

立法會
Legislative Council

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Finance Committee of the Legislative Council

Minutes of the 19th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 26 April 2019, at 3:00 pm

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, BBS, JP

Hon LEUNG Che-cheung, SBS, MH, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Dr Hon Elizabeth QUAT, BBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LUK Chung-hung, JP
Hon LAU Kwok-fan, MH
Hon Kenneth LAU Ip-keung, BBS, MH, JP
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho
Hon Gary FAN Kwok-wai
Hon AU Nok-hin
Hon Vincent CHENG Wing-shun, MH
Hon Tony TSE Wai-chuen, BBS
Hon CHAN Hoi-yan

Members absent:

Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Dennis KWOK Wing-hang
Hon IP Kin-yuen

Hon Martin LIAO Cheung-kong, SBS, JP
Hon HO Kai-ming
Hon SHIU Ka-chun
Dr Hon Pierre CHAN
Hon Tanya CHAN

Public officers attending:

Ms Alice LAU Yim, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Kinnie WONG	Acting Deputy Secretary for Financial Services and the Treasury (Treasury) ¹
Mr Mike CHENG Wai-man	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Dr CHUI Tak-yi, JP	Under Secretary for Food and Health
Mr Gilford LAW Sun-on	Principal Assistant Secretary for Food and Health (Food) ²
Mrs Avia LAI WONG Shuk-han, JP	Head, Private Columbaria Affairs Office, Food and Environmental Hygiene Department
Ms Bernadette LINN Hon-ho, JP	Permanent Secretary for Development (Planning and Lands)
Mr David LAM Chi-man	Principal Assistant Secretary for Development (Planning and Lands) ⁵
Mr Andy LAM Siu-hong	Principal Assistant Secretary for Transport and Housing (Transport) ³
Mr Ricky LAU Chun-kit, JP	Director of Civil Engineering and Development
Mr LAI Cheuk-ho	Project Manager (North), Civil Engineering and Development Department
Mr John CHUNG Wing-hong	Chief Engineer (North 3), Civil Engineering and Development Department
Mr Kelvin LO Kwok-wah, JP	Director of Drainage Services
Mr Walter LEUNG Wing-yuen	Chief Engineer (Sewerage Projects), Drainage Services Department
Mr CHEN Che-kong	Assistant Director of Environmental Protection (Water Policy)
Mr Anthony FOK Wai-kai	Principal Environmental Protection Officer (Sewerage Infrastructure), Environmental Protection Department

Ms Lily CHIU Lee-lee	Chief Estate Surveyor (Acquisition Section), Lands Department
Dr Michelle YEUNG Lee	Acting Principal Veterinary Officer, Agriculture, Fisheries and Conservation Department
Mr Stephen LAI Yue-hong	Senior Agricultural Officer (Agri-Park and Land), Agriculture, Fisheries and Conservation Department

Clerk in attendance:

Ms Anita SIT	Assistant Secretary General 1
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Staff in attendance:

Miss Bowie LAM	Council Secretary (1)1
Miss Queenie LAM	Senior Legislative Assistant (1)2
Mr Frankie WOO	Senior Legislative Assistant (1)3
Miss Mandy POON	Legislative Assistant (1)1

Action

The Chairman reminded members of the requirements under Rule 83A and Rule 84 of the Rules of Procedure.

**Item 1 — FCR(2018-19)89
RECOMMENDATION OF THE ESTABLISHMENT
SUBCOMMITTEE MADE ON 22 FEBRUARY 2019**

**EC(2018-19)22
HEAD 49 — FOOD AND ENVIRONMENTAL HYGIENE
DEPARTMENT**

Subhead 000 — Operational expenses

2. The Chairman advised that the item sought the approval of the Finance Committee ("FC") for the recommendation made by the Establishment Subcommittee at its meeting held on 22 February 2019 vide EC(2018-19)22 regarding the creation of a supernumerary post of Senior Principal Executive Officer (D2) in the Food and Environmental Hygiene Department ("FEHD") to implement the regulatory regime on private columbaria. Some members requested that the item be voted on separately at the FC meeting.

Justification for creating the proposed supernumerary post and its responsibilities

3. Dr Helena WONG requested the Administration to explain the justification for creating the proposed supernumerary post, as well as its specific duties and responsibilities.

4. In response, Head, Private Columbaria Affairs Office, Food and Environmental Hygiene Department ("H/PCAO") advised that:

- (a) the creation of the proposed supernumerary post would help expedite the processing of the backlog of applications for specified instruments ("SIs");
- (b) the proposed post had to maintain communication and contact with other relevant bureaux and departments for the purpose of discussing and resolving matters relating to SI applications;
- (c) upon the granting of licences/temporary suspensions of liability ("TSOL")/exemptions for individual applications successively, the proposed post must oversee SI holders' compliance with the licensing conditions or conditions stipulated in SIs; and
- (d) the proposed post would support and assist H/PCAO in formulating a monitoring mechanism and the relevant guidelines to improve the workflow.

5. Dr Helena WONG considered that H/PCAO, given her extensive experience, should be better placed to take charge of the work relating to the improvement of workflow.

6. H/PCAO explained that the Administration was of the view that the relevant workflow which involved many administrative procedures and guidelines could be improved. With the creation of the proposed post, the workflow could hopefully be expedited.

7. Expressing support for the creation of the proposed supernumerary post, Ms CHAN Hoi-yan asked whether consideration would be given to converting the supernumerary post which was created for a period of three years into a permanent post afterwards. Given the inadequate supply of niches in Hong Kong, Ms CHAN further asked whether the Private

Columbaria Affairs Office ("PCAO") would be responsible for coordinating the supply of public and private niches.

8. H/PCAO replied that the duties of the proposed supernumerary post were time-limited. For example, regarding the handling of applications for TSOLs, it was provided under the Private Columbaria Ordinance (Cap. 630) ("the Ordinance") that TSOLs, with a validity period of three years, could only be renewed once for a period of three years (unless exceptional circumstances existed). The Administration would reconsider the need to extend the term of the proposed post before its expiry.

9. On the supply of public niches in Hong Kong, Under Secretary for Food and Health supplemented that the Administration would increase the supply of public niches through the district-based columbarium development scheme. Currently, FEHD was following up the implementation of related works projects in various districts (such as Tuen Mun, Sandy Ridge and Sha Tin).

10. Mr Tony TSE, Mr LEUNG Che-cheung and Dr KWOK Ka-ki expressed support for the creation of the proposed supernumerary post. Ms Alice MAK, Mr LEUNG Yiu-chung, Mr LEUNG Che-cheung and Mr Tony TSE were concerned whether the processing of licence applications could be expedited after the creation of the proposed post. Mr TSE asked whether the Administration had reviewed if there was sufficient manpower in other departments (such as the Planning Department ("PlanD"), Lands Department ("LandsD") and Buildings Department) to assist in the handling of licence applications.

11. In response, H/PCAO advised that:

- (a) at present, it was difficult to estimate the progress for vetting and approval of applications upon the creation of the proposed supernumerary post because it would depend on whether all the required documents had been submitted by the applicants. So far, licences had been issued in respect of three applications with all the required documents submitted to the Private Columbaria Licensing Board ("PCLB") for deliberation. Regarding other applications, some documents were still outstanding; and
- (b) the Food and Health Bureau would continue to bid for resources on behalf of other relevant departments which were required to help assess the SI applications and facilitate coordination between the departments.

12. Mr CHAN Hak-kan and Mr YIU Si-wing enquired whether the Administration would formulate specific indicators (such as the number of licences issued annually) to assess how the vetting and approval process had been expedited upon the creation of the proposed post. Dr CHENG Chung-tai asked whether PCLB had summed up the experience gained as well as the difficulties encountered over the past two years; and whether the proposed supernumerary post would help PCLB resolve such difficulties.

13. H/PCAO responded that while the creation of the proposed supernumerary post could ensure a smoother workflow, especially when inter-departmental coordination was involved, it would be difficult to formulate specific indicators as the processing of SI applications was subject to the applicants' compliance with the stipulated requirements, and many different departments were also involved. PCAO had maintained close liaison with the applicants and other departments concerned. H/PCAO pointed out that in the course of handling the applications by PCLB, various requirements relating to land, planning, building safety, fire safety, the right to use the premises, management of pedestrian and vehicular flows, etc., would come up at the same time, with problems of different degrees arising from specific circumstances of individual cases. As inter-departmental policy portfolios were involved, PCAO must ensure more effective liaison and coordination between departments. The creation of the proposed supernumerary post would hopefully help resolve the problems concerned and expedite the processing of applications.

14. Dr CHENG Chung-tai reiterated his opposition to the creation of the proposed supernumerary post. Noting that a new term of PCLB would commence in 2020, possibly with changes to its membership, while the term of the proposed supernumerary post would expire in 2022, he enquired whether the Administration had any contingency plan in case the vetting and approval process of a large number of applications had yet to be completed by then.

15. H/PCAO advised that before the expiry of the three-year term of the proposed supernumerary post, the Administration would examine the need to extend its tenure in the light of the prevailing work situation. Meanwhile, the Administration would also strive to expedite the progress of the licensing work.

Processing of private columbaria's applications for specified instruments

Deadline for submission of documents

16. Dr Fernando CHEUNG, Mr LEUNG Yiu-chung and Dr KWOK Ka-ki were worried that as no deadline was set under the Ordinance for the submission of relevant supporting documents in respect of SI applications, it would give rise to loopholes where some private columbaria might deliberately delay submitting the documents, so that they could continue to operate without coming under the regulation of the licensing system. Dr CHEUNG was particularly concerned that the applicants might keep renewing their TSOLs to evade regulation. On the other hand, Dr KWOK was concerned that the applicants would continue to sell the niches, even when they had yet to submit all the relevant supporting documents. Mr LEUNG opined that notwithstanding the creation of the proposed supernumerary post, it could not help enhance the efficiency of the application handling process. Both he and Dr KWOK asked whether the Administration would set a deadline for the submission of the relevant supporting documents.

17. In response, H/PCAO advised that:

- (a) under the existing legislation, all pre-cut-off columbaria had to submit their TSOL applications on or before 29 March 2018 in order to continue operation while their applications were being processed, but no niches could be sold during that time. During the time when the applications were being processed, the Administration would continue to take enforcement actions, including proactive inspections, and investigation upon receipt of complaints. Prosecutions would be instituted if any irregularities (such as the sale of niches) were identified;
- (b) the Administration was aware that some applicants had adopted a proactive and cooperative attitude by submitting supplementary documents and information as required by the departments concerned, as well as actively following up the works projects to support their applications;
- (c) if private columbaria located in multi-storey buildings in residential areas had not yet submitted all the required supporting documents in respect of their applications, the Administration would send letters to individual applicants

informing them that their applications would be submitted to PCLB for deliberation and decision;

- (d) the Ordinance provided that a TSOL would be valid for a maximum of three years and could be renewed for another three years at most (unless exceptional circumstances existed);
- (e) if a private columbarium had yet to meet the stipulated licensing requirements after the three-year grace period of TSOL, the applicant concerned could apply to PCLB for extending the TSOL once. PCLB would examine whether reasonable actions had been taken by the applicant over the past three years in order to comply with the licensing or TSOL requirements; and only if PCLB was satisfied that the applicant had taken relevant actions would approval be given to extend the TSOL for once; and
- (f) for TSOL applications, the applicants were also required to submit different types of documents to prove their compliance with various requirements. As such, those private columbaria were likewise subject to regulation.

18. Mr CHU Hoi-dick was concerned whether the Administration had statutory power to set a deadline for submission of all relevant supporting documents by the applicants. Both the Chairman and Mr LEUNG Yiu-chung held that the current arrangement where no deadline for submission of documents was set by the Administration was unfair. Mr LEUNG pointed out that some applicants might not be able to submit the documents in time, while the Chairman was concerned that the deadlines given to individual applicants for submission of documents might vary depending on the time scheduled for PCLB to examine such applications, thus resulting in some applicants being given more sufficient time to submit the documents. The Chairman called on the Administration to unify the deadlines for submission of documents in respect of all applications and enquired when and how the applicants would be notified that their applications would be dealt with by PCLB at an open meeting. Mr CHU Hoi-dick was concerned that the current arrangement might be subject to judicial review ("JR").

19. In response, H/PCAO advised that:

- (a) while there was no express legal provision providing PCLB with the power to set a deadline, the law did specify that PCLB

had all ancillary powers that might be necessary to enable it to perform its functions;

- (b) as a matter of administration, the Administration would set a deadline whenever an applicant was urged to submit the relevant documents. Any request for late submission of documents would only be granted if there was valid justification; and
- (c) the Administration would inform an applicant that his application would be submitted to PCLB for consideration. If the applicant still failed to provide all the supporting documents at the critical time, PCLB would handle the case based on the available documents. Thus, no separate deadline would be set.

20. H/PCAO further said that as the Administration was now processing more than 340 SI applications submitted by 133 private columbaria, it was not practicable to submit all the applications to PCLB for consideration in one go. The current arrangement of submitting the applications to PCLB for consideration one by one was pragmatic.

21. Noting that 70-odd private columbaria had failed to submit all the required documents when applying for TSOLs, Mr AU Nok-hin asked how the Administration urged the applicants to submit the outstanding documents.

22. H/PCAO replied that PCAO had been proactively following up all the applications, with detailed explanation given to the applicants about the relevant requirements and the supporting documents they had to submit. Meanwhile, PCAO had urged the applicants to submit all the required documents as soon as possible both by phone and letter.

23. Mr AU Nok-hin and Mr CHAN Chi-chuen considered that the Administration should clearly specify the deadline for submission of all the required documents in the letters to prevent the applicants from adopting a delaying tactic. Pointing out that individual applicants might not fully understand the relevant requirements or might encounter other problems in the process, Mr CHAN opined that the Administration should deploy staff to provide them with assistance, in order to improve the efficiency of processing the applications. H/PCAO advised that SI applications were being processed by a total of 16 case managers who would provide assistance to individual applications when necessary.

24. Dr Fernando CHEUNG and Dr KWOK Ka-ki were concerned about the time taken to process all SI applications submitted by private columbaria.

25. In response, H/PCAO advised that:

- (a) according to the current information, about 30 of the 133 private columbaria had met the planning requirements. If the applicants concerned had submitted all the supporting documents, the Administration would submit their applications to PCLB for consideration as soon as possible; and
- (b) regarding other applications that had yet to meet the planning requirements, a longer processing time would be required, pending the completion of the planning approval process by the Town Planning Board. Meanwhile, the applicants had to submit documents in relation to their TSOL applications as soon as possible, or else, their applications would be submitted to PCLB for decision.

Work of the Private Columbaria Licensing Board

26. Mr YIU Si-wing enquired whether regular meetings were held by PCLB and whether there was any room for improvement as regards its meeting arrangements. Mr Tony TSE asked whether the Administration had provided PCLB with any guidelines to determine if an applicant had cooperated with the Administration in meeting the relevant requirements or was adopting a delaying tactic.

27. H/PCAO advised that PCLB had so far convened 40 meetings. If an application had met all the requirements, PCLB would immediately make arrangements to consider the same. In terms of determining whether an applicant had been acting in a proactive and cooperative manner, H/PCAO explained that upon the first application for a TSOL, PCLB would have already required the applicant concerned to submit an action plan and a schedule for compliance. Hence, when an application for TSOL renewal was received, PCLB would examine whether actions had been taken by the applicant to follow up various tasks in accordance with the action plan and the schedule.

28. Dr CHENG Chung-tai opposed the creation of the proposed supernumerary post. He requested the Administration to explain the work of PCLB in the past 40 meetings. Expressing concern about PCLB's slow

progress in considering the SI applications, Mr CHU Hoi-dick said that given the current meeting arrangements, it would be difficult to process all the applications expeditiously.

29. H/PCAO explained that given the different situations and problems encountered by the applicants during the application process, PCLB must hold discussions to resolve and handle the issues concerned. Illustrating her point with an example, she said that after studying the matters concerned in detail last year, PCLB adopted the Financial Mechanism for Protection of Consumer Interests. H/PCAO reiterated that PCLB must accord priority when handling the applications, so that it was not practicable to submit all the applications to PCLB for consideration in one go.

Concerns about the administrative process

30. Ms CHAN Hoi-yan, Mr YIU Si-wing and Mr CHAN Hak-kan were concerned about the slow progress in licensing. Considering that PCAO alone might not be able to improve the situation, Ms CHAN Hoi-yan enquired whether other bureaux/departments had provided PCAO with assistance in processing the SI applications. Mr Tony TSE asked whether there were guidelines requiring other departments to give advice on the applications before a specified deadline.

31. H/PCAO replied that as a number of different policy areas were involved in the vetting and approval process, PCAO would send the supporting documents for SI applications to the government departments concerned for their assessment on whether the private columbaria submitting the applications had complied with the regulatory requirements. At present, a task force was formed in each of the relevant departments to give advice on the SI applications. H/PCAO advised that the creation of the proposed supernumerary post would hopefully help improve the coordination with various departments and the workflow of application processing.

32. Mr YIU Si-wing asked whether the approach of "resolving the simple issues before the difficult ones" would be adopted in processing applications; for example, whether the Administration would accord priority to helping certain private columbaria complete the licensing application procedure if they had already met all other licensing conditions but with a few documents and papers outstanding.

33. H/PCAO replied that if an applicant had worked in a proactive and cooperative manner and submitted most of the required information, the

Administration would focus on handling his application, such that the same could be submitted to PCLB for consideration expeditiously.

34. Mr CHAN Hak-kan pointed out that it would be more difficult to deal with cases concerning private columbaria on Part B of the Development Bureau's Information on Private Columbaria ("DEVB's List") as those columbaria had failed to comply with the planned land uses/lease conditions. However, as far as he understood, private columbaria on Part A of DEVB's List also faced various difficulties in their applications, even though such columbaria had complied with the planned land uses/lease conditions. Mr CHAN considered that while striving to protect the consumers, the Administration should also take into account the intent of setting up the licensing regulatory regime without being too nit-picking, so that eligible private columbaria could be granted with a licence as soon as possible. Otherwise, the prices of private niches would only be kept at a high level which was not conducive to protecting the interests of consumers.

35. H/PCAO said that PCAO would never adopt a nit-picking attitude when processing the applications. It was merely a case of individual applications having their specific problems. For example, in one case, the operator already had his planning application approved and an occupation permit issued, but he was required to take actions to comply with the fire safety requirements due to the installation of some additional facilities inside the premises probably for operational need before the relevant application could be submitted to PCLB for consideration.

36. Mr CHU Hoi-dick considered that the industry might expect the Government to adopt measures to expedite the vetting and approval process, such as granting amnesty to certain private columbaria, lowering the licensing standards or subsidizing the improvement works. Mr CHU considered it necessary for PCLB to work with greater flexibility by processing the applications with a more lenient approach, so that the deliberation process could be expedited. Otherwise, the creation of the proposed supernumerary post would still be of no avail.

37. In response, H/PCAO advised that:

- (a) the creation of the proposed supernumerary post would help expedite the processing of applications, but it might not necessarily resolve all the problems. Ultimately, it would still depend on whether the applicants had cooperated in a proactive manner;

- (b) various departments had been working proactively to coordinate with the work of PCAO by providing professional advice on the compliance of individual applications with the requirements stipulated both in law and by the Government before such applications were submitted to PCLB for final decisions;
- (c) the Administration was aware of the industry's different demands including their aspiration for a lower vetting and approval threshold, but PCLB had to act in accordance with the law, ensuring building and fire safety in particular; and
- (d) the issuance of only three licences so far was a testimony to PCLB's seriousness in processing the applications. Notwithstanding the large number of outstanding applications, PCLB would still strictly adhere to the requirements.

Follow-up matters after closures of private columbaria

38. Mr KWONG Chun-yu enquired about the number of cremains kept in those private columbaria that had already submitted applications, as well as the quantity of cremains to be handled in case those private columbaria were not granted with licences.

39. H/PCAO advised that in 2014, FEHD launched a notification scheme, asking operators of pre-cut-off private columbaria to provide information about their operation, including the number of niches. According to the relevant information, more than 300 000 sets of cremains were interred in private columbaria all over Hong Kong. As it was difficult to estimate at the current stage the number of private columbaria that would be issued with licences eventually, the quantity of cremains to be handled was still uncertain.

40. Mr AU Nok-hin, Mr LEUNG Che-cheung and Dr Fernando CHEUNG noted that in case private columbaria had to close down because they failed to comply with the requirements under the Ordinance or the applicants withdrew their SI applications, those columbaria were required to displace the cremains interred in their niches. Mr AU and Mr LEUNG enquired whether the proposed supernumerary post would follow up the work arising from the return of a large volume of cremains by those columbaria. Dr CHEUNG asked whether guidelines would be provided

for the columbaria concerned to ensure that they could properly dispose of the cremains interred therein before cessation of businesses.

41. In response, H/PCAO advised that:

- (a) PCAO would take enforcement actions against those private columbaria not issued with licences in accordance with the Ordinance. Moreover, private columbaria closing down their businesses would be required to properly dispose of the cremains interred therein;
- (b) of the six columbaria which had withdrawn their applications, four had returned the cremains to the families of the deceased, while the remaining two were in the course of doing so;
- (c) the Administration had already prepared leaflets on the ways of handling the cremains for distribution by those columbaria closing down their businesses to the families of the deceased for reference; and
- (d) service for temporary storage of cremains was provided by FEHD at a monthly fee of \$80. If the families of the deceased had cremains interred in niches managed by FEHD or of the Chinese Permanent Cemeteries, they could apply for co-location of additional sets of cremains in such niches .

42. Dr CHENG Chung-tai sought information about why the six columbaria had withdrawn their applications.

43. H/PCAO explained that while the applicants were not required to give reasons for withdrawing their applications, the Administration believed that it might involve commercial decisions of individual operators. Moreover, some applicants indicated that they closed down their businesses because their tenancy agreements were expired. If an application was rejected by PCLB, the applicant concerned would be informed about the reasons.

44. Citing some press reports, Mr KWONG Chun-yu said that a number of non-compliant coffin shops in Hung Hom were required to dispose of cremains interred therein within a short period of time, provoking a huge backlash from the industry. He enquired about the law enforcement concerned, including the time allowed for non-compliant or illegal columbaria to dispose of cremains interred therein.

45. H/PCAO replied that under the Ordinance, if a private columbarium operator ceased operation, the affected descendants would have 12 months to reclaim their ancestors' cremains. If individual coffin shops only had undertakers' licences which barred them from the storage of cremains, they would have violated the conditions of their undertakers' licences if cremains were stored within the premises. Under such circumstances, the Administration would take enforcement actions accordingly as per the regulatory regime of such licences.

Motion proposed by a member under paragraph 37A of the Finance Committee Procedure

46. At 4:40 pm, FC started to vote on whether a [motion](#) proposed by Mr CHU Hoi-dick under paragraph 37A of the Finance Committee Procedure ("the FCP 37A motion") should be proceeded with forthwith. The Chairman put to vote the question that the FCP 37A motion should be proceeded forthwith. At the request of members, the Chairman ordered a division. The Chairman declared that the question on proceeding with the motion forthwith was [negatived](#).

Voting on FCR(2018-19)89

47. At 4:50 pm, the Chairman put item FCR(2018-19)89 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 36 members voted in favour of and 2 members voted against the item, and 4 members abstained from voting. The votes of individual members were as follows:

For:

Mr Tommy CHEUNG Yu-yan	Prof Joseph LEE Kok-long
Mr WONG Ting-kwong	Mr CHAN Hak-kan
Mr WONG Kwok-kin	Ms Claudia MO
Mr Steven HO Chun-yin	Mr Frankie YICK Chi-ming
Mr YIU Si-wing	Mr MA Fung-kwok
Mr Charles Peter MOK	Mr CHAN Han-pan
Mr LEUNG Che-cheung	Ms Alice MAK Mei-kuen
Mr KWOK Wai-keung	Mr Christopher CHEUNG Wah-fung
Dr Fernando CHEUNG Chiu-hung	Dr Elizabeth QUAT
Mr POON Siu-ping	Dr CHIANG Lai-wan
Ir Dr LO Wai-kwok	Mr Alvin YEUNG
Mr LAM Cheuk-ting	Mr Holden CHOW Ho-ding
Mr SHIU Ka-fai	Mr Wilson OR Chong-shing
Ms YUNG Hoi-yan	Mr CHAN Chun-ying
Mr CHEUNG Kwok-kwan	Mr LUK Chung-hung

Mr LAU Kwok-fan
Mr Jeremy TAM Man-ho
Mr Tony TSE Wai-chuen
(36 members)

Mr KWONG Chun-yu
Mr Vincent CHENG Wing-shun
Ms CHAN Hoi-yan

Against:

Mr LEUNG Yiu-chung
(2 members)

Dr CHENG Chung-tai

Abstained:

Mr CHAN Chi-chuen
Mr Gary FAN Kwok-wai
(4 members)

Mr CHU Hoi-dick
Mr AU Nok-hin

48. The Chairman declared that the item was approved.

49. At 4:49 pm, the Chairman directed that the meeting be suspended for 10 minutes. The meeting resumed at 4:59 pm.

Item 2 — FCR(2019-20)3

**RECOMMENDATION OF THE PUBLIC WORKS
SUBCOMMITTEE MADE ON 20 MARCH 2019**

PWSC(2018-19)41

**HEAD 707 — NEW TOWNS AND URBAN AREA DEVELOPMENT
Civil Engineering — Land Development**

747CL — Advance site formation and engineering infrastructure works at Kwu Tung North new development area and Fanling North new development area

759CL — First stage of site formation and engineering infrastructure at Kwu Tung North new development area and Fanling North new development area

828CL — Remaining phase of site formation and engineering infrastructure works at Kwu Tung North new development area and Fanling North new development area

793CL — Site formation and infrastructure works for Police facilities in Kong Nga Po

HEAD 704 — DRAINAGE

Environmental Protection — Sewerage and Sewage Treatment

388DS — Shek Wu Hui Effluent Polishing Plant

HEAD 701 — LAND ACQUISITION

Civil Engineering — Land Acquisition

37CA — Special Ex-gratia Cash Allowance for the Kwu Tung North and Fanling North New Development Area

50. The Chairman advised that the item sought FC's approval of the recommendation made by the Public Works Subcommittee ("PWSC") at its meeting held on 20 March 2019 vide PWSC(2018-19)41 concerning:

- (a) the upgrading of 747CL regarding the advance site formation and engineering infrastructure works at Kwu Tung North ("KTN") new development area ("NDA") and Fanling North ("FLN") NDA, 759CL regarding the first stage of site formation and engineering infrastructure at the aforesaid NDAs, part of 828CL regarding the remaining phase of site formation and engineering infrastructure works at the aforesaid NDAs, 793CL regarding the site formation and infrastructure works for Police facilities in Kong Nga Po and 388DS regarding the Shek Wu Hui Effluent Polishing Plant to Category A at estimated costs of \$17,320.1 million, \$896.4 million, \$764.5 million, \$1,913.0 million and \$11,972.8 million in money-of-the-day prices respectively;
- (b) an estimated total cost of \$732.6 million for Subhead 37CA (regarding the special ex-gratia cash allowance for KTN and FLN NDAs) under Head 701—Land Acquisition; and
- (c) the retention of the remainder of 828CL in Category B.

51. Some members requested that the item be voted on separately at the FC meeting.

52. The Chairman declared that he was an independent non-executive director of the Bank of East Asia and a senior advisor of the Well Link Insurance Group Holdings Limited.

Rehousing of affected households and ex-gratia allowance arrangements

Rehousing arrangements

53. Dr Fernando CHEUNG was concerned with the rehousing arrangements for households affected by the First Phase development of KTN and FLN NDAs, especially the elderly's adaptation problems. He

hoped that the policy of rehousing before clearance could be implemented, and arrangements could be made for elderly residents to move into the same public rental housing ("PRH") estate with their existing neighbours. Dr CHEUNG was also concerned with the rent levels of Po Shek Wu ("PSW") Estate for rehousing the affected households.

54. Mr Andrew WAN noted that affected households could opt for the non-means tested rehousing arrangement by applying for rental units in the dedicated rehousing estate ("Dedicated Estate") of the Hong Kong Housing Society ("HKHS") at Pak Wo Road, Fanling, but they had to pay higher rents according to HKHS's prevailing Group B standard. He opined that HKHS should consider allowing the affected households who passed the means test to pay lower rents according to HKHS's prevailing Group A standard.

55. In response, Permanent Secretary (Planning & Lands), Development Bureau ("PS(P&L)/DEVB") advised that :

- (a) as the Dedicated Estate was meant to rehouse eligible households which opted for the non-means tested rehousing arrangement, HKHS would charge rents at Group B standard. For those who found it financially difficult to pay rents at Group B standard, they could apply for rent reduction under HKHS's Rental Assistance Scheme ("RAS"). DEVB was now exploring with HKHS specific RAS implementation arrangements for households in the Dedicated Estate; and
- (b) for those households which could pass the means test and were thus eligible for rehousing to PRH units of the Hong Kong Housing Authority ("HKHA") but would like to opt for rehousing to the Dedicated Estate together with their existing neighbours, DEVB was currently exploring with HKHS the possibility of charging them a lower level of rents (similar to those of PRH estates in general). It was believed that HKHS would need time to consider the matter carefully as the overall policy on subsidized housing might be involved.

56. Mr Andrew WAN noted that PSW Estate had about 1 144 units which should be able to rehouse approximately 445 households affected by the First Phase development of NDAs. But he was concerned whether it would be the case if household splitting was necessary. Separately, he asked whether a more lenient approach would be adopted in allocating the units, such as allocating a 3-to-4-person unit to a 2-person household to cater for possible increases in family size in the future.

57. In response, PS(P&L)/DEVB advised that:

- (a) eligible households affected by the First Phase development would be accorded priority in the allocation of suitable units in PSW Estate if they so wished, and HKHA would adhere to the established allocation policy and measures. The Administration had already provided written information on the distribution of unit types in PSW Estate earlier;
- (b) as for the arrangement of household splitting, affected households could request household splitting when applying for rehousing. Eligible cases would be referred to HKHA and HKHS for corresponding arrangements. HKHA and HKHS would strive to meet their rehousing needs as far as possible; and
- (c) if the demand of eligible the affected households for certain types of units exceeded the number of available units of suitable sizes in PSW Estate, other new PRH estates in the North District would be completed later this year to provide more than 900 units, serving to meet the relevant demand.

58. Dr CHENG Chung-tai enquired whether the affected villagers who moved to HKHS's Dedicated Estates by opting for the non-means tested rehousing arrangement or to PSW Estate as rehousing households would be regarded as PRH households or rehousing households affected by the Government's clearance exercises. If it was the latter case, he asked whether it meant those households could not enjoy the rights of PRH households, such that no changes in family circumstances (such as splitting of tenancies due to divorces or transferring to larger units after giving birth to children) would be allowed during the transitional period.

59. PS(P&L)/DEVB explained that:

- (a) affected households could opt for either the means tested or non-means tested rehousing arrangements. Households which passed the means test as eligible PRH households would enjoy the same rights as other PRH households in general; and
- (b) for those households which were rehoused through the non-means tested option to PRH units prior to the completion of Dedicated Estates, if there were changes in family

circumstances during the transitional period, the Administration would handle such cases according to the people-based principle. When the Dedicated Estate at Pak Wo Road and/or other Dedicated Estates were ready for intake, the households concerned would have the right to choose between staying in their existing transitional units and becoming formal tenants or moving to units in the Dedicated Estates where the Buy-or-Rent option would be available.

Progress of rehousing application processing

60. Mr Andrew WAN was concerned with the progress of processing the rehousing applications from households affected by the First Phase development of NDAs. Mr Alvin YEUNG and Dr CHENG Chung-tai pointed out that on 8 March 2019, staff were sent by the Administration to collect information and documents from the affected households in the affected districts. At that time, the residents were given to understand that they would be informed of their eligibility within a month. Dr CHENG Chung-tai said that some villagers had relayed to him that they had yet to receive any notification of the outcome of their applications. Mr Alvin YEUNG enquired whether written notices had been issued to the affected households, informing them the latest position of their rehousing applications; if that was the case, he asked how many notification letters had already been issued by the Administration.

61. In response, Chief Estate Surveyor (Acquisition Section), Lands Department ("CES(A), LandsD") advised that:

- (a) at present, 194 households affected by the First Phase development had submitted their rehousing applications with all the required information. The Administration had issued letters to those households passing the preliminary vetting of their eligibility, informing them that their rehousing applications had been referred to HKHS or HKHA for processing, and HKHS or HKHA would contact them at a later stage for interviews. The Administration would provide the number of letters already issued after the meeting; and
- (b) rehousing applications from another 54 households affected by the First Phase development were now being processed. If all the required information had been furnished, it was expected that preliminary vetting could be completed by the end of this month. Likewise, rehousing applications from eligible

villagers would be referred to HKHS or HKHA for processing, and notification letters would be sent to them in due course.

62. Mr Alvin YEUNG requested the Administration to provide supplementary information in respect of his enquiries after the meeting.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC165/18-19(01) on 2 May 2019.]

63. Apart from the rehousing applications from the 200-odd households affected by the First Phase development that were being processed as mentioned by the Administration, Dr CHENG Chung-tai enquired about the progress of the arrangements for rehousing other villagers affected by the development of KTN and FLN NDAs.

64. CES(A), LandsD replied that more than 200 of the 445 households affected by the First Phase development had submitted their rehousing applications, and the Administration would process those applications expeditiously. Applications considered to be eligible after preliminary vetting had already been referred to HKHS or HKHA for processing. As the clearance for KTN and FLN NDAs was not conducted in one go, and if households affected by the Remaining Phase development wanted to move out early for rehousing to PSW Estate, the Administration would also consider their applications one by one.

65. Ms Claudia MO said that some KTN villagers had relayed to her that neither the staff of LandsD nor the social service teams had told the affected villagers when their residences would be cleared. She thus enquired whether the Administration could provide a detailed timetable for clearance to the affected villagers. Mr Alvin YEUNG also expressed similar concerns.

66. In response, PS(P&L)/DEVB advised that:

- (a) rehousing before clearance was the Government's policy objective. Given the current projection that PSW Estate would be ready for intake in August 2019, LandsD would expeditiously vet all the applications relating to the First Phase development and inform the applicants whether their applications were eligible for further processing by HKHS and HKHA;

- (b) regarding those applications already referred to HKHS or HKHA for processing, HKHS or HKHA would need time to further verify the eligibility of the households, such as their compliance with the "no-domestic-property" requirement. Subject to the availability of all required information, it was expected that the vetting and approval process could be completed in one to two months' time at the earliest;
- (c) while the present funding application was related to the First Phase development of KTN and FLN NDAs, clearance under the said phase of development was not conducted in one go, and the affected households would move out successively from the end of 2019 to 2022; and
- (d) as no detailed timetable for the Remaining Phase development was available at the current stage, there were no specific information on the clearance dates. However, for the 1 000-odd households affected by the Remaining Phase development, the Government had already appealed to them to submit applications if they would like to move out early for rehousing, so that arrangements could be made for them accordingly.

67. Dr Fernando CHEUNG, Mr Alvin YEUNG and Ms Claudia MO were concerned whether the policy objective of rehousing before clearance could actually be achieved by the Government. Ms MO enquired whether the Administration could provide specific examples of rehousing before clearance.

68. PS(P&L)/DEVB said that as the Administration was aware of the affected villagers' prime concern for rehousing as soon as possible, the affected individual households would be notified directly of the progress of clearance works, as well as their rehousing applications. The Administration and the social service teams would also keep the villagers informed of the latest position. She added that the development project in Tuen Mun Area 54 was a specific example of rehousing before clearance.

Ex-gratia allowances arrangements

69. As regard the eligible households affected by the First Phase development of KTN and FLN NDAs, Dr Fernando CHEUNG and Mr Andrew WAN were concerned with the number of those households which had applied for ex-gratia allowances ("EGAs"), the amount of EGAs applied for by individual households, as well as the details of the outcome

of such applications (especially those cases applying for the maximum EGA amount of \$1.2 million).

70. PS(P&L)/DEVB advised that most of the affected households had requested for rehousing, and only a few had applied for EGAs. CES(A), LandsD supplemented that so far, only 20 affected households had applied for EGAs. The Administration would need to verify the eligibility of the affected households and conduct field measurement of the size of their residences. As such, no detailed information as requested by members was available at the moment.

71. Mr Andrew WAN requested the Administration to provide a supplementary paper on the information requested by him after the meeting.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC165/18-19(01) on 2 May 2019.]

72. Noting that some affected villagers had applied for JR in respect of the in-situ land exchange scheme, Mr Alvin YEUNG enquired whether the amount of compensation provided for the affected villagers and the amount of funding provisions sought under the item would be affected if the court ruled in favour of their application.

73. PS(P&L)/DEVB advised that pending the outcome of the JR case, the Administration would continue to act and conduct assessment in accordance with the existing policies. As it was difficult to predict the outcome of the JR case at the present stage, no assessment had been made on the adjustments that might have to be made to the amount of compensation.

Arrangements for agricultural rehabilitation

74. Mr CHU Hoi-dick pointed out that the Agriculture, Fisheries and Conservation Department ("AFCD") only allowed the erection of a lodging unit of 15 sq m in size on the land for agricultural rehabilitation, while the affected farmers were to be rehoused in PRH units far away from the agricultural land. Mr CHU asked whether the Administration could reserve a larger area on the land for agricultural rehabilitation for the affected farmers to build two-storey standard farm houses for accommodation; and make arrangements for them to move to PRH units in the future when they quitted farming and returned the land for agricultural rehabilitation to the Administration. Mr CHU opined that such an

arrangement could help achieve living-cum-farming and obviate the need for the affected farmers to take up PRH resources.

75. PS(P&L)/DEVB replied that:

- (a) the Administration did not have a policy on living-cum-farming and would not adopt it as an objective when rehousing the farmers. The Administration would make arrangements for eligible farmers to move to PRH units and make available agricultural land for them to resume farming practices; and
- (b) the Administration would not allow the affected farmers to erect any domestic structures on the government land used for agricultural rehabilitation to avoid encouraging people moving to the surveyed squatters under the pretext of farming and waiting for the opportunity to build residential farm houses on the government land used for agricultural rehabilitation in the future. The Government must act prudently, or else, any lenient treatment might give rise to speculation over the prices and the transfer of squatter units.

76. Noting that some land in the Agricultural Park in Kwu Tung ("Agri-Park") and the Long Valley Nature Park had already been reserved for the construction of lodging units, Mr CHU Hoi-dick opined that the affected farmers could be rehoused under the living-cum-farming approach if only the Administration would allow such facilities to be converted into two-storey farm houses. He held that AFCD could perform a gate-keeping role to prevent abuse of the farm houses.

77. PS(P&L)/DEVB advised that as far as private agricultural land was concerned, the Administration would continue with the current arrangement to exercise discretion and allow the affected farmers to erect domestic structures on private land they had identified. However, the Administration would never allow any farmers to do so on the government land used for agricultural practices or in the Agri-Park.

78. Dr CHENG Chung-tai queried how the Administration came to the conclusion that there was no need for farmers to practise living-cum-farming. He said that farmers usually started working in the early hours of the morning. Unless the Administration could arrange the provision of wholesale and retail outlets inside the Agri-Park, the farmers

must leave their PRH units in the small hours to deliver their produce for sale.

79. Dr Fernando CHEUNG said that living-cum-farming was a traditional practice of farmers. He did not subscribe to the Administration's view that it would give rise to abuse of the farm houses, leading to an increase in the number of squatters.

80. PS(P&L)/DEVB replied that:

- (a) according to AFCD's views, there was no need for farmers to live on the farmland in order to practise farming;
- (b) the Administration would provide facilities in the Agri-Park as a temporary resting place for the farmers, where they could also stay overnight on individual days if necessary; and
- (c) there were now 380 000 surveyed squatters, mostly in the New Territories. The Administration did not want the rehousing measures to become practically an incentive for people to move to such squatters in a false hope that they might be rehoused in cottages as farmers in the future. The Administration would strive to arrange the eligible farmers to move into PRH estates in the same districts as their land for agricultural rehabilitation.

Dealing with animals affected by development

81. Pointing out that a large number of animals were expected to be left displaced by the developments in KTN and FLN, Dr Fernando CHEUNG, Mr CHAN Chi-chuen and Mr Andrew WAN enquired about the Administration's policies to deal with the domestic animals in the districts concerned. Mr CHAN and Mr WAN were concerned whether the Administration would assist those households rehoused to PRH units to bring along the animals they kept. Mr CHAN asked whether the Administration had any special measures to support the use of vacant government sites/school premises by non-government organizations ("NGOs") to provide facilities or services to accommodate animals.

82. In response, PS(P&L)/DEVB advised that:

- (a) the Government had set aside \$1 billion to launch a funding scheme to support the proper use of vacant government sites

by NGOs. NGOs could apply for funding to set up animal rehoming centres at suitable vacant government sites. The Government had taken the initiative to contact relevant NGOs, explaining to them the funding arrangement and providing assistance in the selection of sites. So far, some NGOs had expressed interest in operating such centres; and

- (b) under the existing policies, HKHA would exercise discretion to allow households rehoused to PRH units to move in with their service dogs or companion dogs if medical certificates could be provided showing that it was not suitable for the household members to be separated from the dogs they had kept for a long time. The Government would help the households concerned submit applications on a case by case basis under HKHA's existing mechanism through social service teams.

83. Acting Principal Veterinary Officer, AFCD supplemented that AFCD was currently maintaining communication with two NGOs, and different kinds of services would be considered. Mr CHU Hoi-dick asked about the details of those two NGOs and their services, as well as the Government's policies in this regard.

84. PS(P&L)/DEVB said that the NGOs concerned had been providing animal adoption services. As specific plans had yet to be made, it was not suitable to disclose their names at the current stage.

Rehousing arrangements for affected business undertakings

85. Mr WU Chi-wai expressed concern about how the Administration would compensate/rehouse the 141 business and industrial undertakings affected by the First Phase development of NDAs. Mr WU enquired whether the ruling made by the High Court earlier on a JR case involving small house concessionary rights would affect the scale of site formation under the proposed works, and whether the Administration would release more land for public housing development as a result of the said ruling.

86. In response, PS(P&L)/DEVB advised that:

- (a) under the First Phase development, about 140 business undertakings, as well as some services provided by the Government and NGOs would be affected;

- (b) in accordance with the existing policies, cash EGAs would be offered to the affected business undertakings to support their need in identifying suitable sites to relocate their operations;
- (c) if business undertakings encountered problems involving planning and land policies in their search for sites to relocate their operations, relevant assistance would be provided by government departments such as LandsD and PlanD; and
- (d) the aforesaid ruling on the JR case of small house concessionary rights had no impact on KTN and FLN NDAs. According to the current policy on compensation for clearances, land would be set aside in NDAs as compensation for the affected owners of houses or land, and this had nothing to do with the New Territories small house policy.

87. Pointing out that the Administration had made no special arrangement for business undertakings on brownfield sites on this occasion, Mr WU Chi-wai enquired whether the same arrangement would be adopted for rehousing business undertakings on brownfield sites in other districts in the future.

88. PS(P&L)/DEVB explained that there were 50 hectares of brownfields in KTN and FLN NDAs, and only a limited area (i.e. 8 hectares) of those sites were affected by the First Phase works. Thus, it was appropriate to deal with the matter in accordance with the current policies. On the other hand, 190 hectares of brownfield sites would be affected under the development of the Hung Shui Kiu NDA. Given the relatively large number of business undertakings affected, the Government was studying the construction of multi-storey industrial buildings to help relocate their operations.

89. Mr WU Chi-wai said that business undertakings affected by KTN and FLN NDAs might also want to relocate their operations in multi-storey industrial buildings. He enquired whether the Administration would offer them the said option in exchange for their acceptance of a lower amount of EGAs.

90. In response, PS(P&L)/DEVB advised that:

- (a) the study on the construction of multi-storey industrial buildings had yet to be completed. Notwithstanding the implementation of such an option eventually, the industrial buildings could only be commissioned by 2027 to 2028 at the

earliest. Timing-wise, such an option could not meet the operational need of those business undertakings that must move out in the next one to two years;

- (b) given that the plan for the construction of multi-storey industrial buildings was still at the study stage, it would be difficult for the Administration to provide business undertakings affected by the First Phase works with such an option which had no concrete implementation details. The Government would provide EGAs and assistance to business undertakings affected by the First Phase works in accordance with the existing policies; and
- (c) apart from the First Phase works, there were still the Remaining Phase works in KTN and FLN NDAs. Subject to the timing of the Remaining Phase works falling within the same window as the development plan of multi-storey industrial buildings in Hung Shui Kiu, the Administration would gladly offer an additional rehousing option to business undertakings affected by such works.

Rehousing arrangements for residential care homes for the elderly at Dills Corner Garden

91. Dr Fernando CHEUNG said that a total of about 1 000 residents living in the residential care homes for the elderly ("RCHEs") at the Dills Corner Garden ("DCG") would be affected by the clearance for KTN NDA. Of those elders, about 160 affected by the first-phase clearance must first move to other DCG RCHEs that were unaffected for the time being. While expressing concern with the exact dates of first-phase clearance, Dr CHEUNG enquired about the progress of registration for the affected elders, and whether assistance could be provided to ensure seamless transition for operators of RCHEs to continue operation in the new Multi-welfare Services Complex.

92. PS(P&L)/DEVB replied that as the first-phase clearance of DCG must commence in the first half of 2020, the Social Welfare Department ("SWD") and LandsD were currently discussing the rehousing arrangements for the affected residents in the transitional period with the operators of DCG RCHEs. SWD had yet to contact the affected residents directly at the current stage, out of respect for the wishes of RCHE operators as they wanted to first ascertain the affected residents' needs themselves, so as to formulate their rehousing arrangement plans for submission to SWD.

Road works at Kwu Tung North and Fanling North new development areas

93. Regarding the advance site formation and engineering infrastructure works at KTN and FLN NDAs, Mr CHAN Chi-chuen enquired about the justifications for the high construction costs of \$888.2 million for junction improvement works, as well as the details of the 4-km dual two-lane carriageway and 10 road junctions involved under the works.

94. In response, Director of Civil Engineering and Development ("DCED") advised that:

- (a) regarding the 4-km dual two-lane carriageway, a 3-km section would be built on viaducts crossing Ng Tung River and the East Rail rails, while some sections would be connected by bridges to at-grade roads. In order to reduce the nuisance caused to nearby residents, the carriageway would go underground in the vicinity of Lung Yeuk Tau residential buildings;
- (b) improvement works would be required for a total of 10 road junctions. Two priority junctions at the Pak Shek Au viaduct would be converted to two roundabouts, while bicycle and pedestrian subways would also be constructed. Some of the remaining improvements were related to tunnel and slope alteration works in the vicinity; and
- (c) the relevant cost estimates were calculated, taking into account the costs of recent works projects.

95. Mr CHAN Chi-chuen requested the Administration to provide a supplementary paper, setting out clearly the justifications for the high construction costs of \$888.2 million for junction improvement works under the aforesaid project, as well as the details of the 10 road junctions involved.

[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC165/18-19(01) on 2 May 2019.]

Site formation and infrastructure works for Police facilities in Kong Nga Po

96. Expressing concern about the site formation and infrastructure works for Police facilities in Kong Nga Po, Mr AU Nok-hin enquired about the following:

- (a) detailed information on the works for sewage treatment facilities in Kong Nga Po;
- (b) whether construction waste disposal charges were included in the costs of the works; and
- (c) details of the expenditure of \$40.7 million on the measures to mitigate the environmental impacts, as well as the environmental monitoring and audit ("EM&A") programme.

97. In response, DCED and Director and Project Manager (North) of the Civil Engineering and Development Department advised that:

- (a) at present, there were no public sewage facilities in the vicinity of the site for Police facilities in Kong Nga Po. Hence, it was necessary to provide sewers along Kong Nga Po Road to the pumping station at Man Kam To Road for connection with the Shek Wu Hui Sewage Treatment Works. Separately, the infrastructure works included:
 - (i) a drainage pipe with a diameter ranging from 300 mm to 1 350 mm and a length of 3.8 km;
 - (ii) a sewer with a diameter of 250 mm and a length of 2.9 km, as well as a waste water sump tank in Kong Nga Po;
 - (iii) a rainwater storage tank in Kong Nga Po with a capacity of 11 000 cu m and a water supply pipe with a length of 6.6 km and a diameter ranging from 80 mm to 400 mm;
 - (iv) the retaining of 2 400 trees and planting of new ones;
- (b) the breakdown of the expenditure was as follows:
 - (i) sewer facilities: about \$69 million;
 - (ii) sewage storage tanks in Kong Nga Po: about \$6 million;

- (c) construction waste disposal charges were included in the costs of \$1,913.0 million; and
- (d) the costs of the measures to mitigate the environmental impacts, as well as the EM&A programme were about \$40 million, of which the expenses for EM&A were about \$4 million, while the remaining provision was for the mitigation measures.

98. Following up DEVB's written response to PWSC (LC Paper No. PWSC150/18-19(01)), Mr AU Nok-hin enquired about the details of widening the Kong Nga Po Road.

99. DCED replied that the Administration's plan was to widen the existing Kong Nga Po Road of about 1.7 km long to a 7.3 m wide single two-lane carriageway.

100. Noting the Administration's proposal to relocate the Police facilities on four sites in KTN and FLN NDAs to Kong Nga Po, Mr Jeremy TAM requested the Administration to provide a supplementary paper, setting out in table form the sizes, original and planned uses of the four sites.

101. PS(P&L)/DEVB replied that the Kong Nga Po site with an area of about 12.4 hectares was similar in size to the existing four sites for Police facilities (with a total area of about 13 hectares) of the Hong Kong Police Force ("HKPF") in KTN and FLN NDAs.

[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC165/18-19(01) on 2 May 2019.]

102. Noting the Administration's plan to re-provision the helipad currently located in KTN NDA to the Kong Nga Po site, Mr Jeremy TAM enquired whether the Administration had sought the advice of the Civil Aviation Department ("CAD") on the potential flight path issues arising from the re-provisioning plan.

103. In response, PS(P&L)/DEVB and DCED advised that:

- (a) the proposed project was about site formation and infrastructure works. In the future, HKPF, with the assistance of the Architectural Services Department, would seek funding approval from the Legislative Council for the

construction of Police facilities at the Kong Nga Po site. Detailed information on the design and construction of the Police facilities would be provided then;

- (b) as confirmed by the project's feasibility study conducted in 2014, the selected site was not within the closed area, and it was suitable for helipad development. The Administration had also conducted an environmental impact assessment for the site; and
- (c) while papers on the proposed project had been circulated to various bureaux and departments for comments, the Administration would need to confirm whether CAD had been consulted on the matter after the meeting.

[*Post-meeting note*: the supplementary information provided by the Administration was circulated to members vide LC Paper No. FC165/18-19(01) on 2 May 2019.]

Shek Wu Hui Effluent Polishing Plant project

104. Mr Gary FAN queried whether the costs of the proposed Shek Wu Hui Effluent Polishing Plant ("SWHEPP") project, which amounted to \$11,900 million, were too high, and asked whether the construction period was too long. Mr Gary FAN also enquired about the following:

- (a) whether the SWHEPP could cope with the additional demand for sewage treatment; and
- (b) whether trade and agricultural effluents were included in the estimated 190 000 cu m of sewage to be treated per day by SWHEPP upon its completion in 2034, and if so, what their respective ratios were.

105. In response, Director of Drainage Services ("DDS") advised that:

- (a) when drawing up the works schedule, reference had been made to the projected population of KTN and FLN NDAs, as well as other NDAs in the North District, and the additional demand for sewage treatment arising therefrom. The expected volume of sewage treated already included sewage from residential, commercial, industrial and village type land uses; and

- (b) according to the projections up to 2039, about 60% of the volume of sewage to be treated by the proposed SWHEPP would be public sewage, about 20% private sewage, about 10% village sewage, and about 10% other sewage including industrial and government facilities' sewage.

106. Mr Gary FAN enquired about the following:

- (a) whether a specific site had been selected for the reclaimed water facility to produce reclaimed water for northeast New Territories mentioned in Enclosure 5 to PWSC(2018-19)41; and
- (b) regarding the Administration's proposal to supply reclaimed water to northeast New Territories in 2022, how much reclaimed water would be provided, and whether the amount would be sufficient to meet the demand of local households.

107. In response, DDS advised that:

- (a) as shown in the plan at Annex 1 to Enclosure 5 to PWSC(2018-19)41, a site beside SWHEPP had been reserved for the reclaimed water facility of the Water Supplies Department ("WSD"); and
- (b) the existing sewage treatment facilities to be upgraded under 406DS could provide WSD with about 40 000 cu m of purified water per day before 2025 for producing reclaimed water.

Voting arrangements

108. Ms Claudia MO expressed dissatisfaction that the Administration had jumped the queue when submitting the proposed item to FC for consideration. She requested the Administration to explain the justifications for bundling the proposed site formation and infrastructure works for Police facilities in Kong Nga Po and the SWHEPP project with other works in KTN and FLN NDAs as a single funding proposal (namely item (a) in the paper) for FC's scrutiny, instead of submitting the individual works projects to FC for consideration and voting separately.

109. In response, Permanent Secretary for Financial Services and the Treasury (Treasury) pointed out that the funding applications for works projects included in the agenda paper were also discussed and considered by PWSC as one single agenda item. Though having no objection about

putting the individual works projects to vote separately, the Administration hoped that members could appreciate the indivisibility of those projects in terms of implementation.

110. PS(P&L)/DEVB supplemented that except for the Kong Nga Po works which were not within the KTN and FLN NDAs, the remaining five projects were closely related to the development of the said NDAs. Notwithstanding any request by members for separate voting on the funding applications, the Administration hoped that members could understand that those works projects were inter-related.

111. The Chairman advised that FC was now holding a joint discussion on the proposed works projects covered under the present agenda item. If Ms MO requested for separate voting on various proposed works projects, she should forward her specific request to the Secretariat for follow up.

112. The Chairman advised that as some members were still waiting for their turns to ask questions, FC would continue the discussion on the item at the next meeting.

113. The meeting ended at 7:00 pm.

Legislative Council Secretariat
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