

立法會
Legislative Council

LC Paper No. CB(1)585/17-18
(These minutes have been seen
by the Administration)

Ref : CB1/PL/DEV

Panel on Development

Minutes of meeting
held on Tuesday, 28 November 2017, at 2:30 pm
in Conference Room 1 of the Legislative Council Complex

Members present : Hon Tommy CHEUNG Yu-yan, GBS, JP (Chairman)
Hon Kenneth LAU Ip-keung, BBS, MH, JP (Deputy
Chairman)
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon CHAN Hak-kan, BBS, JP
Hon CHAN Kin-por, GBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon CHAN Chi-chuen
Hon CHAN Han-pan, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon HO Kai-ming
Hon LAM Cheuk-ting

Hon Holden CHOW Ho-ding
Hon Wilson OR Chong-shing, MH
Hon CHAN Chun-ying
Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho

Member attending : Hon Claudia MO

Members absent : Hon Abraham SHEK Lai-him, GBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Dr Hon Junius HO Kwan-yiu, JP

Public officers attending : **Agenda item III**

Ms Margaret HSIA Mai-chi
Principal Assistant Secretary for Financial Services
and the Treasury (Treasury) (Works)

Mr Ivan CHUNG Man-kit
Principal Assistant Secretary for Development
(Planning and Lands)⁵

Mr Joseph LO Kwok-kuen
Chief Assistant Secretary for Development
(Works)¹

Mr Tony MOYUNG Hon
Deputy Director/Specialist
Lands Department

Mr Albert CHEUNG Ka-lok
Assistant Director/Specialist 3 (Acting)
Lands Department

Mrs Sylvia LAM YU Ka-wai
Deputy Director of Architectural Services

Mr Dennis LAW Kar-cheuk
Chief Property Services Manager (3)
Architectural Services Department

Mr Anthony TSANG Kwok-leung
Assistant Director/Projects and Development
Drainage Services Department

Mr LAM Sai-hung, JP
Director of Civil Engineering and Development

Ms Betty CHEUNG Miu-han
Assistant Director (Environmental Infrastructure)
Environmental Protection Department

Miss Hinny LAM Shuk-yee
Assistant Director (Waste Management Policy)
Environmental Protection Department

Mr CHUI Wing-wah
Deputy Director of Highways

Mr Sam LAM Sai-wing
Chief Engineer 1/Major Works
Highways Department

Ms Eugenia CHUNG Nga-chi, JP
Assistant Director (2)
Home Affairs Department

Mr Martin KWAN Wai-cheong
Chief Engineer (Works)
Home Affairs Department

Miss Winnie WONG Ming-wai
Deputy Secretary-General (1)
University Grants Committee Secretariat

Mr LEE Sin-wah
Chief Maintenance Surveyor (School Premises
Maintenance)
Education Bureau

Mr Samuel FAN Kim-fung
Senior Property Services Manager (School Works
Section)
Education Bureau

Mr KOK Che-leung
Assistant Director (Subventions)
Social Welfare Department

Ms PANG Kit-ling
Assistant Director (Elderly)
Social Welfare Department

Mr Kenneth WOO Chi-man
Chief Executive Officer (Subventions/Planning)
Social Welfare Department

Mr WONG Chung-leung, JP
Deputy Director of Water Supplies

Mr Kenneth LEUNG Tak-yan
Chief Civil Engineer (Public Works Programme)
Transport and Housing Bureau

Agenda item IV

Mr LIU Chun-san, JP
Under Secretary for Development

Miss Karen TO Ka-yin
Principal Assistant Secretary for Development
(Planning and Lands)¹ (Acting)

Mr Ambrose CHEONG Siu-yau, JP
Project Manager (New Territories West)
Civil Engineering and Development Department

Mr Tony CHEUNG Ka-leung
Chief Engineer/New Territories West 3
Civil Engineering and Development Department

Agenda item V

Mr Michael WONG Wai-lun, JP
Secretary for Development

Mr Vincent MAK Shing-cheung, JP
Deputy Secretary for Development (Works)2

Mr WONG Chung-leung, JP
Deputy Director
Water Supplies Department

Mr CHAU Sai-wai
Assistant Director/Development
Water Supplies Department

Agenda item VI

Mr HON Chi-keung, JP
Permanent Secretary for Development (Works)

Mr Vincent MAK Shing-cheung, JP
Deputy Secretary for Development (Works)2

Mr Francis CHAU Siu-hei
Deputy Secretary for Development (Works)3

Mr WONG Chung-leung, JP
Deputy Director
Water Supplies Department

Mr CHAU Sai-wai
Assistant Director/Development
Water Supplies Department

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

Staff in attendance : Miss Rita YUNG
Senior Council Secretary (1)2

Mr Raymond CHOW
Senior Council Secretary (1)6

Ms Christina SHIU
Legislative Assistant (1)2

Action

I Information paper(s) issued since the last meeting

(LC Paper No. CB(1)118/17-18(01) — Referral memorandum on issues raised at the meeting between Legislative Council Members and Sham Shui Po District Council members on 14 July 2017 relating to bid-rigging in building repair works (Restricted to members)

LC Paper No. CB(1)221/17-18(01) — Letter dated 14 November 2017 from Hon CHU Hoi-dick concerning the Capital Works Reserve Fund Block Allocations for 2018-2019

LC Paper No. CB(1)221/17-18(02) — Letter dated 15 November 2017 from Hon Alice MAK Mei-kuen on the proposed Waterworks (Amendment) (No. 2) Bill 2017

LC Paper No. CB(1)237/17-18(01) — Referral memorandum dated 17 November 2017 from the Panel on Public Service on the work of the Joint Offices for Investigation of Water Seepage Complaints (Restricted to members))

Members noted that the above information papers had been issued since the meeting on 24 October 2017.

II Items for discussion at the next meeting

(LC Paper No. CB(1)235/17-18(01) — List of outstanding items for discussion

LC Paper No. CB(1)235/17-18(02) — List of follow-up actions)

2. Members agreed that the next regular meeting would be scheduled for Wednesday, 20 December 2017, from 2:30 pm to 5:00 pm to discuss the following items proposed by the Administration:

- (a) PWP Item No. 163TB — Kwun Tong Town Centre Redevelopment — provision of grade-separated pedestrian linkages;
- (b) Operation Building Bright 2.0; and
- (b) Implementation arrangements for the Hung Shui Kiu New Development Area Project.

3. The Chairman informed members that he and Ms Alice MAK, Chairman of the Panel on Housing, had agreed that a joint meeting of the two panels be held on Monday, 5 March 2018, from 2:30 pm to 3:30 pm to discuss the subject of "Rehousing policy for residents affected by land resumption".

4. Mr LAM Cheuk-ting raised concerns that some residents affected by land resumption due to the North East New Territories New Development Area project were facing rehousing problems. He requested that the joint meeting be held sooner to discuss the issue. Dr KWOK Ka-ki suggested inviting members of the public to give views at the joint meeting.

5. The Chairman took note of Mr LAM Cheuk-ting's and Dr KWOK Ka-ki's views and suggestions. He said that he would further liaise with the Chairman of the Panel on Housing, and update members on the joint meeting arrangements in due course.

III Capital Works Reserve Fund Block Allocations for 2018-2019

(LC Paper No. CB(1)235/17-18(03) — Administration's paper on Capital Works Reserve Fund Block Allocations for 2018-2019)

6. At the invitation of the Chairman, Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works), Financial Services and the Treasury Bureau, briefed members on the funding proposal to be submitted to the Public Works Subcommittee ("PWSC") and the Finance Committee ("FC") for the Capital Works Reserve Fund ("CWRF") block allocations for 2018-2019, comprising a total allocation of \$12,491.9 million.

7. The Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure of the Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects.

Head 701 Land Acquisition

Subhead 1100CA – Compensation and ex-gratia allowances in respect of projects in the Public Works Programme

8. Dr KWOK Ka-ki queried if the Administration had made sufficient efforts to assist those non-indigenous villagers who were affected by village clearance and land resumption for the development at Wang Chau, Yuen Long but were ineligible for compensation under the existing regime. He enquired about the number of these affected non-indigenous villagers, and among which the respective numbers of those who were properly rehoused/rendered homeless.

9. Assistant Director/Specialist 3 ("AD/S3") (Acting), Lands Department ("LandsD"), advised that the Administration had commenced village clearance and land resumption to pave the way for the proposed public housing development at Wang Chau. The compensation and rehousing arrangements for the affectees were in line with the established policy. He undertook to provide the information requested by Dr KWOK after the meeting.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)436/17-18(01) on 8 January 2018.)

10. Mr CHU Hoi-dick pointed out that the project estimate for the item "Resumption of land for development at Wang Chau, Yuen Long" had increased from about \$204 million in 2017-2018 to about \$226 million in 2018-2019, and that for the item "Road works – site formation and

infrastructure works for development at Wang Chau, Yuen Long" from about \$92 million in 2017-2018 to about \$102 million in 2018-2019. He requested the Administration to give an account of the increases.

11. AD/S3 (Acting), LandsD, explained that based on the updated progress on the negotiation with the affected parties concerned, LandsD would accordingly adjust the estimated land acquisition costs for the relevant items every year. The increases in the project estimates of the said two items were reflecting these adjustments.

12. Mr LEUNG Che-cheung enquired if an appeal mechanism was available for landowner(s) who were dissatisfied with the compensation amount for land resumption under the item "Yuen Long and Kam Tin sewerage treatment upgrade — upgrading of San Wai sewerage treatment works"; and if so, whether any appeals were made so far. Deputy Director/Specialist ("DD/S"), LandsD, said that the affected landowners could appeal to the Lands Tribunal if they were dissatisfied with the compensation amount proposed by LandsD.

13. Mr LEUNG Che-cheung noted that the block allocations proposal included an item on "road works — site formation and infrastructure works for development at Kam Tin South, Yuen Long — advance works", which was related to the land acquisition costs to be incurred for the proposed public works programme ("PWP") Item No. 7804CL — Site formation and infrastructure works for development at Kam Tin South, Yuen Long — advance works. Yet, the funding proposal of this PWP item would only be considered under the next agenda item at this meeting. Mr LEUNG opined that the order of these two agenda items should be reversed such that the Panel could consider the PWP item before the funding proposal on the associated land acquisition costs under the block allocations.

14. DD/S, LandsD, explained that while the timetable for land resumption for PWP Item No. 7804CL would follow the project's works plan, it was necessary to make provisions for the associated land acquisition costs under the block allocations so as to facilitate release of the compensation to the claimants and affected parties when required.

15. Referring to the item "Formation, roads and drains in Area 54, Tuen Mun phase 2 stage 4B — construction of road L54B", Dr CHENG Chung-tai relayed the local concerns over the traffic impact of the planned public and private housing developments in the area, and

asked if the relevant traffic impact assessment ("TIA") conducted had taken into account the planned housing developments.

16. Director of Civil Engineering and Development advised that the relevant TIA conducted had indicated that the capacity of road network nearby could cope with the additional traffic arising from the planned private and public housing developments in the area, the latter of which would be implemented in phases. At the request of Dr CHENG Chung-tai, the Administration agreed to provide the relevant TIA with the latest forecast of the traffic flow in the area arising from the said developments.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)436/17-18(01) on 8 January 2018.)

17. Dr KWOK Ka-ki and Mr CHAN Chi-chuen noted that items on the resumption of land and road works in relation to the establishment of an agricultural park ("the park") in Kwu Tung South (phase 1) had been included under the block allocations, yet, they were discontented that the Administration had not given a full account of the relevant details of the park development. Dr KWOK and Mr CHAN requested the Administration to provide details on: (a) the timetable of the related land resumption exercise and the areas of land involved, the respective numbers of indigenous and non-indigenous households, licensed structures and business operations that would be affected, as well as the number of objections received; (b) the mode of operation of the park, and the number of farmers expected to be benefited from agricultural rehabilitation in the park; and (c) while the relevant District Council was consulted about the details of the park development, whether and why the Administration considered it appropriate and sufficient to include the relevant funding proposals in the CWRF block allocations for scrutiny by the LegCo without providing any details of the park development.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)436/17-18(01) on 8 January 2018.)

Head 703 Buildings

Subhead 3101GX – Minor building works for items in Category D of the Public Works Programme

18. Referring to the item "Re-location of canteen and related fitting-out works of the Government Flying Services Headquarters", Mr Jeremy TAM enquired about the reason(s) for the re-location. Deputy Director of Architectural Services ("DDArchS") explained that the re-location of the canteen was to release more office space for the Government Flying Services ("GFS") at its Headquarters to cater for the need arising from GFS's recent manpower expansion. Mr Jeremy TAM further opined that consideration should be given on the planning for a new building to provide sufficient office space for GFS in the long run. DDArchS responded that the works departments would maintain close contact with GFS on its need for the office fitting-out works.

19. Miss Alice MAK asked about details of the item "Expansion of Tuen Mun Wu Hong Elderly Health Centre at G/F and 1/F (part), Tuen Mun Wu Hong Clinic", including the time when the relevant works would commence. DDArchS replied that fitting-out works would be carried out at the Wu Hong Elderly Health Centre for the Department of Health ("DH") to set up additional elderly facilities; and the relevant works would commence when DH had vacated the space for accommodating the new facilities.

20. Mr CHU Hoi-dick enquired whether the item "Improvement works at Lockhart Road Market" covered the improvement works of the refuse collection point therein. DDArchS replied that the original scope of works did not cover the refuse collection point.

Head 705 Civil Engineering

Subhead 5001BX – Landslip Preventive Measures

21. Miss Alice MAK requested the Administration to provide information including the works locations and progress in respect of the item "Landslip prevention and mitigation programme, 2012, package D, landslip prevention and mitigation works in Lantau Island".

22. Dr Fernando CHEUNG requested the Administration to provide information including the scope and progress in respect of the item on the

"Study on the technical issues related to the potential reclamation site at Ma Liu Shui".

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)436/17-18(01) on 8 January 2018.)

Head 707 New Towns and Urban Area Development

Subhead 7017CX – Signature Project Scheme

23. Dr Fernando CHEUNG said that he was opposed to the construction of music fountains at Kwun Tong Promenade.

Subhead 7100CX – New towns and urban area works, studies and investigations for items in Category D of the Public Works Programme

24. Dr CHENG Chung-tai requested the Administration to provide information on whether the various items related to the Hung Shui Kiu New Development Area ("NDA") were part of the existing package of works under the development proposals for the NDA, or were newly proposed items.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)436/17-18(01) on 8 January 2018.)

Head 708 Capital Subventions

Subhead 8001SX – Provisioning of welfare facilities

25. Dr Fernando CHEUNG expressed that, while he welcomed the provision of the various welfare facilities in public housing developments under the relevant items under this Subhead, such as those in the Chung Nga Road and Anderson Road public housing developments, he was concerned about the types of the welfare facilities to be provided and the target groups to be served. He asked if the relevant planning was based on the overall demand of the different types of welfare facilities in Hong Kong, or targeted at responding to the needs of the local communities. For example, he observed that despite the large number of younger families residing in Shui Chuen O Estate, Sha Tin, there were not sufficient welfare facilities catering for the need of the youth.

26. Assistant Director (Subventions), Social Welfare Department, said that in the planning for the types of welfare facilities to be included in a public housing development, the Administration would take into account, inter alia, the needs of both the local and wider communities as well as the provision of the services in the vicinity. In the case of Shui Chuen O Estate, whilst the children and youth services for the estate were covered by an existing Integrated Children and Youth Services Centre nearby, the Social Welfare Department had been working closely with the Housing Department, in identifying suitable premises to set up a sub-base to meet the needs of the local residents.

Head 709 Waterworks

Subhead 9100WX – Waterworks, studies and investigations for items in Category D of the Public Works Programme

27. On the item "Condition survey on Dongjiang water mains", Dr Helena WONG enquired whether the condition survey would cover the water mains on the Mainland or those in Hong Kong. She also asked about the total length of the water mains expected to be replaced and the expenses involved, and whether, apart from the survey costs, the project estimate under this item would cover the related replacement expenses.

28. Deputy Director of Water Supplies explained that the condition survey would be conducted on the Dongjiang water mains within the territory of Hong Kong as they aged more than 30 years. The length of the water mains to be replaced would depend on the survey results. The Water Supplies Department ("WSD") would separately seek funding approval from FC for replacing the aged water mains if the replacement expenses exceeded the financial ceiling of Subhead 9100WX, i.e. \$30 million.

29. Dr Helena WONG asked if the item "Risk-based improvement of water mains in Nathan Road near Jordan Road and the associated mains" was related to the implementation of the Water Intelligent Network. She also asked if the Water Intelligent Network had helped detect the deteriorated water mains under Nathan Road near Jordan Road, thus facilitating the improvement works.

30. Deputy Director of Water Supplies indicated that after the completion of a large-scale programme of replacing and rehabilitating aged water mains in Hong Kong, WSD targeted at identifying the high

risk water mains for reprovisioning through the Water Intelligent Network and the routine inspections and assessment by the WSD staff.

Head 711 Housing

Subhead B100HX – Minor housing development related works, studies and investigations for items in Category D of the Public Works Programme

31. Miss Alice MAK enquired about the reasons for the negative change by 20.9% in the estimate for 2018-2019 under Head 711 as compared with the 2017-2018 allocation. Chief Civil Engineer (Public Works Programme), Transport and Housing Bureau explained that the number of items funded under Head 711 in 2018-2019 was more or less the same as those in 2017-2018; and the percentage change in the estimate was mainly a reflection on the difference in the cash flow requirement of funding items between these two years.

32. Mr LEUNG Che-cheung relayed that the Yuen Long District Council ("YLDC") did not support the proposed developments at Long Bin and near Tan Kwai Tsuen, yet he noted that the items "Site formation and infrastructural works for the developments at Long Bin, Yuen Long — design and investigation" and "Site formation and infrastructure works for public housing development near Tan Kwai Tsuen, Yuen Long — design and investigation" had been included in the block allocations. He asked how the Administration would respond to the opposing views and whether YLDC would be consulted again on the proposed developments.

33. Chief Civil Engineer (Public Works Programme), Transport and Housing Bureau, replied that the two items involved carrying out of pre-construction activities for the Long Bin and Tan Kwai Tsuen development projects in order to obtain technical findings. The Administration would consult YLDC again on the said development projects in due course.

Other views

34. Given that the funding proposal under CWRP block allocations comprised many items related to the planned new development/housing projects in the New Territories, Mr CHU Hoi-dick requested the Administration to provide a consolidated list of these projects of various scales, together with the estimated numbers of population intakes and

jobs to be created in these new developments. Mr CHU also asked for a consolidated list of the studies proposed to be funded under the CWRP block allocations, together with the relevant details including the deliverables of the studies. The Administration undertook to provide the information requested by Mr CHU.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)436/17-18(01) on 8 January 2018.)

[During the discussion, some members had asked about information on items that were beyond the purview of the Panel on Development, including those which were already considered by the Panel on Information Technology and Broadcasting. The Chairman had suggested that members could raise the relevant questions during the discussions on the block allocations proposal at the PWSC and FC meetings.]

Concluding remarks

35. The Chairman said that members belonging to the Liberal Party supported the block allocations proposal. The Deputy Chairman also said that members belonging to the Business and Professionals Alliance for Hong Kong supported the proposal. Likewise, Mr LEUNG Che-cheung and Miss Alice MAK respectively stated that members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong and the Hong Kong Federation of Trade Unions supported the proposal.

36. Mr CHU Hoi-dick indicated that he would consider supporting the proposal only if the Panel on Development would hold another meeting to discuss the block allocations proposal. However, the Chairman advised that it was not feasible for the Panel to endlessly discuss the proposal at its meetings. Dr KWOK ka-ki said that he could not support the proposal as there was not enough time for the discussion. Dr CHENG Chung-tai, Mr CHAN Chi-chuen and Dr Fernanda CHEUNG indicated that they would only decide whether to support the proposal after the Administration had provided its responses to questions and concerns raised by members. The Chairman instructed that their views be put down on record.

IV PWP Item No. 7804CL — Site Formation and Infrastructure Works for Development at Kam Tin South, Yuen Long — Advance Works

(LC Paper No. CB(1)235/17-18(04) — Administration's paper on PWP Item No. 7804CL — Site Formation and Infrastructure Works for Development at Kam Tin South, Yuen Long — Advance Works)

37. Mr KWONG Chun-yu pointed out that at the meeting of the Yuen Long District Council ("YLDC") on 5 September 2017, YLDC had unanimously passed two motions, including one urging the Administration to widen the entire Kam Sheung Road and provide for new roads to cater for the increase in traffic demand arising from the proposed housing and relevant developments in Kam Tin South and resolve the traffic problem of Kam Sheung Road; otherwise, YLDC would adamantly object to the development proposals. As such, Mr KWONG suggested the Panel not to consider the Administration's funding proposal for the captioned PWP Item No. 7804CL, unless and until the Administration had addressed YLDC's demand and obtained its support for the relevant development proposals.

38. The Chairman said that at the meeting on 24 October 2017, the Panel had agreed to discuss this public works item at this meeting. No member had raised any comments on the inclusion of this item on the agenda before the meeting. Besides, he pointed out that Mr KWONG Chun-yu had submitted a proposed motion on this item despite suggesting not to consider the item. Hence, the Chairman decided that the Panel should proceed with the discussion on this item.

39. At the invitation of the Chairman, Under Secretary for Development ("USDEV") briefed members that to support three proposed public housing sites and two West Rail property development projects in Kam Tin South, which would provide a total of around 18 000 flats, the Administration proposed to carry out the Advance Works that mainly included road widening and road junction improvement works and sewerage works. He indicated that the Administration had consulted YLDC, Kam Tin Rural Committee ("RC") and Pat Heung RC on the proposed works, and noted their keen demand for long-term traffic improvement in the area. In this regard, he advised that the proposed

road improvement works would not only be necessary for meeting the increase in traffic demand arising from the housing developments, but would also help improve the traffic condition of Kam Sheung Road. He said that subject to the funding approval of FC, the Administration planned to commence the proposed works in mid-2018 for completion in end 2021.

40. With the aid of a powerpoint presentation, Chief Engineer/New Territories West 3, Civil Engineering and Development Department then briefed members on the details of the proposed works.

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)290/17-18(01) by email on 28 November 2017.)

41. The Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure of the Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the item under discussion at the meeting before they spoke on the item.

Traffic improvement in the area

42. Ms Alice MAK questioned why in the discussion paper submitted to the Panel, the Administration had made no mention of the motions passed and the strong objection expressed at YLDC's recent meeting on 5 September 2017, but only mentioned about the consultations with the Traffic and Transport Committee ("T&TC") of YLDC, and Kam Tin RC and Pat Heung RC back in March 2016. She considered it imperative for the Administration to communicate with the relevant stakeholders and ensure that their concerns had been duly addressed. Dr KWOK Ka-ki and Mr KWONG Chung-yu expressed similar views.

43. USDEV clarified that the discussion of YLDC at its meeting on 5 September 2017 was not directly related to the proposed Advance Works under PWP Item No. 7804CL, but concerned proposed amendments to the approved Kam Tin South Outline Zoning Plan No. S/YL-KTS/13 in respect of the public housing and relevant developments. He stressed that the Administration had all along maintained close communications with the relevant stakeholders on the proposed Advance Works. As mentioned in the discussion paper submitted to the Panel, the Administration consulted T&TC of YLDC, Kam Tin RC and Pat Heung RC on the proposed Advance Works in

March 2016. In response to their demand for long-term traffic improvement in the area, the Administration had committed to carrying out a number of traffic improvement measures, and a feasibility study to review the road infrastructure in respect of the developments in Kam Tin South, which would cover the study on the feasibility of widening Kam Sheung Road.

44. Mr LAU Kwok-fan asked if the Administration had reported back its above commitments to YLDC. USDEV confirmed that YLDC had noted the Administration's positive response to their demand. At a later stage, the Administration would also consult YLDC, Kam Tin RC and Pat Heung RC on the outcome of the feasibility study when ready.

45. Mr LEUNG Che-cheung urged the Administration to, while undertaking to conduct the feasibility study, genuinely address the local demand for widening the entire Kam Sheung Road for long-term improvement of its traffic condition; whilst Mr CHU Hoi-dick objected against the widening of Kam Sheung Road to a dual two-lane carriageway as this would be inconsistent with a traffic impact assessment conducted in 2014 which concluded that the widening of Kam Sheung Road was not recommended. Mr CHU doubted if the Administration was acceding to the request of RCs purely to gain their support for the developments in Kam Tin South.

46. In response, USDEV explained that Kam Sheung Road would require upgrading in order to meet the prevailing standard thereby enhancing road safety. Enhancement of such roads would normally require widening. The feasibility study would examine how Kam Sheung Road could be widened, as well as the impact of the road widening works on residents living nearby.

47. The Deputy Chairman expressed support in principle for the proposed Advance Works, while he asked if the proposed widening of a section of Kam Ho Road would be sufficient to cater for the increase in traffic demand arising from the five proposed housing developments in Kam Tin South. Also, the Deputy Chairman welcomed the Administration to undertake the feasibility study with a view to improving the traffic condition of Kam Sheung Road. In the long run, he called on the Administration to also explore the feasibility of constructing new road(s) connecting West Rail Kam Sheung Road Station ("KSRS") and Route 3.

48. USDEV responded that the Administration had conducted a traffic impact assessment which revealed that the proposed road works would alleviate the traffic impact of the proposed housing developments to nearby roads and help smoothen the traffic flow along Kam Sheung Road. He further said that the feasibility study would cover the review of the road infrastructure in respect of the developments in Kam Tin South, and the feasibility of the provision of new roads could be explored in that context.

Development planning for Kam Tin South

49. Mr CHU Hoi-dick and Dr Fernando CHEUNG referred to the Land Use Review for Kam Tin South and Pat Heung completed in 2014, under which 14 potential housing sites providing over 33 000 flats had been identified in the areas. However, the Administration had then only mentioned about five proposed housing sites providing around 18 000 flats. Mr CHU was disappointed about the fragmented development approach for the areas. Dr CHEUNG commented that the planning process was lacking transparency, and he asked if the Administration had engaged the public during the process. They both demanded the Administration to give a full account of the latest overall development plan of Kam Tin South and Pat Heung.

50. USDEV indicated that Kam Tin South was one of the areas contributing to the increase in housing land supply. Apart from the five proposed housing sites already planned for development, the Administration had also identified some other potential development sites in Kam Tin South. Yet, certain technical issues needed to be resolved before a concrete plan and timetable for developing these other sites could be proposed.

51. Dr KWOK Ka-ki and Dr Fernando CHEUNG enquired about the public-to-private housing ratio of the five proposed housing sites in Kam Tin South. They called on the Administration to provide more public rental housing units. Dr CHEUNG was also keen to ensure that sufficient community and welfare facilities would be provided.

52. USDEV replied that of the five proposed housing sites, three were planned for public housing and the other two were West Rail property development projects. The three proposed public housing sites were currently undergoing rezoning procedures, and the detailed design of the public housing developments would be determined by the Hong Kong Housing Authority according to existing planning guidelines.

53. Mr LAU Kwok-fan and Mr LEUNG Che-cheung pointed out that the number of parking spaces in the park-and-ride facility at KSRS were insufficient to meet the demand. In view of the future population increase in Kam Tin South, they urged the Administration to make available more park-and-ride parking spaces under the KSRS property development project.

54. USDEV replied that the existing park-and-ride facility at KSRS would be re-provisioned under the KSRS property development project. Taking note of the general parking demand in the district, the Administration would continue to explore the provision of more parking spaces in other housing developments and at "Government, Institution or Community" sites in Kam Tin South.

Admin 55. Mr CHAN Han-pan declared that he had relatives living in Pat Heung. He requested the Administration to provide a written response regarding whether it would consider providing more parking spaces at the housing developments in Kam Tin South, in particular the KSRS property development project, on top of the number required in accordance with the Hong Kong Planning Standards and Guidelines; if it would, the details; if not, the reason.

Proposed re-provisioning of wetland

Admin 56. Dr KWOK Ka-ki asked about the ecological impact of the proposed re-provisioning of wetland. At the request of the Chairman, the Administration would provide a written response to Dr KWOK's question.

Consultancy agreement

Admin 57. Dr CHENG Chung-tai pointed out that AECOM Asia Company Limited ("AECOM"), the engineering consultant engaged by the Administration in respect of the relevant site formation and infrastructure works for the developments in Kam Tin South, was found to have improperly used the data obtained from the engineering consultancy agreement in other non-government projects and violated the requirements of the consultancy agreement. He questioned the rationale for not terminating the engineering consultancy agreement with AECOM even after discovering the above malpractice, and how the Administration could prevent recurrence of similar acts of violation by the consultants. At the request of the Chairman, the Administration would provide a written response to Dr CHENG Chung-tai's questions.

Motions proposed by members

58. The Chairman advised that he had received two motions respectively proposed by Mr LEUNG Che-cheung and Mr KWONG Chun-yu. The Chairman considered that the proposed motions were directly related to the agenda item under discussion. Members agreed that the motions be proceeded with at the meeting. The Chairman then ordered that the voting bell be rung for five minutes.

Motion proposed by Mr LEUNG Che-cheung

59. Mr LEUNG Che-cheung read out his proposed motion:

(Translation)

"This Panel requests that the Administration should, in developing Kam Tin South, make proper and comprehensive transport planning including widening Kam Sheung Road and providing new roads to connect new development areas to major trunk roads; the reprovisioning of the existing park-and-ride car parks and increasing the number of parking spaces. Meanwhile, in order to safeguard the interest of the existing residents, the Administration should commence freezing surveys and occupancy surveys in the affected areas in Kam Tin South as soon as possible."

60. The Chairman put the motion to vote. At members' request, the Chairman ordered a division. Twelve members voted for, and seven members voted against the motion. No member abstained. The votes of individual members were as follows:

For:

Mr Kenneth LAU (Deputy Chairman)	Mr CHAN Hak-kan
Dr Priscilla LEUNG	Mrs Regina IP
Mr Paul TSE	Mr Frankie YICK
Mr CHAN Han-pan	Mr LEUNG Che-cheung
Mr Holden CHOW	Mr CHAN Chun-ying
Mr CHEUNG Kwok-kwan	Mr LAU Kwok-fan
(12 members)	

Against:

Mr WU Chi-wai	Mr CHAN Chi-chuen
Dr Helena WONG	Mr LAM Cheuk-ting
Ms Tanya CHAN	Mr HUI Chi-fung

Mr KWONG Chun-yu
(7 members)

Abstain:
(0 member)

61. The Chairman declared that the motion was carried.

(Post-meeting note: The wording of the motion passed was circulated to members on 29 November 2017 vide LC Paper No. CB(1)294/17-18(01). The Administration's response to the motion was circulated to members on 3 January 2018 vide LC Paper No. CB(1)414/17-18(01).)

Motion proposed by Mr KWONG Chun-yu

62. Mr KWONG Chun-yu read out his proposed motion:

(Translation)

"Given that after the Yuen Long District Council ("YLDC") passed a motion on 5 September 2017 to express opposition to the planning for the development at Kam Tin South before the Government has solved the traffic problems concerned, the Government has not undertaken to address YLDC's demand so far and has also failed to mention the aforesaid opposing view in the paper submitted to this Panel, to show respect for district administration, this Panel urges the Government not to submit this funding proposal to the Public Works Subcommittee for its consideration before gaining YLDC's support."

63. The Chairman put the motion to vote. At members' request, the Chairman ordered a division. Five members voted for, and five members voted against the motion. Nine members abstained. The votes of individual members were as follows:

For:

Mr WU Chi-wai
Mr LAM Cheuk-ting
Mr KWONG Chun-yu
(5 members)

Mr CHAN Chi-chuen
Dr CHENG Chung-tai

Against:

Dr Priscilla LEUNG
Mr Paul TSE
Mr HUI Chi-fung
(5 members)

Mrs Regina IP
Mr LEUNG Che-cheung

Abstain:

Mr Kenneth LAU (Deputy Chairman)
Mr Frankie YICK
Mr Holden CHOW
Mr CHAN Chun-ying
Mr LAU Kwok-fan
(9 members)

Mr CHAN Hak-kan
Mr CHAN Han-pan
Mr Wilson OR
Mr CHEUNG Kwok-kwan

64. While the vote count results were being displayed on the plasma screens in the conference room and at the point when the Chairman was about to declare the voting result, Dr Helena WONG said that she had not yet cast her vote and it was her intention to vote in favour of the motion. Mr HUI Chi-fung also claimed that he intended to vote in favour of the motion but had voted in error.

65. The Chairman advised that he had allowed reasonable time for members to cast and verify their votes before announcing the end of the voting procedure. He considered that the voting procedures were in order, and that the vote count results displayed on the plasma screens should be taken as final.

66. The Chairman declared that the motion was not carried. He instructed the Clerk to record in the minutes of meeting Dr Helena WONG's and Mr HUI Chi-fung's respective voting intention.

Concluding remarks

67. Concluding the discussion, the Chairman called on the Administration to take heed of members' views on this funding proposal.

V Supply of Dongjiang Water

(LC Paper No. CB(1)235/17-18(05) — Administration's paper on supply of Dongjiang Water

LC Paper No. CB(1)235/17-18(06) — Paper on the supply of Dongjiang water

prepared by the
Legislative Council
Secretariat (Updated
background brief))

68. At the invitation of the Chairman, Secretary for Development ("SDEV") briefed members on the major features of the new agreement soon to be signed with the Guangdong ("GD") authorities for the supply of Dongjiang ("DJ") water to Hong Kong in the next three years between 2018 and 2020 ("the new agreement"), and the major considerations in arriving at the new agreement.

69. At the requests of Ms Claudia MO and Dr Helena WONG, the Administration agreed to provide a copy of the new agreement to the Panel after the meeting.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)388/17-18(01) on 21 December 2017.)

Price of Dongjiang water

70. Ms Claudia MO asked if the Administration would conduct public consultation on their acceptance of the price level of DJ water under the new agreement. She opined that while the annual water price increase rate of 0.3% under the new agreement sounded reasonable, the public money to be spent on purchasing DJ water in the next three years would amount to a significant sum of about \$15 billion. She also pointed out that the annual DJ water price paid by Hong Kong had already increased from about \$2.2 billion in 1998 to nearly \$4.8 billion in 2017.

71. SDEV explained that the basis for price adjustment under the new agreement was similar to those for the previous agreements since 2006 when the "package deal lump sum" approach for water supply was first adopted. As per the prevailing practices, the two major factors, viz. changes in the exchange rate between Renminbi ("RMB") and Hong Kong Dollar ("HKD") and the relevant price indices of both sides had been duly taken into account when determining the price adjustments. Using 2006 as the base year, the cumulative change in DJ water price in terms of RMB was about +48% (or about +3% per annum), which was comparable to the change of relevant price indices of GD and Hong Kong over the same period. Given the nature of the agreements and in line

with previous practices, SDEV said that the arrangement of briefing the Panel on the new agreement was appropriate.

72. Mr LAU Kwok-fan noted that apart from the above two factors, the change in the relevant operation costs should also be taken into account in the adjustment of DJ water price. However, the Administration's paper had not mentioned the relevant details including how this factor had come into play in determining the price adjustment under the new agreement. Given that the current water supply ceiling of 820 million cubic metres ("mcm") was not fully drawn, Mr LAU expected that there should be savings in the operation costs, such as lower electricity costs for supplying a lower quantity of water. As such, he asked if the savings achieved had been taken into account for offsetting the price increase in the new agreement.

73. Similarly, Dr Helena WONG also asked if the Administration had acquired relevant information on the operation costs from the GD side, including the actual electricity consumption and costs incurred for supplying water to Hong Kong, etc. She was disappointed that the Administration was "working in a black box" in the negotiation with the GD side on the new agreement, and had not provided all relevant information to members for consideration. Dr WONG further asked about the respective weightings of the above three factors in determining the adjustment of DJ water price.

74. Deputy Secretary for Development (Works)2 ("DS(W)2/DEVB") responded that there was not a specific weighting prescribed for each of the above three factors. That said, changes in the exchange rate between RMB/HKD and the relevant price indices of both sides were much more significant than the change in operation costs. Based on these two major factors, the annual price increase rate should be around 0.32%; but after rounds of negotiation, the two sides agreed to adopt the rate of 0.3% in the new agreement. As regards the actual electricity costs incurred for supplying water to Hong Kong, DS(W)2/DEVB said the Administration had not acquired such information but had taken into account the possible reduction of electricity costs in the past years in considering the reasonableness of the increase in price. SDEV added and stressed that the GD authorities had in recent years taken forward various initiatives to improve the hardware of the DJ water supply system to ensure the water quality, but the costs incurred had not been fully reflected in the water price.

75. Dr KWOK Ka-ki and Mr CHAN Chi-chuen asked about the reasons for the higher unit price of DJ water supplied to Hong Kong comparing to that supplied to Macao and other GD cities. Mr CHAN pointed out that the proceeds from the supply of water to Hong Kong formed a large part of the annual profits of the publicly-listed Guangdong Investment Limited. He then asked if the company had participated in the negotiation of the water price under the new agreement.

76. SDEV responded that it was not appropriate to directly compare the unit price of DJ water supplied to Hong Kong and other GD cities as the unit price would be affected by various factors, such as the distance for conveying DJ water. He further advised that in the case of Macao, despite a lower unit price, Macao needed to make capital investment on the water supply infrastructure, whereas there was not such a need for Hong Kong. Likewise, some GD cities had to devote resources to protect DJ water resources. He also said that some GD cities were offered a subsidized water price by the GD authorities.

77. Regarding the participation of the Guangdong Investment Limited in the negotiation of the water price, SDEV advised that the negotiation was between the governments of the Hong Kong Special Administrative Region and GD, and representatives of the company were only in attendance of the relevant meetings.

Review of the "package deal lump sum" approach

78. Given that the water drawn in recent years fell short of the supply ceiling of 820 mcm but Hong Kong had still made the full payment under the "package deal lump sum" approach, Mr LAU Kwok-fan and Dr Fernando CHEUNG considered that the Administration should review this approach and adopt a mixed payment mode. Under this mode, a lower annual supply ceiling at, say, 700 mcm with a lower lump sum water price should be fixed, and any quantity of water drawn exceeding this ceiling would be charged on a "payment on actual supply quantity" basis. Mr LAU asked whether and when a review on the current payment approach would be conducted. Moreover, he suggested that the Administration should consider a longer term agreement, instead of the current three-year term, so as to negotiate for a better water price.

79. SDEV replied that the "package deal lump sum" approach, which had been adopted for the last four agreements, would ensure a reliable and flexible supply of DJ water to meet the actual needs of Hong Kong. Based on the Administration's analysis, the annual supply ceiling of

820 mcm could ensure 99% reliability of water supply from 2018 to 2020. If the water supply ceiling was set at 700 mcm, the reliability of water supply would drop to 65%, and Hong Kong might not be able to import the water quantity required at times of drought.

80. In the long run, SDEV advised that a review on the current payment approach would be conducted and expected to be completed before 2020 when the new agreement would be due to expire. Among others, the Administration would study the feasibility of a mixed payment mode comprising a fixed lump sum payment for a guaranteed supply quantity plus a variable sum based on the actual supply quantity. On the length of the agreements, SDEV said that while the Administration was open to the suggestion of a longer term agreement, it should be mindful of the higher uncertainty in setting the water prices which were subject to fluctuations in the exchange rate between RMB/HKD and the relevant price indices of both sides from year to year.

81. The Chairman said that members belonging to the Liberal Party supported the new agreement which could ensure a reliable water supply necessary for maintaining local business operations.

82. Mr CHAN Chi-chuen further asked how the Administration had come to the conclusion that if a new "payment on actual supply quantity" approach was adopted, Hong Kong might end up paying more than the current "package deal lump sum" approach, as it had mentioned in its paper submitted to the Panel.

83. In response, SDEV explained that if the "payment on actual supply quantity" approach was adopted, the Hong Kong and GD sides had to determine a unit price of DJ water supplied to Hong Kong to cover both operation costs and investment return, and the new DJ water price would not necessarily be lower than the price under the "package deal lump sum" approach.

Water management measures

84. Dr KWOK Ka-ki took the view that the Administration should raise the target proportion of fresh water supply produced from seawater desalination to, say, 30%, so as to reduce reliance on DJ water supply. He also urged the Administration to step up efforts in promoting water conservation and reducing water leakage.

85. SDEV stated that the Administration had been looking for ways to ensure a more flexible yet reliable water supply. In an effort to develop new water resources, the Administration had planned to seek funding approval from FC in 2019 for the construction of a desalination plant at Tseung Kwan O Area 137. The annual output of the desalination plant would account for 5% of the total fresh water demand in Hong Kong by 2022. Moreover, the Administration had engaged consultants to conduct a review of the Total Water Management Strategy. The review, which would be completed by mid-2018, would help the Administration formulate an overall strategy on diversifying water sources.

VI Staffing proposal of Development Bureau and Water Supplies Department in taking forward the drinking water safety and land supply initiatives and the reorganization of the Works Branch of Development Bureau

(LC Paper No. CB(1)235/17-18(07) — Administration's paper on staffing proposals of (a) the Works Branch of the Development Bureau to cope with increasing workload arising from new and on-going initiatives and (b) Water Supplies Department to take forward the new drinking water safety initiatives

LC Paper No. CB(1)235/17-18(08) — Paper on follow-up work on the incidents of excess lead found in drinking water prepared by the Legislative Council Secretariat (Background brief)

86. At the invitation of the Chairman, Permanent Secretary for Development (Works) ("PSDEV(W)") briefed members on the following staffing proposals of the Works Branch of Development Bureau ("DEVB") and WSD:

- (a) creation of one permanent directorate post, conversion of one supernumerary directorate post to permanent post with effect

from 1 April 2019, and redeployment of three existing directorate posts in the Works Branch of DEVB associated with its re-organization to cope with the workload of new and on-going initiatives; and

- (b) creation of two supernumerary directorate posts in WSD for three years to take forward the new drinking water safety initiatives.

Proposed creation of one permanent Principal Government Engineer (D3) post to be designated as Deputy Secretary (Works) 3

87. Dr Helena WONG pointed out that, according to the recommendations of the Commission of Inquiry into Excess Lead Found in Drinking Water, the Administration should set up an independent body to overlook the performance of WSD and water quality in Hong Kong. However, as the Administration had presently proposed, a dedicated team headed by the proposed Deputy Secretary (Works) 3 ("DS(W)3") post would be set up under DEVB to, among others, monitor the performance of WSD over drinking water safety issues. Dr WONG considered it inappropriate to assign a team of DEVB staff to regulate the work of their own peers in WSD.

88. PSDEV(W) responded that pending the findings of further detailed studies on the water safety regulatory regime to be carried out by DEVB, the proposed establishment of the Special Duty Unit ("SDU") and the dedicated team in DEVB performing surveillance cum internal monitoring and external auditing respectively would provide an appropriate framework in monitoring WSD's work on supplying to its customers drinking water of the requisite quality.

89. Expressing concerns over the potential role conflict, Dr Helena WONG requested the Administration to, before submitting the relevant staffing proposal to the Establishment Subcommittee ("ESC"), provide supplementary information on how the dedicated team could maintain independence and impartiality in playing the above monitoring role.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)356/17-18(01) on 14 December 2017.)

90. On Dr Helena WONG's further enquiry regarding whether the duties of the proposed DS(W)3 post would include taking forward the legislation on drinking water safety, PSDEV(W) responded that the main duties of the proposed DS(W)3 post would include the provision of policy steer and high level input on studying the establishment of a water safety regulatory regime, including overseeing related studies in this respect.

Staffing capacity of Water Supplies Department in support of the new drinking water safety initiatives

91. Mr LAU Kwok-fan expressed concern over a recent incident of unpleasant odour in drinking water in Kwai Tsing District and Tsuen Wan District, which was caused by WSD's maintenance work carried out at the Tsuen Wan Fresh Water Service Reservoir. He was keen to ensure that by setting up SDU to be headed by the two proposed supernumerary directorate posts, the internal governance of WSD and its various operations could be enhanced.

92. In response, PSDEV(W) said that WSD was carrying out further investigations into the said incident of unpleasant odour in drinking water. He further advised that one of the main tasks of the SDU to be set up in WSD was to review and re-engineer the department's business processes, operational procedures and institutional structure to strengthen internal governance, with a view to enabling effective and efficient use of resources and adequate monitoring in the department's day-to-day operation. Under the current proposal, the directorate structure of SDU would be time-limited for three years initially. Notwithstanding this, the Administration would review in due course the future arrangement of SDU taking into account the actual operational experience and its duties.

93. Mr HO Kai-ming asked if the Administration would consider upgrading the existing post of Chief Chemist ranked at Chief Waterworks Chemist (D1) to D2 level to properly reflect the important role of the post in testing and ensuring water quality, and deploying more engineering grade staff to support the relevant work. He mentioned that similar posts which were responsible for testing water resources in other departments such as the Environmental Protection Department were ranked at D2 level. To enhance WSD's staffing capacity to better ensure water safety, he suggested that, while creating new posts at the management level, WSD should increase the number of frontline staff to cope with the increasing workload.

94. PSDEV(W) took note of Mr HO Kai-ming's views and suggestions. He pointed out that WSD had, apart from staff at the management level, increased the manpower of frontline staff to meet the increasing workload demand arising from the incident of excess lead found in drinking water. He further advised that the proposed SDU would review the structure of WSD and advise on the long-term manpower arrangement where necessary. He stressed that DEVB and WSD had attached much importance to taking forward the various initiatives to ensure water safety.

Training of licensed plumbers and plumbing workers

95. Dr Helena WONG called on the Administration to strengthen the continuous professional training of licensed plumbers and plumbing workers on drinking water safety. PSDEV(W) responded that the Vocational Training Council and the Construction Industry Council had been providing training courses for licensed plumbers and plumbing workers. These training courses covered topics on the potential causes and hazards of drinking water contaminations and the associated precautionary measures, thereby enhancing the awareness of the licensed plumbers and the plumbing workers on drinking water safety. He further added that DEVB was working with the Construction Industry Council to set up the Hong Kong Institute of Construction for enhancing training opportunity and career progression pathway for practitioners in the construction industry.

Concluding remarks

96. The Chairman and the Deputy Chairman respectively stated that members belonging to the Liberal Party and members belonging to the Business and Professionals Alliance for Hong Kong supported the submission of the staffing proposals to ESC for consideration. Mr LAU Kwok-fan said that members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the staffing proposals. Mr HO Kai-ming also expressed support for the proposals. Dr Helena WONG said that while she supported the creation of new posts to take forward the new drinking water safety initiatives, she considered that an independent party, instead of the proposed dedicated team under DEVB, should be assigned to monitor the work of WSD.

VII Any other business

97. There being no other business, the meeting ended at 5:07 pm.

Council Business Division 1
Legislative Council Secretariat
9 February 2018