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

**Minutes of the 16th meeting
held in Conference Room 1 of the Legislative Council Complex
on Wednesday, 28 March 2018, at 8:30 am**

Members present:

Ir Dr Hon LO Wai-kwok, SBS, MH, JP (Chairman)
Hon Charles Peter MOK, JP (Deputy Chairman)
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Hon Christopher CHEUNG Wah-fung, SBS, JP

Dr Hon Fernando CHEUNG Chiu-hung
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon Wilson OR Chong-shing, MH
Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LUK Chung-hung
Hon LAU Kwok-fan, MH
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 attending:

Hon Martin LIAO Cheung-kong, SBS, JP

Members absent:

Hon Frankie YICK Chi-ming, SBS, JP
Dr Hon Helena WONG Pik-wan

Public officers attending:

Mr Raistlin LAU Chun, JP Deputy Secretary for Financial Services
and the Treasury (Treasury)³

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| Mr HON Chi-keung, JP | Permanent Secretary for Development (Works) |
| Ms Bernadette LINN, JP | Permanent Secretary for Development (Planning and Lands) |
| Mr Elvis AU Wai-kwong, JP | Deputy Director of Environmental Protection (1) |
| Ms Margaret HSIA Mai-chi | Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works) |
| Mr Francis LEUNG Lap-ki | Principal Assistant Secretary for Development (Works) ⁴ |
| Ms Winnie HO Wing-yin, JP | Deputy Director of Architectural Services |
| Mr Andrew FUNG Chi-fung | Senior Project Manager 123 Architectural Services Department |
| Ms Cynthia LO Siu-han | Departmental Secretary Electrical and Mechanical Services Department |
| Mr Louis KAU Kin-hong | District Planning Officer (Hong Kong) Planning Department |
| Ms Doris HO Pui-ling, JP | Deputy Secretary for Development (Planning and Lands) ¹ |
| Ms Josephine LO Yuk-man | Principal Assistant Secretary for Development (Planning and Lands) ⁵ (Acting) |
| Mr LAM Sai-hung, JP | Director of Civil Engineering and Development |
| Mr LAU Wing-kam | Chief Engineer (West) ¹ West Development Office Civil Engineering and Development Department |

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| Mr Ricky CHONG Kwok-man | Principal Assistant Secretary for Innovation and Technology |
| Ms Annie CHOI Suk-han, JP | Commissioner for Innovation and Technology |
| Mr Ivan LEE Kwok-bun, JP | Deputy Commissioner for Innovation and Technology |
| Ms Maggie CHIN Man-yi | District Planning Officer (Fanling, Sheung Shui and Yuen Long East) Planning Department |

Clerk in attendance:

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| Ms Doris LO | Chief Council Secretary (1)2 |
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Staff in attendance:

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| Mr Raymond CHOW | Senior Council Secretary (1)6 |
| Ms Mandy LI | Council Secretary (1)2 |
| Ms Christina SHIU | Legislative Assistant (1)2 |
| Ms Christy YAU | Legislative Assistant (1)7 |
| Ms Clara LO | Legislative Assistant (1)8 |

Action

The Chairman advised that there were six funding proposals on the agenda for the meeting. The first to third proposals were items carried over from the previous meeting, while the fourth to sixth proposals were new items submitted by the Administration. He 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 proposals. He also drew members' attention to Rule 84 of RoP on voting in case of direct pecuniary interest.

Head 703 – Buildings

PWSC(2017-18)30 794CL The demolition of existing superstructures at Caroline Hill Road site, Causeway Bay

2. The Chairman advised that the proposal, i.e. PWSC(2017-18)30, sought to upgrade 794CL to Category A at an estimated cost of \$52.6 million in money-of-the-day ("MOD") prices for demolition of the existing superstructures at the site situated at the junction of Caroline Hill Road and Leighton Road in Causeway Bay ("the CHR site"). The Subcommittee had commenced deliberation on the proposal at the meeting on 19 March 2018 and continued discussion at the meeting on 21 March 2018.

Cost of the proposed demolition works

3. Mr CHAN Chi-chuen noticed that according to the funding proposal submitted by the Administration to the Subcommittee in July 2017 for the above demolition works (i.e. PWSC(2016-17)47), the total cost of works was \$53 million, including \$5.7 million for provision for price adjustment. Under the current proposal (i.e. PWSC(2017-18)30), the total cost of works was \$52.6 million but the amount of provision for price adjustment had not been specified, and the costs of individual items were higher than the corresponding figures in the 2017 proposal. Mr CHAN requested the Administration to account for the discrepancies.

4. Deputy Secretary for Financial Services and the Treasury (Treasury)3 explained that in its previous funding submissions, the Administration calculated the cost breakdown in constant prices and set out the amount of provision for price adjustment to cover the actual movements in the costs of labour and materials during the contract period, so as to arrive at the MOD total project estimate. In the light of the comments on the presentation of project costs raised earlier by members in this legislative session, the Administration had set out the cost breakdown and the total project cost estimate in MOD prices directly in recent discussion papers. In other words, the difference between MOD prices and constant prices, i.e. the amount of provision for price adjustment, was reflected directly in the cost breakdown and the total project cost. Principal Assistant Secretary for Development (Works)4 ("PAS(W)4/DEVB") supplemented that the total project cost set out in this proposal was lower than the cost estimate under the funding proposal in July 2017 due to changes in price adjustment factors.

5. Mr CHU Hoi-dick was dissatisfied that the Administration tabled the supplementary information paper ([LC Paper No. PWSC157/17-18\(01\)](#) (Chinese version)) setting out the cost required for refurbishing the existing

superstructures at the CHR site only at the meeting, making it difficult for members to compare in advance the cost effectiveness of refurbishing and demolishing the buildings.

Future development planning

6. Mr WU Chi-wai noted that the CHR site was currently zoned "Government, Institution or Community" ("G/IC") and "Other Specified Use", and would provide not more than 170 000 square metres of gross floor area, including 100 000 square metres for commercial development and 70 000 square metres for construction of a Judicial Complex for the District Court ("the Judicial Complex"). Mr WU enquired whether the Administration was required to apply to the Town Planning Board ("TPB") for the portion of the CHR site to be rezoned for commercial development only; if rezoning application was not required for the portion designated for construction of the Judicial Complex, whether the relevant process (e.g. detailed design) could be commenced immediately, so as to facilitate the early completion of the Judicial Complex.

7. District Planning Officer (Hong Kong), Planning Department ("DPO(HK)/PD"), explained that due to the existing maximum building height limit of not more than three storeys for G/IC sites, the Administration was required to apply to TPB for relaxing the building height restriction for construction of the Judicial Complex with an estimated floor area of up to 70 000 square metres to meet the demand for court facilities.

8. Mr WU Chi-wai pointed out that one of the structures at the CHR site proposed for demolition was an 11-storey office building in the ex-Electrical and Mechanical Services Department ("EMSD") Headquarters. He questioned why this building was not subject to the aforesaid height restriction. DPO(HK)/PD explained that under the building height restrictions currently set out in the outline zoning plan ("OZP"), most of the existing superstructures at the CHR site had fewer than three storeys and their redevelopment would also be subject to the building height restriction of three storeys. As for the few remaining structures with more than three storeys, they could be rebuilt to the existing height.

9. At the request of Mr Wu Chi-wai, the Administration would provide information setting out the heights of existing structures at the CHR site and its proposal to relax in future the building height restrictions in writing after the meeting.

(Post-meeting note: The written response provided by the Administration was circulated to members vide [LC Paper No. PWSC178/17-18\(01\)](#) (Chinese version) on 30 April 2018.)

10. Mr CHU Hoi-dick opined that Causeway Bay had already been over-developed. The further development of the CHR site would only aggravate the problem. Mr CHU requested the Administration to respond to his related written questions ([LC Paper No. PWSC157/17-18\(02\)](#) (Chinese version)) as soon as possible. Mr CHU also enquired why and when the building height limit of three storeys for G/IC sites was imposed, and why its relaxation was now proposed for the CHR site.

11. DPO(HK)/PD responded that to address public concern over excessive building heights, the Planning Department ("PlanD") had included building height restrictions under the relevant OZPs since 2008.

12. Mr Michael TIEN enquired whether the Administration would stick to its plan to commence the redevelopment of the CHR site only after demolishing all the superstructures, regardless whether TPB would approve the zoning application or not. PAS(W)4/DEVB confirmed that Mr TIEN's understanding was correct.

13. Mr CHAN Chi-chuen questioned why the superstructures at the CHR site were not demolished shortly after the relocation of EMSD and the Civil Aid Service ("CAS") so as to fully release the development potential of the site. He requested the Administration to provide information setting out the bureaux/departments which had used the old structures at the CHR site after the relocation of EMSD and CAS in 2005-2006, and their respective periods of use.

(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC178/17-18\(01\)](#) (Chinese version) on 30 April 2018.)

14. Dr Fernando CHEUNG enquired when PlanD consulted the relevant government departments (such as the Labour and Welfare Bureau, the Social Welfare Department) on whether the CHR site should be earmarked for provision of social welfare facilities, etc., in future. He considered that if those departments did not request for developing social welfare facilities at the CHR site, they had failed to fulfill their responsibility to meet the keen demand of the needy for social welfare services.

15. DPO(HK)/PD responded that as planning of the future development of the CHR site had been ongoing for a long period of time, PlanD did consult the relevant government departments on whether the site should be earmarked for provision of social welfare facilities, etc. or other uses at different times (including the times before and after July 2017).

16. Mr HUI Chi-fung enquired whether the Administration would, in the light of the request of the local community, incorporate the proposal of using part of the CHR site for provision of social welfare facilities in its plan when consulting the local District Council ("DC") on rezoning and commencing the statutory plan amendment process in the second quarter of 2018. Mr HUI also enquired whether the Administration might preserve some of the existing superstructures at the CHR site for use as community facilities provided that the proposal was endorsed by TPB.

17. DPO(HK)/PD replied that the Administration would consult the local DC on the proposed rezoning of the CHR site in accordance with the established mechanism. It would also examine whether the CHR site had the capacity to accommodate any of the new facilities recommended by DC before submitting the rezoning application to TPB for consideration. Under the current rezoning proposal, community facilities such as minibuses stops and public parking would be provided at the CHR site in the light of the views previously expressed by DC.

18. Mr AU Nok-hin was concerned that many government departments were still operating in leased private properties, while community facilities were in short supply in Causeway Bay. He questioned why the Administration still earmarked a large part of the CHR site for commercial development, instead of construction of government office buildings or community facilities.

19. PAS(W)4/DEVB and DPO(HK)/PD responded that the Administration would take into account competing land use demands when considering the future development of the CHR site. It had proposed to use part of the CHR site for construction of the Judicial Complex. In view of the shortfall of commercial floor area in Hong Kong in future and the proximity of the CHR site to the commercial district of Causeway Bay, the remaining portion of the CHR site would be used for commercial development.

20. Ms Tanya CHAN said that members belonging to the Civic Party supported the proposed demolition works. However, they requested the Administration to retain the current G/IC zoning of the CHR site for relevant use, including the construction of the Judicial Complex and necessary community facilities.

21. Mr CHAN Chi-chuen requested the Administration to provide details of the proposed Judicial Complex, including its scale, building height, layout plan of various facilities, and clarify whether the Administration could start to

construct the Judicial Complex after completion of the proposed demolition works and prior to the commencement of the commercial development at the CHR site.

(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC178/17-18\(01\)](#) (Chinese version) on 30 April 2018.)

22. As the contents of some questions put forward by members touched upon the policy on the future development of the CHR site, the Chairman reminded members that such policy questions should be raised at a relevant Panel or other forums.

Traffic implications of the proposed demolition works and redevelopment of the CHR site

23. Mr Tony TSE was concerned that traffic in Causeway Bay was very congested already. He enquired how the Administration would tackle the traffic pressure facing the vicinity during the proposed demolition works and after the CHR site had been redeveloped. Mr KWONG Chun-yu also sought details of the traffic impact assessment ("TIA") conducted for the development plan of the CHR site, including the time when the latest assessment was conducted, and whether the assessment would take into account that the CHR site would be used for commercial development and construction of the Judicial Complex and examine whether the CHR site was a suitable location for a court building in the light of its accessibility.

24. PAS(W)4/DEVB, Deputy Director of Architectural Services and DPO(HK)/PD replied that the Administration had conducted a TIA for the proposed demolition works. During demolition, an average of 14 to 16 works vehicles were expected to enter and exit the CHR site per day, i.e. about two vehicles per hour, which was a small number. Furthermore, given that the space available for storage at the project site was relative large, the construction waste awaiting disposal could be stored at the project site temporarily if necessary. As such, the Administration considered that the impact of the proposed demolition works on local traffic would be insignificant. Moreover, since the CHR site would be used for commercial development and construction of the Judicial Complex, the Administration was conducting a related TIA, under which the suitability of constructing a court on the site would be examined in the light of its accessibility. The Administration was expected to report the TIA findings to the local DC and TPB in the second quarter of 2018.

[At 8:34 am, the Chairman said that he would allow members who were waiting for their turns to speak and other members who had not raised any questions on the item to raise one question each should they wish to do so. After that, the "question and answer session" would end and the funding proposal would be voted on.]

Voting on PWSC(2017-18)30

25. There being no further questions on the item from members, the Chairman put PWSC(2017-18)30 to vote. At the request of members, the Chairman ordered a division. Seventeen members voted for and four members voted against the proposal. Four members abstained. The votes of individual members were as follows:

For:

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| Mr Charles Peter MOK (Deputy Chairman) | Ms Starry LEE |
| Mr Paul TSE | Mr Michael TIEN |
| Mr YIU Si-wing | Mr CHAN Han-pan |
| Mr LEUNG Che-cheung | Mr Christopher CHEUNG |
| Mr HO Kai-ming | Mr Holden CHOW |
| Mr Wilson OR | Ms Tanya CHAN |
| Mr CHEUNG Kwok-kwan | Mr LUK Chung-hung |
| Mr LAU Kwok-fan | Mr Vincent CHENG |
| Mr Tony TSE | |
| (17 members) | |

Against:

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| Dr Fernando CHEUNG | Mr CHU Hoi-dick |
| Dr CHENG Chung-tai | Mr AU Nok-hin |
| (4 members) | |

Abstain:

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| Mr WU Chi-wai | Mr CHAN Chi-chuen |
| Mr HUI Chi-fung | Mr KWONG Chun-yu |
| (4 members) | |

26. The Chairman declared that the item was endorsed by the Subcommittee. Mr CHU Hoi-dick requested that this item, i.e. PWSC(2017-18)30, be voted on separately at the relevant meeting of the Finance Committee.

Head 707 – New Towns and Urban Area Development

PWSC(2017-18)34 748CL Development of Lok Ma Chau Loop – land decontamination and advance engineering works

760CL Development of Lok Ma Chau Loop – Main Works Package 1

27. The Chairman advised that the proposal, i.e. PWSC(2017-18)34, sought to upgrade 748CL and part of 760CL to Category A at the estimated costs of \$517.6 million and \$268.3 million in MOD prices respectively, for carrying out land decontamination and advance engineering works at the Lok Ma Chau Loop ("the Loop") and engaging consultants to undertake the detailed design and site investigation for the site formation and associated infrastructure works of Phase 1 of the Loop development. The Administration had consulted the Panel on Commerce and Industry on the proposed works on 16 January 2018. Panel members supported in principle the submission of the funding proposal to the Subcommittee for consideration. A gist of the Panel's discussion was tabled at the meeting.

28. The Chairman declared that he was a non-remunerated director of the Board of the Hong Kong Science and Technology Parks Corporation ("HKSTPC").

Benefits brought to Hong Kong by the development of the Innovation and Technology Park at the Loop

29. Dr Fernando CHEUNG questioned the benefits local innovation and technology ("I&T") talents would stand to gain from the development of the Innovation and Technology Park ("the Park") by the Administration at the Loop adjacent to Shenzhen. He was also worried that the green belt area, if rezoned for high-density development, would become another concrete jungle. Dr CHEUNG also enquired whether the Administration would set key performance indicators for the Loop development to assess the effectiveness of the project.

30. Ms Claudia MO and Mr Gary FAN were also concerned that while the investment in the development of the Park at the Loop came from Hong Kong, Shenzhen might benefit most from the project. Ms MO also enquired whether the occupancy rates of the two I&T industry parks in Hong Kong, namely Cyberport and the Hong Kong Science Park ("HKSP"), had reached their maximum capacities.

31. Commissioner for Innovation and Technology ("CIT") replied that the current occupancy rate of Cyberport was 90%, while that of HKSP exceeded

80%. HKSP was undergoing expansion in order to meet the market demand for research and development ("R&D") facilities in the coming years. However, since the expanded facilities of HKSP would reach their capacities eventually, it was necessary for the Administration to build new I&T industry parks at other locations. Therefore, the Hong Kong Special Administrative Region ("HKSAR") Government and the Shenzhen Municipal People's Government had signed the Memorandum of Understanding on Jointly Developing the Lok Ma Chau Loop by Hong Kong and Shenzhen ("the MOU") in January 2017 agreeing to jointly develop the Loop into the Park and setting up a key base for scientific research. Regarding economic benefits, the Administration had made reference to the relevant statistics of HKSP (i.e. a nearly \$20 billion contribution to Hong Kong's economy every year and the creation of around 17 000 jobs) and projected that the Park, with a gross floor area about three times that of HKSP, could contribute about \$60 billion annually to Hong Kong's economy and create around 50 000 jobs.

32. Deputy Secretary for Development (Planning and Lands)1 ("DS(P&L)1/DEVB") supplemented that the plot ratio of the Loop was 1.39 and buildings erected thereon were subject to height restrictions. As such, there would only be low-density development.

33. Mr Gary FAN enquired about the proportion of local and Mainland people who would take up the some 50 000 jobs expected to be created in the Park, and how the figures were worked out. Dr Fernando CHEUNG raised a similar question, and enquired how the some \$60 billion in economic contribution estimated to be created by the Park annually would be shared between Hong Kong and Shenzhen.

34. CIT said that the Administration had worked out the number of jobs to be created by the Park based on the relevant statistics of HKSP. However, the projection did not include the proportion of local and Mainland people taking up those jobs. In fact, technology enterprises focused on the capabilities of job seekers, not where they came from, in recruitment exercises. Neither were these enterprises required to recruit a specified proportion of local and Mainland people. Nonetheless, reference could be made to the five R&D Centres set up by the Government, in which the respective proportions of local, Mainland and overseas R&D personnel were about two-third (i.e. above 60%), 30% and 5%. CIT further said that the economic contribution of about \$60 billion expected to be created by the Park annually would all be retained by Hong Kong.

35. Mr LEUNG Che-cheung said that he supported the Loop development. In view of the long time required to complete the whole Loop development, Mr LEUNG urged the Administration to expedite the

development progress. Mr LEUNG and Mr CHAN Chi-chuen were also concerned whether the scientific research-based planning direction of the Loop development would become obsolete some years later.

36. DS(P&L)1/DEVB responded that the proposed works could commence expeditiously as the land ownership issues at the Loop had been resolved and no land resumption was involved. The Administration expected to make available the first batch of land parcels at the Loop by 2021 for HKSTPC to develop the superstructure of the Park. Moreover, flexibility was provided in the land use planning of the Loop, allowing HKSTPC to allocate flexibly the floor area of the Park for such three purposes as scientific R&D, higher education and cultural and creative purposes.

37. Dr Fernando CHEUNG noted that according to the MOU, HKSTPC had set up a wholly-owned subsidiary company known as Hong Kong-Shenzhen Innovation and Technology Park Limited ("HKSZITPL"), which was responsible for building and managing the superstructure of the Park. The Board of the subsidiary company would comprise directors from both the Hong Kong and Shenzhen sides. Dr CHEUNG was concerned that the management model of the Park would undermine its transparency, as compared with it being managed directly by the HKSAR Government.

38. DS(P&L)1/DEVB and CIT said that according to the MOU, a Joint Task Force comprising the relevant authorities and personnel from the Hong Kong and Shenzhen sides would be formed to study and negotiate major issues arising from the development of the Loop. Moreover, HKSTPC, a statutory corporation wholly-owned by the Government, was required to report its work to LegCo annually. It was also required to give an account of the work of HKSZITPL, its subsidiary company, in its reports in future. The Board of HKSZITPL would comprise 10 directors, including four directors nominated by the Hong Kong side, three by the Shenzhen side, and the remaining three jointly by both sides with most of them from the Hong Kong side.

39. Regarding the land reserves of about 200 hectares for I&T development within New Development Areas ("NDAs") and Industrial Estates, Mr CHU Hoi-dick requested the Administration to provide a full list of these I&T projects setting out their locations, development objectives and latest progress, and whether the Administration would release the land reserves for other development purposes.

(*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC166/17-18\(01\)](#) on 11 April 2018.)

Measures to facilitate innovation and technology development

40. Mr Michael TIEN said that he supported the Loop development in principle. However, he requested the Administration to introduce facilitation measures in the areas of taxation, quarters accommodation and immigration arrangements, so as to attract major technology companies to set up their operations in the Park.

41. Mr WU Chi-wai opined that apart from its efforts to facilitate Mainland companies and talents to establish their presence in the Park, the Administration should also put in place concrete measures to attract overseas technology companies and talents to Hong Kong for development. Ms Claudia MO was worried that the Administration's facilitation measures would only benefit Mainland companies and talents. Ms MO, Dr Fernando CHEUNG and Dr KWOK Ka-ki were also concerned how the Administration would attract local I&T talents to work in the Park, which was remotely located. Mr Jeremy TAM enquired about the arrangements for Mainland I&T talents to work in the Park.

42. CIT replied that the Chief Executive had announced in the 2017 Policy Address that the Government would step up its efforts to develop I&T in eight major areas, one of which was to attract top overseas scientific research institutions to Hong Kong. Moreover, the Financial Secretary had also announced in the 2018-2019 Budget that \$10 billion would be earmarked to support the establishment of two research clusters, so as to attract world class scientific research institutions and technology enterprises to Hong Kong. In the light of the above policies, the Administration would introduce relevant measures to encourage overseas and Mainland research institutions and talents to establish footholds in Hong Kong. Such measures included the proposed additional tax concessions for R&D expenditure incurred by enterprises, and provision of quarters accommodation in the Park by drawing reference from HKSP's experience in developing InnoCell.

43. CIT further said that as the Park was located near Shenzhen, the Administration considered that arrangements could be put in place to facilitate the exit and entry of Mainland people who were required to travel frequently between the two places, such as issuing a multiple entry card allowing express immigration clearances, similar to the Asia Pacific Economic Council Business Travel Card which allowed for multiple entry

visits to any of the participating countries. However, those people were still required to apply for work visas if they worked in the Park.

44. Mr Jeremy TAM enquired whether the Park would provide space for start-ups to develop while attracting world class scientific research institutions to set up their operations there. He also enquired whether the Administration would introduce facilitation measures to enable the companies which were admitted to the Park to register their patents both in Hong Kong and the Mainland.

45. CIT said that for the establishment of a vibrant I&T ecosystem, major technology companies, start-ups and university research institutes would be admitted to the Park in future. HKSZITPL was conducting a study on the business model of the Park. CIT also said that Hong Kong laws, including intellectual property law, would be applied to the Park as it was located in the Loop within the boundary of Hong Kong. As for patent applications, it should be up to the patent-owning companies in the Park to decide the places for which the applications should be submitted.

46. As the contents of some questions put forward by members involved the policy on promotion of I&T, the Chairman reminded members that such policy questions should be raised at a relevant Panel.

Project cost of the Loop development

47. Mr Michael TIEN requested the Administration to provide a rough estimate of the project cost of the entire Loop development. Mr CHAN Chi-chuen was concerned that in future, the Administration would still need to seek substantial funding for the Main Works Package 1 of the Loop development.

48. DS(P&L)1/DEVB and CIT responded that the Loop development project comprised two major parts, namely the site formation and associated infrastructure works, and construction of the superstructure. Based on the Administration's rough estimate, the first part cost more than \$15 billion. As for the second part, it was roughly estimated that, with reference to the total cost of some \$20 billion at the present price level for the three phases of HKSP development, the construction cost of the superstructure of the Park, which had a floor area about three times that of HKSP, was around \$50 billion to \$60 billion. Nonetheless, the actual project cost might vary subject to the design of the superstructure.

49. Dr KWOK Ka-ki opined that given the substantial cost of the Loop development project and that Shenzhen might stand to gain more from

the development of the Park, the Shenzhen side should fund the development project.

50. DS(P&L)1/DEVB said that in weighing the benefits of the Loop development, both the project cost and the potential economic contribution of the Park should be taken into account. Moreover, the differences between Hong Kong and Shenzhen regarding the land ownership of the Loop and other "cross-boundary" land after the training and realignment of Shenzhen River had been resolved under the MOU, which specified that the HKSAR Government possessed the sites including the Loop since 1 July 1997. It was also stated that the Hong Kong side should be responsible for the site formation and associated infrastructural works within the Loop, as well as the cost of works incurred.

51. Ms Claudia MO noted that compensation for those affected by clearance of Government land was included in 748CL. She enquired whether Shenzhen residents were among the parties who could receive compensation.

52. DS(P&L)1/DEVB replied that according to the MOU, neither Hong Kong nor Shenzhen was required to reimburse the other side for any of the land resumption compensation, which had been paid respectively by both sides for the said "cross-boundary" land.

53. Mr LUK Chung-hung noticed that the project cost of 748CL was \$517.6 million, including \$7.6 million for consultants' fees, while the project cost of 760CL (part) was \$268.3 million, including \$206.6 million for consultants' fees. Mr LUK enquired why there was such a vast difference between the proportions of consultants' fees in the respective total project costs.

54. DS(P&L)1/DEVB explained that 748CL was about land decontamination and advance engineering works, for which the engineering consultant assumed the role of project manager only. For 760CL (part), the works involved detailed design and site investigation for Phase 1 of the Loop development, which would be mainly undertaken by the engineering consultant. As such, the consultants' fees made up different proportions in the respective total project costs.

55. Mr Tony TSE said that he supported the Loop development. He enquired whether the consultants' fees for 760CL (part) would cover the engagement of an independent consultant to evaluate if the project cost of Phase 1 of the Loop development was reasonable.

56. Director of Civil Engineering and Development ("DCED") responded that the consultants' fees of 760CL (part) were for engaging an engineering consultant to carry out the detailed design for various works items (including site formation, road works and infrastructural works, etc.) under Phase 1 of the Loop development. The engineering consultant was required to put forward different design options for the Administration's consideration. The project team comprised quantity surveyors who would work out cost estimates for various design options.

Traffic implications of the proposed works

57. Mr LUK Chung-hung was concerned whether the works vehicles which relied solely on Ha Wan Tsuen East Road to access the project site when the proposed works were in progress would bring additional traffic load to Ha Wan Tsuen East Road, and whether the Administration would carry out improvement works on the road. Mr LEUNG Che-cheung expressed concern about the fact that some of the construction waste generated by the proposed works had to be transported to other locations for disposal would not only exert pressure on the traffic conditions in the vicinity, but also affect the operation of the container freight industry in the area.

58. DS(P&L)1/DEVB and DCED replied that during the proposed works, works vehicles had to enter and exit the project site via Ha Wan Tsuen East Road and Lok Ma Chau Road. Some of these vehicles would transport 7.5% of the 734 100 tonnes of construction waste generated by the advance engineering works to other locations for disposal. According to the traffic impact assessment ("TIA") conducted by the Administration, the traffic impact of the advance engineering works on the area would be insignificant. Nevertheless, the Administration would carry out minor improvement works on Ha Wan Tsuen East Road, build temporary noise barriers and implement miscellaneous road works along Lok Ma Chau Road, so as to mitigate the impacts of the Main Works Package 1. Moreover, findings of the TIA conducted for the Loop development indicated that both Ha Wan Tsuen East Road and Lok Ma Chau Road had to be widened in order to cope with the additional traffic volume arising from Phase 1 of the Loop development.

Transport linkage between the Loop and the surrounding areas

59. Mr WU Chi-wai noticed that the Administration planned to build a direct link road to the Loop from MTR Lok Ma Chau Station. Mr WU opined that a road-based transport linkage would aggravate the traffic conditions in the area. He urged the Administration to consider instead building a mass transit system (e.g. automated people mover, light rail) to link MTR Lok Ma Chau Station with the Loop.

60. DS(P&L)1/DEVB responded that the Main Works Package 1 comprised the detail design of the aforesaid link road. During the design stage, the engineering consultant would explore whether the link road should be developed in a road-based approach or a mass transit system model.

61. Mr CHAN Chi-chuen suggested that to facilitate access of local personnel to the Park via MTR Lok Ma Chau Station, the Administration might consider requiring MTR Corporation Limited to charge passengers fares of the domestic section if they travelled to Lok Ma Chau without crossing the boundary while fares of the cross-boundary section would only apply to passengers crossing the boundary. Mr CHAN also enquired whether the proposed direct link road between Lok Ma Chau Station and the Loop would be provided with walkways, the construction cost and length of the link road, and the time required for Mainland personnel to reach the Loop by the direct link road after crossing the boundary at Futian Port, Shenzhen.

62. DS(P&L)1/DEVB said that the proposed link road between Lok Ma Chau Station and the Loop would provide convenient access to the Park for both Hong Kong and Shenzhen personnel.

63. Mr LAU Kwok-fan noticed that under the current plan, the Loop would rely mainly on MTR Lok Ma Chau Station and roads (e.g. Ha Wan Tsuen East Road) to its west for transport connection with the surrounding areas. However, Mr LAU pointed out that the Loop was not far from Kwu Tung North NDA and the proposed MTR Kwu Tung Station to its east. He therefore urged the Administration to improve the road and railway connections to the east of the Loop, so as to enhance the connectivity of the Loop with the surrounding areas. The implementation progress of the Loop development should also dovetail with the development projects of the Kwu Tung North and Fanling North NDAs.

64. DS(P&L)1/DEVB replied that under Phase 1 of the Loop development, the Administration would build the Western Connection Road to the west of the Loop to improve its external connectivity. Since the Loop was close to the Kwu Tung North NDA, the Administration would consider building the Eastern Connection Road to the east of the Loop to link up with the Kwu Tung North NDA should there be Phase 2 of the Loop development in future. Moreover, the ancillary transport facilities of the Loop would be further improved following the implementation of the proposed New Territories North Development and the Kwu Tung North NDA nearby.

65. Mr LAU Kwok-fan opined that the Administration should build the Eastern Connection Road with or without Phase 2 of the Loop development.

66. Mr CHU Hoi-dick noted that in the Planning and Engineering Study on Development of Lok Ma Chau Loop, the Administration had proposed to build a link with Shenzhen to the north of the Loop. He enquired whether the Administration would consider the proposed northern link in the context of its study on the Eastern Connection Road of the Loop in future.

67. DCED said that during the implementation of the proposed works, the engineering consultant would carry out detailed design of the road works of the Loop under the Main Works Package 1. The proposed northern link would only be considered at a later stage.

68. At the further request of Mr CHU Hoi-dick, the Administration would provide supplementary information on whether Shenzhen Metro had reserved area at Fulin Station for future connection with the Park.

(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC166/17-18\(01\)](#) on 11 April 2018.)

Environmental implications

69. Mr LEUNG Che-cheung enquired why the Administration had to establish an Ecological Area ("EA") within the Loop. Mr Tony TSE asked the Administration to brief members on the features of the EA, and explain whether the future development of the Loop would have any impacts on the EA.

70. Mr AU Nok-hin was concerned how to strike a balance if the Administration would carry out contamination works with ecological impact on the one hand while establishing the EA to protect the habitat in the Loop on the other. Ms Claudia MO enquired how the treated sludge in the Loop would be disposed of, and whether there would still be residual pollutants in the Loop after completion of the proposed land decontamination works.

71. DS(P&L)1/DEVB replied that the Loop was located in an ecologically sensitive area, and was also close to the Mai Po Nature Reserve. As required by the environmental impact assessment ("EIA") report, the Administration should establish an EA of about 12.8 hectares comprising reed marsh and marsh habitat for reed marsh compensation prior to the complete clearance of the affected reed marsh within the Loop. The

Administration had therefore included the works of establishing the EA under the scope of the proposed works.

72. DS(P&L)1/DEVB and DCED further said that according to the land contamination assessment conducted by the Administration, land contamination within the Loop was not serious. It was also confirmed that the arsenic-contaminated soil necessitating treatment was limited to five local spots, with a total quantity of about 57 000 cubic metres. Decontamination treatment of the contaminated soil would be carried out by solidification/stabilization method. The remediated soil would be backfilled within the Loop. The study conducted by the Administration also indicated that there would not be any residual pollutants in the Loop after completion of the proposed land decontamination works.

73. At the further request of Mr AU Nok-hin, the Administration would provide supplementary information on the land decontamination method that would be applied at the Loop and the cost incurred.

(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC166/17-18\(01\)](#) on 11 April 2018.)

74. Referring to earlier media reports on illegal pond filling in Hong Kong, Mr KWONG Chun-yu criticized the Administration for failing to take corresponding enforcement action. Mr KWONG requested the Administration to provide information on the illegal pond-filling activities near the Loop and the progress of the enforcement actions taken by the Administration against cases of unlawful acts. He also urged the Administration to ensure that illegal pond-filling activities would not cause harm to the environment of the Loop and its surrounding areas.

75. District Planning Officer (Fanling, Sheung Shui and Yuen Long East), Planning Department, responded that there were illegal pond-filling activities near the Loop. The relevant government departments had taken enforcement actions against cases of illegal acts. The Administration undertook to provide the information requested by Mr KWONG after the meeting.

(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC166/17-18\(01\)](#) on 11 April 2018.)

76. Mr CHU Hoi-dick said that according to the discussion paper, the advance engineering works would generate a total of 734 100 tonnes of construction waste, of which 92.5% would be reused on the site, 0.7% would

be transported to public fill reception facilities for subsequent reuse, and the remaining 6.8% would be disposed of at landfills. Mr CHU requested the Administration to explain how the public could monitor whether the construction waste generated by public works project was disposed of properly. Mr CHU also suggested that the Civil Engineering and Development Department ("CEDD") should publish on its website the amount of construction waste being transported to public fill reception facilities and landfills on a daily basis to facilitate public monitoring.

77. DCED replied that the Public Fill Committee was set up by CEDD to supervise at a high level the disposal of construction waste by contractors. The Government also released information on construction waste disposal on a regular basis. He undertook that CEDD would consider Mr CHU's suggestion.

[At 10:25 am, the Chairman asked members if they agreed to extend the meeting for 15 minutes. Members present agreed. The Chairman directed that the meeting be extended for 15 minutes to 10:45 am.]

[At 10:42 am, the Chairman asked members if they agreed to further extend the meeting beyond 10:45 am for Dr Fernando CHEUNG to finish asking his questions. Members present agreed.]

78. The Chairman said that the Subcommittee would continue to discuss this item at the next meeting. The meeting ended at 10:48 am.