

LC Paper No. ESC107/18-19 (These minutes have been seen by the Administration)

Ref : CB1/F/3/2

### **Establishment Subcommittee of the Finance Committee**

Minutes of the 12<sup>th</sup> meeting held in Conference Room 2 of Legislative Council Complex on Friday, 29 March 2019, at 8:30 am

#### **Members present:**

Hon Holden CHOW Ho-ding (Deputy Chairman) Hon James TO Kun-sun Hon WONG Ting-kwong, GBS, JP Hon WONG Kwok-kin, SBS, JP Hon Steven HO Chun-yin, BBS Hon WU Chi-wai, MH Hon YIU Si-wing, BBS Hon CHAN Chi-chuen Hon KWOK Wai-keung, JP Hon Christopher CHEUNG Wah-fung, SBS, JP Dr Hon Fernando CHEUNG Chiu-hung Hon IP Kin-yuen Dr Hon Elizabeth QUAT, BBS, JP Hon Martin LIAO Cheung-kong, SBS, JP Hon POON Siu-ping, BBS, MH Dr Hon CHIANG Lai-wan, SBS, JP Ir Dr Hon LO Wai-kwok, SBS, MH, JP Hon Alvin YEUNG Hon CHU Hoi-dick Hon HO Kai-ming Hon SHIU Ka-fai Hon SHIU Ka-chun Hon YUNG Hoi-yan Dr Hon Pierre CHAN Hon CHAN Chun-ying, JP Hon Jeremy TAM Man-ho Hon AU Nok-hin

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

### Members absent:

Hon Mrs Regina IP LAU Suk-yee, GBS, JP (Chairman) Dr Hon KWOK Ka-ki Hon CHUNG Kwok-pan

# **Public Officers attending:**

Ms Carol YUEN Siu-wai, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1	
Ms Vivien LI Chim-wing	Deputy Secretary for the Civil Service 1	
Mr Andrew AU Sik-hung, JP	(Acting) Government Economist	
WI Andrew AO Sik-hung, JI	Financial Secretary's Office	
Ms Reddy NG Wai-lan, JP	Principal Economist (5)	
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Mr Desmond HOU Ka-chun	Principal Economist (4)	
	Financial Secretary's Office	
Ms Doris HO Pui-ling, JP	Deputy Secretary for Development	
	(Planning and Lands)1	
Mr David LAM Chi-man	Principal Assistant Secretary for Development (Planning and Lands)5	
Mr Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)3	
Mr Albert LEE Wai-bun	Deputy Director of Civil Engineering and Development	
Mr LAW Man-tim	Deputy Project Manager (North)	
	Civil Engineering and Development Department	
Mr Tony CHEUNG Ka-leung	Deputy Project Manager (West)	
wir Tony Children Ka ieung	Civil Engineering and Development	
	Department	
Mr CHAN Tze-ho	Chief Engineer (West 4)	
	Civil Engineering and Development Department	
Mr Tony MOYUNG Hon, JP	Deputy Director (Specialist)	

Lands Department

Ms Lily CHIU Lee-lee Miss Fiona LUNG Siu-yuk Mr Kevin SIU Ka-yin, JP Mr LAM Chik-man	Chief Estate Surveyor (Acquisition Section), Lands Department Assistant Director of Planning (Board) Deputy Government Property Administrator Chief Property Manager (Acquisition, Allocation and Disposal) Government Property Agency
<b>Clerks in attendance:</b> Ms Connie SZETO	Chief Council Secretary (1)4
Staff in attendance:	
Miss Judy YEE Ms Alice CHEUNG Miss Yannes HO Ms Haley CHEUNG	Council Secretary (1)4 Senior Legislative Assistant (1)1 Legislative Assistant (1)7 Legislative Assistant (1)10

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<u>The Deputy Chairman</u> drew members' attention to the information paper ECI(2018-19)16, which set out the latest changes in the directorate establishment approved since 2002 and the changes to the directorate establishment in relation to the four items on the agenda. He then reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP"), they should disclose the nature of any direct or indirect pecuniary interest relating to the item under discussion at the meeting before they spoke on the item. He also drew members' attention to RoP 84 on voting in case of direct pecuniary interest.

EC(2018-19)28 Proposed making permanent of one Principal Economist (D2) supernumerary post in the Office of the Government Economist under the Financial Secretary's Office with effect from 13 May 2019 or with immediate effect upon approval by the Finance Committee, whichever is later to continue to conduct economic analyses and researches in areas of poverty, welfare and population - 4 -

2. <u>The Deputy Chairman</u> remarked that the staffing proposal was to make permanent one Principal Economist (D2) supernumerary post in the Office of the Government Economist under the Financial Secretary's Office with effect from 13 May 2019 or with immediate effect upon approval by the Finance Committee ("FC"), whichever was later, to continue to conduct economic analyses and researches in areas of poverty, welfare and population. He pointed out that discussion of the item was carried over from the meeting on 25 March 2019.

# Voting on the item

3. As members raised no further questions on the item, <u>the Deputy</u> <u>Chairman</u> put the item to vote. At the request of members, <u>the Deputy</u> <u>Chairman</u> ordered a division, and the division bell rang for five minutes. Ten members voted for the item and six against it. <u>The Deputy Chairman</u> declared that the Subcommittee agreed to recommend the item to FC for approval. The votes of individual members were as follows:

For

Mr WONG Kwok-kin Mr KWOK Wai-keung Mr POON Siu-ping Mr SHIU Ka-fai Mr Vincent CHENG (10 members)

Mr YIU Si-wing Mr Christopher CHEUNG Ir Dr LO Wai-kwok Mr CHAN Chun-ying Mr Tony TSE

Against

Mr WU Chi-wai	Mr CHAN Chi-chuen
Dr Fernando CHEUNG	Mr Alvin YEUNG
Mr SHIU Ka-chun	Mr Jeremy TAM
(6 members)	

4. <u>Mr WU Chi-wai</u> requested that the item be voted on separately at the relevant FC meeting.

making EC(2018-19)30 Proposed permanent of four supernumerary posts of three Chief Engineer (D1) in the Civil Engineering and Development Department and one Chief Town Planner (D1) in Planning the **Department;** creation of two supernumerary posts of one Chief Estate Surveyor (D1) in the Lands Department up to 31 March 2029 and one Administrative Officer Staff Grade C (D2) in the Government Property

Agency (GPA) up to 31 March 2024; and creation of one permanent post of Chief Estate Surveyor/Principal Valuation Surveyor (D1) in the GPA with immediate effect upon approval of the Finance Committee to take forward policy initiatives to increase land supply in the short, medium and long term

5. <u>The Deputy Chairman</u> remarked that the staffing proposal was to make permanent four supernumerary posts of three Chief Engineer ("CE") (D1) in the Civil Engineering and Development Department ("CEDD") and one Chief Town Planner (D1) in the Planning Department ("PD"); create two supernumerary posts of one Chief Estate Surveyor ("CES") (D1) in the Lands Department ("LD") up to 31 March 2029 and one Administrative Officer Staff Grade C ("AOSGC") (D2) in the Government Property Agency ("GPA") up to 31 March 2024; and create one permanent post of CES/Principal Valuation Surveyor (D1) in GPA with immediate effect upon approval of FC to take forward policy initiatives to increase land supply in the short, medium and long term.

The Deputy Chairman pointed out that the Panel on Development 6. had discussed the staffing proposal in its meeting on 19 December 2018. During the Panel meeting, the majority of members expressed support for the proposal, whereas individual members expressed disapproval of part or whole of the proposal. Major concerns raised by the members included: the Administration's long-term need to make permanent the three CE posts in CEDD which were mainly responsible for implementing New Development Area ("NDA") projects; whether LD, upon manpower enhancement, was able to strengthen its law enforcement efforts against illegal occupation of government land and unauthorized structures and make timely rehousing and compensation arrangements for the residents affected by NDA projects. Members expressed great reservation about the proposal to create new posts in GPA for implementing the "single site, multiple use" initiative, and enquired if such proposal could be dealt with separately in an Establishment Subcommittee ("the Subcommittee") The Administration had responded to some of the questions meeting. raised by members in the Panel meeting and provided supplementary information after the meeting (the information was circulated to all Members vide LC Paper No. CB(1)692/18-19(01)).

### <u>Proposal to make three Chief Engineer posts in the Civil Engineering and</u> <u>Development Department permanent</u>

7. <u>Mr Tony TSE</u> and <u>Mr YIU Si-wing</u> noted that the three supernumerary CE posts in CEDD proposed to be made permanent were

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responsible for implementing time-limited projects, namely the Kwu Tung North ("KTN")/Fanling North ("FLN") NDA project, the Hung Shui Kiu ("HSK") NDA project and other major projects in the New Territories North ("NTN"), and they enquired about the rationale for making the posts Mr TSE drew comparison to the proposed CES post in LD, permanent. saying that the work of land development support encompassing land resumption and clearance as well as land allocation and disposal undertaken by the post was of a recurrent nature, but it was to be created as a supernumerary post under the Development Bureau ("DB")'s proposal. Mr YIU also pointed out that of the three supernumerary CE posts proposed to be made permanent in CEDD, CE/North 1 was merely time-limited responsible for projects (including overseeing the administration, planning and implementation of the Liantang/Heung Yuen Wai Boundary Control Point project) with no specific area of responsibility since its creation was approved in February 2009. He enquired about the necessity of making the post permanent.

8. <u>Mr CHAN Chi-chuen</u> and <u>Mr WU Chi-wai</u> expressed similar views. They pointed out that the KTN/FLN NDA project, HSK NDA project and other major projects in NTN to be implemented by the three CEs in CEDD had not yet secured funding approval by FC, and they questioned the urgency of making the three supernumerary posts permanent at this stage.

9. Deputy Secretary for Development (Planning and Lands)1 ("DSD1") responded that in DB's view, the continued professional support provided by the three CEs in CEDD was needed in respect of boosting land supply in the medium and long term, hence the proposal to make the three supernumerary posts permanent. She pointed out that apart from implementing the aforementioned projects, the three CEs also needed to monitor closely if the projects were running smoothly in the several years following their completion. Furthermore, they needed to undertake other land development studies, including overseeing the First Phase study of NTN NDA covering San Tin/Lok Ma Chau and the detailed technical study for developing 32 hectares ("ha") of land at the Fanling Golf Course ("Golf Course") for housing purpose. They also needed to coordinate the implementation and infrastructure planning of other future land development and infrastructure works projects in the New Territories and were responsible for submitting works projects to the Legislative Council She pointed out that as regards the North Development for consideration. Office ("NDO") which was responsible for NTN and HSK areas, only CE/North 3 was a permanent post at present, and the current proposal was to make permanent the remaining three supernumerary CE posts in CEDD responsible for the aforesaid areas in order to cope with the work arising in the future.

10. Regarding Mr Tony TSE's enquiry about the supernumerary CES post created in LD, <u>DSD1</u> advised that the supernumerary post would mainly handle land administration matters relating to the KTN/FLN and HSK NDA projects, including land resumption and its subsequent work (such as compensation and rehousing arrangements relating to land resumption, the transfer of the resumed land to CEDD for site formation). LD would distribute the formed land to different government departments in the future for housing development or sale. DB held that given the time-limited nature of the aforesaid work, its proposal was to create a supernumerary CES post. She stressed that DB would review the necessity of extending the supernumerary post before its expiry in the light of its workload.

11. <u>Ir Dr Hon LO Wai-kwok</u> said that Members from the Business and Professionals Alliance for Hong Kong supported the staffing proposal with a view to providing relevant departments with directorate staffing resources for increasing land supply in the short, medium and long term to address the community's demand for land in respect of housing and economic activities. He concurred with the Administration that it was still necessary for professionals to follow up on and oversee the implementation of the KTN/FLN NDA project, HSK NDA project and other major projects in NTN in the several years following their completion, so he supported the making permanent of the three supernumerary CE posts in CEDD.

12. <u>Mr WU Chi-wai</u> remarked that the carrying out of numerous large-scale development or works projects concurrently by the Administration in the past had resulted in significant increase in overall construction costs as well as a tight manpower situation in the construction industry. To avoid these, he requested the Government to provide supplementary information on the planning work and supporting infrastructure projects necessary for the KTN/FLN NDA project, HSK NDA project and other major projects in NTN, their implementation priority and timetable, as well as the specific tasks and objectives of the three proposed permanent CE posts in CEDD in implementing the aforementioned projects.

(*Post-meeting note:* The supplementary information provided by the Administration was circulated to members on 4 April 2019 vide LC Paper No. ESC88/18-19(01).)

13. <u>DSD1</u> said that the Works Branch of DB had been coordinating the relevant departments for the implementation of various infrastructure projects. Given the large number of infrastructure projects about to commence, DB would discuss with the construction sector about the deployment and training arrangements of construction workers to ensure

that the manpower situation would not be tight. The Government's current expenditure on infrastructure projects amounted to about \$80 billion a year and was projected to rise to \$100 billion given the growing number of projects in the future. DB would keep abreast of the implementation progress of the various projects.

Implementation of the "single site, multiple use" initiative

14. <u>Mr Martin LIAO</u> enquired how Deputy Government Property Administrator (2) ("DGPA(2)"), who was responsible for overseeing the implementation of the "single site, multiple use" initiative, would handle and coordinate cross-bureau/cross-departmental issues in order to come up with an optimal development mix, as well as whether DB had an appeal mechanism in place to address the possible differences among policy bureaux/departments over the development mix.

15. <u>Mr Tony TSE</u> remarked that professional grade officers were more familiar with land policy than administrative officers, and enquired why the post of DGPA(2) was proposed to be pitched at the level AOSGC.

16. <u>DSD1</u> advised that there was an internal committee in DB which was responsible for mediating any possible disputes among policy bureaux/departments over the development mix under the "single site, multiple use" initiative, and the committee was chaired by the Secretary for Development. Should there be any matter that could not be solved by the committee, another committee led by the Financial Secretary might also help in the mediation.

17. <u>Dr Fernando CHEUNG</u> expressed concern about the lack of training and experience in respect of the adoption of a "people-oriented" planning approach for community facilities on the part of DGPA(2) and Chief Property Manager (Project) ("C(P)"), who were responsible for overseeing the implementation of the "single site, multiple use" initiative. As such, public service facilities of contrasting natures (such as residential care homes for the elderly ("RCHEs"), markets and car parks) were clustered under a single multi-storey development project when the "single site, multiple use" initiative was implemented. He enquired how the Administration would ensure that holders of the two posts would adopt a "people-oriented" approach to planning while implementing the "single site, multiple use" initiative.

18. <u>DSD1</u> advised that since the announcement in the 2019-2020 Budget of earmarking \$22 billion for the implementation of the first batch of "single site, multiple use" projects, government departments comprising GPA and PD had begun discussion with relevant District Councils ("DCs") on the local public service facilities needed to ensure that due consideration was given to local views and planning was conducted in a "people-oriented" approach when the "single site, multiple use" initiative was implemented.

19. <u>Mr SHIU Ka-chun</u> pointed out the public currently lacked information on the "single site, multiple use" initiative. He requested DB to provide details of the "single site, multiple use" initiative, including the principles considered by departments concerning implementation of the initiative as well as the proposed measures and mode of implementation. <u>Dr Fernando CHEUNG</u> raised a similar request.

(*Post-meeting note:* The supplementary information provided by the Administration was circulated to members on 4 April 2019 vide LC Paper No. ESC88/18-19(01).)

20. <u>DSD1</u> responded that the "single site, multiple use" initiative was not brand new and had all along been applied by the Administration extensively on various land policies to make good use of land resources and facilitate members of the public, yet there were scarcely projects in recent years where "single site, multiple use" was pursued through the construction of multi-storey developments. More detailed information would be provided when the Panel on Development was later consulted on "single site, multiple use" projects.

21. <u>Mr AU Nok-hin</u> enquired whether the Administration had plans to implement the "single site, multiple use" initiative on sites other than Government, Institution or Community ("G/IC") sites; if so, whether DGPA(2) and C(P) would still be responsible for coordinating and overseeing the relevant work.

22. <u>DSD1</u> responded that apart from implementing the "single site, multiple use" initiative on G/IC sites, the Administration had added conditions similar to implementing the "single site, multiple use" initiative in previous land sales, such as the requirements for Kai Tak commercial site developers to build RCHEs and day care centres for the elderly on the sites in recent years, as well as those for commercial site developers on Caroline Hill Road to build a district health centre for the elderly and a child care centre. DGPA(2) and C(P) would mainly be responsible for implementing the "single site, multiple use" initiative on G/IC sites. GPA would be responsible for the coordination and planning of government building projects involving multiple users, as well as identifying, prioritizing and recommending an appropriate development mix in joint-user developments to address local needs.

23. Dr Fernando CHEUNG and Mr AU Nok-hin were concerned whether the Administration would vacate G/IC sites through the "single site, multiple use" initiative, which in a way would reduce the availability of public service facilities in districts or alter the land uses for boosting the amount of land for sale so as to increase government revenue. Mr AU cited an example where the Government had rezoned a G/IC site in Ap Lei Chau for sale as a residential site for private residential development, upsetting residents of the Southern District. Furthermore, there was longstanding shortage of public service facilities in the Eastern as well as Central and Western Districts. He urged the Government to fully consult and consider the view of DCs and local residents while implementing the "single site, multiple use" initiative and expedite the provision of necessary public service facilities across the districts.

24. DSD1 stressed that it was not the Administration's intention to boost the amount of land for sale through implementing the "single site, multiple use" initiative. She reiterated that the "single site, multiple use" initiative was implemented to provide better public service facilities to the new population and residents of developed areas. The Government acknowledged that some local residents might be upset by the high density of new residential buildings developed through land rezoning in the districts concerned as well as the insufficiency of public service facilities The Government envisaged that improvement would be made there. following the implementation of the "single site, multiple use" initiative in various districts. She stressed that the Government would consider Mr AU Nok-hin's concerns when implementing the "single site, multiple use" initiative.

25. <u>Mr SHIU Ka-chun</u> noted that the first-batch projects featuring the "single site, multiple use" initiative included Tsuen Wan Town Hall, the Tsuen Wan Magistrates' Courts site, Luen Yan Street Cooked Food Bazaar, Princess Alexandra Community Centre and Lady Trench General Out-patient Clinic in Tsuen Wan. Among them, members of the public were most concerned about the projects relating to Tsuen Wan Town Hall and the Tsuen Wan Magistrates' Courts site, and recently there were reports by the media that the Government had decided to demolish Tsuen Wan Town Hall. He enquired if such reports were true and how DGPA(2) and C(P) would address Tsuen Wan residents' concerns about the "single site, multiple use" initiative.

26. <u>DSD1</u> responded that the Administration was aware of Tsuen Wan residents' views on the Tsuen Wan Town Hall site, and the Administration had not yet made a final decision on its planning. In view of the low building structure of existing Tsuen Wan Town Hall and coupled with the clustering of mainly high-density building structures in its neighbourhood,

it was understandable for some residents to consider that the existing low development feature of Tsuen Wan Town Hall should be preserved. She noted that Tsuen Wan DC would commence studies on the development of Tsuen Wan Town Hall and its neighbouring plaza site as well as the Tsuen Wan Magistrates' Courts site, and would carry out discussion upon completion of the report. In addition, the Government also had plans at this stage to include Princess Alexandra Community Centre as part of the planning for the Tsuen Wan Town Hall site, and there were preliminary plans to provide welfare facilities at the Luen Yan Street Cooked Food Bazaar site and make optimal use of the plot ratio to develop a clinic building at the Lady Trench General Out-patient Clinic site. She emphasized that the Administration would first conduct planning for the aforesaid sites and would consider Tsuen Wan residents' views before deciding on the final uses of the sites.

27. <u>Ms YUNG Hoi-yan</u> agreed that the Administration should consolidate the necessary local public facilities through the "single site, multiple use" initiative while implementing NDA projects and provide such services at multi-storey developments. Furthermore, given the remote locations of the KTN/FLN and HSK NDA projects as well as other major projects in NTN, she held that the Government should provide more car parking spaces at multi-storey developments to address the needs of NDA residents. <u>Ms YUNG</u> also suggested that the Administration should first earmark land for implementing the "single site, multiple use" initiative in its planning for NDAs and then identify local residents' demand for public facilities through local consultations and provide such facilities by the time the residents were moving in.

28. <u>DSD1</u> responded that PD would first consult government departments about the public service facilities to be provided on a local G/IC site in its planning for NDAs for the drafting of NDA plans. The Administration would also take into account the views of relevant DCs and residents in its planning for local public service facilities. As in the case of KTN/FLN NDA, given the large land area of KTN favourable for planning, its future G/IC site supply per capita was estimated to amount to 3.5 square metres, higher than the 2.2 square metres for Shatin, which was a developed district.

29. <u>Dr CHIANG Lai-wan</u> expressed support for implementing the "single site, multiple use" initiative for the provision of various public facilities at multi-storey developments to provide residents with one-stop services. Given the different needs of residents in various districts in respect of public service facilities, she suggested that the Administration should subsidize the opinion polls conducted by DCs to identify residents' needs. She also urged the Administration to ensure that DGPA(2) and

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C(P) would strengthen communication among policy bureaux/departments for the smooth implementation of the "single site, multiple use" initiative.

30. <u>DSD1</u> noted Dr CHIANG Lai-wan's views. She said that in recent years, the Administration had rarely developed local complexes where one-stop public service facilities were provided. DGPA(2) and C(P) would be responsible for facilitating communication among policy bureaux/departments for the implementation of the "single site, multiple use" initiative to provide the local public service facilities needed by members of the public.

31. <u>Mr HO Kai-ming</u> expressed support for the staffing proposal as a means to expedite the implementation of measures to boost land supply. He pointed out that some DC had made requests to the Government that more public service facilities should be established on sites other than G/IC sites, such as those already allocated to the Hong Kong Housing Authority ("HA") for public housing construction, but the Government did not accept DCs' proposals. He urged DB to consider implementing the "single site, multiple use" initiative on sites other than G/IC sites for the optimal use of land resources so as to expedite the provision of the public facilities needed.

32. <u>DSD1</u> advised that DB was all along engaged in discussion with HA about the provision of more public service facilities on planned public housing sites. In appreciation of HA's concerns that this might lead to a smaller number of public housing units to be developed, DB had recently made revision to exempt the area of public service facilities from the calculation of HA's gross floor area for public housing construction so as not to affect the number of public housing units to be developed on a site. The revised gross floor area calculation approach had recently been adopted in the rezoning of some proposed public housing sites in the North District.

### Strategies for land development and issues relating to land resumption

33. <u>Mr CHAN Chi-chuen</u> noted that "oversee(ing) the First Phase study of the NTN NDA covering San Tin/Lok Ma Chau" was added as part of the main duties of CE/North 2 for the housing development at San Tin/Lok Ma Chau. He enquired whether CE/North 2 would be responsible for the post-First Phase brownfield development study for NTN NDA as well as project implementation. Moreover, it was stated in the report released by the Task Force on Land Supply ("Task Force") in December 2018 that the Government should accord priority to studying and resuming part of the land at the Golf Course (i.e. 32 ha) for housing purpose. While CE/North 2 would be responsible for the detailed technical study, <u>Mr CHAN</u> enquired whether the Government would include the rest of the land at the Golf Course into that technical study.

34. DSD1 advised that NTN NDA was made up of three areas, namely San Tin/Lok Ma Chau, Ping Che/Ta Kwu Ling and Man Kam To, and about 65 ha of the 175 ha of developable land in San Tin/Lok Ma Chau was The Government held that the development of San Tin/Lok brownfield. Ma Chau would not only increase housing supply and provide land for economic activities but would also address the brownfield issue in response to the Task Force's recommendation of enhancing brownfield development. In view of the imminent development of the Northern Link in San Tin/Lok Ma Chau with a station to be provided at San Tin, DB had decided to study the development potentials of San Tin/Lok Ma Chau as first of the three development areas in NTN, and CE/North 2 would be responsible for implementing the study project. Studies on the remaining development areas in NTN, including brownfield development, would be conducted later She supplemented that the Government stated in its response to the on. Task Force's report in February 2019 that after considering the land shortage in the short and medium term and the sports development needs as well as the Task Force's recommendations in an integrated manner, it had decided to develop 32 ha of land at the Golf Course for housing purpose (mainly for public housing development), and ancillary infrastructure would also be provided. The Administration currently had no plan to change the land uses regarding the remaining 140 ha of land at the Golf Course.

35. <u>Mr YIU Si-wing</u> understood that there were old trees and historical buildings within the Golf Course, and enquired how the Administration would strike a balance between housing development and conservation in its study on developing the 32 ha of land at the Golf Course for housing purpose.

36. <u>DSD1</u> responded that there were three graded historical buildings within the Golf Course but none of them fell on the 32 ha of land under the said development study. Nevertheless, if there were old trees and old graves on that 32 ha of land, the consultant to be in charge of the detailed study on that development project would be required to conduct an environmental and ecological evaluation. If trees of ecological values were found, the consultant would be required to advise on reducing the impact of the development on such trees.

37. <u>Mr Martin LIAO</u> pointed out that the implementation of KTN/FLN NDA by the Administration would require the clearance of some private RCHEs in Kwu Tung and relocation of the elderly affected. He enquired whether the Government would, apart from offering ex-gratia

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compensation to those affected, consider resettling the elderly affected in their current locality or arranging local public housing for them.

38. <u>DSD1</u> replied that the RCHEs at Dills Corner Garden ("DCG"), Kwu Tung would be demolished in two phases, and the total number of elderly affected would amount to around 900. The Administration would seek to relocate the about 160 residents affected by the first-stage clearance to places of the same area not affected by the clearance, and negotiations on relevant arrangements with operators of affected RCHEs were underway. On the other hand, the Administration had identified sites near DCG and completed land formation for the development of RCHEs offering more than 1 700 places for all of the 900 or so affected residents. The RCHEs were expected to complete by 2023.

39. Dr Fernando CHEUNG noted that the Government's implementation of KTN/FLN NDA and HSK NDA involved massive resumption and clearance of private plots under the in-situ land exchange approach. For instance, KTN/FLN NDA involved resumption and clearance of about 180 ha involving about 2 370 private lots, whereas HSK NDA involved resumption and clearance of about 320 ha involving around 4 900 private lots. He criticized the in-situ land exchange approach for being complicated and not transparent, saying that the Government very often turned a blind eye to the views of the affected local residents during the land resumption but merely consulted the affected property developers He questioned if the Government had considered the views of the instead. affected local residents in its land use planning.

40. DSD1 responded that the Administration had been playing a leading role in NDA project implementation. For example, as regards the first-phase project of KTN/FLN NDA, DB would invoke the Lands Resumption Ordinance (Cap. 124) to resume 68 ha of private land, while only 2 ha of land was granted through in-situ land exchange. Details of that 2 ha of land, including its location, applicant and the amount of land premium etc., had been uploaded onto LD's website to ensure transparency In addition, the landowners who submitted lease of information. modification applications were required to treat the tenants/occupiers under in-situ land exchange fairly, including providing them with cash compensation commensurate with Government's the compensation arrangements, so as to protect their interests. A people-oriented principle was also adopted in DB's implementation of the KTN/FLN NDA project to take into account the situation of the affected residents. The CES of LD responsible for the project would personally visit KTN/FLN from time to time to explain to the residents the compensation packages and rehousing arrangements.

41. Mr CHU Hoi-dick noted that the Government arranged the gazettal of Outline Zoning Plans for HSK NDA in mid-2017 to modify the uses of various plots. After some of the agricultural lands there were rezoned as G/IC or commercial sites, dumping activities on such sites were no longer As such, he said that some people might occupy land for illegal. brownfield operations with a view to seeking relocation to the multi-storey buildings ("MSBs") in to be built in HSK NDA ("MSBs for brownfield operations") in the future. He pointed out that MSBs for brownfield operations were to help people who were already operating on relevant brownfields before the announcement of the NDA plan to sustain their He enquired whether the Administration would consider businesses. freezing the registration for brownfield operations, as he was worried about possible abuse of MSBs for brownfield operations if there was no deadline set for brownfield operation registration.

42. DSD1 responded that the study on the proposed MSBs for brownfield operations was already in the final stage, and the Government's future policy proposals would cover the eligibility of the brownfield operators to be relocated to these MSBs and the amount of rent they would The Administration conducted a freezing survey on the HSK have to pay. NDA project in 2017 to collect data on the structures affected by the development plan and the business operations there (including brownfield operations) as well as their occupation status. Data collected from the freezing survey would be used to verify the eligibility of the people affected by the clearance in respect of rehousing and/or ex-gratia allowance. People who began to reside in the development area or started their business operations there after the freezing survey would not be considered in respect of rehousing or ex-gratia allowance. As regards business operators (including brownfield operators), the freezing survey mainly tackled the eligibility for ex-gratia allowance. Further studies by the Government were needed to identify the brownfield operators eligible for relocation to MSBs in the future.

# Ancillary transport facilities in New Development Areas

43. Deputy Chairman pointed out that in some implemented NDAs, many of the ancillary transport facilities pledged by the Administration had yet to be completed even after residents had already moved in, such as the MTR Corporation Limited ("MTRCL")'s Tung Chung Line Extension and its Northern Link connecting the North East New Territories ("NENT") development. He urged the Administration to follow up on the ancillary transport facilities in such established NDAs as Tung Chung, as well as coordinate and strengthen the communication among policy bureaux/departments during the development of the KTN/FLN project, the HSK NDA project, other major projects in NTN and part of the land at the Golf Course, in order to optimize the ancillary transport facilities in NDAs.

44. <u>DSD1</u> responded that the Administration was examining MTRCL's report on Northern Link development, and there were plans for the Kwu Tung Station of the Northern Link to commence operation in 2027 in tandem with the first batch of public housing residents in KTN NDA. After the three supernumerary CE posts in CEDD were made permanent, they would be responsible for implementing the site formation and infrastructure projects in the KTN/FLN and HSK NDAs and coordinating with policy bureaux/departments to ensure smooth implementation of the NDA projects. At the same time, the NDAs would be provided with necessary infrastructure when appropriate to meet the needs of the residents when they moved in. At present, CE/North 1, who was responsible for KTN/FLN NDA, had liaised closely with MTRCL officers to ensure that the Northern Link would commence operation on time.

45. Dr CHIANG Lai-wan noted that given the serious traffic congestion on Tolo Highway in Tai Po nowadays and the overcrowding of the East Rail Line train compartments, the capacity of public transport facilities in the New Territories was near saturation. She was worried that the Administration's implementation of NDA projects in NENT would lead to further population growth for the New Territories and add to the burden of NENT public transport facilities. enquired She whether the Administration had other measures in place to bring an improvement to the traffic congestion in NENT, apart from the widening of Tai Po Road (Sha Tin Section).

46. DSD1 responded that an assessment report on transport feasibility had been made before the implementation of the KTN/FLN NDA project, and it was confirmed in the report that the proposed transport facilities could cope with the needs of the additional population. Deputy Project Manager (North), CEDD added that NDO of CEDD commenced the widening of Tai Po Road (Sha Tin Section) in July 2018 to increase the number of traffic lane for each of the two directions to three. The project was expected to complete by the end of 2023. In the light of the growing population of NTN, CEDD was all along in discussion with Shatin DC about the development of the Trunk Road T4 project in Shatin connecting Sha Tin Road, Shing Mun Tunnel and Tsing Sha Highway to achieve traffic diversion between Shatin and Tai Po. CEDD estimated that improvement would be made to the traffic congestion in Shatin by 2030 with the commencement of the aforesaid facilities.

47. <u>The Deputy Chairman</u> remarked that as some members were still waiting for their turn to ask questions, the Subcommittee would continue

#### Action

the discussion on this item at the meeting to be held on 3 April 2019.

48. There being no other business, the meeting ended at 10:31 am.

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