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

**Minutes of the 24th meeting
held in Conference Room 1 of the Legislative Council Complex
on Saturday, 19 May 2018, at 9:00 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 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
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung

Dr Hon Helena WONG Pik-wan
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 absent:

Hon CHAN Han-pan, JP
Dr Hon KWOK Ka-ki

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 Donald TONG Chi-keung, JP	Permanent Secretary for the Environment
Ms Margaret HSIA Mai-chi	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mr Elvis AU Wai-kwong, JP	Deputy Director of Environmental Protection (1)
Mr CHEN Che-kong	Assistant Director (Water Policy) Environmental Protection Department
Mr Anthony FOK Wai-kai	Principal Environmental Protection Officer (Sewerage Infrastructure) Environmental Protection Department
Mr Edwin TONG Ka-hung, JP	Director of Drainage Services
Mr TAI Wai-man	Chief Engineer (Project Management) Drainage Services Department
Mr CHOI Chun-ming	Chief Engineer (Consultants Management) Drainage Services Department
Mr LEUNG Wing-yuen	Chief Engineer (Sewerage Projects) Drainage Services Department
Mr LIU Chun-san, JP	Under Secretary for Development
Ms Selene TSOI Sze-long, JP	Deputy Secretary for Development (Planning and Lands)3
Miss Karen TO Ka-yin	Assistant Secretary for Development (Lands)2
Mr Ambrose CHEONG Siu-yau, JP	Project Manager (West) West Development Office Civil Engineering and Development Department

Mr Tony CHEUNG Ka-leung	Chief Engineer (West) ³ West Development Office Civil Engineering and Development Department
Mr Jose YAM Ho-san	Commissioner for Heritage Development Bureau
Mr Robin LEE Hong-nin	Chief Assistant Secretary for Development (Works) ²
Mr Vincent LEE Hung-kei	Senior Architect (Antiquities and Monuments) ¹ Leisure and Cultural Services Department
Mr CHAN Ho-yin	Chief Property Services Manager (1) Architectural Services Department

Attendance by invitation:

Ms Maggie SIU	Educational Services Secretary Sik Sik Yuen Lady Ho Tung Welfare Centre Eco-Learn Institute Ltd.
Mr Frederick LAI Wing-hoi	Director The Pokfulam Farm Company Limited
Mr Michael SIN Ka-chung	Executive Director Spence Robinson Limited
Mr WONG Ki-kwok	Director Tai Hang Fire Dragon Heritage Centre Limited
Mr FUNG Sai-cheong	Associate Director PKNG & Associates (HK) Limited

Clerk in attendance:

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

Miss Rita YUNG	Senior Council Secretary (1)2
Ms Anki NG	Council Secretary (1)6
Ms Christina SHIU	Legislative Assistant (1)2
Ms Clara LO	Legislative Assistant (1)8
Ms Haley CHEUNG	Legislative Assistant (1)9

Action

The Chairman advised that there were three papers for discussion on the agenda for the meeting, all of which were new submissions from the Administration. The three funding proposals involved a total funding of \$6,035.5 million. 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 speaking on the proposals. He also drew members' attention to Rule 84 of RoP on voting in case of direct pecuniary interest.

Head 704 – Drainage

PWSC(2018-19)16	392DS	Expansion of Sha Tau Kok Sewage Treatment Works – phase 1
	345DS	North District sewerage stage 2 part 2A
	398DS	Sewerage to Lei Yue Mun Village
	343DS	Outlying Islands sewerage stage 2 – Peng Chau village sewerage phase 2
	390DS	Rehabilitation of trunk sewers in Tuen Mun
	403DS	Upgrading of sewage pumping stations and sewerage along Ting Kok Road
	414DS	Rehabilitation of underground sewers
	344DS	Upgrading of Central and East Kowloon sewerage – phase 3

2. The Chairman advised that the proposal under PWSC(2018-19)16 was to upgrade 392DS, 398DS, 390DS, 403DS and 344DS and part of 345DS, 343DS and 414DS to Category A at the estimated costs of \$2,040.9 million, \$260.2 million, \$806.6 million, \$847.3 million, \$680.9 million, \$34 million, \$133.7 million and \$391.9 million in money-of-the-day ("MOD") prices respectively. The Government had consulted the Panel on Environmental Affairs on the relevant works on 27 November 2017, 22 January, 26 February and 23 April 2018 respectively.

Panel members had no objection to the submission of the funding requests to the Subcommittee for consideration. A report on the gist of the Panel's discussion was tabled at the meeting.

392DS – Expansion of Sha Tau Kok Sewage Treatment Works – phase 1

Length of the new submarine outfall

3. Mr CHAN Hak-kan said that he had called on the Administration during a meeting of the Panel on Environmental Affairs to consider further extending the length of the proposed submarine outfall by one kilometre (i.e. from 1.7 kilometre to 2.7 kilometre) to make it further away from the Sha Tau Kok fish culture zone. Local fishermen were concerned that in times of seawater infusion or natural disasters, effluent discharged from the outfall might affect the fish in the culture zone. The Administration, however, said that it did not consider the proposal to be cost-effective as the extension of the submarine outfall by one kilometre would incur an additional cost of \$250 million (in MOD prices), resulting in a 10% increase in the project estimate. Mr CHAN enquired how the Administration concluded that the currently proposed length of the submarine outfall was appropriate. Both Mr CHAN and Mr Holden CHOW enquired about the contingency measures to be adopted in the event of seawater infusion or red tides affecting the culture zone in the future. Mr CHOW also enquired about the measures in place to ensure that the culture zone would not be affected by seawater infusion after the future expansion of Sha Tau Kok Sewage Treatment Works ("STKSTW") which would increase its capacity to 10 000 cubic metres per day.

4. Deputy Director of Environmental Protection (1) ("DDEP(1)") replied that detailed assessments of the proposed project, with the support of mathematical models, had been conducted in accordance with the Environmental Impact Assessment Ordinance (Cap. 499) ("EIAO"). In particular, detailed study had been carried out to look into the impact of the project on water quality and the culture zone. The Administration had already proposed to extend the length of the new submarine outfall to 1 700 metres from 250 metres originally, so that it would be 1 170 metres away from the fish rafts, more than double the current distance of 400 metres. The outfall diffuser would be located at five to six metres under the water instead of the current depth of 1.5 metres. By doing so, the Administration considered that the discharge of treated effluent would not have adverse impact on the fish rafts in the future. Moreover, non-dredge method would be adopted during construction, and earth pressure balance tunnel boring would be conducted in the ground strata to avoid the release of sediments. A series of mitigation measures had also been recommended in the

environmental impact assessment ("EIA"), and stringent monitoring and emergency response mechanism had been put in place to deal with changes in water quality. In case of unforeseeable circumstances, ex-gratia allowances would be granted to assist fishermen under the current mechanism.

5. DDEP(1) also advised that the impact of the discharge of treated effluent on the culture zone and the effects of tidal movements and backflows had been studied under the relevant EIA. It also found that the future increase of the sewage treatment capacity to 10 000 cubic metres per day would not cause any adverse impact. Besides, several key contingency plans had been formulated, including the statutory requirement of implementing an environmental monitoring and audit ("EM&A") programme. Under EM&A, the Drainage Services Department ("DSD") and its contractors would closely monitor and protect the water quality, and take immediate actions in case of any exceedance of the prescribed action levels. Contingency plans would also be implemented according to the relevant provisions of EIAO and the Water Pollution Control Ordinance (Cap. 358) in the event of unforeseeable incidents. Matters relating to ex-gratia compensation would be dealt with under existing mechanisms. Chief Engineer (Consultants Management), Drainage Services Department supplemented that, in the light of the consultation findings and for the sake of allaying the concern of local fishermen as far as possible, the Administration would appoint independent professional bodies, such as universities and research institutions, to check the water quality of the treated effluent discharged from the sewage treatment works and conduct sample tests of seawater in the vicinity of the fish culture zone on a regular basis during the operation of the sewage treatment works.

6. Director of Drainage Services ("DDS") added that based on the assessment findings of a computer simulation of water movements, the water quality of treated effluent discharged from the proposed 1.7-kilometre-long submarine outfall could fully meet all the relevant environmental requirements, and no significant environmental gain would be achieved for the surrounding environment even if the proposed submarine outfall was extended by one kilometre. That said, the Administration took note of the grave concern of stakeholders about the possible impact of the treated effluent on the culture zone. To allay public concern, the Administration undertook to appoint experts to monitor the impact of the treated effluent on the water quality in the vicinity on a continuous basis after the proposed submarine outfall commenced operation.

Increased sewage treatment capacities

7. Mr Tony TSE noted that the existing capacity of STKSTW was expected to be used up by 2019. After expansion, the capacity would be increased to 5 000 cubic metres per day to serve a projected population of about 20 000. He enquired about the completion date of STKSTW; its existing capacity per day; whether the projected population to be served (i.e. 20 000) included the existing population in the vicinity of Sha Tau Kok; and how the Administration came up with the projected population that could be served by the relevant sewage treatment capacity. He also noted that allowance was provided to further increase the capacity of STKSTW to 10 000 cubic metres per day in the future, and enquired about the timetable concerned.

8. DDEP(1) replied that the existing STKSTW had a daily capacity of 1 660 cubic metres. After expansion, the capacity would increase by 3 340 cubic metres to 5 000 cubic metres per day. The projected population to be served (i.e. about 20 000) included the existing population in the area, as well as the projected new population that might arise from future developments. According to the established practice, the estimate was worked out by referring to the Population and Employment Data Matrix of the Planning Department and the projected population of confirmed developments to be served, and factoring in the about 0.3 cubic metres of sewage assumed to be generated by each person per day.

9. DDS said that the existing STKSTW was built in 1989 and had been in operation for nearly 30 years. Its capacity was expected to be used up shortly after the commencement of the expansion works in 2019. Owing to the limited site area of STKSTW, the expansion works would be carried out in three phases. As shown in the drawing no. DCM/2017/118 at Annex 1 (Sheet 3 of 3) to Enclosure 1 to [PWSC\(2018-19\)16](#), temporary sewage treatment facilities would be built at the only available vacant site next to the sewage treatment works during the first phase. Upon completion of the construction works expected in 2020, the sewage treatment capacity would be increased from the present 1 660 cubic metres to 2 500 cubic metres per day to cater for the population growth. The capacity target of 5 000 cubic metres per day would be met eventually with the progressive completion of the expansion works.

10. DDS added that as shown in the above drawing, the site area of STKSTW was rather small. Facilities with larger capacities (e.g. treatment tanks) had to be built under the proposed expansion project in order to meet the capacity target of 10 000 cubic metres, which would result in about 8% increase in the project cost. The more costly electrical and mechanical

("E&M") facilities were not included in the proposed works and the funding proposal for construction of such facilities would be submitted separately in the future when a larger treatment capacity was required.

11. In response to further enquiries from Mr Tony TSE, DDS advised that the serviceable life of E&M facilities was around 15 to 20 years in general, which might be more durable with proper maintenance.

Project cost

12. Mr Tony TSE noted that the capital cost of the proposed works was estimated to be around \$2,000 million, which translated to a per-capita cost of more than \$100,000. He enquired about the reasons for the high capital cost; whether the cost was higher than those of other sewage treatment works of similar scale; and whether the cost could be reduced as far as practicable.

13. DDS replied that the Administration took note of the concern of members, and explained that the estimated construction cost of the proposed works was affected by a number of factors. Firstly, owing to the limited land area of the existing site of STKSTW and the need to maintain the normal operation of the sewage treatment facilities, the cost of the proposed works would cover the provision of temporary sewage treatment facilities during the demolition of the existing sewage treatment works. He also pointed out that the proposed works would enhance the sewage treatment technology by replacing the oxidation ditch currently in use with the more advanced membrane bioreactor system capable of removing nutrients from the sewage in the process. The technology could also bolster sewage treatment performance in terms of biochemical oxygen demand, amount of suspended solids and total nitrogen content when compared with the treated effluent currently discharged at Starling Inlet, Sha Tau Kok. Moreover, the phased development approach of the proposed sewage treatment works would also incur a higher cost than building a brand-new plant on a vacant site.

345DS – North District sewerage stage 2 part 2A

14. Mr Tony TSE referred to the drawing no. DCM/2017/105 at Annex 1 to Enclosure 2 to [PWSC\(2018-19\)16](#) and enquired about the location of the proposed one-kilometre gravity sewers in the drawing, and the arrangement for the existing gravity sewers shown in the drawing.

15. DDS replied that the sewers shown in the drawing were the existing gravity sewers connecting Tong To with STKSTW. The proposed works sought to connect the scattered sewage facilities (e.g. septic tanks and soakaway systems) within the Tong To village to the existing gravity sewers

through the construction of gravity sewers with a total length of about one kilometre at scattered locations, so as to deliver the sewage to STKSTW. The proposed gravity sewers were not shown in the drawing. At the request of Mr Tony TSE, the Administration would provide a detailed layout plan of the proposed village sewerage system for Tong To in Sha Tau Kok.

(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC229/17-18\(01\)](#) on 31 May 2018.)

398DS – Sewerage to Lei Yue Mun Village

Difficulties of the project and shortening the construction period

16. Mr YIU Si-wing said that while Lei Yue Mun Village was a famous tourist attraction, it had no public sewerage system at present. Only the eateries and a few village houses there were installed with individual and simple sewerage facilities, such as septic tanks and soakaway systems. As a result, the Sam Ka Tsuen Typhoon Shelter had been suffering from water pollution. He also pointed out that the Tourism Commission had urged the Administration to enhance the relevant facilities in October 2009, but the call was met with opposition from villagers. He asked the Administration what had held it back from submitting the relevant funding request until now; what difficulties it had encountered; and whether it expected the proposed works could solve the water pollution problem along the coast of Sam Ka Tsuen and Lei Yue Mun Village once and for all. He also noted that the project would take about five years to complete. For the sake of hygiene and perception, he enquired whether the project could be completed earlier.

17. DDEP(1) replied that the sewerage works at Lei Yue Mun Village had some complexities. The village had narrow passages, many eateries, and different kinds of dischargers. Much time had therefore been spent on the preparatory work for the project programme, including identifying work sites and exploring feasible options for sewage collection and treatment. The Administration was also required to conduct multiple rounds of consultation with local residents and comply with the requirements under the relevant legislation. He pointed out that the proposed works were implemented to tie in with the Lei Yue Mun Waterfront Enhancement Project ("LYM Project") of the Tourism Commission. The close cooperation with the Tourism Commission all along made it possible for the Administration to take forward such a complicated project. The proposed works should bring a more comprehensive solution to the sewage problem in Lei Yue Mun Village, as sewage from village houses would be collected and sewers would be provided for eateries to properly resolve the serious pollution problem at

source. The Administration expected that the coastal water quality at the location would be substantially improved after completion of the works.

18. DDS supplemented that the proposed works involved the laying of sewers and construction of dry weather flow interceptors on the seafood street. The exceptional narrowness of village paths within the works area and the presence of numerous underground facilities rendered the construction difficult. Besides, in order not to affect the operation of eateries and shops in the vicinity, construction works could normally be carried out only six hours a day and six days a week. Road decking would be required every day after the construction works for pedestrian traffic. The Administration would make every effort to shorten the construction period by delivering the works in phases.

19. Mr YIU Si-wing pointed out that the coastline between Lei Yue Mun Village and Sam Ka Tsuen was quite long, and the shore was filled with silt. He enquired whether the proposed works included desilting at the shore; if so, whether the relevant expenditure was covered by the project cost. He also enquired whether the LYM Project proposed by the Tourism Commission in 2009 had already been discontinued; if so, whether the Administration could re-launch the project. He also urged the Administration to set up an inter-departmental task force to push ahead with the construction of new facilities for the whole Lei Yue Mun Village and improve its overall environment comprehensively.

20. DDS replied that as the proposed works mainly sought to construct sewers for Lei Yue Mun Village, desilting works would not be arranged. DDEP(1) supplemented that the Environmental Protection Department ("EPD") had worked with the Tourism Commission to promote the development of Lei Yue Mun Village. In respect of Mr YIU Si-wing's views about the silting of the shore and improvement of the overall environment of Lei Yue Mun Village, EPD would relay his comments to the Civil Engineering and Development Department. The Chairman suggested that Mr YIU could follow up on the relevant issues at a relevant Panel.

21. Mr WU Chi-wai noted that the proposed works were largely divided into two parts, i.e. the one near the seafood street and the one near Ma Wan Tsuen. He noted that progress of the sewerage works on the seafood street was exceptionally slow as the street was so packed with shops and eateries that the sewerage works could only be carried out after their business hours. Moreover, for the works near the seafood street, a trunk sewer had to be built to connect to other branch sewers for collection of sewage. In this connection, he asked whether consideration had been given to building the trunk sewer nearby the waterfront first, and then connecting it to the branch

sewers of the shops or eateries at a later stage, so as to reduce the construction time and minimize the impact on shops and eateries. He also enquired about the technical feasibility of this proposal.

22. DDS replied that construction of the trunk sewer on the seafood street provided the best alignment option allowing convenient connection with village houses and shops nearby. Problems relating to sewerage connection as well as issues of property rights and land ownership might arise should the trunk sewer be built at the waterfront. Moreover, given the low-lying coastal location of Lei Yue Mun, a trunk sewer built by the sea might be prone to damages by the impact of strong waves in times of typhoons. The Administration considered the construction of the trunk sewer on the seafood street the most desirable option after balancing various factors and discussing with local stakeholders. The Administration would carry out the works in phases with regard to actual conditions, with a view to reducing the construction time and providing sewerage connection to eateries, shops and village houses as soon as possible for the convenience of residents and business operators.

Consultation conducted for the project

23. Mr Wilson OR said that he supported the proposed project. He pointed out that the number of local consultations conducted by DSD officials were limited. He asked about the concrete measures in place to maintain communication with different stakeholders (including the local District Council ("DC") and residents, etc.) to ensure timely completion of the works.

24. DDEP(1) replied that the Administration had always attached great importance to communication with the local community. In the future, the Administration would continue to maintain a close dialogue with the local DC, residents and relevant groups to work out the project details, and a liaison group would be set up to enhance communication. DDS added that currently, liaison groups would be set up for all major works projects (including the project under discussion) during construction. Regarding the project under discussion, the Administration had maintained communication with villagers as well as eateries and shops on both sides of the seafood street in the Lei Yue Mun Village. The project programme was also supported by the local DC. The Administration undertook to report the relevant works progress to the local DC in a timely manner.

344DS – Upgrading of Central and East Kowloon sewerage – phase 3

25. Mr Wilson OR said that he supported the proposed project. He said that the first two phases of the upgrading works for Central and East Kowloon sewerage had been completed in 2012 and 2016 respectively. He asked about the concrete measures in place to ensure that effective communication would be maintained with different stakeholders (including the local DC, DC members and residents, etc.) during the implementation of the phase 3 project, such as whether consideration would be given to setting up a liaison group.

26. DDS replied that currently, liaison groups would be set up for all major works projects (including the project under discussion) during construction. The Central and East Kowloon works projects covered different districts, and the Administration was fairly experienced in the liaison work involved. The Administration undertook to report to the local DCs the relevant works progress when appropriate, and set up a liaison group to facilitate communication with the local DCs, DC members and residents.

343DS – Outlying Islands sewerage stage 2 – Peng Chau village sewerage phase 2

27. Mr CHU Hoi-dick referred to the breakdown of the land acquisition cost set out in Annex 2 to Enclosure 4 to [PWSC\(2018-19\)16](#), and pointed out that the cost of land clearance was estimated to be around \$400,000, including \$300,000 in ex-gratia allowances for crop compensation and \$100,000 in ex-gratia allowances for farm structures and miscellaneous permanent improvements to farms. He enquired about the size of the farms concerned and the respective formulae adopted in calculating the ex-gratia allowances, especially for crop compensation. He also enquired whether local residents had the responsibility under the current regime to connect their sewerage systems with the public sewers after completion of the proposed public sewerage works.

28. Chief Engineer (Sewerage Projects), Drainage Services Department, replied that the proposed works involved the resumption of eight plots of private agricultural land with a total area of about 220 square metres. Under the prevailing mechanism, the ex-gratia allowances for crop compensation and for farm structures and miscellaneous permanent improvements to farms were calculated on the basis of the land area of the farm concerned, i.e. the land area multiplied by the rate of allowance per square metre. Currently, farmland was categorized into four compensation zones to which different compensation rates applied, and Peng Chau belonged to Zone C. DDEP(1) supplemented that after completion of the proposed sewerage works, the

Administration would provide technical support to villagers to help them connect their sewerage systems with the public sewers in compliance with the statutory requirement. The Administration had maintained close communication with villagers even since the project design stage. To facilitate the sewer connection, the public sewerage was built as close to the village houses as possible. After completion of the works, the Administration might serve a statutory notice to village house owners to specify a date by which the connection with public sewers must be completed. The compliance rate had been high according to experience.

390DS – Rehabilitation of trunk sewers in Tuen Mun

29. Mr LEUNG Che-cheung noted that the rehabilitation of trunk sewers included the rehabilitation of about 4.2 kilometres of sewage box culvert along Tin Hau Road and Lung Mun Road and two sewers with a total length of 360 metres across Tuen Mun River Channel. He enquired whether engineering complexity was the reason for the long completion time of the works, which was estimated to span five years. Moreover, as the project would be delivered under a New Engineering Contract ("NEC") form which allowed project cost adjustment, and the cost would very likely increase with a long construction period, he enquired whether the construction period could be shortened to prevent the soaring of project cost. He also enquired whether the sewage had to be discharged or channeled to other places for treatment or storage temporarily during the rehabilitation works.

30. DDS replied that the NEC form mainly prescribed the joint role of the Administration and the contractor in tackling the project risks, and the arrangement of equal sharing of any cost saved (amounting up to 10% to 20% of the total project cost normally) between the Administration and the contractor, which provided the latter with the incentive to keep the cost down. The works had to take a longer time to complete because of the heavy traffic on Lung Mun Road. The Administration had held rounds of discussion with the Police and the Transport Department. In order to minimize the impact of the works on the traffic flow of Lung Mun Road, the Administration could only work on a section of the road around 200 metres in length at a time, with each section at least 500 to 700 metres apart from the others. The rehabilitation works in the mid-section, for example, had to be carried out in seven phases, each requiring seven to eight months to complete. The Administration would adopt trenchless technologies where possible to expedite the works progress.

31. Chief Engineer (Project Management), Drainage Services Department, supplemented that the project involved the phased construction of 38 seven-metre-deep shafts to reach the bottom of the sewers. It also took time

to clear the large amount of sludge piled up in the sewers. After clearing of the sludge, a glass-fibre liner would be built and inserted into the pipe for grouting to be carried out between the liner and the host pipe. As the sewers concerned were in use and had a daily flow of up to 170 000 cubic metres, some of the sewage had to be channeled to other places during the rehabilitation works. All in all, a number of factors had made the whole project highly complicated, which translated to a longer construction period and higher cost.

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

33. The item was voted on and endorsed. The Chairman consulted members on whether the item would require separate voting at the relevant meeting of the Finance Committee ("FC"). No member made such a request.

Head 707 – New Towns and Urban Area Development

PWSC(2018-19)17 804CL Site formation and infrastructure works for development at Kam Tin South, Yuen Long – advance works

34. The Chairman advised that the proposal set out in PWSC(2018-19)17 sought to upgrade 804CL to Category A at an estimated cost of \$697 million in MOD prices for the construction of infrastructure to support the proposed housing developments at Kam Tin South and improve the traffic condition of the road network in the vicinity. The Administration had consulted the Panel on Development on the proposed works on 28 November 2017. A report on the gist of the Panel's discussion was tabled at the meeting.

Proposed road works

35. Mr LEUNG Che-cheung, Ms Alice MAK, Mr LUK Chung-hung, Mr KWONG Chun-yu and Mr Holden CHOW mentioned that the Yuen Long District Council ("DC") and the local community were deeply concerned about the additional traffic demand arising from the proposed housing developments and the associated developments at Kam Tin South, and demanded that the whole Kam Sheung Road be widened and new roads be built to relieve the traffic congestion on Kam Sheung Road. Members enquired how the Administration responded to the concerns and demands of the Yuen Long DC and the local community.

36. Mr LUK Chung-hung suggested that the Administration should also consider widening Kam Po Road to divert the traffic of Kam Sheung Road. Dr Junius HO suggested that new roads be built in the vicinity of Kam Tin South to connect with Tai Lam Tunnel, so as to cope with the additional traffic in the future.

37. Under Secretary for Development ("USDEV") said that the Administration had conducted a traffic impact assessment ("TIA") for the proposed housing developments. The TIA findings showed that the proposed road works (including the provision of four bus laybys along Kam Sheung Road) would alleviate the traffic impact of the proposed housing developments on nearby roads and smoothen the traffic flow of Kam Sheung Road. The Administration noted the concern of the Yuen Long DC and the local community about the traffic condition of Kam Sheung Road, and had commenced a feasibility study in December 2017 to review the road infrastructure for development of Kam Tin South, including the study on improvement of Kam Sheung Road and connection roads to major strategic routes. The feasibility study was expected to be completed in mid-2019.

38. Mr LEUNG Che-cheung and Mr Holden CHOW opined that the provision of bus laybys along Kam Sheung Road would only provide a temporary solution to the traffic congestion on Kam Sheung Road. In their view, the Administration should widen the whole Kam Sheung Road as soon as possible. Mr KWONG Chun-yu urged the Administration to make timely report to the Yuen Long DC about the progress of the feasibility study on the improvement of Kam Sheung Road.

39. USDEV explained that it was necessary to improve Kam Sheung Road to keep abreast of the prevailing road standards, through which road safety could also be enhanced. The feasibility study would explore ways to improve Kam Sheung Road and evaluate the impact of the road widening works on residents nearby. The Administration would consult the Yuen Long DC on the options proposed under the feasibility study when appropriate.

40. Mr CHU Hoi-dick opined that the proposal to widen Kam Sheung Road ran contrary to the conclusion of TIA, which was against the option of widening Kam Sheung Road. He suspected that some local people's demand for the widening of Kam Sheung Road was not for solving the existing traffic congestion problem, but for paving the way for the future development of private land in the vicinity of Kam Tin. Mr CHU requested the Administration to provide supplementary information on the details of the four proposed bus laybys along Kam Sheung Road and their estimated

completion date. The Administration undertook to provide the information requested by Mr CHU after the meeting.

(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC249/17-18\(01\)](#) on 14 June 2018.)

41. Mr LEUNG Che-cheung enquired about the details of the road junction improvement at the roundabout of Kam Ho Road. Project Manager (West), West Development Office, Civil Engineering and Development Department ("PM(W)/CEDD") replied that the proposed improvement works would widen the road junctions at the above roundabout and the roads nearby in support of the proposed housing developments at Kam Tin South.

42. Mr CHU Hoi-dick requested the Administration to provide an artistic impression of the proposed junction improvement works at Tsing Long Highway Slip Road/Pat Heung Road junction. The Administration undertook to provide the information requested by Mr CHU after the meeting.

(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC249/17-18\(01\)](#) on 14 June 2018.)

43. Mr LEUNG Che-cheung was concerned about the impact on the traffic at Kam Tin South during the construction of the proposed road works, especially on the roads leading to Kam Sheung Road Station of the West Rail Line. PM(W)/CEDD replied that to minimize the disturbances to the traffic during construction, the Administration would maintain the existing number of traffic lanes as far as practicable. In addition, the Civil Engineering and Development Department ("CEDD") would establish a Traffic Management Liaison Group and closely liaise with the Transport Department, the Hong Kong Police Force and other stakeholders to discuss, scrutinize and review the proposed temporary traffic arrangements, with a view to minimizing the traffic impact arising from the construction of the proposed works.

44. Mr CHU Hoi-dick pointed out the poor hygiene conditions of the temporary public toilet next to the bus-to-bus interchange of Tai Lam Tunnel and urged the Administration to consider providing a permanent public toilet at the location. In response, PM(W)/CEDD said that follow-up actions had been taken with the Food and Environmental Hygiene Department ("FEHD") earlier to deal with the concern raised by Mr CHU. Appropriate measures had been taken by FEHD to improve the hygiene conditions of the temporary

public toilet concerned and the feasibility of providing a permanent public toilet there in the future would be explored.

Land acquisition

45. Mr Jeremy TAM requested the Administration to provide the location plan of the seven private lots to be resumed under the proposed works, and advise on their respective land areas and estimated land acquisition costs. The Administration undertook to provide the information requested by Mr TAM after the meeting.

(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC249/17-18\(01\)](#) on 14 June 2018.)

46. Mr Jeremy TAM enquired whether the Administration had assessed if legal litigation might arise from the resumption of private lots for construction of the proposed works. USDEV said that the seven private lots involved were resumed for construction of the proposed road works. As the resumption was for public purposes, no legal disputes would be involved.

47. Ms Alice MAK referred to the proposed enhancements to the general ex-gratia compensation and rehousing arrangements for development clearance exercises announced by the Administration just now. She enquired whether the proposed enhancements were applicable to the resumption of the seven private lots under the proposed works. USDEV replied that the proposed enhancements involved general ex-gratia compensation and rehousing arrangements applicable to eligible domestic occupants in squatter structures and business undertakings affected by the Government's development clearance exercises. The private lots to be resumed under the proposed works were mostly land near the existing roads, which did not involve any domestic structures.

48. Dr CHENG Chung-tai enquired about the details of the "ex-gratia allowances for miscellaneous villager matters (Tun Fu ceremonies)" set out in Enclosure 4 to [PWSC\(2018-19\)17](#). PM(W)/CEDD replied that an estimated cost of \$100,000 was provided as reserve money. The Administration's initial assessment was that the land clearance work should involve no clearance of graves.

49. Mr CHU Hoi-dick mentioned that there were still many certified organic farms in operation in the vicinity of Kam Tin and Pat Heung, including some operating in the location of Site 1 of the proposed housing developments at Kam Tin South. He opposed the Administration's

resumption of farmland in operation for development purpose. He was concerned that the support and compensation currently provided for farmers affected by development programmes were insufficient and that the arrangement and progress of the Agricultural Land Rehabilitation Scheme were less than satisfactory. Dr CHENG Chung-tai expressed similar concerns. Mr CHU and Dr CHENG urged that the Administration's latest enhancements to the general ex-gratia compensation and rehousing arrangements for development clearance exercises should also cover compensation and rehousing measures for affected farmers. Dr Fernando CHEUNG was also concerned about the reprovisioning arrangement for the poultry and livestock farms affected by the developments.

50. USDEV said that the proposed advance works sought to construct the infrastructure to support the proposed housing developments at Kam Tin South in the future, which did not involve the resumption of land within the area of Sites 1, 4a and 6. The Administration took note of members' views concerning the provision of support and compensation for farmers affected by the developments. PM(W)/CEDD supplemented that subject to the progress of the detailed design for site formation and the remaining infrastructure works of the three sites mentioned above, the Administration's initial estimate was to submit the funding proposal for the site formation works to LegCo in early 2021.

51. The Chairman advised that members might follow up on the land resumption arrangement in relation to the proposed housing developments at Kam Tin South, including the compensation and rehousing measures for farmers, at Council meetings or a relevant Panel.

Proposed housing developments at Kam Tin South

52. Dr Helena WONG mentioned that the projected yield for the three public housing sites at Kam Tin South was 9 000 flats in total, and the developments at West Rail Kam Sheung Road Station and Pat Heung Maintenance Centre had a projected yield of around 9 060 private housing units combined. She questioned that the public/private mix of the proposed housing developments at Kam Tin South failed to meet the public/private split of 60:40 recommended under the Long Term Housing Strategy ("LTHS"). Mr CHU Hoi-dick expressed similar concerns. Mr CHU and Ms Claudia MO urged the Administration to consider using the Pat Heung Maintenance Centre project for public housing development instead.

53. In response, USDEV said that railway property development projects would normally be planned for private housing development. The

Administration had strived to meet the public/private split of 60:40 recommended under LTHS in its planning of the territory-wide housing supply in Hong Kong. In recent years, the Administration had been on an active search for land suitable for rezoning for housing development, especially for construction of public housing. Permanent Secretary for Development (Planning and Lands) said that a technical study would be conducted for the housing development atop Pat Heung Maintenance Centre. The Administration took note of members' views and would give serious consideration to the type of housing development and number of flats that could be provided when implementing the housing development at Pat Heung Maintenance Centre in the future.

54. Dr Helena WONG requested the Administration to provide supplementary information on the respective numbers of public and private flats provided by each of the housing development sites in the past three years, and whether the public/private housing split of 60:40 was adhered to as recommended under LTHS; if not, the reasons for that.

(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC249/17-18\(01\)](#) on 14 June 2018.)

55. Dr Helena WONG and Dr Fernando CHEUNG were concerned whether the Administration had provided sufficient social and welfare facilities for the proposed housing developments at Kam Tin South. Dr WONG opined that in addition to the two Government, Institution or Community sites, the Administration should consider providing suitable social and welfare facilities in the proposed public housing developments at Kam Tin South to support the living of residents. Dr CHEUNG suggested that the Administration should require the developers concerned to build some social and welfare facilities in the proposed private housing developments at Kam Tin South.

56. At the request of Dr Helena WONG and Dr Fernando CHEUNG, the Administration undertook to provide supplementary information on the details of the social and welfare facilities it would provide in the proposed housing developments at Kam Tin South, including the three proposed public housing sites and the two West Rail property development projects.

(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC249/17-18\(01\)](#) on 14 June 2018.)

57. Mr Jeremy TAM enquired about the arrangement of pedestrian crossing facilities between Site 1 and Site 6 of the proposed housing developments at Kam Tin South. Mr TAM and Dr Junius HO opined that appropriate pedestrian crossing facilities should be provided for residents of the proposed public housing to access the social and welfare facilities and retail establishments on both sides of Kam Ho Road.

58. Chief Engineer (West)3, West Development Office, Civil Engineering and Development Department replied that Site 1 and Site 6 were currently connected by a pedestrian subway. CEDD would relay the comments of Mr Jeremy TAM and Dr Junius HO on the pedestrian access between Site 1 and Site 6 to the relevant government departments for consideration in their future design of the proposed public housing developments.

59. Mr Jeremy TAM requested the Administration to provide supplementary information on the existing use of the land between Site 1 and Kam Ho Road as shown on the layout plan at Enclosure 1 to [PWSC\(2018-19\)17](#).

(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC249/17-18\(01\)](#) on 14 June 2018.)

60. The Chairman advised that members might follow up on the detailed planning and design of the proposed housing developments at Kam Tin South at Council meetings or a relevant Panel.

Overall transport planning of New Territories West

61. Mr Michael TIEN mentioned that the current passenger load of the West Rail Line had reached the point of saturation during peak hours. Train service of the West Rail Line would fall short of demand as population continued to grow in New Territories North West. Mr TIEN strongly requested the Administration to build a new railway to directly connect New Territories North West with Hong Kong Island to improve the traffic condition of New Territories North West. He demanded that the above railway project be implemented as soon as possible within the current-term Government, or he would object to all funding proposals submitted by the Administration for major developments in New Territories West. Mr KWONG Chun-yu, Mr CHU hoi-dick and Ms Alice MAK shared the concern about the future population growth and the traffic load of New Territories West. Mr KWONG was concerned whether the West Rail Line and Route 3 could cope with the transport demand arising from the continuous population growth in New Territories North West.

62. In response, USDEV said that starting from 2016, the seven-car trains serving the West Rail Line had been replaced progressively with eight-car trains. At present, the number of West Rail Line train trips per direction per hour during peak hours was 20. In addition, to tie in with the "East-West Corridor" project under the Shatin to Central Link which was under construction, the MTR Corporation Limited was making preparations for the increase of train frequency. The Administration expected that the ultimate carrying capacity of West Rail Line would be provided by eight-car trains with an hourly frequency of 28 at each direction. On that basis, the carrying capacity of the West Rail Line would increase by 60% compared with that in 2015, which was able to meet the transport demand arising from the population growth associated with the confirmed developments in New Territories West (including Yuen Long South, Kam Tin South and Hung Shui Kiu) up to 2031. Regarding long-term railway development, the Transport and Housing Bureau would pursue the strategic studies on railways and major roads beyond 2030 in the light of Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030, which would cover the necessary transport infrastructure on Lantau, in New Territories North West and New Territories North, etc., with a view to formulating the preliminary layout of the infrastructure. The Administration planned to invite expression of interest from consultants on the above studies in the second quarter of 2018. USDEV further said that the Administration had secured FC's funding approval for conducting the feasibility study on Route 11 (between North Lantau and Yuen Long) to address the transport demand arising from the development of New Territories North West and North Lantau.

63. The Chairman advised that members might follow up on the overall transport planning of New Territories West at Council meetings or a relevant Panel.

Voting on PWSC(2018-19)17

64. There being no further questions on the item from members, the Chairman put PWSC(2018-19)17 to vote. At the request of Mr CHU Hoi-dick, the Chairman ordered a division. Fourteen members voted for and eight members voted against the proposal. One member abstained from voting. The votes of individual members were as follows:

For:

Mr Charles Peter MOK (Deputy Chairman)	Mr Tommy CHEUNG
Ms Starry LEE	Mr Frankie YICK
Mr YIU Si-wing	Mr MA Fung-kwok

Mr LEUNG Che-cheung
Mr Alvin YEUNG
Mr Holden CHOW
Mr Jeremy TAM
(14 members)

Mr Christopher CHEUNG
Dr Junius HO
Mr LAU Kwok-fan
Mr Tony TSE

Against:

Ms Claudia MO
Dr Fernando CHEUNG
Mr LAM Cheuk-ting
Mr KWONG Chun-yu
(8 members)

Mr CHAN Chi-chuen
Mr CHU Hoi-dick
Dr CHENG Chung-tai
Mr AU Nok-hin

Abstained:

Mr Gary FAN
(1 member)

65. 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.

(Post-meeting note: Mr Jeremy TAM requested after the meeting that this item be voted on separately at the relevant FC meeting.)

Head 708 – Capital Subventions and Major Systems and Equipment

PWSC(2018-19)19	28QW	Revitalisation Scheme – Revitalisation of the Lady Ho Tung Welfare Centre into Lady Ho Tung Welfare Centre Eco-Learn Institute
	29QW	Revitalisation Scheme – Revitalisation of No. 12 School Street into Tai Hang Fire Dragon Heritage Centre
	30QW	Revitalisation Scheme – Revitalisation of the Old Dairy Farm Senior Staff Quarters into The Pokfulam Farm

66. The Chairman advised that the proposal under PWSC(2018-19)19 was to upgrade 28QW, 29QW and 30QW to Category A at the estimated costs of \$42 million, \$42.3 million and \$58.7 million in MOD prices respectively. The Administration had consulted the Panel on Development on the proposed works on 31 October 2017. Panel members had no objection to the submission of the funding proposal to the Subcommittee for consideration.

A report on the gist of the Panel's discussion was distributed to members at the meeting.

Construction costs of the three projects under the Revitalising Historic Buildings Through Partnership Scheme

67. Mr CHAN Chi-chuen noted that the construction unit costs of the three proposed projects under the Revitalising Historic Buildings Through Partnership Scheme ("the Revitalisation Scheme"), i.e. Lady Ho Tung Welfare Centre Eco-Learn Institute ("the Eco-Learn Institute"), Tai Hang Fire Dragon Heritage Centre ("the Heritage Centre") and The Pokfulam Farm ("the Farm"), were estimated to be around \$28,400, \$59,600 and \$36,000 per square metre respectively. He enquired why the construction unit cost of the Heritage Centre was significantly higher than those of the other two projects except for the need to build a lift.

68. Commissioner for Heritage, Development Bureau ("C for H/DEVB"), replied that the construction unit cost of the Heritage Centre was higher than those of the other two projects because of its smaller site area. As the average cost was calculated on the basis of the site area, the addition of new facilities under this project would naturally translate to a higher unit cost per square metre. He also said that one of the objectives of the Revitalisation Scheme was to enhance the facilities of these historic buildings to meet modern-day requirements. Some barrier-free facilities, such as the lift, would be retrofitted at the Heritage Centre for the convenience of the disabled and the mobility-handicapped.

69. Mr HUI Chi-fung said that there should be principles governing the preservation of historic buildings. The lift to be provided at the Heritage Centre seemed to be quite big and occupy a large area. He enquired who had raised the idea of providing the lift; whether any objection had been received from stakeholders; and whether the lift was covered by the heritage impact assessment ("HIA") and built within the boundary of the Heritage Centre.

70. C for H/DEVB replied that historic buildings were built long ago and many of them generally could not meet the latest requirements under the building legislation, such as the requirements on fire safety and barrier-free facilities. Without any barrier-free access, the existing building at 12 School Street had to be retrofitted with a lift for it to meet the latest legal requirements. Though located within the boundary of the Heritage Centre project, the new lift would be built outside of the existing building to avoid affecting the heritage value of the building. He stressed that HIA had been conducted for all three proposed projects under the Revitalisation Scheme.

They had also been submitted to the Antiquities Advisory Board ("AAB") for comment, and AAB had agreed with the retrofitting of the lift at the Heritage Centre. Local District Councils ("DCs") and the Panel on Development had also been consulted on the three projects, and they were generally supportive of the projects and the facilities to be provided.

Highlighting the heritage value of the projects

71. Mr CHAN Chi-chuen noted that except for the revitalization of the Old Dairy Farm Senior Staff Quarters into the Farm, the other two projects both involved changes to the uses of the buildings concerned by turning a dispensary into the Eco-Learn Institute and a school into the Heritage Centre. He enquired what would be done to help visitors to the Eco-Learn Institute and the Heritage Centre understand the historical backgrounds of the buildings and create a link between the projects and the history of the buildings.

72. C for H/DEVB replied that the Administration expected that under the Revitalisation Scheme, the three projects could not only help maintain the three historic buildings, but also enable their adaptive reuse through collaboration with partner organizations responsible for the project operation. To that end, the recommended uses and ideas put forward by partner organizations would be duly considered in the evaluation and selection of projects, and the past uses of the buildings would not necessarily be retained. In the case of the revitalization of the Lady Ho Tung Welfare Centre into the Eco-Learn Institute, for example, there would be display of pictures of Sir Robert Ho Tung and Lady Ho Tung in the building, while highlights of their past contribution to the Kwu Tung district would also be provided in the heritage interpretation area. Visitors could also learn about the past uses and the history of the Lady Ho Tung Welfare Centre. Similar facilities would also be provided in the Heritage Centre located on School Street to highlight the previous role of the building as "Hung Shing Yi Hok" (Confucius free school for the poor) and its relations with the Tai Hang district.

Operation performance evaluation and maintenance costs

73. Mr MA Fung-kwok enquired how the Administration evaluated the performance and effectiveness of the partnering operators; the operation periods of the three proposed projects under the Revitalisation Scheme; the ways to determine the amounts of recurrent expenditure required by the partnering operators during the tenancy period; and the criteria adopted in estimating the annual cost to be borne by the Government for the maintenance works.

74. C for H/DEVB replied that the partnering operators were required to submit annual progress reports and financial statements to the Administration for scrutiny of their performance and effectiveness. The Administration would conduct regular site inspections to examine the operating conditions of the projects for report to the Advisory Committee on Built Heritage Conservation ("ACBHC"). Recommendations, if any, would be relayed to the partnering operators in a timely manner for adjustment and improvement to be made. The maintenance of structures (such as walls, beams or structural elements) of the historic buildings within their respective boundaries and lots was undertaken by the Administration, while other maintenance tasks were undertaken by the partnering operators. As the three historic buildings would be given major facelifts that would keep them in good conditions for several years, the Administration believed that the maintenance costs to be incurred by the partnering operators would not be significant. Upon commencement of the third tenancies, the Administration would subsidize the maintenance costs incurred by the partnering operators for facilities required to be provided in their application for Occupation Permits (such as fire safety equipment, lifts and barrier-free accesses) and for meeting modern-day requirements (such as the provision of air-conditioning and pruning of trees) with regard to practical needs and after consulting ACBHC.

Structural safety of the buildings

75. Ms Claudia MO expressed her support for historic and cultural conservation projects. She was pleased to learn that the Eco-Learn Institute, upon completion, would continue to provide Chinese medical treatment services, as what the former Lady Ho Tung Welfare Centre had done. She enquired about the building integrity and structural safety of the three historic buildings during and after the revitalization works and whether they were at risk of collapse. C for H/DEVB replied that the Administration would ensure the safety of all works. The partner organizations would appoint relevant professionals to prepare the building plans, and the revitalization works could only commence after the plans were vetted and approved by the Buildings Department.

Operational capabilities of the partnering operators

76. Mr Tony TSE supported the Administration's injection of resources to revitalize historic buildings. He suggested that in selecting partnering operators, consideration should be given to the subsidizing period. He also enquired whether the partnering operators of the three proposed projects under the Revitalisation Scheme had all submitted proposals on their

financial sustainability and whether and when the Administration expected the projects to become self-sustainable.

77. C for H/DEVB replied that all the three revitalization projects were under batch IV of the Revitalisation Scheme. For every project under the Revitalisation Scheme, non-profit-making organizations were invited to submit applications for assessment by ACBHC, which comprised members from different fields and professions, including historical studies, architecture, finance, social enterprises and engineering. ACBHC assessed the applications based on five assessment criteria, including the reflection of heritage value, technical aspects of architecture, operating conditions of the social enterprises concerned, financial viability, and the operational and managerial capabilities of the partner organizations. According to the plans submitted by the partnering operators, the three proposed revitalization projects were expected to become self-sustainable from the third year of operation. In the first two years, the Administration would provide the partnering operators with a grant capped at \$5 million to meet the operating costs or any possible deficits.

78. Mr AU Nok-hin expressed his overall support for the three projects under the Revitalisation Scheme. He enquired what operational plans the partnering operators had in place to balance their books in the future. Educational Services Secretary, Sik Sik Yuen Lady Ho Tung Welfare Centre Eco-Learn Institute Ltd replied that the major source of operating income of the Eco-Learn Institute would come from the organization of ecology training programmes targeting mainly schools and members of the public. In addition, ecology-themed docent programmes would also be held for adult trainees. Director, Tai Hang Fire Dragon Heritage Centre Limited ("D/Heritage Centre") replied that Dai Pai Dong-themed restaurants would be operated in the Heritage Centre to generate income. Director, The Pokfulam Farm Company Limited ("D/the Farm") replied that Caritas—Hong Kong had set up a special-purpose company ("SPC") (i.e. The Pokfulam Farm Company Limited) for the continuous running and growing of the project. SPC was a social enterprise operating in collaboration with other social enterprises of Caritas—Hong Kong. Income would be generated from its workshops on different dairy products and docent tours on local culture.

79. Mr KWONG Chun-yu enquired about the Administration's coping measures in the event of operational difficulties faced by partnering operators, including whether an exit mechanism was in place. He also enquired whether the Administration would consider the suggestions put forward by the local community, such as providing automatic teller machines or other convenience facilities in the Heritage Centre as a means to attract visitors. He further asked whether such suggestions would be considered by the

Administration at this stage or left for the partnering operators to decide in the future.

80. C for H/DEVB replied that the Administration would enter into tenancy agreements with partnering operators. The tenancies were for three years normally, and extendable by further three years. When the first three-year tenancy agreements approached expiry, the Administration would review the operating conditions of the partnering operators to decide whether the agreements should be renewed. The partnering operators were also given the option to renew their agreements for three years or to exit. The Administration was open to the idea of providing convenience facilities in historic buildings. For example, a café was provided at Jao Tsung-I Academy in response to calls in the community. All the projects under the Revitalisation Scheme were scrutinized by ACBHC, and any suggestions would be considered in the light of the operating experience and public views, on the premise that such suggestions would not have any implications on the heritage value of the buildings concerned, the businesses of the partnering operators and the provision of core services, such as the size and the exhibits of the heritage interpretation area and the provision of catering services.

81. Dr Fernando CHEUNG supported the three proposed projects. He was concerned about the approach of using the Revitalisation Scheme to develop social enterprises for fear that such projects might become too commercial in order to achieve self-sustainability. He urged the Administration to live up to the objectives of the Revitalisation Scheme, which sought to showcase historic buildings to the public and preserve culture. The subsidy ceiling of \$5 million for the first two years should also be reviewed in a timely manner, so as to prevent injecting too many commercial elements in the revitalization projects. C for H/DEVB took note of Dr CHEUNG's concern, saying that the Administration would strive to attain a proper balance. Surplus earned, if any, would be re-invested in the projects to ensure their financial sustainability in the long term.

82. Mr HUI Chi-fung said that he was a member of the Central and Western DC. He called for prudent consideration as some revitalization projects had been poorly operated in the past. He enquired how the Administration exercised control over the services provided by the projects and the fees they charged (e.g. whether it was possible to require the operator to provide affordable food and beverage services in the Heritage Centre), and whether mechanisms were in place under the tenancy agreements to deal with the closure of business by partnering operators.

83. C for H/DEVB replied that partnering operators were required to submit audited financial statements and progress reports to the

Administration annually to account for its income/expenditure status and activities in the past year respectively. The tenancy agreements between the Administration and the partnering operators would set out the specific arrangements for the revitalization projects, such as the opening days per year, operating hours, and the facilities and services to be provided. However, the Administration would not exercise micro-management on the partnering operators and their operating models. The food and beverage facilities at the Heritage Centre would be geared to the mass consumer market.

84. Mr CHAN Chi-chuen further enquired whether the Administration had other measures in place to regulate the fees charged by partnering operators for their services and the future increase in such fees. He asked about the responsibilities the partnering operators had to bear for the poor operation of the projects and their subsequent closure. For example, it was noted that Fong Yuen Study Hall on Ma Wan was handed back to the Government in 2017. Using Fong Yuen Study Hall as an example again, he pointed out that despite the initial estimate of 27 000 visitors annually for the first three years, this project received as few as about 3 000 visitors a year. He enquired how the Administration estimated, evaluated and monitored the visitor numbers of the three proposed projects under the Revitalisation Scheme.

85. C for H/DEVB replied that fee proposals had been provided by the partnering operators in their application for the revitalization projects, which had been commented on and approved by ACBHC during the assessment stage. In case there were needs to make major adjustments to such fees, the partnering operators were required to discuss the adjustments with the Administration beforehand, although the Administration would not overly micro-manage the partnering operators and their operating models. Out of the 19 projects under the five batches of the Revitalisation Scheme, nine projects under the first two batches had commenced operation, among which five had been awarded the UNESCO Asia-Pacific Awards for Cultural Heritage Conservation. In other words, more than 50% of the projects had received international recognition. In the case of Fong Yuen Study Hall, C for H/DEVB said that the project had inherent limitations for its remote location and small lot area. ACBHC had already acknowledged the higher operational risk of the project during the application assessment. Nevertheless, the Administration's investment in the revitalization and facelift of the dilapidated rural study hall had contributed significantly to the preservation of valuable historic buildings. The management of Fong Yuen Study Hall had been handed over to the Leisure and Cultural Services Department after the exit of the partnering operator. The study hall was still open for visits by the public for them to know more about the history of Ma Wan.

86. C for H/DEVB further said that the Administration would monitor if the revitalization projects could meet their respective visitor numbers. The actual visitor numbers of some revitalization projects (such as the Old Tai Po Police Station (i.e. the Green Hub) had gone way beyond their estimates. The Administration considered that it should allow room for partnering operators to venture into the projects, and it would assist them in promoting and publicizing the revitalization projects.

Promotion and publicity

87. Mr YIU Si-wing supported the three proposed projects under the Revitalisation Scheme, and enquired about the relevant promotion work. In particular, he asked about the specific promotion and facilitating measures the Administration had in place to attract visitors from overseas; and whether the partner organizations were involved in such publicity activities. On individual projects, he considered that the external appearance of the Heritage Centre was rather plain, with only a fire dragon joss stick pearl for adornment. He asked whether improvement would be made to the design of the façade of the Heritage Centre to make it a photography spot attractive to visitors. As regards the Farm, he pointed out that the project was located close to other landmark structures attractive to visitors, such as the Pok Fu Lam Reservoir and Museum of Bethanie. He enquired whether the Administration/the partnering operator would introduce any complementary publicity programmes for them.

88. C for H/DEVB replied that the Administration would assume a coordinating role in the launch of publicity and promotion activities, such as staging the Heritage Fiesta on an ongoing basis and holding a street carnival at the end of this year in which relevant partnering operators would be invited to introduce their respective projects and services. Besides, the Administration had frequently partnered with the Hong Kong Tourism Board ("HKTB") to promote projects under the Revitalisation Scheme. For example, a street carnival called "Heritage Vogue • Hollywood Road" was organized in July last year, with the participation of partnering operators of revitalization projects already in operation to showcase their projects and services to members of the public and visitors, with a view to attracting them to pay visits to those projects.

89. C for H/DEVB further said that the Heritage Centre, a Grade 3 historic building, adopted an international modern building style which put emphasis on practicality in its façade design. While expecting the design to reflect the original appearance of the historic building after revitalization, the Administration also took note of the public's aspiration for the building

design to embody the characteristics of the fire dragon. The Administration maintained an open attitude towards the suggestion, subject to the principle that the project should be able to highlight the characteristics of the historic building. D/Heritage Centre supplemented that fire dragon dance was performed in Tai Hang every year during the Mid-autumn Festival, and HKTB had helped promote the event in overseas markets and at the Hong Kong International Airport. However, since the fire dragon dance was performed only three days a year, he maintained that the establishment of the Heritage Centre would help promote the fire dragon dance culture to visitors in the remaining time of the year.

90. D/the Farm also supplemented that the workshops and guided tours organized by the Farm would mainly serve members of the public, while educational camps would mainly target students of tertiary institutions, secondary and primary schools. The Farm would make use of social media (e.g. Facebook, etc) to promote its activities, and carry out suitable publicity initiatives to get touch with its target audience.

91. Ms Claudia MO noted that some preservation projects, such as PMQ in Central, were not supported by adequate promotion and publicity activities. She agreed that the Heritage Centre should serve to promote the fire dragon dance culture, and some other facilities such as restaurants should also be provided therein to attract visitors. She was also concerned about the relatively remote locations of the Eco-Learn Institute in Kwu Tung and the Farm in Pok Fu Lam, which might lead to low patronage. She asked what measures the Administration had in place to boost the visitor numbers of the relevant projects.

92. C for H/DEVB replied that while targeting mainly secondary and primary students, the Eco-Learn Institute also welcomed and encouraged the general public to visit the place. The Administration believed that the location was very suitable for eco-learning projects. He clarified that while PMQ was also a revitalization project, it was not under the Revitalisation Scheme. PMQ had received as many as about 13 million visitors since its commencement in April 2014.

93. Mr HUI Chi-fung enquired about the opening hours of the three proposed projects under the Revitalisation Scheme; whether the venues were open for hiring by the public at a fee or for free; whether public engagement activities would be organized; and whether public open space was provided for public use. In reply, C for H/DEVB said that the Administration would step up the promotion and publicity efforts. The opening hours of the three projects had been set out in the discussion paper. The Administration would

maintain close liaison with the partner organizations and consider the need to adjust the opening hours sometime after commencement of the projects.

Provision of employment opportunities

94. Dr Fernando CHEUNG enquired about the number of jobs to be created each year by the social enterprises undertaking the three revitalization projects, especially the job opportunities for the disadvantaged. C for H/DEVB replied that the Eco-Learn Institute would provide six full-time and 19 part-time jobs during its operation, the Heritage Centre would provide 14 full-time and five part-time jobs, and the Farm would provide three full-time and four part-time jobs. As in other projects under the previous batches of the Revitalisation Scheme, the Administration would require the partnering operators to accord priority to hiring local residents and the disadvantaged as far as practicable.

Design and facilities of individual projects

Lady Ho Tung Welfare Centre Eco-Learn Institute

95. Dr Fernando CHEUNG enquired whether the barrier-free access of the Eco-Learn Institute was provided at the public entrance/exit. Executive Director, Spence Robinson Limited replied that the barrier-free access of the Eco-Learn Institute was provided at the general public entrance/exit.

Tai Hang Fire Dragon Heritage Centre

96. Mr AU Nok-hin noted from the elevation plan at Annex 5 to Enclosure 2 to [PWSC\(2018-19\)19](#) that the Heritage Centre was adorned with a fire dragon joss stick pearl on the top of the building. He enquired about the production materials of the adornment, and whether any evaluation had been conducted or reference been made in respect of the aesthetic aspect of the adornment.

97. Associate Director, PKNG & Associates (HK) Limited ("AD/PKNG & Associates") supplemented that the fire dragon joss stick pearl would be made of metal and installed with LED lighting. The illumination levels were adjustable by a computer-simulation system. C for H/DEVB supplemented that HIA had been conducted for all the three revitalization projects. The provision of the fire dragon joss stick pearl for adornment had been discussed by AAB and also passed the HIA.

98. Ms Tanya CHAN enquired about the total floor area of the Heritage Centre project which included a reception area, a themed display

area/multi-purpose activity room, and two themed food and beverage facilities cum heritage display areas. She was also concerned about the food and beverage services to be provided, including the adoption of the Dai Pai Dong theme, the opening hours and the charges of the services, and whether the fire dragon dance culture could be duly highlighted. As the Tai Hang district was not short of eating places and some of the eateries there had already shut down, she was concerned whether the adoption of the food and beverage theme in the operation of the Heritage Centre was sustainable.

99. AD/PKNG & Associates replied that the themed display area/multi-purpose activity room on the ground floor had a usable area of about 128 square metres, while the thematic food and beverage facilities on the first and second floors had the usable areas of about 120 and 125 square metres respectively. C for H/DEVB said that the ground floor of the Heritage Centre served as an area for heritage interpretation where exhibits related to the fire dragon dance culture would be displayed, and the first and second floors would be used as restaurants. The restaurants at the Heritage Centre would be geared to the mass consumer market and serve food and beverages at affordable prices. The Heritage Centre would be open from 10:00 am to 10:00 pm daily except on Mondays. D/Heritage Centre supplemented that the ground floor of the Heritage Centre was designed as an exhibition area in the hope of introducing to the young people and foreign visitors the long history of the fire dragon dance. The food and beverage services would also be tailored to their taste, including the serving of "dragon cake" and other specialties in the restaurants. Indeed, dining facilities were needed as seminars would be staged at the Heritage Centre from time to time.

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

101. 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.

102. The meeting ended at 12:47 pm.