposed feasibility study. Mr KWONG enquired whether the Administration would examine the idea of integrating the Route with a railway system in designing Route 11. Mr CHU Hoi-dick was concerned as to whether the Administration would take into consideration the operational needs under adverse weather conditions in designing the configurations of Route 11, including making reference to the design of Tsing Ma Bridge. Ms Claudia MO made a suggestion that was similar to that proposed by Mr KWONG.

49. AACT(P) advised that what Mr KWONG Chun-yu referred to was traffic control issue relating to the facilities, and same as other transport facilities, the Administration would formulate relevant incident contingency measures in light of the design of the facilities. At present, the Transport Department had set up an emergency coordination centre to handle operational arrangements of transport facilities under adverse weather conditions and during emergency incidents.

50. DSTH(T) and DHy replied that:

(a) the Administration planned to explore the feasibility of the implementation of a railway system connecting NWNT and the urban areas in another study;

(b) in the proposed feasibility study on Route 11, the Administration would examine the impact on the operations of the Route under adverse weather conditions and the corresponding contingency plans and measures;

(c) the design of the Route integrating with a railway system was not the only feasible design to tackle adverse weather conditions; and

(d) whether the design of the Route would integrate with a railway system involved totally different factors of consideration; the Administration would not consider the ideas of integrating Route 11 with a railway system or reserving space for the operation of a railway system; as a result, no study would be conducted on such concepts.

51. Mr LEUNG Che-cheung considered that the proposed feasibility study might need to take into account the following factors or parameters:
Action

(a) the results of the "Strategic Studies on Railway and Major Roads beyond 2030" ("RMR2030+ Studies");

(b) the proposed implementation of new railway systems; and

(c) the post-2036 population profile.

52. DSTH(T)1, AACT(P) and Chief Engineer (Transport Planning), Transport Department ("CE(TP)/TD") replied that:

(a) the planning for the proposed Route 11 was made according to the development parameters as at 2036;

(b) given that the purpose of RMR2030+ Studies was to conduct an overall review of post-2031 traffic demand of Hong Kong, it was essential for RMR2030+ Studies to include the planning of Route 11 within the scope of review;

(c) the Administration would also consider the planning directions of other proposed new railway systems with a view to interfacing with Route 11; and

(d) in planning for new transport facilities, the Administration would make reference to the Territorial Population and Employment Data Matrix to project the travel modes of members of the public.

53. Members requested the Administration to set out in detail the scope to be covered in the proposed feasibility study as at April 2018 and the contents should include (but not limited to):

(a) a study on the need and feasibility of the Tsing Yi-Lantau Link, and the details of the study;

(b) in case the results of the study indicated that there was a need to construct Tsing Yi-Lantau Link, the construction timetable of the Link with elaboration on the possibility of simultaneous commissioning of the Link and Route 11;

(c) based on the alignment design of Route 11, the pricing policy for Route 11 and other connecting roads (including Tsing Ma Bridge), including exploring the feasibility and impact of adopting a toll-free policy;
(d) whether a study on the feasibility of the construction of other transport infrastructures (including new railway lines, such as Tsuen Wan - Tuen Mun railway) would be covered; if not, the reasons for that; and

(e) a study on the feasibility of constructing Kung Um Shan Tunnel and opening a spur line from Route 11 to link up Shap Pat Heung with the trunk road of Route 11.

[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC221/17-18(01) on 12 April 2018.]

Alignment design of the proposed Route 11 and the impact on other trunk roads

54. Quoting the contents of the executive summary of the "Technical Study on Developments at Siu Ho Wan and the Associated Transport Infrastructures - Feasibility Study", Mr Jeremy TAM said that the results of the study indicated that Route 11 and Road P1 were inadequate to resolve the traffic congestion problems in North Lantau. Regarding the Administration's claim that the proposed Route 11 project would not increase the traffic load in North Lantau and Tsing Ma Bridge, Mr TAM was of the view that the claim was groundless and self-contradictory.

55. AACT(P) advised that one of the primary objectives of the "Technical Study on Developments at Siu Ho Wan and the Associated Transport Infrastructures - Feasibility Study" was to assess the initial technical feasibility of the proposed developments at Siu Ho Wan and test the impact of land uses with different development potentials on major Lantau-bound roads, in which the planning data by 2041 was adopted. The executive summary pointed out that under the land use option with maximum development potential, it was anticipated that traffic congestion might occur in North Lantau if simply relying on the proposed Route 11 and Road P1 in 2041, but traffic congestion would be relieved if the Tsing Yi-Lantau Link option was taken into consideration. The Administration's projection that the proposed Route 11 would have no traffic implications in North Lantau and around Tsing Ma Bridge was based on an assessment made by taking into account various development parameters as at 2036. In this connection, the Administration would identify feasible options in conducting the feasibility study on Route 11, including conducting a traffic assessment on the need of Tsing Yi-Lantau
Link, so as to meet the traffic demand arising from the developments in NWNT and North Lantau.

56. **Mr Andrew WAN** was of the view that it was necessary for the Administration to provide additional transport infrastructures connecting NWNT and the urban areas to meet the traffic demand brought about by rapid population growth. **Mr WAN** enquired how the proposed alignment design and pricing policy of Route 11 would divert the traffic of the major trunk roads nearby.

57. **AACT(P)** explained that:

   (a) as estimated by the Administration, in 2036, Route 11 could reduce the number of vehicles using several major trunk roads, such as Tuen Mun Road eastbound, Tai Lam Tunnel southbound and Ting Kau Bridge southbound, by 1,000 during morning peak hours;

   (b) Route 11 would link up with two new development areas in Hung Shui Kiu ("HSK") and Yuen Long South ("YLS") to support the traffic demand arising from further developments in the NWNT areas; by then, residents of the two new development areas would not need to commute from and to the urban areas via the existing Route 3; and

   (c) Route 11 would be constructed in parallel with Ting Kau Bridge, which could effectively divert the vehicular flow using Ting Kau Bridge from and to YLS.

58. **Mr Tony TSE** expressed support for the item. **Mr TSE** noted that even though Route 11 was implemented, the volume/capacity ratios of some trunk roads located in NWNT were still higher than 1. **Mr TSE** enquired whether such estimation was satisfactory and about the objectives set by the Administration in this respect.

59. **DSTH(T)**1 replied that it was estimated that upon the implementation of Route 11, the volume/capacity ratios of these trunk roads would drop from 1.2 to 1.1. The Administration considered that if the figure was not higher than 1.2, traffic situation was still manageable. However, upon the implementation of Route 11, the Administration would also take forward other infrastructures in accordance with the results of RMR2030+ Studies with a view to further improving the traffic situation of these trunk roads.
60. Mr AU Nok-hin queried that upon the commissioning of Route 11, a large volume of vehicular flow would ultimately commute from and to the urban areas through the Hong Kong Island West via other links to be built in the future, which would increase the traffic load on the Hong Kong Island. He considered that in planning for Route 11, the Administration should also take into account additional vehicular flow brought about by the commissioning of the Hong Kong-Zhuhai-Macao Bridge ("HZMB") and the traffic implications of Route 11 on Stonecutters Bridge. Mr AU requested the Administration to provide the followings:

(a) the current volume/capacity ratio of Stonecutters Bridge;

(b) the schedules of Tsing Yi Southwest reclamation plan and oil depot relocation plan; whether these plans were relevant to the planning for Tsing Yi-Lantau Link and Route 11 and the details; and

(c) a promise to make public the full report of the proposed feasibility study upon the completion of the study.

[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC221/17-18(01) on 12 April 2018.]

61. AACT(P) advised that the feasibility study would include traffic impact assessment of roads relating to Route 11, including trunk roads that could link up with Route 11 for onward connection to other areas.

62. DSTH(T)1 replied that given that HZMB was a project jointly implemented by three governments (i.e. the governments of Hong Kong, Macao and the Guangdong Province), the Administration could not, without the consent of the other two governments, provide the information contained in the consultancy report on assessment of HZMB's vehicular flow. At the request of Mr AU Nok-hin, the Administration undertook to consult the governments of the Guangdong Province and Macao on whether they would agree that the Hong Kong Government could make public the consultancy report on assessment of HZMB's vehicular flow submitted by the consultant engaged by the three governments. The Administration should report to this Council its discussion with the two governments and the discussion results.

63. Mr CHU Hoi-dick requested the Administration to provide the relevant traffic impact assessment reports or papers when the Administration applied for funding from FC in 2013 to construct Tuen
Mun - Chek Lap Kok Link, including (but not limited to) data about the improvement of journey time and road capacity between NWNT and Lantau as mentioned in the paper of that funding item, so as to assist members in examining the expected effectiveness of the proposed Route 11 in diverting the traffic of other trunk roads.

Need for the construction of Route 11

64. Dr Fernando CHEUNG advised that, according to the contents of the discussion paper, the Administration advised that the new development areas in HSK and YLS would provide quite a number of jobs and he was concerned whether the Administration would overestimate the then demand for external traffic between the region and the urban area from residents who lived in these new development areas. Dr CHEUNG queried whether there was a need to spend such a large amount of money on the construction of Route 11. Dr CHEUNG requested the Administration to provide supplementary information on the number of new population to be brought by future developments in NWNT, the ratio and number of working age population, the labour participation rate and the number of new jobs in the area by then, so as to substantiate the need to plan for the construction of Route 11.

65. DSTH(T)1 advised that even though these new development areas in NWNT could provide employment opportunities, this still could not fully meet the employment, school-related and other traffic demands (such as logistics) of new population in the region. Therefore, the Administration considered that there was a need to implement Route 11 to cope with the external traffic demand between the region and the urban area arising from population intake.

66. CE(TP)/TD supplemented that, besides the two relatively large-scale new development areas in HSK and YLS, the Administration also planned to take forward other development projects in Yuen Long and Tuen Mun, including Area 54 in Tuen Mun, Pat Heung and Wang Chau South in Yuen Long. It was anticipated that these development projects would give rise to an increase in the population of Yuen Long and Tuen Mun by about 200,000; while the newly created jobs were insufficient to absorb all working-age persons among the new population. The Administration undertook to provide the figures requested by Dr Fernando CHEUNG after the meeting.

67. Regarding the Administration' response to the enquiry made by Dr Fernando CHEUNG, Mr CHU Hoi-dick requested the Administration to provide supplementary information to set out a report of the data generated
from traffic flow assessments/studies conducted by the Administration/its consultants based on the aforesaid figures (plus the proposed developments at the Airport, Tung Chung East and HSK) and provided to FC in the papers under this item (if any).

[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC221/17-18(02) on 12 April 2018.]

Transport facilities other than Route 11

68. Dr KWOK Ka-ki was of the view that the purpose of the construction of Route 11 was to prepare for future reclamation of East Lantau Metropolis. Ms Claudia MO also expressed similar concerns. Dr KWOK and Ms Alice MAK suggested that the Administration should consider the construction of a new railway system connecting NWNT and the urban areas with a view to more effectively resolving the demands for traffic facilities and the current traffic congestion problems in NWNT. Ms MAK considered that the railway system should connect Tuen Mun to Tsuen Wan.

69. DSTH(T)1 reiterated the explanation given to members of PWSC, stating that the plan to construct Route 11 was mainly to cope with the traffic demand arising from various large-scale developments in NWNT by 2036 and the traffic demand did not take into consideration the planning and relevant developments of East Lantau Metropolis. She added that the study on the East Lantau Metropolis development plan was still in progress, and in examining the feasibility of the East Lantau Metropolis development plan, the Administration also had to make reference to the then development of the Route 11 project. She supplemented that the Administration would, under RMR2030+ Studies, conduct a study on the development of new railway transport systems connecting NWNT and other areas.

Arrangement of scrutiny of this item

70. At 4:30 pm, the Chairman ordered suspension of the meeting. The meeting resumed at 4:37 pm.

71. At 6:06 pm, the Chairman advised that, together with the discussion time at PWSC meetings, members had spent nearly six hours on the discussion of this item. He considered that most of the members who had spoken expressed support for the item and urged members who wished to
speak to immediately indicate their intention to speak. After all members waiting to speak had spoken, he would end the discussion, deal with members' proposed motions (if any), and then put the item to vote. At 6:16 pm, the Chairman directed that the meeting be extended for 15 minutes.

Motion to adjourn discussion on item FCR(2017-18)65

72. At 6:27 pm, Dr KWOK Ka-ki, when speaking on the item, moved without notice under paragraph 39 of the Finance Committee Procedure that discussion on item FCR(2017-18)65 be adjourned. The Chairman proposed the question and directed that each member might speak once on the motion for not more than three minutes.

73. Dr KWOK Ka-ki spoke on his motion. Dr KWOK was of the view that the Administration's responses to the enquiries raised by members were evasive and ambiguous. Members still had many worries as to whether the implementation of Route 11 would aggravate the traffic congestion problems in the vicinity of the Lantau Link and Tsing Yi and about various other problems that might arise from the implementation of Route 11. The Administration had failed to provide feasible solutions. He considered it evident that the Administration intended to implement the Route 11 project to pave way for the East Lantau Metropolis plan. Hence, he held that FC should adjourn discussion on the item.

74. At the scheduled end time of the meeting, the Chairman advised that there would not be sufficient time to put this item to vote at today's meeting. The Chairman suggested that members speaking on this motion should make good use of their three-minute speaking time to express views on the advantages that would be brought to members of the public by postponing the item to next week.

75. Ms Claudia MO spoke in support of Dr KWOK Ka-ki's motion. She held that the Administration's responses to the enquiries raised by members lacked concrete details and considered that the Administration should make use of the coming week to provide supplementary information and papers in order to address the concerns expressed by members on this item.

76. After Ms Claudia MO had spoken on the motion, the Chairman advised that when he directed earlier that the meeting be extended, his purpose was to allow sufficient time for members to vote on this item. Having considered that it took time for FC to deal with Dr KWOK Ka-ki's
motion, he believed that this item could not be put to vote today. He therefore directed that the meeting should end at this juncture.

77. The meeting ended at 6:36 pm.

Legislative Council Secretariat
9 April 2019