

立法會
Legislative Council

LC Paper No. CB(1)1359/17-18

(These minutes have been seen
by the Administration)

Ref : CB1/PL/DEV

Panel on Development

Minutes of meeting
held on Tuesday, 24 April 2018, 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 Abraham SHEK Lai-him, GBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon CHAN Hak-kan, BBS, JP
Hon CHAN Kin-por, GBS, JP
Hon Mrs Regina IP LAU Suk-yee, 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
Dr Hon Junius HO Kwan-yiu, JP
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
Hon Gary FAN Kwok-wai
Hon Vincent CHENG Wing-shun, MH
Hon Tony TSE Wai-chuen, BBS

Member attending : Dr Hon CHIANG Lai-wan, JP

Members absent : Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon HO Kai-ming

Public officers attending : **Agenda item IV**

Mr Jacky WU Kwok-yuen
Principal Assistant Secretary for Development (Works)5

Mr TAI Wai-man
Acting Assistant Director/Projects & Development
Drainage Services Department

Mr CHOI Chun-ming
Chief Engineer/Consultants Management
Drainage Services Department

Mr CHUNG Siu-wing
Chief Engineer/Development 2
Water Supplies Department

Agenda item V

Mr Vitus NG
Principal Assistant Secretary for Development (Works)3

Mr LUK Wai-hung, JP
Acting Deputy Director of Water Supplies

Mr Thomas CHAN Tak-yeung
Chief Engineer/Consultant Management
Water Supplies Department

Agenda item VI

Ms Bernadette LINN, JP
Permanent Secretary for Development
(Planning & Lands)

Miss Rosalind CHEUNG
Principal Assistant Secretary for Development (Harbour)

Mr Larry CHU
Assistant Secretary for Development (Harbour)¹

Ms Linda LAW
Principal Assistant Secretary for Home Affairs
(Recreation & Sport)²

Mrs Doris FOK
Assistant Director (Leisure Services)¹
Leisure and Cultural Services Department

Mr Lawrence CHAU
Chief Town Planner/Studies and Research
Planning Department

Mrs Alice CHING
Chief Project Manager 303
Architectural Services Department

Ms Juana CHAN
Senior Project Manager 136
Architectural Services Department

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

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

Ms Mandy LI
Council Secretary (1)2

Ms Christina SHIU
Legislative Assistant (1)2

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I Confirmation of minutes

(LC Paper No. CB(1)826/17-18 — Minutes of meeting on 23 January 2018)

The minutes of the meeting on 23 January 2018 were confirmed.

II Information papers issued since the last meeting

(LC Paper No. CB(1)803/17-18(01) — Letter dated 10 April 2018 from Hon HO Kai-ming on lift safety

LC Paper No. CB(1)803/17-18(02) — Letter dated 11 April 2018 from Hon LAM Cheuk-ting on lift safety

LC Paper No. CB(1)808/17-18(01) — Letter dated 16 April 2018 from Hon CHU Hoi-dick on land supply

LC Paper No. CB(1)827/17-18(01) — Administration's response to the letters dated 29 December 2017 and 29 January 2018 from Dr Hon KWOK Ka-ki on implementation arrangements for the Hung Shui Kiu New Development Area Project (LC Paper Nos. CB(1)405/17-18(01) and CB(1)545/17-18(01))

LC Paper No. CB(1)829/17-18(01) — Administration's paper on revision of fees for services provided by the Lands Department under the Land

- Survey (Fees) Regulation (Cap. 473A)
- LC Paper No. CB(1)829/17-18(02) — Administration's paper on revision of fees and economic costs for excavations in unleased land under Land (Miscellaneous Provisions) Regulations (Cap. 28A)
- LC Paper No. CB(1)833/17-18(01) — Referral memorandum on issues raised at the meeting between Legislative Council Members and Wan Chai District Council members on 26 January 2018 relating to signboard control system (Restricted to members)
- LC Paper No. CB(1)845/17-18(01) — Letter dated 20 April 2018 from Hon Alice MAK on land supply
- LC Paper No. CB(1)850/17-18(01) — Administration's response to the letter dated 10 April 2018 from Hon HO Kai-ming on lift safety (LC Paper No. CB(1)803/17-18(01))
- LC Paper No. CB(1)850/17-18(02) — Administration's response to the letter dated 11 April 2018 from Hon LAM Cheuk-ting on lift safety (LC Paper No. CB(1)803/17-18(02))

2. Members noted that the above information papers had been issued since the last meeting on 27 March 2018.

Lift safety

3. The Chairman referred to two letters dated 10 and 11 April 2018 respectively from Mr HO Kai-ming and Mr LAM Cheuk-ting on lift safety (LC Paper Nos. CB(1)803/17-18(01) and (02)), and the Administration's responses to the letters (LC Paper Nos.

CB(1)850/17-18(01) and (02)). According to the Administration, the Electrical and Mechanical Services Department was conducting an investigation into the lift incident which happened at Waterside Plaza, Tsuen Wan, on 8 April 2018. The investigation would be completed within 2 to 3 months. The Administration considered that it would be more appropriate to brief the Panel on the outcomes of the investigation and the follow-up actions that it had taken/would take on the incident after completion of the investigation.

4. Mr LAM Cheuk-ting said that, given the public's grave concern about lift safety, the Panel should discuss the regulatory control over lift safety as soon as practicable. Dr Fernando CHEUNG concurred with Mr LAM's views. The Chairman took note of members' views.

Land supply

5. The Chairman referred to two letters dated 16 and 20 April 2018 respectively from Mr CHU Hoi-dick and Ms Alice MAK proposing the arrangement of a public hearing on the planning for land supply in Hong Kong (LC Paper Nos. CB(1)808/17-18(01) and CB(1)845/17-18(01)). The Chairman said that the Administration planned to brief the Panel on the public engagement exercise of the Task Force on Land Supply at the next regular meeting scheduled for 29 May 2018.

6. Mr CHU Hoi-dick, Ms Tanya CHAN, Mr CHAN Chi-chuen, Dr Fernando CHEUNG, Mr Gary FAN, Mr WU Chi-wai and Dr Helena WONG considered that the Panel should hold a special meeting to receive public views on the planning for land supply in Hong Kong.

7. The Chairman put to vote the question that a public hearing on the planning for land supply in Hong Kong be held. The Chairman announced that 10 members voted for, and five members voted against the question. The Chairman, having considered members' views, suggested that a special meeting be scheduled in September 2018 to receive public views on the planning for land supply in Hong Kong.

(Post-meeting note: Members were informed vide LC Paper No. CB(1)1253/17-18 on 12 July 2018 that on the advice of the Chairman, a special meeting had been scheduled for Wednesday, 19 September 2018, from 9:00 am to 1:00 pm, to receive public views on "Planning for land supply in Hong Kong".)

III Items for discussion at the next meeting

(LC Paper No. CB(1)825/17-18(01) — List of outstanding items for discussion

LC Paper No. CB(1)825/17-18(02) — List of follow-up actions)

8. Members agreed that the next regular meeting would be scheduled for Tuesday, 29 May 2018, from 2:30 pm to 5:00 pm to discuss the following items proposed by the Administration:

(a) Construction Innovation and Technology Fund; and

(b) Public Engagement by the Task Force on Land Supply.

(Post-meeting note: At the request of the Administration and Mr LAM Cheuk-ting respectively, and with the concurrence of the Chairman, two additional items "Proposed enhancements to the general ex-gratia compensation and rehousing arrangements for Government's development clearance exercises" and "Regulatory control over lift safety" had been included for discussion at the above meeting. On the instruction of the Chairman, the above meeting would be extended to end at 6:30 pm.)

IV PWP Item No. 108CD — West Kowloon Drainage Improvement — inter-reservoirs transfer scheme

(LC Paper No. CB(1)825/17-18(03) — Administration's paper on PWP Item No. 108CD — West Kowloon Drainage Improvement — inter-reservoirs transfer scheme)

9. The Chairman 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 item under discussion at the meeting before they spoke on the item.

10. At the invitation of the Chairman, Principal Assistant Secretary for Development (Works)5 ("PAS/DEV(W)5") briefed members that the Administration proposed to upgrade PWP Item No. 108CD, entitled "West Kowloon drainage improvement — inter-reservoirs transfer scheme", to Category A at an estimated cost of \$1,222 million in

money-of-the-day ("MOD") prices for the construction of the inter-reservoirs transfer scheme ("IRTS"). Subject to funding approval of the Finance Committee, the Administration planned to commence the proposed works in the first quarter of 2019 for completion in the fourth quarter of 2022. With the aid of a powerpoint presentation, he 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)871/17-18(01) by email on 25 April 2018.)

Justification for constructing the inter-reservoirs transfer scheme

11. Mr CHAN Chun-ying and Mr Frankie YICK expressed support for the proposed works. Noting that the inadequate capacities of the existing drainage systems in Sham Shui Po, Cheung Sha Wan and Lai Chi Kok in meeting the required flood protection standard had, among other reasons, necessitated the implementation of IRTS, Mr CHAN asked about the flood protection standard to be achieved and whether there remained any drainage systems in other districts that could not meet the relevant standard. Mr WU Chi-wai expressed concern about the flood protection situation in Sham Shui Po, Cheung Sha Wan and Lai Chi Kok.

12. PAS/DEV(W)5 responded that the Drainage Services Department ("DSD") had completed the Drainage Master Plan studies and drainage studies for Hong Kong to provide comprehensive solutions to the flooding problems in individual areas. These studies comprehensively examined the adequacy of the existing drainage systems and recommended short to long-term drainage improvement measures to meet the required flood protection standards and future development needs.

13. Acting Assistant Director/Projects & Development, Drainage Services Department ("AD/P&D/DSD(Atg)"), advised that most of the existing drainage systems in the developed districts of Sham Shui Po, Cheung Sha Wan and Lai Chi Kok were built more than 40 years ago. Owing to rapid developments and changes in land use over the years, their capacities had not achieved the required flood protection standard. After completion of the Lai Chi Kok drainage tunnel ("LCKDT") and the proposed IRTS under the Lai Chi Kok Transfer Scheme, the standard of flood protection in Sham Shui Po, Cheung Sha Wan and Lai Chi Kok would be improved to withstand rainstorms with return period of 1 in 50 years. He added that factors such as land use, socio-economic needs, consequences of flooding and cost effectiveness of flood mitigation

measures had been taken into consideration in developing the standard. The flood protection standard in Hong Kong was comparable with other developed countries overseas.

14. Mr LAU Kwok-fan expressed support for the proposed works. He said that previously the Administration had planned to commence the construction works for the proposed IRTS in 2010 and targeted for completion in 2012. He asked about the reasons for the delay in implementing IRTS.

15. AD/P&D/DSD(Atg) responded that over the past years, in addition to rapid developments and changes in land use, climate changes had posed new challenges to stormwater drainage systems. As such, DSD had to review the design of the proposed IRTS according to the latest design standard taking into consideration the effect of climate change.

16. The Deputy Chairman expressed support for the proposed works. The Deputy Chairman, Mr CHAN Chun-ying and Mr WU Chi-wai enquired about the details of the design and operation of IRTS. Given that the total capacity of the Kowloon group of reservoirs was just about 2.8 million cubic metres ("m³") while that of the Lower Shing Mun Reservoir was 4.3 million m³, Mr CHAN asked about the threshold capacity of the former exceeding which the water would be channeled to the latter via IRTS. Mr WU asked whether the capacity of the Lower Shing Mun Reservoir would be sufficient to receive the water transferred from the Kowloon group of reservoirs.

17. PAS/DEV(W)5 explained that under IRTS, the invert level of the intake structure to be built at the Kowloon Byewash Reservoir would be topographically higher than the invert level of the outfall structure to be built at the Lower Shing Mun Reservoir by about 20 metres. As such, water would be transferred from the Kowloon Byewash Reservoir to the Lower Shing Mun Reservoir by gravity through the proposed IRTS. This would create a designated storage capacity of about 350 000 m³ in the former to receive further surface runoff from the catchment and generate an estimated average annual additional fresh water yield of about 3.4 million m³.

18. Chief Engineer/Development 2, Water Supplies Department, added that with the planned increase in the daily treatment capacity of the Sha Tin Water Treatment Works at the downstream to receive raw water from the Lower Shing Mun Reservoir, it was anticipated that the Lower

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Shing Mun Reservoir could cope with the water transferred from the Kowloon group of reservoirs via IRTS.

Project cost

19. Dr Junius HO queried if it was value for money to spend a significant sum of \$1,222 million for the construction of IRTS, and whether the estimated construction cost was comparable to other similar projects in Hong Kong, such as LCKDT, or in overseas places. PAS/DEV(W)5 said that the construction unit cost of the proposed IRTS (which would build a water tunnel of 3 metres in diameter) was \$210,000 per metre, which was broadly comparable to that of \$230,000 per metre of LCKDT (which was 4.9 metres in diameter) completed in 2012.

Fresh water resources

20. Dr Helena WONG asked whether the Administration had explored new water sources to diversify water resources, thereby reducing the reliance on Dongjiang water. Apart from the construction of IRTS, Dr WONG suggested the Administration to explore other measures to increase the total capacity of the Kowloon group of reservoirs and reduce reservoir overflow.

21. PAS/DEV(W)5 responded that the Water Supplies Department ("WSD") promulgated the Total Water Management Strategy in 2008 to ensure sustainable and reliable water supply in Hong Kong. The Strategy put an emphasis on containing the growth of water demand through water conservation and exploiting new water resources that were not susceptible to climate changes. WSD was currently exploiting three new water sources, namely desalinated seawater, reclaimed water and recycled grey water/harvested rainwater, to supplement the existing water sources.

22. PAS/DEV(W)5 further said that the Kowloon group of reservoirs were located within the area of country park, and that some of the dams of the Kowloon group of reservoirs were Grade II historic structures. Taking into account the technical constraints, cost effectiveness and environmental consideration, the Administration considered the construction of IRTS to be appropriate.

Odour nuisance of coastal waters of West Kowloon

23. Dr CHIANG Lai-wan and Dr Junius HO expressed concerns about the odour nuisance of coastal waters of West Kowloon. They asked about the Administration's measures to mitigate the problem.

24. AD/P&D/DSD(Atg) said that the Administration was constructing dry weather flow interceptors at Cherry Street box culvert to intercept residual polluted discharge, thereby improving water quality and reducing odour of coastal waters of West Kowloon. The Environmental Protection Department was also examining the causes of near shore pollution in other areas such as Hung Hom.

Concluding remarks

25. The Chairman concluded that the Panel had no objection to the Administration's submission of the funding proposal to the Public Works Subcommittee for consideration.

V PWP Item No. 357WF — Design and Construction for First Stage of Desalination Plant at Tseung Kwan O

(LC Paper No. CB(1)825/17-18(04) — Administration's paper on 357WF — Design and Construction for First Stage of Desalination Plant at Tseung Kwan O

LC Paper No. CB(1)825/17-18(05) — Paper on the proposed construction of a desalination plant at Tseung Kwan O prepared by the Legislative Council Secretariat (Updated background brief))

26. At the invitation of the Chairman, Principal Assistant Secretary for Development (Works)³ ("PAS/DEV(W)3") briefed members that the Administration proposed to upgrade the remaining part of 357WF, entitled "Design and construction for first stage of desalination plant at Tseung Kwan O", to Category A at an estimated cost of \$9,077.5 million in MOD prices for the construction of the proposed desalination plant at Tseung Kwan O ("TKO") Area 137 ("the proposed works"). He said

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that the first stage of the proposed desalination plant, targeted for commissioning in 2022, would have a water production capacity at 135 000 m³ per day with provision for future expansion to the ultimate water production capacity up to 270 000 m³ per day when necessary.

27. The Chairman reminded members that in accordance with Rule 83A of RoP of 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.

Planning for the proposed desalination plant at Tseung Kwan O

28. Mr Gary FAN expressed support for the development of the proposed desalination plant. He held the view that the Administration should, instead of development in stages, merge the stages and expand the scope of the proposed first stage works with a view to reaching the ultimate water production capacity at 270 000 m³ per day in one step. He asked if there were any constraints, such as in identifying sufficient land, for the Administration not doing so.

29. PAS/DEV(W)3 responded that the Administration would have to take into account various factors, including the latest situation of climate change, the review of the Dongjiang ("DJ") water supply agreement, local water demand forecast, and the latest technological advancements, before deciding the timing for expanding the proposed desalination plant in the ultimate stage. Also, the experience gained in the first stage would facilitate the development of the ultimate stage. Further, it was estimated that the proposed desalination plant would consume about 4.4 kilowatt-hours ("kWh") for production of each unit (i.e. m³) of desalinated water, which was within the range of about 3.5 to 5 kWh/m³ for a medium-sized desalination plant to achieve cost effectiveness. Given the relatively high energy consumption and carbon emission of water desalination, the Administration would need to be cautious in planning for the plant's ultimate stage.

30. Ms Tanya CHAN stated that members belonging to the Civic Party supported the proposed works. Ms CHAN noted that the size of the site reserved in TKO Area 137 for the proposed desalination plant had been changed from 10 hectares ("ha") as originally planned to 8 ha under the present proposal. She and Mr WU Chi-wai asked if both the first and ultimate stages of the plant could be built within the reserved site.

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31. PAS/DEV(W)3 advised that based on the reference design of the consultants, a smaller site of 8 ha could already accommodate the first and ultimate stages of the proposed desalination plant. The proposed first stage works would have provision for future expansion to the ultimate water production capacity, including civil engineering and building works for the common facilities, such as submarine intake and outfall facilities, that would be able to meet the need of both the first and ultimate stages.

32. Mr Tony TSE expressed support for the proposed works to ensure the reliability of fresh water supply in Hong Kong. He noted that the Finance Committee approved a funding proposal at an estimated cost of \$720.5 million (in MOD prices) in 2017 for the laying of a 10-kilometre fresh water main for connecting the proposed desalination plant to the existing TKO Fresh Water Primary Service Reservoir ("FWPSR"). He asked if the water production capacity of 135 000 m³ of the first stage of the proposed desalination plant would mainly aim for meeting the water demand of TKO residents.

33. PAS/DEV(W)3 advised that the fresh water produced at the proposed desalination plant would be transferred through the fresh water main, which was under construction, to the TKO FWPSR, which also received fresh water from other water sources to meet the water demand of an extensive area via an existing water mains network including TKO, Kowloon East and Hong Kong Island East.

Admin 34. Mr Gary FAN asked whether the existing TKO FWPSR had adequate capacity to cater for the ultimate water production capacity of the proposed desalination plant at 270 000 m³ per day.

Cost-effectiveness of seawater desalination

35. Dr CHENG Chung-tai was concerned about the cost-effectiveness of developing a desalination plant. He noted with query that as mentioned in the footnote of the discussion paper submitted to the Panel, the cost estimates would be finalized before submission to the Public Works Subcommittee ("PWSC"), but not at this stage when the Panel was being consulted. PAS/DEV(W)3 explained that the estimated cost presented in the discussion paper was based on the consultants' reference design. Subject to the tender outcome, the Administration would finalize the cost estimates for submission to PWSC in due course.

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36. Mr KWONG Chun-yu asked about the timetable and the estimated construction cost of the ultimate stage of the proposed desalination plant. PAS/DEV(W)3 advised that it was premature at this stage to provide such a cost estimate.

37. Mr CHAN Chi-chuen expressed support for the proposed works. He asked whether the Administration would prescribe a ceiling on the unit water production cost of seawater desalination at, say, \$13/m³, and set a minimum water production, so as to ensure that the proposed desalination plant could operate on a cost-effective scale.

38. Acting Deputy Director of Water Supplies ("DDWS(Atg)") replied that the proposed desalination plant would have a water production baseline set at 25% of the maximum water production capacity. The Administration would award a Design, Build and Operate ("DBO") contract for the first stage of the proposed desalination plant to the bidder with the highest technical and price combined score, while it would not preset a ceiling on the operation cost.

39. Dr Helena WONG stated that the Democratic Party supported the development of water supply infrastructure and introduction of new water resources, with a view to reducing reliance on DJ water supply in the long run. With regard to the proposed desalination plant, Dr WONG asked whether, after deducting the capital cost (i.e. \$3.6/m³ to \$3.9/m³), the estimated unit water production cost of seawater desalination in Hong Kong (i.e. about \$12/m³ to \$13/m³ at 2017 price level) would be lower than the unit cost of importing DJ water (including the water purchase and treatment costs) which might further increase in future.

Admin

40. PAS/DEV(W)3 advised that in terms of operation costs, the treatment of drinking water from local catchment cost about \$1.6/m³, whereas desalinated water cost about \$6.3/m³ of which about two-thirds went to energy cost. The estimated unit water production cost of seawater desalination at about \$12/m³ to \$13/m³ was at this stage higher than the DJ water cost which was at \$10.1/m³. Dr Helena WONG requested written information on the cost comparison after deducting the capital cost of the proposed desalination plant as she mentioned earlier.

41. Mr LAU Kwok-fan said that members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the proposed works. He enquired why the estimated unit cost of seawater desalination in Hong Kong was higher than that in other countries, such as Singapore and Israel.

42. PAS/DEV(W)3 indicated that while the estimated difference in energy consumption was in fact within 10% when comparing to, say, Singapore, it was however not appropriate to compare the unit costs of seawater desalination in Hong Kong and other cities given that a number of factors, such as local energy cost and energy efficiency of desalination facilities, would come into play. Among such factors, energy cost made up about two-thirds of the total water desalination cost.

43. Mr Tony TSE and Mr CHAN Chi-chuen asked whether and how the Administration would facilitate technology transfer in the operation of the proposed desalination plant, including the use of reverse osmosis ("RO") technology for seawater desalination, under the DBO approach.

44. PAS/DEV(W)3 and DDWS(Atg) responded that the in-house professional and technical staff of the Water Supplies Department would co-operate with the future DBO contractor and participate in the operation of the proposed desalination plant to gain hands-on experience and practical knowledge in using the RO technology.

45. Mr Gary FAN asked about the progress of the discussion with the Hong Kong and China Gas Company Limited ("Towngas") on the feasibility of utilizing the methane gas generated from the Southeast New Territories landfill to provide electricity supply to the proposed desalination plant. Ms Tanya CHAN asked about the same and further enquired whether it was feasible to use renewable energy (such as solar energy) to reduce the cost of seawater desalination, and whether and how the Administration would encourage the future contractor to adopt renewable energy in operating the proposed desalination plant. Mr WU Chi-wai asked whether renewable energy would be generated from the disposal of the brine produced after the RO process.

46. In response, PAS/DEV(W)3 and DDWS(Atg) advised that under the DBO contract for the first stage of the proposed desalination plant, the contractor would be responsible for the detailed design of the proposed works. Under the standard marking scheme for tender evaluation, the relative weightings of technical score and price score were 40% and 60% respectively. A higher score would be awarded in the tender assessment to encourage the contractor to use renewable energy in operating the proposed desalination plant. Further, the successful bidder for the proposed works might liaise with Towngas on the detailed arrangements of utilizing renewable energy.

Admin

Ms Tanya CHAN suggested detailing the arrangements on the use of

renewable energy in the funding proposal to be submitted to PWSC. PAS/DEV(W)3 took note of Ms CHAN's suggestion.

47. Dr KWOK Ka-ki mentioned about the former Lok On Pai desalination plant in Tuen Mun which was decommissioned after a short period of operation. He was concerned about the cost-effectiveness of the proposed desalination plant, and enquired whether large consortia would have an edge over other potential operators in liaising with the Towngas on the use of the methane gas which would bring down energy cost. DDWS(Atg) clarified that the use of methane gas was not mandatory. As regards the former Lok On Pai desalination plant, PAS/DEV(W)3 indicated that the technology used for desalination back then was different and hence the old case should not be used as a reference.

48. The Chairman opined that adopting renewable energy (such as methane gas) to provide electricity supply to the proposed desalination plant might not necessarily help reduce the energy cost. The cost of renewable energy was considerably more expensive than that of other energy sources used in Hong Kong.

Target proportion of fresh water supply produced from seawater desalination

49. Ms Tanya CHAN mentioned that the Administration had considered it necessary to cope with the climate change by setting a target of producing 5% to 10% of fresh water in Hong Kong from seawater desalination. She enquired whether the target was still valid.

50. Dr KWOK-ka-ki queried about the Administration's plan to implement the proposed desalination plant in stages if it had a planned target of producing 10% of fresh water from seawater desalination. Mr LAU Kwok-fan also asked whether the Administration would consider bringing the proposed desalination plant to full operation sooner if the unit cost of seawater desalination would become lower than the unit cost of importing DJ water. Dr CHENG Chung-tai further asked if the Administration would raise the target proportion of fresh water supply produced from seawater desalination and set an ultimate goal of achieving self-sufficiency in drinking water supply.

51. PAS/DEV(W)3 explained that upon the commissioning of the proposed desalination plant, its capacity would account for 5% (10% if expanded) of the total fresh water supply in Hong Kong. The

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Administration had no intention to achieve water self-sufficiency given that about 20% to 30% of Hong Kong's fresh water supply had been collected from rainfall and the remaining 70% to 80% was imported from DJ. Dr CHENG Chung-tai considered the Administration's explanation unconvincing, and said that he did not support the proposed works.

52. Mr Abraham SHEK stated that members belonging to the Business and Professionals Alliance for Hong Kong supported the proposed works. He agreed with the water supply strategy with a target of producing 10% of fresh water from seawater desalination.

Admin

53. Dr Helena WONG sought details on the Government's planned objectives of diversifying water sources, in terms of the target proportions of the various water supply sources, viz. desalination, DJ water, and local catchment water, etc. Mr WU Chi-wai requested the Administration to provide a projection on the annual total fresh water consumption of Hong Kong in the next 10 years.

Tariff impact and benefits of the proposed desalination plant

54. Mr Tony TSE was concerned if the relatively high water production cost of water desalination would lead to an increase in water charges. PAS/DEV(W)3 advised that the water tariff had remained unchanged since the last review in February 1995. When determining the level of water charges, the Administration would take into account factors including water supply resources, public affordability, economic environment, and views of LegCo Members. The production cost of seawater desalination was not the main consideration in deciding whether the water tariff should be adjusted.

55. Mr CHAN Chun-ying expressed support for the proposed works. He welcomed the development of the proposed desalination plant to help reduce the reliance on DJ water. He further requested the Administration to forge closer co-operation with other cities in the Guangdong-Hong Kong-Macao Bay Area ("Bay Area") on issues of DJ water supply. For example, Hong Kong and other Bay Area cities might jointly negotiate with the Guangdong ("GD") authorities for a more flexible supply of DJ water and a lower DJ water price.

56. Mr CHAN Chi-chuen and Mr KWONG Chun-yu sought the Administration's assessment on whether the commissioning of the proposed desalination plant would increase the bargaining power of Hong Kong in negotiating future DJ water supply agreements with the GD

authorities. Given that the water drawn in recent years fell short of the supply ceiling of 820 million m³ but Hong Kong had still made the full payment under the "package deal lump sum" approach, Dr KWOK Ka-ki urged the Administration to review the payment approach with the GD authorities, lest the expected benefits to be brought about by the proposed desalination plant would be undermined.

57. PAS/DEV(W)3 replied that the "package deal lump sum" approach had been adopted to ensure a reliable and flexible supply of DJ water to meet the actual needs of Hong Kong. That said, a review on the payment approach was underway and expected to be completed before 2020 when the existing DJ water supply agreement would be due to expire.

58. The Chairman indicated that members belonging to the Liberal Party supported the development of the proposed desalination plant to diversify water resources of Hong Kong. He opined that a reliable supply of fresh water was indispensable for the development of Hong Kong, and the relatively expensive option of seawater desalination would not obviate the need for importing DJ water.

VI Harbourfront Enhancement

(LC Paper No. CB(1)825/17-18(06) — Administration's paper on harbourfront enhancement

LC Paper No. CB(1)825/17-18(07) — Paper on harbourfront development and enhancement prepared by the Legislative Council Secretariat (Background brief))

59. At the invitation of the Chairman, Permanent Secretary for Development (Planning & Lands) ("PS/DEV(P&L)") briefed members that the Development Bureau ("DEVB") was responsible for conducting harbourfront-related planning and studies, and coordinating efforts among relevant bureaux, departments and private proponents in the implementation of harbourfront enhancement initiatives. Over the years, DEVB had implemented some quick-win projects along both sides of the Victoria Harbour, aiming to make harbourfront areas available for early public enjoyment. To further promote the work on harbourfront enhancement, DEVB would establish a dedicated Harbour Office ("HO")

with a multi-disciplinary professional team to support harbourfront matters and the work of the Harbourfront Commission ("HC").

60. With the aid of a powerpoint presentation, Principal Assistant Secretary for Development (Harbour) then briefed members on the details of the past achievements of harbourfront enhancement, and the future focus of HO, including optimizing the use of the \$500 million dedicated funding in pursuing harbourfront matters, and actively exploring and putting on trial different project implementation and management models.

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)871/17-18(02) by email on 25 April 2018.)

61. Principal Assistant Secretary for Home Affairs (Recreation & Sport)² said that under the "Five-year Plan for Sports and Recreation Facilities", the Home Affairs Bureau ("HAB") would take forward 26 projects in the next five years. Nine of these projects fell within the Kowloon harbourfront areas. HAB would submit the relevant funding proposals to the LegCo for approval in accordance with established procedures.

62. Mr Tony TSE declared that he was a member of HC. He expressed support for the allocation of \$500 million dedicated funding to further promote the work on harbourfront enhancement.

Harbour Office under the Development Bureau

63. Dr KWOK Ka-ki opined that HO should engage the public and canvass their views on harbourfront enhancement. Mr WU Chi-wai opined that while different project implementation and management models were adopted for different harbourfront sites, the Administration did not have a comprehensive strategy for pressing ahead with harbourfront development in a holistic manner.

64. PS/DEV(P&L) responded that one of the focuses of work of HO was to actively explore and put on trial different project implementation and management models. HO would also identify suitable models for managing and maintaining future harbourfront projects by making reference to overseas experience.

65. Mr Tony TSE asked about HO's role in the management of harbourfront sites operated/managed by external organizations.

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PS/DEV(P&L) said that there were different arrangements for participation by external organizations in harbourfront management. For example, the three sites beneath Kwun Tong Bypass, viz. "Fly the Flyover 01, 02 and 03" sites were operated and managed by a non-profit-making organization in partnership with the Energizing Kowloon East Office ("EKEO") under DEVB. On the other hand, the site of the Central Harbourfront Event Space had been let out to a private operator through open tender for hosting a diverse range of activities. Apart from the opening hours of the site, the tenancy arrangement allowed more flexibility for the operator to organize different kinds of events there.

66. Ms Tanya CHAN asked whether the Administration would continue to pursue the establishment of a statutory Harbourfront Authority ("HFA") after setting up HO. In response, PS/DEV(P&L) said that there were diverse views towards the proposed establishment of a statutory HFA. In the meantime, the multi-disciplinary HO would support the work of HC and coordinate the formulation and implementation of harbourfront enhancement projects under HC's purview. In the longer term, the role and operation of HO would become a reference for the Administration in further exploring the mode of setting up an HFA.

Development of waterfront promenades

67. The Deputy Chairman called on the Administration to construct continuous waterfront promenades connecting West Kowloon and Kwun Tong, and Mr LAU Kwok-fan, Mr CHU Hoi-dick and Dr Helena WONG called for integrating waterfront promenades with continuous cycle tracks along both sides of the Victoria Harbour. Mr HUI Chi-fung and Dr Junius HO called on the Administration to relax relevant regulations to allow more activities (e.g. cycling, walking dogs, and playing music) at waterfront promenades.

68. PS/DEV(P&L) responded that it was the Administration's long-term objective to improve the continuity of the waterfront promenade along both sides of the Victoria Harbour for public enjoyment as well as public accessibility and connectivity to the waterfront, while taking into consideration the constraints in relation to the existing land uses or facilities, such as port-related facilities, public utilities, and military uses. The Administration took note of members' suggestions on allowing more activities, in addition to passive activities, at waterfront promenades.

69. The Deputy Chairman suggested that the Administration should provide more public facilities at waterfront promenades, such as refreshment kiosks, refreshment vending machines, sheltered areas, etc. The Chairman considered that setting up refreshment kiosks at waterfront promenades would provide business opportunities for small business operators.

70. In response, Senior Project Manager 136, Architectural Services Department, said that the design for waterfront promenades primarily focused on accessibility, greening and landscape, and would make reference to the more popular public facilities at completed promenades in enhancing new promenade designs where appropriate.

71. Mr LAU Kwok-fan expressed concern about the odour nuisance of coastal waters and urged the Administration to implement appropriate measures to mitigate the problem. Dr Helena WONG expressed similar concern, particularly over the odour nuisance at the harbourfront at Hung Hom and West Kowloon.

Harbourfront site in Kennedy Town

72. Mr Gary FAN, Ms Tanya CHAN and Mr HUI Chi-fung pointed out that there were opposing views from the local community on the Administration's proposed operation of a leisure farm at a harbourfront site in Kennedy Town. They urged the Administration to take heed of the local views and consider keeping the site as a public open space for public enjoyment.

73. PS/DEV(P&L) responded that having considered the diverse needs of the community and with the support of the HC, the Central and Western District Council and other stakeholders, DEVB had decided to let out a hinterland site of about 2 000 square metres near Shing Sai Road through a short-term tenancy for a non-profit-making organization or social enterprise to operate non-profit making leisure farm and ancillary facilities. The adjacent harbourfront site of about 5 900 square metres, on the other hand, would be designed and constructed by the Architectural Services Department as a promenade cum public open space, and to be managed by the Leisure and Cultural Services Department. It would be opened to the public round the clock.

New Central Harbourfront

74. Dr KWOK Ka-ki and Ms Tanya CHAN expressed concern about the proposed demolition of the General Post Office Building situated in Site 3 of the New Central Harbourfront ("Site 3"). Dr KWOK opined that Site 3 should not be developed for commercial development. Ms CHAN called on the Administration to explore preserving the General Post Office Building notwithstanding the future development of Site 3.

75. PS/DEV(P&L) said that the Administration completed the "Urban Design Study for the New Central Harbourfront" ("UDS") in March 2011. Through an extensive two-stage public engagement exercise, the urban design framework for the New Central Harbourfront was refined. The UDS recommended Site 3 to be developed comprehensively and the design concept entailed commercial development, a landscaped pedestrian deck, a public open space as well as other supporting facilities. The Administration was gradually taking forward the long-term development of Site 3 according to the recommendations of UDS.

76. Mr HUI Chi-fung and Mr CHU Hoi-dick called on the Administration to open up the site of the Central Military Dock ("CMD") for the public to access and enjoy the harbourfront. PS/DEV(P&L) responded that CMD was a military facility which would be handed over to the People's Liberation Army Hong Kong Garrison ("the Garrison"). The statutory planning procedures for zoning of the CMD site to "Other Specified Uses" annotated "Military Use (1)" had been under judicial review proceedings since 2014 and were yet to be completed. The Administration considered it not suitable to open up the CMD site for any public activities before it was handed over to the Garrison. The Garrison had undertaken to open the military dock area as part of the promenade for public use in future when the military dock was not in military use, having regard to its operational needs and the need to protect it.

77. Mr CHU Hoi-dick referred to the site of the Central Harbourfront Event Space which had been let out to a private operator for hosting activities through open tender. He opined that the site should continue to be used for holding different kinds of events, and not to be put on public land sale, so as to bring vibrancy and diversity to the harbourfront for public enjoyment.

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78. In response, PS/DEV(P&L) said that the long-term development of the site of the Central Harbourfront Event Space would be taken forward suitably having regard to the recommendations of UDS and the implementation programme of nearby infrastructure projects, such as the North Island Line. The Administration was also refining the harbourfront development proposals for Wan Chai North, and could explore the development of a harbourfront event space at Wan Chai North.

To Kwa Wan and Hung Hom Harbourfront

79. Mr Vincent CHENG referred to a site at Chi Kiang Street reserved for the future extension of Hoi Sham Park in To Kwa Wan. Given that the extension of Hoi Sham Park would not be commenced in the near future, Mr CHENG urged the Administration to set aside the site for temporary vehicle parking purpose, so as to help alleviate the shortage of coach parking spaces in To Kwa Wan.

Admin 80. At the request of Mr Vincent CHENG, the Administration undertook to provide supplementary information on the progress on setting aside the abovementioned site at Chi Kiang Street for temporary vehicle parking purpose.

81. Dr Helena WONG called on the Administration to explore developing water taxi service in Hong Kong to enhance marine connectivity across the Victoria Harbour by ferrying local residents and tourists to sightseeing, shopping and leisure spots along the Harbour. She suggested the Administration to revitalize the Hung Hom Ferry Pier for the operation of water taxi service.

82. PS/DEV(P&L) responded that the Administration was currently exploring preliminarily with the relevant industries through the Transport Department and Tourism Commission the feasibility of developing water taxi service in Hong Kong, serving locations with major tourist attractions within the Harbour (for instance Central, West Kowloon Cultural District, Kai Tak and Tsim Sha Tsui).

Kwun Tong Harbourfront

83. Mr Jeremy TAM and Mr WU Chi-wai referred to a harbourfront site at Cha Kwo Ling originally reserved for the development of the Cha Kwo Ling Park. They questioned the justification for the Administration to subsequently rezone part of the site to "Government,

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Institution or Community" ("GIC") to facilitate the construction of a campus for the Vocational Training Council ("VTC").

84. In response, PS/DEV(P&L) said that the Town Planning Board was considering the rezoning proposal in accordance with established statutory procedures. She advised that the abovementioned site at Cha Kwo Ling would be rezoned to "Open Space" and GIC. Apart from the construction of the VTC campus, a waterfront promenade and public open space would be provided at the site in future.

[At 4:59 pm, the Chairman ordered that the meeting be extended for 15 minutes.]

VII Any other business

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

Council Business Division 1
Legislative Council Secretariat
31 August 2018