

立法會
Legislative Council

LC Paper No. CB(1)1431/17-18
(These minutes have been seen
by the Administration)

Ref : CB1/PL/DEV

Panel on Development

Minutes of meeting
held on Wednesday, 18 July 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
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon CHAN Chi-chuen
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
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon Wilson OR Chong-shing, MH

Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Gary FAN Kwok-wai
Hon Vincent CHENG Wing-shun, MH
Hon Tony TSE Wai-chuen, BBS

Members attending : Hon YIU Si-wing, BBS
Dr Hon Elizabeth QUAT, BBS, JP

Members absent : Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon CHAN Han-pan, BBS, JP
Hon CHAN Chun-ying, JP
Hon Jeremy TAM Man-ho

Public officers attending : **Agenda item III**

Mr Victor CHAN
Principal Assistant Secretary (Works)2
Development Bureau

Mr Stephen KWOK
Assistant Secretary (Infrastructure Coordination)1
Development Bureau

Dr Raymond CHEUNG Wai-man
Deputy Head of Geotechnical Engineering Office
(Mainland)
Civil Engineering and Development Department

Agenda item IV

Mr Victor CHAN
Principal Assistant Secretary (Works)2
Development Bureau

Mr Stephen KWOK
Assistant Secretary (Infrastructure Coordination)1
Development Bureau

Mr Ricky LAU, JP
Head of Civil Engineering Office
Civil Engineering and Development Department

Mr Ricky WONG
Deputy Head of Civil Engineering Office (Port & Land)
Civil Engineering and Development Department

Agenda item V

Ms Brenda AU Kit-ying
Head of Energizing Kowloon East Office
Development Bureau

Mr Edwin WONG Kuo-yang
Deputy Head of Energizing Kowloon East Office
Development Bureau

Agenda item VI

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

Mr CHAN Chung-kun
Assistant Director/New Territories
Water Supplies Department

Mr Roger WONG Yan-lok
Chief Engineer/Technical Support
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

Mr Keith WONG
Council Secretary (1)2

Ms Christina SHIU
Legislative Assistant (1)2

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- I Confirmation of minutes**
(LC Paper No. CB(1)1244/17-18 — Minutes of meeting on 27 March 2018)

The minutes of the meeting on 27 March 2018 were confirmed.

- II Information paper(s) issued since the last meeting**
(LC Paper No. CB(1)1210/17-18(01) — Administration's paper on Government's new initiatives on housing
LC Paper No. CB(1)1280/17-18(01) Letter dated 16 July 2018 from Hon CHU Hoi-dick on the study being undertaken by the Hong Kong Housing Society on the potential for developing two sites on the periphery of country parks)

2. Members noted that the above information papers had been issued since the last meeting on 26 June 2018.

3. Members were also informed on 12 July 2018 vide LC Paper No. CB(1)1253/17-18 that a special meeting would be held from 9:00 am to 1:00 pm on 19 September 2018 to receive public views on "Planning for land supply in Hong Kong". Depending on the number of attending deputations, the Chairman might adjust the end time of the special

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meeting and/or decide on the continuation of the special meeting in the afternoon of 19 September 2018, where necessary.

III Proposed revision of fees under Mines (Safety) Regulations, Cap. 285B, Dangerous Goods (General) Regulations, Cap. 295B, and Dangerous Goods (Government Explosives Depots) Regulations, Cap. 295D under the purview of the Civil Engineering and Development Department

(LC Paper No. CB(1)1242/17-18(01) — Administration's paper on revision of fees under Mines (Safety) Regulations, Cap. 285B, Dangerous Goods (General) Regulations, Cap. 295B, and Dangerous Goods (Government Explosives Depots) Regulations, Cap. 295D under the purview of the Civil Engineering and Development Department)

4. At the invitation of the Chairman, Principal Assistant Secretary (Works)2, Development Bureau ("PAS(W)2/DEVB") briefed members on the Administration's proposal to revise 17 out of 27 items of government fees related to services provided by the Civil Engineering and Development Department ("CEDD") in respect of (a) mine blasting; (b) manufacture, storage, movement and discharge of certain dangerous goods in category 1 (explosives and blasting agents); and (c) storage and delivery of explosives and explosive accessories ("the Services"). Among the 17 items of fees, 15 would be adjusted upward by 9% to 15%, and the remaining two would be adjusted downward by 6% and 8%, respectively.

Cost recovery of the Services

5. Mr Tony TSE enquired whether the Administration, when reviewing the cost recovery rates of the Services, had in parallel studied ways to reduce the cost of providing the Services. He also asked if the proposed downward adjustments of two items, i.e. grant or renewal of a

licence for manufacture of dangerous goods in category 1 (explosives), and grant or renewal of a licence for storage of dangerous goods in category 1, class 6 (ammunition) in a Mode B store, were made possible due to cost reduction.

6. PAS(W)2/DEVB and Deputy Head of Geotechnical Engineering Office (Mainland), CEDD ("DH(M)/GEO/CEDD"), advised that CEDD had looked into ways to lower the cost of providing the Services, such as streamlining the workflow and electronization. As a result of such cost reduction measures, the costs of the said two items could be adjusted downward.

7. Dr KWOK Ka-ki said that he had no objection to the fee revision proposal. Dr KWOK and Mr Gary FAN noted that notwithstanding the fee revision, a number of the Services had yet to achieve full cost recovery. As such, they asked why the Administration did not increase the fees sufficiently to achieve full cost recovery in one go.

8. PAS(W)2/DEVB advised that CEDD had adopted a progressive approach to achieve full cost recovery of the Services according to the established guidelines issued by the Financial Services and the Treasury Bureau, so as to avoid a steep fee increase and spread out the cost impact on the relevant trades.

9. Ir Dr LO Wai-kwok asked when the Administration would initiate the next fee revision exercise, and whether it had anticipated about any major operational changes in the provision of the Services that would affect the cost. Ir Dr LO believed that the public would not have strong views against the fee increases as the Services were not related to their general livelihood.

10. Mr LAU Kwok-fan supported in principle the fee revision proposal. However, Mr LAU pointed out that the last revision of 26 out of the 27 items of fees was effective not long ago on 31 March 2018, and enquired whether the Administration would revise the fees less frequently. Mr LAU also doubted if the estimated increase in revenue brought about by the proposed fee revision, which only amounted to about \$1.5 million per annum, would be offset by the administrative cost of conducting the fee revision exercise.

11. PAS(W)2/DEVB responded that a review on the cost and fee levels of the Services was conducted annually. Given the time required for the necessary procedures, including conducting the review, consulting

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the stakeholders and the Panel on the proposal, and making legislative amendments, the Administration had to commence the new annual fee revision exercise not long after the last fee revision implemented in March 2018. That said, CEDD was exploring the feasibility of projecting the cost and fee levels of the Services for the next few years, such that the fee revision exercise could be conducted less frequently by once in every few years. DH(M)/GEO/CEDD added that with the implementation of the electronic record system in the coming years, it was expected that the cost of providing the Services would be further reduced.

Impact of the fee revision proposal

12. Dr KWOK Ka-ki asked about the number of parties to be affected by the fee revision proposal and the percentage of public works projects involving the use of explosives and blasting agents.

13. DH(M)/GEO/CEDD replied that over 70 parties, including works contractors, explosives suppliers and explosives storage keepers, would be affected by the fee revision proposal, and less than 5% of the public works projects involved the use of explosives and blasting agents.

IV Pier Improvement Programme

(LC Paper No. CB(1)1242/17-18(02) — Administration's paper on Pier Improvement Programme)

14. At the invitation of the Chairman, Principal Assistant Secretary (Works)2, Development Bureau ("PAS(W)2/DEVB") briefed members on the policy initiative of the Pier Improvement Programme ("PIP") which aimed at improving a number of public piers to facilitate public access to outing destination and natural heritage. He said that the Administration proposed to seek the support of Public Works Subcommittee ("PWSC") and the approval of the Finance Committee ("FC") for creating a new block allocation Subhead 5102CX – "Pier Improvement Programme" under Head 705 – "Civil Engineering" of the Capital Works Reserve Fund ("CWRP") as the dedicated funding source for the implementation of PIP. The financial limit for individual item under this new block allocation subhead would be set at \$150 million.

15. With the aid of a powerpoint presentation, Deputy Head of Civil Engineering Office (Port & Land), Civil Engineering and Development

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Department elaborated on the details of the implementation of PIP, including the list of 10 proposed pier improvement items under the first implementation phase of PIP and the host of factors taken into account in prioritizing improvement of these piers.

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)1289/17-18(01) by email on 19 July 2018.)

16. 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.

Implementation details

Scope of the improvement works

17. The Deputy Chairman declared that he was the Chairman of the Heung Yee Kuk, and his family owned land lots in remote villages. He expressed support for the implementation of PIP to bring convenience to local villagers who relied on boats as their main transport mode. He asked whether new ancillary facilities such as drinking fountains would be installed when upgrading the piers, and whether the Administration would be responsible for the maintenance of the piers after completion of the upgrading works under PIP. Mr HUI Chi-fung requested the Administration to install barrier-free access facilities at the piers.

18. Head of Civil Engineering Office, Civil Engineering and Development Department ("H(CEO)/CEDD") responded that the improvement works under PIP would consider the provision of ancillary facilities such as electronic display panels, drinking fountains, GovWiFi services and barrier-free access facilities at the public piers where feasible. Where necessary, the Administration would also explore the feasibility of carrying out other enhancement works in the vicinity of the public piers, such as installing additional streetlights and repairing existing footpaths connected to the piers. PAS(W)2/DEVB supplemented that as the pier items included under PIP were all existing public piers, the Administration would undertake the maintenance works.

19. Dr Elizabeth QUAT expressed support for the implementation of PIP, and called on the Administration to listen to the views of the local

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villagers and District Councils concerned when implementing PIP. As most of the public piers were aging and not meeting the current standards of safety and accessibility, she stressed the urgency for the Administration to upgrade all public piers. Dr QUAT further enquired whether the improvement works under PIP would cover the provision of ancillary facilities such as public toilets and ticketing booths, as well as enhancement of the telecommunication infrastructure, road access leading to the piers and the cleanliness of the piers. At the request of the Chairman, the Administration agreed to provide a written response to Dr QUAT's enquiry.

20. Mr Frankie YICK said that the Liberal Party ("LP") supported the implementation of PIP. He called on the Administration to consult the ferry service operators on their views of the required improvements under PIP. For example, he suggested the Administration to install ticketing booths at the piers for use by ferry service operators.

21. In response, H(CEO)/CEDD indicated that since 2017, the Administration had consulted the relevant stakeholders, such as District Councils, ferry service operators and village representatives, on their views and suggestions on the improvement works under PIP.

Committee on Piers, implementation timetable and priority setting of the pier improvement items

22. Mr HUI Chi-fung opined that it was unnecessary to set up the Committee on Piers ("the Committee") for selecting piers to be included under PIP, as the task could readily be taken up by the recently formed Countryside Conservation Office. He and Mr Andrew WAN queried why there was no village representatives in the membership of the Committee, and worried that the Committee might neglect the need of local villagers when considering improvement suggestions for public piers and setting the priority for pier improvement items. Mr LEUNG Che-cheung also queried why the Committee comprised only officials from government departments but not any representatives from the major construction professional bodies.

23. PAS(W)2/DEVB responded that the Development Bureau spearheaded the setting up of the Committee that comprised representatives from various bureaux/departments, including the Environmental Protection Department and the Home Affairs Department, etc. The participation of various bureaux/departments facilitated the Committee's work on assessing and prioritizing the pier improvement

items under PIP taking into account a host of factors including but not limited to the requests from locals and districts. H(CEO)/CEDD supplemented that the Administration welcomed views from construction professional bodies on the implementation of PIP.

24. Mr CHAN Chi-chuen expressed concern about the adverse environmental impacts arising from the pier improvement works. In response, PAS(W)2/DEVB indicated that the Administration would conduct environmental impact assessments in accordance with the Environmental Impact Assessment Ordinance (Cap. 499) where necessary with a view to minimize any potential environmental impacts to environmentally sensitive areas and sensitive uses.

25. Mr YIU Si-wing expressed support for the implementation of PIP which would attract more tourists to visit outing destination and natural heritage located at remote areas, such as the Hong Kong Global Geopark and the Marine Parks, thereby promoting eco-tourism in Hong Kong. Mr YIU and Mr Vincent CHENG enquired about the implementation timetable of PIP, and whether the piers would need to be closed temporarily during the improvement works.

26. PAS(W)2/DEVB said that subject to the approval by FC for creating the new block allocation subhead for the implementation of PIP, the Administration planned to commence the works for the first pier improvement item under PIP in 2019, with a target to completing all pier improvement works under the first implementation phase of PIP by 2024. Appropriate measures, such as providing temporary piers if necessary and feasible, would be implemented during the improvement works to minimize disruption of the pier operation.

27. Ms Tanya CHAN questioned about the inclusion of the piers at Lai Chi Wo, Sham Chung and Lai Chi Chong in the first implementation phase of PIP, given that there were presently only a small number of villagers living in these remote areas. She surmised that the real purpose of the Administration to improve these piers was to pave way for the future development of tourism businesses in these areas. This was in her view tantamount to using public moneys to underpin commercial developments.

28. In response, PAS(W)2/DEVB stressed that the Committee had taken into account a host of factors when assessing and prioritizing the pier improvement items to be included in the first implementation phase of PIP. These factors included structural and public safety concerns,

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accessibility of nearby natural and heritage scenic attractions, utilization and availability of alternative transport, requests from locals and districts, and technical feasibility.

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29. Dr Fernando CHEUNG pointed out that some private developers were planning to develop Yi O into a tourism district, and suspected that the inclusion of Yi O Pier in the first implementation phase of PIP by the Administration aimed at dovetailing with such development. He then enquired about the justifications of including Yi O Pier in the first implementation phase of PIP, and whether the Administration had planned to develop Yi O into a tourism district. At the request of the Chairman, the Administration agreed to provide a written response to Dr CHEUNG's enquiry.

Proposed creation of a new block allocation subhead for implementing the Pier Improvement Programme

30. Ir Dr LO Wai-ki said that the Business and Professionals Alliance for Hong Kong ("BPA") supported the implementation of PIP, as well as the creation of the new block allocation subhead so as to allow flexibility and efficiency in the implementation. Ir Dr LO and Mr Vincent CHENG sought details of the estimated project costs for the first batch of 10 pier improvement items, and elaborations on the setting of the financial limit at \$150 million for individual item.

31. PAS(W)2/DEVB said that the estimated overall project cost for a proposed pier improvement item with two typical berthing spaces and catwalk of an overall plan area of around 500 square metres, inclusive of expenditure in planning, design and construction stages, was around \$65 million. For some piers which required larger catwalks to address practical needs such as shallow water depth and additional environmental mitigation measures in a more environmentally sensitive area, etc., the preliminary project cost for each item, based on the technical study for the pier improvement items under the first implementation phase of PIP, was expected to be in the range of \$65 million to \$150 million, i.e. up to the financial limit set for each item.

32. Mr LAU Kwok-fan said the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") supported the implementation of PIP. He asked specifically how the project delivery of the pier improvement items under PIP would be accelerated by the proposed creation of the new block allocation subhead.

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33. PAS(W)2/DEVB responded that the creation of a new block allocation subhead as the dedicated funding source for PIP provided the Administration with requisite delegated authority for fast-tracking implementation of pier improvement items, whereas the current funding arrangement under the Public Works Programme did not allow sufficient flexibility such that some mature items which were supported by the public might not be given green light as soon as possible, but have to compete with other public works projects and seek funding approval from LegCo. With the dedicated funding arrangement, it was estimated that the project delivery of items under PIP would speed up by about one to two years.

34. Mr CHAN Chi-chuen, Mr HUI Chi-fung and Mr Tony TSE disagreed with the Administration's reasoning for fast-tracking implementation of PIP by creating a new block allocation subhead. They put emphasis on the power and role of LegCo in examining and approving funding proposals for public works, and pointed out that the scrutiny by LegCo on a funding proposal did not necessarily take prolonged time if the proposal was not controversial.

35. H(CEO)/CEDD supplemented that given the significant number of capital works projects, prioritization for submission to LegCo for funding approval was necessary and time would be taken for each pier improvement item to seek funding approval through the process of consultation in the Panel on Development, discussions in PWSC and FC meetings. The proposed creation of a new block allocation subhead under CWRP would better secure timely availability of funding for swift launching and implementation of individual pier improvement item.

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36. At the request of Mr Tony TSE, the Administration undertook to provide details of, among the existing 26 block allocation subheads under CWRP, the three subheads with no financial limit and the subhead being subject to a financial ceiling of \$75 million in spending on each item.

37. Mr Gary FAN, Dr KWOK Ka-ki, Mr CHAN Chi-chuen, Mr Andrew WAN, Mr HUI Chi-fung, Ms Tanya CHAN, Mr CHU Hoi-dick and Dr Fernando CHEUNG considered it utterly undesirable to create a new block allocation subhead under CWRP for funding the pier improvement items under PIP, as in other words, the Administration would seek funding approval on the total annual allocation to all such items on a lump sum basis, hence undermining the role of LegCo in scrutinizing and giving views on individual items, in

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particular those controversial ones that might, for example, have environmental impacts.

38. PAS(W)2/DEVB said that the long-established block allocations mechanism under CWRF enabled the Administration to respond more promptly to the need of the community for provision of minor improvement items within the applicable financial limit, such as emergency works for the Landslip Prevention and Mitigation Programme. As a standing practice, when seeking FC's approval of the total annual allocation to block vote subheads on a lump sum basis, the Administration deposited a list of the on-going and proposed new items planned to be funded by the block vote subheads for Members' reference. Also, the Administration was also accountable to FC through regular reporting of the spending position of the subheads and progress of the programme. The same practice would be adopted also for the new subhead 5102CX for PIP.

39. Mr CHU Hoi-dick pointed out that under the current block allocation mechanism, the Financial Secretary ("FS") could approve individual project under the block vote subheads based on the delegated authority by FC. He called on the Administration to accept his earlier proposal that FC should confirm or revise the delegated authority to FS periodically, such that LegCo's role in scrutinizing the Administration's expenditure could be more properly exercised.

40. PAS(W)2/DEVB indicated that Mr CHU's proposal would bring uncertainty over the delegation which might hamper the Administration's ability to effectively administer the block vote items under CWRF. The uncertainty would also affect the Administration's planning and implementation of work projects, and might also affect the business planning of the construction industry.

Concluding Remarks

41. The Chairman concluded that all members would support the implementation of PIP and members belonging to DAB, LP and BPA and Mr YIU Si-wing supported the Administration's proposal of creating a new block vote, while Mr Tony TSE, Mr Gary FAN, Mr CHU Hoi-dick, Mr CHAN Chi-chuen, Dr Fernando CHEUNG, and members belonging to the Civic Party and the Democratic Party objected to the proposal. He called on the Administration to take heed of members' views and provide further information regarding members' concerns when submitting the proposal to PWSC for deliberations.

- V Progress report on Energizing Kowloon East initiatives**
(LC Paper No. CB(1)1242/17-18(03) — Administration's paper on progress report on Energizing Kowloon East initiatives
LC Paper No. CB(1)1242/17-18(04) — Paper on the Energizing Kowloon East Office and the Energizing Kowloon East initiatives prepared by the Legislative Council Secretariat (Updated background brief))

42. At the invitation of the Chairman, Head of Energizing Kowloon East Office, Development Bureau ("Head/EKEO"), briefed members on the latest progress of the major studies and works projects under the Energizing Kowloon East ("EKE") initiatives with the aid of a powerpoint presentation. She said that in addition to the Kai Tak Development ("KTD") area, Kowloon Bay Business Area and Kwun Tong Business Area, the EKE initiative had been extended to San Po Kong as promulgated in the Policy Agenda in October 2017.

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)1289/17-18(02) by email on 19 July 2018.)

Progress of work

43. Mr Wilson OR referred to the list of major studies and works projects initiated by the Energizing Kowloon East Office ("EKEO") (Annex A to LC Paper No. CB(1)1242/17-18(03)). Given that a majority of the items had yet to be completed, Mr OR and Mr Vincent CHENG expressed concerns about the slow implementation progress of these studies and works projects. Mr OR, Mr CHENG and Dr Junius HO urged the Administration to speed up the work of EKEO.

44. In response, Head/EKEO stressed that over the past few years, EKEO had continued to take forward, in collaboration with relevant government departments, various studies, improvement proposals and works, which were at different stages of planning, design, funding application and implementation.

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45. Mr Wilson OR requested the Administration to provide the expected completion time of those major studies and works projects initiated by EKEO (as listed in Annex A to LC Paper No. CB(1)1242/17-18(03)) that were in progress/not yet commenced.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)1317/17-18(01) on 3 August 2018.)

Improving the vehicular traffic and pedestrian environment

46. Mr Tony TSE, Mr Vincent CHENG and Mr HO Kai-ming were concerned that the traffic congestion problem in Kwun Tong had worsened after the development of new commercial buildings in the area in recent years. Mr HO urged the Administration to improve the traffic condition in Kwun Tong, in particular at the Kwun Tong Road/Hoi Yuen Road roundabout.

47. In response, Head/EKEO said that the Administration had been working on various fronts to alleviate the traffic congestion in Kwun Tong to cater for the developments in the area. Given that the MTR Kwun Tong Line and Kwun Tong Road underpass were close to the Kwun Tong Road/Hoi Yuen Road roundabout hence imposing severe constraints, it would be difficult to implement further road improvement measures at that roundabout. Yet, she advised that the Administration was proactively taking forward the Route 6 project (including Tseung Kwan O — Lam Tin Tunnel, Central Kowloon Route and Trunk Road T2) to alleviate the traffic loadings along major roads including Kwun Tong Road and to cater for the traffic needs in Kowloon East ("KE").

48. Mr Tony TSE requested the Administration to provide a list of the short-term traffic and road improvement measures completed/to be implemented to improve the traffic conditions in Kwun Tong.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)1317/17-18(01) on 3 August 2018.)

49. Mr Vincent CHENG asked about the expected completion time of the three footbridges near MTR Kowloon Bay Station (viz. footbridges near MTR Kowloon Bay Station Exits A and B and across Wai Yip Street), and the implementation progress of the provision of footbridges/elevated walkways by the private sector in KE.

50. Head/EKEO responded that the detailed design of the footbridge connecting MTR Kowloon Bay Station Exit B with the future East Kowloon Cultural Centre had been completed. The Administration would submit the funding proposal for the construction works in due course. Further, the design study of the footbridge near Ngau Tau Kok Police Station across Wai Yip Street was in progress, while the proposed footbridge near MTR Kowloon Bay Station Exit A was under planning.

51. Head/EKEO further said that an application for lease modification for constructing an elevated walkway system in the Kowloon Bay Business Area was received in late 2017, and the Administration was processing the application.

Environmentally Friendly Linkage System

52. Mr Tony TSE enquired about the progress of the development of the Environmentally Friendly Linkage System ("EFLS") for KE. Dr Junius HO suggested that the Administration should explore adopting a traveller system instead of an elevated monorail system for EFLS.

53. Head/EKEO responded that the Kai Tak Office of the Civil Engineering and Development Department ("CEDD") was continuing with the Detailed Feasibility Study ("DFS") for EFLS for KE, including its network coverage, alignment, station locations, etc., and carrying out the associated technical assessments to ascertain its feasibility. The DFS was targeted for completion within 2018. The Administration aimed to brief members on the findings of the DFS and the way forward of EFLS in early 2019.

54. Head/EKEO further said that EKEO and the Kai Tak Office of CEDD were also exploring the feasibility of constructing travellers to enhance the pedestrian connectivity within the existing built-up areas in KE.

Improving the environment

55. Mr CHAN Chi-chuen asked about the resulting increase in greening area in KE through the EKE initiatives. The Administration undertook to provide the relevant supplementary information after the meeting.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)1317/17-18(01) on 3 August 2018.)

Kai Tak Development area

56. Mr Gary FAN referred to the Administration's recently announced new housing initiative of reallocating three private housing sites in KTD for public housing. He asked whether the reallocation would affect the planning for KE in respect of pedestrian flow, vehicular traffic, supply and demand of parking spaces, etc.

57. In response, Head/EKEO said that it was anticipated that there would not be any significant increase in the planned population of KTD after reallocating three private housing sites for public housing, and there would be adequate supporting facilities provided for the KTD area. As there would normally be lower car ownership rate in public housing than in private housing, Head/EKEO expected that the reallocation would not cause any adverse traffic impacts.

58. Mr HO Kai-ming asked about the role of EKEO in implementing the KTD project. Head/EKEO responded that KE comprised the new KTD area and the built-up Kwun Tong and Kowloon Bay areas. Whilst the Kai Tak Office of CEDD would continue to assume its role in delivering infrastructural projects in the KTD area, EKEO would focus on wider strategic issues in transforming KE into a premier core business district.

59. Dr Helena WONG called on the Administration to explore constructing a pier in the KTD area and developing ferry or water taxi service to enhance marine connectivity along the KE waterfront.

60. Head/EKEO said that due to the restriction on reclamation in Victoria Harbour under the Protection of the Harbour Ordinance (Cap. 531), it would unlikely be feasible to construct an additional pier in the KTD area. The Administration had refurbished the Runway Park Pier and would explore enhancing the existing piers and landing steps in KE. In addition, the Administration was currently exploring with the relevant trades through the Transport Department and Tourism Commission the feasibility of introducing water taxi service to serve locations with major tourist attractions within the Harbour, including the KTD area.

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Cultural and arts practitioners in Kowloon East

61. Mr CHAN Chi-chuen expressed concern that many cultural and arts workshops and studios had been forced to move out from KE because of the rising rentals of shops and industrial premises due to the transformation of KE. He asked about the change in the numbers of cultural and arts workshops and studios, etc. after the implementation of the EKE initiatives.

62. Head/EKEO responded that with a view to better understanding the profiles and needs of the business establishments in KE, a survey was commissioned in February 2018 on the business establishments including those in the arts, cultural and creative sector. EKEO would explore the reservation of space for arts, cultural and creative uses when formulating the development plans for the Kowloon Bay Action Area and Kwun Tong Action Area. Meanwhile, the Development Bureau was also reviewing possible measures on the revitalization of industrial buildings, and would consider offering incentives to encourage owners of industrial buildings to reserve floor area for arts, cultural and creative uses upon redevelopment or revitalization.

Smart city development

63. Mr Gary FAN enquired about the details of the "Persona and Preference-based Way-finding for Pedestrians" function of the "My Kowloon East" mobile application ("MyKE") developed by EKEO. Head/EKEO responded that this function would recommend walking routes according to personal preference (e.g. sheltered path, points of interest) and needs (e.g. barrier-free access) by answering a few questions.

64. In response to Mr Wilson OR's enquiry on the progress of smart city development in KE, Head/EKEO said that KE was a pilot area for exploring the feasibility of smart city development and several proof of concept trials were in different stage of implementation. EKEO would share the experience and knowledge acquired in these trials with relevant Bureaux/Departments and other stakeholders.

65. Mr HO Kai-ming opined that instead of developing mobile applications internally, EKEO should consider opening up the application programming interfaces to facilitate the development of more applications by private parties.

VI Briefing on the proposed Member's Bill to amend the Waterworks Ordinance (Cap. 102)

(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)

Briefing on the Waterworks (Amendment) (No. 2) Bill 2017

66. At the invitation of the Chairman, Miss Alice MAK briefed members on the Waterworks (Amendment) (No. 2) Bill 2017 ("the Bill") which she intended to introduce as a Member's Bill into the Legislative Council ("LegCo") to amend the Waterworks Ordinance (Cap. 102) ("WVO") to prohibit a consumer from profiteering from the sale of water provided by the Water Authority from the waterworks. She said that many tenants of sub-divided flats were overcharged by the flat owners for use of water, and hence there was the need to amend the existing legislation to increase the deterrent effect and facilitate enforcement against such overcharging of water cost by sub-divided flat owners. Details were set out in the LegCo Brief on the Bill which was appended to Miss MAK's letter dated 15 November 2017 (LC Paper No. CB(1)221/17-18(02)).

Discussion

67. Principal Assistant Secretary (Works)3, Development Bureau ("PAS(W)3/DEVB"), said that the existing Regulation 47 (Prohibition of sale of water) of the Waterworks Regulations (Cap. 102A) ("WWR") could serve the same purpose of prohibiting a consumer from making profits from selling water from the waterworks. Specifically, pursuant to Regulation 47(1), no person should, without the permission in writing of the Water Authority, sell or offer for sale water from the waterworks. As a matter of course, pursuant to Regulation 47(2), flat owners could recover the cost of water, which was not confined to the charge of water in the water bill, from the tenants in such premises who used water supplied through the inside service of the flat owners. Yet, it was an offence to overcharge the water cost.

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68. PAS(W)3/DEVB further advised that in terms of enforcement, there would be no essential difference between that for Regulation 47 under WWR and the Bill if introduced, as in both cases, the Water Authority would carry out investigation upon receipt of complaints about overcharging of water cost. Any person convicted of an offence under Regulation 47 of WWR would be liable on summary conviction to a fine at level 3 (currently at \$10,000).

Enforcement of the existing regulation

69. Mr CHAN Chi-chuen said that he originally supported the Bill. Yet, the Administration was apparently suggesting that the Bill was unnecessary as it would overlap with the existing regulation under WWR serving more or less the same purpose. Since the law was there but cases of sub-divided flat tenants being overcharged of water cost by their flat owners existed, Mr CHAN questioned the enforcement actions taken by the Water Supplies Department ("WSD") against relevant offences and the convictions made in recent years.

70. Dr Fernando CHEUNG expressed support to the Bill. He requested the Administration to provide information on the recent number of inspections conducted by WSD targeting at cases of sub-divided flat owners selling or offering for sale water from the waterworks to their tenants for profits. He was concerned whether there were loopholes in the existing law, or problems with enforcement.

71. In response, PAS(W)3/DEVB further explained that there were two fine differences between Regulation 47 of WWR and the Bill. Firstly, Regulation 47 of WWR regulated the recovery of the cost of water supplied through the inside service whereas the Bill regulated the selling price of water. Notwithstanding that, under the existing regulation, the Water Authority would look into the complaints received and take follow-up actions if the water charge exceeded the cost of water. Secondly, by virtue of the penalty section under WWO, any person convicted of an offence under the Bill would be liable to a fine at level 4 (currently at \$25,000), which was higher than the level 3 penalty imposed against offences under Regulation 47 of WWR. Meanwhile, the Administration would consider the need for revising the penalty level for relevant offences under WWR in the holistic review of WWO and WWR which was currently underway. That said, there were few convicted cases in the past.

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72. On enforcement, Assistant Director/New Territories, Water Supplies Department ("AD/NT/WSD") said that WSD had in the past, based on media reports, approached three concern groups with a view to identifying cases of contravention against Regulation 47 of WWR for follow up action. However, as the tenants concerned were unwilling to provide information, WSD was unable to proceed with prosecution. During May to July this year, WSD had conducted on-site visits based on the target list of buildings provided by some concern groups to check against possible cases of contravention. The Administration undertook to provide the information requested by Dr Fernando CHEUNG.

(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)1318/17-18(01) on 6 August 2018.)

73. The Chairman asked if WSD had received any referrals from Members about suspected cases of sub-divided flat owners overcharging their tenants for the use of water. AD/NT/WSD replied in the negative, and said that WSD would look into the cases if such referrals were received.

74. Mr HO Kai-ming queried why the Administration had not instigated any prosecution against overcharging of water cost so far. He asked whether there was a lack of manpower for conducting inspections.

75. Miss Alice MAK expressed grave disappointment that the Administration on the one hand indicated that introduction of the Bill was unnecessary due to the existence of regulation against overcharging of water cost, but on the other hand failed to effectively enforce the regulation with no prosecution instituted at all. She emphasized that the Bill aimed for prohibiting any person from selling a supply to another person at a price exceeding the charges for water, such that sub-divided flat owners could not overcharge their tenants for any extra costs for use of water on top of the water bill.

76. PAS(W)3/DEVB reiterated that the existing regulation served the purpose of prohibiting sub-divided flat owners from making profits by selling or offering for sale water from the waterworks to their tenants, whilst the recovery of the cost of water was allowed. He said that apart from enforcement, the Administration would step up publicity to remind sub-divided flat owners that it was illegal to overcharge their tenants for the use of water for making profits.

Installation of separate water meters for sub-divided flats

77. Dr Helena WONG suggested that the Administration should facilitate the installation of separate water and electricity meters for individual sub-divided flats to avoid overcharging by the flat owners. While speaking on the Bill, Dr WONG also expressed concern over the recent incident of excessive level of lead found in tap water at Kwai Tsui Estate in Kwai Chung and urged WSD to follow up the matter. Miss Alice MAK asked about the number of sub-divided flats successfully installed with separate water meters.

78. PAS(W)3/DEVB replied that owners/tenants of sub-divided flats might apply to the Water Authority for the installation of separate water meters, and relevant guidelines were available on WSD's website. Since it was necessary to reserve space in the communal area of the buildings concerned for installation of new water meter to enable WSD to take meter readings and to install new water pipes for water supply to the sub-divided flat, not all applications could be proceeded with due to physical constraints. That said, WSD was exploring ways to overcome the constraints. Upon installation of a separate water meter for a sub-divided flat, the first 12 cubic metres of fresh water used by the tenant in each of the four-month billing cycle would be free of charge.

79. Mr HO Kai-ming was unconvinced of the Administration's explanation about the constraints of installing separate water meters in some sub-divided flats. He also did not believe that there would be additional administration expenses incurred for more manpower to take meter readings. He pointed out that WSD had been studying the installation of smart water meters at premises to take meter readings remotely.

Conclusion

80. The Chairman sought the Administration's stance whether it supported the Bill and whether it considered that the Bill related to public expenditure.

81. PAS(W)3/DEVB responded that the Administration had no plan to introduce the legislative amendments proposed by the Bill. Having consulted the views of WSD, PAS(W)3/DEVB confirmed that the Bill was considered to be related to public expenditure. Further, he said that as the Bill proposed that any person who sold a supply to another person

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at a price exceeding the charges for water would be guilty of an offence, it might have impact on the existing operation of the water selling kiosks in Hong Kong for the supply of water for shipping purpose which would involve resale of water with permission of the Water Authority.

82. Mr HO Kai-ming opined that the Administration could exempt the operation of the water selling kiosks from the regulation under the Bill if it was enacted.

83. The Chairman concluded that having noted members' views on the Bill, Miss Alice MAK might consider whether to introduce the Bill into LegCo according to the relevant procedure for presentation of bills by Members, including seeking the President's opinion on the Bill in writing.

[At 4:59 pm, the Chairman ordered that the meeting be extended for 15 minutes to 5:15 pm.]

VII Any other business

84. There being no other business, the meeting ended at 5:12 pm.