

立法會
Legislative Council

LC Paper No. PWSC198/17-18

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Ref : CB1/F/2/1(20)B

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

**Minutes of the 19th meeting
held in Conference Room 1 of the Legislative Council Complex
on Tuesday, 17 April 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 Tommy CHEUNG Yu-yan, GBS, JP

Hon Starry LEE Wai-king, SBS, JP

Hon CHAN Hak-kan, BBS, JP

Hon Paul TSE Wai-chun, JP

Hon Claudia MO

Hon Michael TIEN Puk-sun, BBS, JP

Hon Frankie YICK Chi-ming, SBS, JP

Hon WU Chi-wai, MH

Hon YIU Si-wing, BBS

Hon MA Fung-kwok, SBS, JP

Hon CHAN Chi-chuen

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 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 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 Vincent CHENG Wing-shun, MH
Hon Tony TSE Wai-chuen, BBS

Members absent:

Hon Abraham SHEK Lai-him, GBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon CHAN Han-pan, JP
Dr Hon Helena WONG Pik-wan
Hon Andrew WAN Siu-kin
Hon CHEUNG Kwok-kwan, JP
Hon Gary FAN Kwok-wai
Hon AU Nok-hin

Public officers attending:

Mr Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) ³
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)
Dr Christine CHOI Yuk-lin, JP	Under Secretary for Education
Mrs Elina CHAN	Principal Assistant Secretary for Education (Infrastructure and Research Support)
Mr Allen LEUNG Kin-tak	Chief Technical Adviser (Subvented Projects) Architectural Services Department
Dr Raymond SO Wai-man, BBS, JP	Under Secretary for Transport and Housing
Mr Kenneth LEUNG Tak-yan	Chief Civil Engineer (Public Works Programme) Transport and Housing Bureau
Mr LEE Wai-ping	Chief Highway Engineer (New Territories West) Highways Department
Mr TSE Ming-yip	Senior District Engineer (General)1 Highways Department
Mr John TAM Tak-cheong	Chief Architect (1) (Acting) Housing Department
Mr IP Shing-tim	Chief Civil Engineer (2) Housing Department
Mr Jack CHAN Jick-chi, JP	Under Secretary for Home Affairs
Mr Sammy LEUNG Ka-lok	Principal Assistant Secretary (Civic Affairs)1 for Home Affairs

Attendance by invitation:

Mr James CHAN Yum-min	Chief Executive Officer Po Leung Kuk
Mrs Bridget YU CHAN Wai-ping	Principal Social Services Secretary (Family, Child Care, Children and Youth) Po Leung Kuk
Mr Eddie LEUNG Yu-cheung	Head of Property and Works Po Leung Kuk
Ms Esther CHOW Yuen-sai	Director P&T Architects and Engineers Ltd.

Clerk in attendance:

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

Ms Mandy LI	Council Secretary (1)2
Ms Anki NG	Council Secretary (1)6
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 three funding proposals on the agenda for the meeting, all of which were new proposals submitted by the Government. 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 708 – Capital Subventions and Major Systems and Equipment
PWSC(2018-19)1 12EE Redevelopment of Island School at 20
Borrett Road, Mid-Levels**

2. The Chairman advised that the proposal set out in PWSC(2018-19)1 sought to upgrade 12EE to Category A as the capital grant from the Government estimated to be \$536.3 million in money-of-the-day ("MOD") prices for the in-situ redevelopment of the Island School ("IS"). The Government consulted the Panel on Education on the proposed project on 5 January 2018. Panel members supported the submission of the funding proposal to the Subcommittee for consideration. A report on the gist of the Panel's discussion was tabled for members' information.

Background and amount of government funding for redevelopment of the Island School

3. Mr CHU Hoi-dick enquired about the reasons for the Government to fund the redevelopment of IS, a private international school under the English Schools Foundation ("ESF"). According to his understanding, the Government and ESF had entered into an agreement in 2013 on the phasing-out of the Government's annual recurrent subvention to ESF. He sought details of the agreement.

4. Under Secretary for Education ("USED") said that under the 2013 agreement between the Government and ESF, the Government's recurrent subvention to ESF would be phased out progressively in 13 years at an average amount of \$19.2 million per year starting from the 2016-2017 school year. The application for the in-situ redevelopment of IS would be the last school construction projects of ESF to receive capital grant from the Government, for which a capital grant equaled to 100% of the cost for constructing a standard-design public sector secondary school for the same student population would be provided.

5. Mr CHU Hoi-dick requested the Government to provide a written response as to whether it was allowed to provide members with a copy of the full text of the 2013 agreement between the Government and ESF on the progressive withdrawal of government subvention; if so, such copy of agreement should be provided.

6. USED said that in the paper provided for the meeting of the Panel on Education on 9 July 2013 ([LC Paper No. CB\(4\)852/12-13\(03\)](#)), the Government had set out clearly the contents and details of the agreement with ESF. The Government had to ascertain whether a copy of the full text of the agreement could be released to members.

(*Post-meeting note:* The supplementary information provided by the Government was circulated to members vide [LC Paper No. PWSC186/17-18\(01\)](#) on 7 May 2018.)

7. Mr LUK Chung-hung expressed concern that the provision of capital grant by the Government for ESF's school redevelopment projects might be unfair to other private international schools. He enquired whether the Government had provided other subventions to ESF apart from the grant for school construction; in view of the high tuition fees collected by ESF international schools, whether the Government had put in place mechanisms (e.g. reserving a specified number of places) to ensure that grass-root students might also be admitted to schools which were built with government subvention.

8. USED said that after processing the application for the in-situ redevelopment of IS, the government policy regarding financial assistance to ESF's school construction projects would be aligned with that for other international schools, under which the Government would provide an interest-free loan with 10-year repayment period for construction of schools on greenfield sites subject to the approval of the Finance Committee ("FC"). On the other hand, service agreements ("SAs") were entered into between the Government and these international schools to ensure the teaching quality of the latter. In case of breach of SAs by schools, the Government might recoup its financial assistance. Regarding the support for grass-root students, the Government required international schools being allocated vacant school premises or greenfield sites by the Education Bureau for school development to set aside at least 10% of their school fee incomes for the establishment of scholarships to support needy students.

Cost and facilities of the proposed new school premises

9. Mr Jeremy TAM pointed out that according to [LC Paper No. CB\(4\)852/12-13\(03\)](#), the capital grant required for redevelopment of IS as estimated by the Government at that time (i.e. 2013) was in the region of \$270 million only, which was about one year's subvention for ESF. He enquired why the current estimate had increased to \$536.3 million. Mr CHU Hoi-dick also pointed out that during its consultation with the Central and Western District Council ("DC") on the redevelopment project of IS in 2017, the Government had advised that the capital grant to be provided by the Government was estimated to be around \$430 million. He also enquired about the reason for the variation. Mr CHU also pointed out that the cost estimate of a project involving the construction of a primary school on Tonkin Street, Cheung Sha Wan approved earlier by LegCo was

\$340 million only. He further enquired about the reason for the difference in the construction costs between the two schools, and whether it was simply attributed to the difference in the costs required for building a secondary and a primary school.

10. USED said that the 2013 estimate mentioned above was the Government's preliminary projection which was based on the assumption that the ground conditions of the school site were not complicated and were not subject to any special constraints. Taking into account the variation trend of construction costs, the estimate in the region of \$430 million in 2017 prices was currently revised to around \$530 million in MOD prices. USED further said that the construction cost estimate of schools was normally based on student population and the number of classes. The differences between secondary and primary schools were not the sole factor. The primary school on Tonkin Street for which the construction works were approved earlier had 30 classrooms/classes, while IS, which was proposed for redevelopment, would have 42 classrooms/classes and a student population of about 1 200. Moreover, the construction cost of a school was also subject to factors such as the number of floors and the topography of the site.

11. Mr CHU Hoi-dick noted that IS should bear the cost of other non-standard facilities of the redeveloped school premises. He enquired about the items included as non-standard facilities and the relevant costs. USED said that ESF would fully bear the professional consultancy fee and related cost, as well as the costs for those extra and non-standard facilities, which amounted to \$681.5 million in MOD prices. Together with the contribution of \$536.3 million from the Government, the total project cost was \$1,217.8 million. Chief Technical Adviser (Subvented Projects), Architectural Services Department supplemented that Enclosure 1 to [PWSC\(2018-19\)1](#) had set out (A) a comparison of the proposed facilities for IS with those of a standard-design public sector secondary school; and (B) other non-standard facilities of IS respectively. The provision of non-standard facilities varied depending on the demands of different schools.

12. Mr CHU Hoi-dick noted that ESF had attempted to look for suitable sites or vacant school premises on Hong Kong Island for re-provisioning of IS but failed. He enquired about the attempts made by ESF and the reasons for failing to find a suitable site. USED said that as there were neither suitable sites for construction of new school premises nor vacant school premises for re-provisioning of IS on Hong Kong Island, in-situ redevelopment was the only feasible alternative.

Expediting the construction of the new school premises of Island School

13. Dr KWOK Ka-ki said that he supported the proposed project. He declared that his son had attended IS. Dr KWOK said that the continuous ageing of the premises of IS had posed danger to staff and students. According to the project schedule, the new school premises would only be completed in a few years' time. He enquired whether the project could be expedited. USED replied that ESF planned to commence the works in the second quarter of 2018 and for completion in the first quarter of 2022. Staff and students could move into the new premises in the 2021-2022 school year should works be completed on schedule.

Implications on the surrounding environment and students

14. Dr CHENG Chung-tai and Mr Vincent CHENG were concerned about the implications on the surrounding environment during construction. Dr CHENG Chung-tai asked about the views and suggestions raised by the Central and Western DC on the in-situ redevelopment of IS (e.g. measures on community inclusion and green surroundings), and whether such suggestions were incorporated in the redevelopment plan. He was also concerned whether there would be any impact on attending lessons by IS students during the redevelopment project.

15. USED said that the project was not a designated project under the Environmental Impact Assessment Ordinance (Cap. 499). Regarding green surroundings, greening features were incorporated in the IS redevelopment plan after receiving the views of the Central and Western DC. These included the planting of 87 trees, 17 000 shrubs, 11 000 groundcovers, and 3 000 square metres of hydroseeding area. On community inclusion, the height of the new school premises (an eight-storey building including two levels of basement and an underground parking area) would correspond to the local topography while not disturbing the surrounding landscape. To facilitate the redevelopment works, IS had been temporarily relocated to two vacant school premises in Sha Tin pending the completion of the proposed redevelopment project.

Traffic conditions and facilities surrounding the new school premises

16. Mr Vincent CHENG said that he supported the proposed project. He was concerned about the traffic impacts on the vicinity during construction. Given that many dump trucks, etc. would access the location during construction and the roads in the vicinity of Borret Road were relatively narrow, he enquired whether special traffic measures would be introduced during construction, such as imposing a limit on the number of vehicles

entering and leaving the area within certain periods of time. USED said that the contract between ESF and the contractor would impose stringent traffic control during construction. She pointed out that the two entrances/exits of the school premises were located on Borret Road and Kennedy Road respectively. The Transport Department had imposed traffic control on Kennedy Road and would exercise vehicle control during construction through the approval of relevant permit applications.

17. Dr KWOK Ka-ki pointed out that major residential projects were underway near the new school premises. He was concerned whether the projects would pose danger to staff and students when accessing the new school premises, and whether the Government would introduce measures to improve the traffic conditions in the vicinity in future. USED said that the Government had all along been encouraging students to take school bus or public transport. On completion of the new school premises, the number of school bus parking spaces and laybys for public buses and mini-buses would be increased and that of private car parking spaces would be decreased, so as to alleviate congested traffic when students were attending and leaving the school premises.

Opening up the new school premises for public use

18. Dr KWOK Ka-ki opined out that the Government should optimize the use of school premises. He enquired whether the Education Bureau had implemented any policy to encourage schools to let their premises for use by non-governmental organizations at concessionary rents. USED said that the Government encouraged schools to provide their premises for shared-use with the community as long as it would not affect students attending classes. She pointed out that IS had opened up its premises for use by charitable organizations free of charge under normal circumstances. When hiring out its premises for use by other organizations, IS would levy charges with reference to the Guidelines for Levying Charges for Hire of Accommodation in Aided Schools.

19. At the request of Dr KWOK Ka-ki, the Government would request ESF to provide supplementary information on the statistics of opening up IS's facilities for use by community groups and non-profit-making organizations in recent years (including hire for free and hire with charges cases).

(Post-meeting note: The supplementary information provided by the Government was circulated to members vide [LC Paper No. PWSC186/17-18\(01\)](#) on 7 May 2018.)

20. There being no further questions on the item from members, the Chairman put the item to vote.

21. The item was voted on and endorsed. The Chairman consulted members on whether the item would require separate voting at the relevant FC meeting. No member made such a request.

Head 711 – Housing

PWSC(2018-19)2 189TB Extension of footbridge and cycle parking area at Choi Yuen Road, Sheung Shui

22. The Chairman advised that the proposal set out in PWSC(2018-19)2 sought to upgrade 189TB to Category A at an estimated cost of \$102.7 million in MOD prices for the extension of footbridge, the improvement of cycle parking facilities and the associated works at Choi Yuen Road, Sheung Shui. The Government consulted the Panel on Housing on the proposed works on 6 November 2017. Panel members supported the submission of the funding proposal to the Subcommittee for consideration. A report on the gist of the Panel's discussion was tabled for members' information.

Management measures and parking facilities for bicycles

23. Mr Jeremy TAM noted that the proposed works comprised extending the cycle parking area near the existing footbridge system at Choi Yuen Road, Sheung Shui from about 830 square metres to about 1 345 square metres and increasing the number of cycle parking spaces thereat from 330 to 750. He enquired whether the cycle parking area would be open for use by "shared bicycles". He also criticized the Government for its failure to properly regulate shared bicycles, resulting in public cycle parking spaces being often occupied by shared bicycles and indiscriminate parking. Relevant departments shirked their responsibilities without taking any effective law enforcement actions. Mr TAM enquired about the Government's measures on the regulation of shared bicycles and suggested that it should consider formulating a comprehensive regulatory policy which included, among other things, a licensing regime for bicycle sharing, specified parking locations for shared bicycles, installation of parking meters for parking fee computation and introduction of a bicycle location system.

24. Dr KWOK Ka-ki said that he supported the proposed project. However, he shared Mr Jeremy TAM's concern about the regulation of shared

bicycles and enquired about the departments responsible for law enforcement in tackling problems such as illegal parking of shared bicycles.

25. Under Secretary for Transport and Housing ("USTH") replied that the Government welcomed the introduction of different types of bicycle services by various stakeholders in a lawful manner. Shared bicycle users were allowed to use public cycle parking spaces as long as they complied with the relevant legislation and regulations. The Government was aware that some bicycle rental services were being operated under the name of bicycle sharing. The relevant departments, including the District Offices under the Home Affairs Department, the Lands Department, the Hong Kong Police Force, the Transport Department, and the Food and Environmental Hygiene Department would carry out joint operations and take stringent law enforcement measures against unlawful business operations.

26. Mr LAM Cheuk-ting said that he supported the proposed project. He referred to the banners posted by the Government recently at some black spots of illegal parking of bicycles near MTR East Rail Line stations, making it clear that bicycles could be cleared or confiscated without notice. As compared with posting notices for clearance and confiscation on illegally parked bicycles and taking action only 24 hours later, he considered that the new practice would have a stronger deterrent effect. He hoped that the Government would adopt the same practice at the black spots of illegal parking of bicycles across the territory and review the situation of illegal parking of bicycles in various districts to prevent serious accidents arising from such bicycle-parking. USTH said that the Government would explore implementation of the above practice on a trial basis at black spots of illegal parking of bicycles across the territory and step up efforts to combat illegal parking of bicycles.

27. Mr WU Chi-wai opined that the Government should look into the problem of illegal parking or indiscriminate disposal of bicycles. He urged the Government to review the overall bicycle policy expeditiously, and explore ways to improve cyclist behaviour at the same time. Mr Charles Peter MOK held similar views and opined that enhancing law enforcement actions alone might not be able to solve the problems. Both Mr MOK and Mr WU urged the Government to consider enacting or amending existing legislation to impose further regulation.

28. USTH replied that the emerging bicycle-sharing service indeed posed enforcement and management challenges to the Government. That said, the Government had been following-up on issues related to bicycle management. Although a specific timetable on the review of the relevant policies or legislation had not yet been drawn up at this stage, the Government would

provide LegCo with updates in due course. He also said that bicycle management policy was a controversial subject that warranted careful consideration.

29. Dr KWOK Ka-ki and Mr WU Chi-wai requested the Government to provide supplementary information on (a) the existing measures to address the problem of public cycle parking spaces being occupied by shared bicycles and abandoned bicycles, and to combat illegal parking of bicycles; and (b) whether the Government had plans to review the existing bicycle management measures and enact/amend the relevant legislation to step up the regulation of bicycle-sharing service; if so, the details of the review (including the preliminary timetable).

30. The Chairman concurred that there was an urgent need for the Government to address the regulatory issues arising from shared bicycles, especially illegal parking. He called on the Government to take note of members' concerns and provide supplementary information at members' request. However, since bicycle management measures and policies were broader policy issues, the Chairman suggested members should follow up on the matters at the relevant Panel separately.

(Post-meeting note: The supplementary information provided by the Government was circulated to members vide [LC Paper No. PWSC189/17-18\(01\)](#) (Chinese version) on 9 May 2018.)

31. Mr WU Chi-wai opined that the Government should apply a multi-purpose concept in designing the proposed cycle parking area, so as to better utilize the extended space. Although it might be difficult to make major design alterations to the proposed project at this stage, the optimal use of space should be a key consideration in planning future projects of the Development Bureau. Mr WU also opined that the Government should explore ways to connect the cycle parking area with other nearby facilities to facilitate pedestrian flow and alleviate road congestion in the vicinity.

32. The Chairman cited examples from Japan in which different designs were adopted to optimize the use of space for parking of bicycles. Support facilities were installed in some underground bicycle parking venues to facilitate the drop-off and pick-up of bicycles, and purpose-built bicycle racks were provided at some at-grade bicycle parking venues for bicycles to be parked side by side at staggered handlebar heights so as to maximize the use of space in parking the bicycles. He enquired whether the Government would enhance the design of the bicycle parking racks at the proposed cycle parking area so that more bicycles could be accommodated in a designated area. The Chairman also said that he could provide the Government with

photos of the bicycle parking racks used in Japan after the meeting for consideration.

33. USTH said that the Government subscribed to the principle of optimal use of space. For the cycle parking area proposed for extension, the Government had compared the designs of double-deck and spiral bicycle parking racks and considered that although the two types of parking racks could accommodate similar numbers of bicycles, spiral racks were considered more desirable given the long and narrow layout of the site at Choi Yuen Road. He further said that the Civil Engineering and Development Department was conducting a study on underground bicycle parking systems, while the Transport Department was also updating its Transport Planning and Design Manual. In order to address the shortage of bicycle parking spaces, the Government also sought to improve the design of bicycle racks in different districts recently, including the use of double-deck and "height-staggered" racks to increase the number of bicycle parking spaces.

Reasons for not connecting the proposed extended footbridge to MTR Sheung Shui Station

34. Mr LAM Cheuk-ting said that he was a member of the North DC. Mr LAM noted that new housing estates would be built near the proposed extended footbridge. However, as there was a large number of Mainland visitors using MTR Sheung Shui Station every day, the station had already been overloaded with people and goods. In this connection, he enquired whether the proposed footbridge would be connected to Sheung Shui Station and whether the Government had plans to expand the station to cope with the additional pedestrian flow.

35. USTH said that the proposed footbridge system could not be connected to Sheung Shui Station due to geographical constraints. The Government was aware that Sheung Shui Station had been overloaded with people, and it had conducted a study on the situation. Mr LAM Cheuk-ting requested the Government to provide relevant data on passenger flow and the study findings. USTH said that the relevant information would be provided after the meeting.

(Post-meeting note: The supplementary information provided by the Government was circulated to members vide [LC Paper No. PWSC189/17-18\(01\)](#) (Chinese version) on 9 May 2018.)

36. Mr CHAN Chi-chuen said that he supported the proposed project. He enquired about the reason why the proposed footbridge system could not

be connected to Sheung Shui Station. According to the supplementary information paper provided by the Government for the Panel on Housing in January 2018 ([LC Paper No. CB\(1\)437/17-18\(01\)](#)), site constraints and the safety and risk considerations of underground public utilities were among the factors to be considered if the footbridge system was to be connected to Sheung Shui Station. That included the fact that the piers of the extended footbridge would fall within the Reserve Area of Dongjiang water mains, and the presence of power cables of CLP Power Hong Kong Ltd. ("CLP") underneath. However, he learnt that two existing footbridges had straddled the Waterworks Reserve Area. He enquired when the relevant Reserve Area of Dongjiang water mains was delineated and whether the Dongjiang water mains at the location was built earlier than Sheung Shui Station. He also enquired whether the North DC understood and accepted those constraints and supported the proposed project.

37. Chief Civil Engineer (2), Housing Department, replied that information on the delineation of the Waterworks Reserve Area by the Water Supplies Department was not readily available. Should the footbridge be connected to Sheung Shui Station, the extended portion would lie above the Dongjiang water mains. Moreover, given the presence of several high voltage CLP electric cables on the left and a three-cell box culvert of the Drainage Services Department on the right, there was no room for erection of piers for the footbridge. The Government therefore considered it technically infeasible to connect the footbridge proposed to be extended to Sheung Shui Station. He also said that the Government had consulted the North DC on the proposed works and explained how the aforesaid constraints had made it impossible to connect the footbridge to Sheung Shui Station. The proposed works had the support of the DC.

Beautifying the footbridge design

38. Dr Junius HO said that he supported the proposed project. Citing the example of a pedestrian tunnel connection system near Munich Re Group, Germany, which had been beautified, he opined that beautifying the design of the project design could enhance pedestrian comfort. He also suggested that the Government should invite design students of tertiary institutions to participate in the design of the beautification works for the proposed footbridge system, including widening the footbridge and enhancing its illumination. He opined that it was still worthwhile even if the beautification works would lead to a slight increase in project cost. The Chairman noted that the project also comprised greening features for the surroundings. USTH replied that the Government was taking forward the "Walk in HK" programme, with enhancement of footbridge users' comfort as

one of its key initiatives. Beautification works for footbridges were in line with the Government's policy objectives.

39. There being no further questions on the item from members, the Chairman put the item to vote.

40. The item was voted on and endorsed. The Chairman consulted members on whether the item would require separate voting at the relevant FC meeting. No member made such a request.

Head 708 – Capital Subventions and Major Systems and Equipment
PWSC(2018-19)3 44QJ Youth Hostel Scheme – construction
works by Po Leung Kuk for the youth
hostel project in Ma Tin Pok, Yuen Long

41. The Chairman advised that PWSC(2018-19)3 sought to upgrade the remaining part of 44QJ to Category A at an estimated cost of \$1,444.7 million in MOD prices to carry out the construction works for the youth hostel project of Po Leung Kuk ("PLK") in Ma Tin Pok, Yuen Long. The Government consulted the Panel on Home Affairs on the proposed works on 22 January 2018. Panel members did not object to submitting the funding proposal to the Subcommittee for consideration. A report on the gist of the Panel's discussion was tabled for members' information.

Construction progress of the proposed youth hostel

42. Both Mr Vincent CHENG and Mr Wilson OR expressed their support for the proposed youth hostel project and were keen to have the project commenced and completed as soon as possible to provide young people with temporary accommodation. Noting that the Government had conducted public consultation on the project in July 2015 but the construction works were expected to complete in the third quarter of 2021, Mr OR considered the progress slow and enquired whether the project could be expedited. Under Secretary for Home Affairs ("USHA") said that the Government was also keen to commence and complete the project early. The Government would make efforts to expedite the project in accordance with the procedures, and would explore ways to speed up the project work progress after the meeting.

Design and facilities of the proposed youth hostel

43. Mr Vincent CHENG noted that common space such as communal sitting areas and laundries would be provided on each floor of the proposed

youth hostel. He enquired whether the design would be evolved to cater for young people's aspiration for having more private space. He also enquired whether the Government would conduct follow-up surveys on the tenants of the youth hostel to trace their movements after moving out of the hostel and to understand whether their goals of accumulating savings had been achieved.

44. USHA replied that PLK had provided private space for young tenants in the units of the proposed youth hostel, including facilities such as independent toilets, to protect their privacy. In addition, communal facilities such as pantries were provided on each floor of the hostel. Other communal facilities such as multi-function rooms, meeting rooms and a library would be provided on the ground floor so that young tenants could have suitable space to socialize. The Government hoped to strike the right balance between the provision of communal facilities and private space. Principal Assistant Secretary (Civic Affairs)¹ for Home Affairs ("PAS(CA)1/HAB") supplemented that after completion of the proposed youth hostel, the Government would also review the Youth Hostel Scheme ("YHS") as appropriate, say, by conducting surveys on young tenants, to evaluate the effectiveness of YHS.

45. Mr Wilson OR enquired how PLK would prevent and handle the conflicts that might possibly arise among tenants regarding the use of communal facilities. Mr KWONG Chun-yu also enquired whether pet-allowed floors and pet-friendly facilities would be provided in the proposed youth hostel. The Chairman advised that for issues relating to the future management of the youth hostel (including facilitating the proper sharing of communal facilities by tenants or whether pets should be allowed), he trust that PLK would put in place appropriate arrangements. Regarding specific arrangements for the future management of the youth hostel, Chief Executive Officer, Po Leung Kuk ("CEO/PLK"), replied that PLK planned to set up a liaison panel of tenants for the youth hostel for balancing tenants' collective needs and individual needs as far as practicable.

46. Mr Wilson OR enquired whether the Government would consider increasing the number of floors and the height of the proposed youth hostel, so as to provide more units to meet the aspiration of young people. USHA said that as far as he understood, the space and development potential of the proposed site had been fully utilized in the current project, and the proposed site would offer the largest number of units among the six youth hostel projects under YHS. Director, P&T Architects and Engineers Ltd. ("D/P&T Ltd."), supplemented that the Town Planning Board ("TPB") had imposed restrictions on building heights for domestic and non-domestic sites, as well as hostels. TPB had also completed all the feasibility reports and technical assessments required for the proposed project. The current project

design had fully utilized the permissible construction floor area and building height. Any changes to the permissible floor area, etc. of the site would require TPB's further approval.

47. Dr Junius HO said that he supported the proposed project. He noted that while there were some 40 units on each floor of the proposed youth hostel, the corridors were only about one metre wide, which were too narrow and prone to cause conflicts among tenants. He opined that the corridors should be widened to 1.5 metres. He also considered it unnecessary to provide a laundry on each floor of the hostel. Instead, a larger communal laundry of top quality could be provided to optimize the use of space.

48. D/P&T Ltd. replied that the corridors on each floor of the proposed youth hostel were about 1.1 metres wide. Wider corridors were not provided so as to maintain a balance between the areas of usable indoor space and communal corridors, and comply with the ratio stipulated under the relevant guidelines of the Buildings Department in terms of the design. USHA supplemented that in the Government's view, the design of the proposed youth hostel had fully utilized the site, and met the relevant fire safety and statutory building standards. Should the corridors be widened, tenants would have less private space. As regards the design of the laundry, the Government considered that with the accommodation of about 100 tenants on each floor, a laundry should be provided on each floor of the hostel.

Income limit and eligibility tests for applicants of youth hostel units

49. Mr Michael TIEN said that during the discussion on the item by the Panel on Home Affairs, he had suggested that, in view of the unstable income of some young people, a YHS applicant's average monthly income in the 12 months preceding the application should be adopted in vetting his/her eligibility under the income limit. He enquired whether his suggestion had been considered by the Government. USHA said that the Government had adopted Mr TIEN's suggestion by calculating the income level of an applicant on the basis of his/her average monthly income in the 12 months preceding the application.

50. Mr LEUNG Che-cheung pointed out that the proposed youth hostel was located in Yuen Long, a relatively remote district. He enquired whether the Government would accord priority to young people from Yuen Long who lived in the district and/or worked in the urban areas in vetting the applications for hostel units. He also enquired whether tenants of the

youth hostel would be required to undergo another asset limit test should the value of their asset increase substantially during tenancy.

51. USHA said that the proposed youth hostel was easily accessible as it was not far from the nearby Light Rail stops, shopping hubs and the town centre. PLK also reserved 84 cycle parking spaces for use by the tenants. PLK would vet the applications under the principles of fairness, impartiality and openness. Applications were open to all eligible Hong Kong young people. PAS(CA)1/HAB supplemented that for the sake of promoting social mobility of young people, income and asset limit tests were only conducted at the time of application but not on renewal of tenancy. The aggregate tenancy period of each young tenant under YHS should not exceed five years.

52. Dr Fernando CHEUNG opined that youth hostels were built with considerable public resources and should be used to support young people with imminent need, such as those from foster homes, small group homes or certain institutions as far as possible. As different non-profit-making organizations ("NPOs") might have their own requirements in terms of application procedure and tenant eligibility, the Government should formulate a uniform vetting and approval policy to support the young people mentioned above. He enquired whether the Government would set aside a certain number of hostel units for priority allocation to the young people mentioned above. USHA acknowledged the need to support young people in need. Under the current scheme, PLK had the discretion to flexibly allocate 5% of the youth hostel units to support individual applicants in special cases having regard to their special circumstances.

53. Mr KWONG Chun-yu enquired whether the Government would make an estimate of the number of applications under YHS and examine the need to introduce other pilot youth hostel schemes in view of the possible over-subscription. He also enquired how PLK would deal with cases in which tenants of double unit flats became pregnant during tenancy. Mr LUK Chung-hung enquired about the procedures and criteria adopted by PLK in selecting tenants should the project be over-subscribed.

54. PSHA replied that it would be difficult to accurately estimate the number of applications for the proposed youth hostel at this stage. The first youth hostel project, which would be operated by the Hong Kong Federation of Youth Groups, was expected to complete next year. By that time, the Government could more accurately estimate the number of applications and the demand for youth hostel units. PLK would select tenants in a fair, impartial and open manner. Applications would be open to young people who met the eligibility criteria.

55. CEO/PLK added that upon receipt of eligible applications, PLK might draw lots and arrange interviews with the applicants. Hostel units would then be allocated having regard to the applicants' situations. Although hostel units were not designed to cater for the needs of families with more than two members, PLK would exercise discretion in actual operation by allocating the 5% of hostel units allowed under the policy scheme to deal with cases of tenants who were pregnant during tenancy. The Chairman believed that a people-based management approach could be adopted in dealing with the situations of individual tenants.

56. Mr Holden CHOW enquired whether measures were in place to monitor or prevent any form of subletting of the youth hostel units by tenants for profit. USHA said that in view of the considerable public resources involved in youth hostel development, the Government would ensure the proper use of resources. As tenants shared the use of the hostel and were recognized by the staff, the Government considered it rather difficult to sublet hostel units to other outsiders.

Rental and size of the units of the proposed youth hostel

57. Mr Jeremy TAM said that he supported the proposed project. He noted that as proposed by the Government, the non-governmental organizations should set the rental of the youth hostel units at a level not exceeding 60% of the market rent of flats with similar size in nearby areas ("the reference market rent"). He enquired about the estimated rental level and size of the single and double units of the proposed youth hostel respectively.

58. Mr LUK Chung-hung also pointed out that the proposed youth hostel was located in the vicinity of several luxury properties and the overall market rents in Hong Kong were on an upward trend. He was concerned that the rental of the youth hostel, which was linked with the reference market rent, would soar further in future. He also enquired whether "flats with similar size in nearby areas" meant luxury properties or residential flats in general.

59. USHA replied that PLK would set the rental of the proposed youth hostel at a level not exceeding 50% of the relevant market rent. CEO/PLK supplemented that the future rent of a single unit in the proposed youth hostel with an area of about 15 square metres by YHS standard would be around \$2,000 per month (including management fees) at current prices. For a double unit with an area of about 20 square metres by YHS standard, the rent would be around \$3,000 per month (including management fees).

60. Dr Fernando CHEUNG was concerned that low-income working youths might still find the rental set at 50% of the reference market rent unaffordable. He opined that the Government should monitor the rental level of the youth hostel and keep in view the upward trend of private home rents in nearby areas, so as prevent the hostel's rental from soaring to a level beyond the reach of grass-root youths. USHA replied that the Government would release the annual operation and financial report submitted by PLK and review the rental level of the youth hostel with PLK when necessary.

61. The Chairman reminded members that the discussion should focus on matters directly related to the public works project. Broader policy issues concerning housing policy, the youth hostel idea and its operation, etc., should be discussed at a relevant Panel.

Operation and works management

62. Mr Jeremy TAM enquired about the duration of the Grant and Operation Agreement ("GOA") between the Government and PLK on the proposed youth hostel project, whether a review would be conducted on expiry of the GOA and if so, the subsequent arrangements.

63. USHA replied that the term of the GOA would be 50 years. PLK was required under the GOA to submit annual audited reports on the operation and financial status of the youth hostel. The reports would also be made public. The Government had put in place a mechanism to conduct reviews from time to time after the completion of the proposed youth hostel and commencement of its operation. The Government reserved the right to re-enter the site and take possession of the building if PLK failed to operate the youth hostel in accordance with the GOA or the land lease or ceased operation of the youth hostel.

64. Mr LUK Chung-hung enquired whether the Government had made an estimate on the financial surplus that might arise from PLK's operation of the youth hostel project in future, and about the disposition and allocation of such surplus. USHA replied that the surplus should become part of the mandatory reserve for the project to cover the long-term maintenance cost for the hostel. CEO/PLK supplemented that all the operating arrangements and financial plans of PLK were subject to the approval of the Home Affairs Bureau ("HAB"). PLK must seek HAB's approval before using any operating surplus arising in excess of the mandatory reserve to support other causes of public interest. The preliminary direction was to use the surplus on youth services.

65. Dr KWOK Ka-ki supported the proposed project. He opined that the Government should make an effort to reduce as far as practicable the operating cost of the proposed youth hostel, so as to keep the rental at a level affordable to young people. He enquired about the mechanism in place for the public to monitor the operation, management and rental level of the youth hostel, and whether HAB would approach tenants directly to gauge their views on the rental level, management, operation and unit allocation of the youth hostel.

66. USHA replied that the Government had put in place a stringent mechanism to ensure that the operation of the youth hostel was in line with government policy and the GAO provisions. Under the GAO, PLK was required to submit audited annual reports on the operation and financial status of the youth hostel to HAB and make available those reports for public inspection. Moreover, the Government would conduct opinion surveys from time to time to invite tenants to express their views on the operation of the hostel.

67. Dr KWOK Ka-ki opined that a sample survey of tenants was inadequate. He suggested that the Government should conduct surveys with tenants directly in the hostel. USHA undertook to explore ways to strengthen communication with tenants after the meeting, including setting up a tenants' panel to jointly manage the hostel and ensure that tenants' views could reach the management direct.

68. Mr CHU Hoi-dick opined that the Administration or PLK should provide the GOA or the land lease to allow LegCo to monitor the operation and effectiveness of the proposed youth hostel in future. Moreover, as there would be other youth hostel projects under the operation of different NPOs, Mr CHU urged the Administration to facilitate the simplification and standardization of application forms in respect of various projects. Regarding the construction waste to be generated by the proposed hostel project, he enquired whether PLK could provide the waste delivery records in future, and about the time interval at which the contractor was required to provide PLK with such records.

69. Head of Property and Works, Po Leung Kuk ("H(P&W)/PLK") said that PLK could require the principal contractor to provide the delivery records of construction waste. While the records were compiled by the principal contractor on a daily basis in general, PLK would require the principal contractor to submit the records once a month. He said that PLK could provide the relevant records in future upon members' requests.

Transport support

70. Mr KWONG Chun-yu was concerned that the supporting transport facilities near the proposed youth hostel and the number of bicycle parking spaces reserved for the hostel were insufficient. USHA said that to enhance the external transport support for the youth hostel, PLK would consider providing shuttle service to and from Long Ping Station of the West Rail Line for tenants during peak hours. CEO/PLK replied that PLK had conducted a traffic impact assessment for the project, and the recommendation on the number of cycle parking spaces was also considered and endorsed by the Transport Department. Subject to the acceptance of the local community, PLK might also consider providing "bicycle-sharing" service, etc. for tenants. PLK would maintain dialogue with Yuen Long DC to follow up on and improve the external transport support for the youth hostel on a continuous basis.

Rezoning of land use

71. Dr KWOK Ka-ki enquired how the Government would ensure that private developers would not benefit from donating land for the Government to build youth hostels, such as taking the opportunity to make profit by developing the surrounding sites. Permanent Secretary for Development (Planning and Lands) replied that the Government had not implemented any policy which gave favour to private developers in respect of their development projects on nearby sites in return for the land donations they made to the Government. Projects undertaken by private developers which were related to land planning or required TPB's approval must comply with the relevant statutory procedures and obtain the approval of the relevant government departments.

72. Mr CHU Hoi-dick enquired about the reason for PLK's expansion of its youth hostel service and the rationale behind its participation in the proposed project under YHS. He also pointed out that according to the planned land use, the original zoning of the project site was "Government, Institution or Community" ("G/IC"). After being zoned G/IC(5), the always-permitted use of the site had become "residential institution" under the Outline Zoning Plan. In this connection, he enquired whether PLK could put the site to other always-permitted G/IC uses apart from residential institution, such as development of PLK training centres, social welfare facilities, schools or education institutions. Mr CHU also opined that building youth hostels could only provide temporary accommodation for young people rather than solving their housing problems. According to his understanding, the Government changed the land use of the site through submitting a rezoning application. Prior to this application, private

developers had made numerous attempts to apply for rezoning the site for residential use. It was only after those attempts had failed that the site was donated to PLK. He pointed out that TPB had all along objected to the development of multi-storey buildings at the site. He therefore did not see why TPB had subsequently decided to approve the development of the 25-storey-high youth hostel at the site.

73. USHA clarified that the site of the proposed youth hostel was originally agricultural land. The approval for its current use was obtained after it had been acquired by PLK through private donation. CEO/PLK supplemented that PLK was always committed to providing a wide range of services, including services for children, the youth and the elderly. As regards the proposed youth hostel project, PLK participated in the project in view of the government policy of youth hostel development and the private land donation. H(P&W)/PLK also added that after the rezoning, the project site could also be put to other always-permitted G/IC uses. However, given that the original intention of PLK to take forward this project was to support the Government's youth hostel policy and the building height limit had been relaxed after the rezoning, PLK was keen to use the site for youth hostel development.

Voting on PWSC(2018-19)3

74. There being no further questions on the item from members, the Chairman put PWSC(2018-19)3 to vote. At the request of members, the Chairman ordered a division. Twenty-three members voted for and one member voted against the proposal. One member abstained from voting. The votes of individual members were as follows:

For:

Mr Charles Peter MOK (Deputy Chairman)	Ms Starry LEE
Mr CHAN Hak-kan	Ms Claudia MO
Mr Michael TIEN	Mr WU Chi-wai
Mr YIU Si-wing	Mr MA Fung-kwok
Mr LEUNG Che-cheung	Dr KWOK Ka-ki
Mr Christopher CHEUNG	Dr Fernando CHEUNG
Mr Alvin YEUNG	Dr Junius HO
Mr LAM Cheuk-ting	Mr Holden CHOW
Mr Wilson OR	Ms Tanya CHAN
Mr LUK Chung-hung	Mr LAU Kwok-fan
Mr KWONG Chun-yu	Mr Jeremy TAM
Mr Vincent CHENG	
(23 members)	

Against:

Mr CHU Hoi-dick
(1 member)

Abstain:

Dr CHENG Chung-tai
(1 member)

75. The Chairman declared that the item was endorsed by the Subcommittee. The Chairman consulted members on whether the item would require separate voting at the relevant FC meeting. No member made such a request.

Other issues

76. Mr LUK Chung-hung asked the Chairman whether discussion could be held with the Government for scheduling more agenda items for discussion at each meeting of the Subcommittee, so as to better utilize the meeting time and speed up the progress of scrutiny of items. The Chairman took note of the concern of Mr LUK. Nevertheless, the Chairman advised that it was impossible to estimate the progress of each meeting. Under the Public Works Subcommittee Procedure, discussion papers should be submitted to the Subcommittee before a specified period of time prior to the meeting, so as to allow sufficient time for members to peruse the papers. For this meeting, he had directed the inclusion of all papers submitted by the Government before the deadline in the agenda.

77. The meeting ended at 11:08 am.

Council Business Division 1
Legislative Council Secretariat
15 May 2018