

**立法會**  
**Legislative Council**

LC Paper No. PWSC198/18-19  
(These minutes have been seen  
by the Administration)

Ref : CB1/F/2/1(16)B

**Public Works Subcommittee of the Finance Committee  
of the Legislative Council**

**Minutes of the 16<sup>th</sup> meeting  
held in Conference Room 1 of the Legislative Council Complex  
on Wednesday, 27 March 2019, at 8:30 am**

**Members present:**

Ir Dr Hon LO Wai-kwok, SBS, MH, JP (Chairman)

Hon Abraham SHEK Lai-him, GBS, JP

Hon Tommy CHEUNG Yu-yan, GBS, JP

Hon Starry LEE Wai-king, SBS, JP

Hon CHAN Hak-kan, BBS, JP

Dr Hon Priscilla LEUNG Mei-fun, SBS, JP

Hon Claudia MO

Hon Frankie YICK Chi-ming, SBS, JP

Hon WU Chi-wai, MH

Hon MA Fung-kwok, SBS, JP

Hon CHAN Chi-chuen

Hon CHAN Han-pan, BBS, JP

Hon LEUNG Che-cheung, SBS, MH, JP

Hon Alice MAK Mei-kuen, BBS, JP

Dr Hon KWOK Ka-ki

Dr Hon Fernando CHEUNG Chiu-hung

Hon Alvin YEUNG

Hon Andrew WAN Siu-kin

Hon CHU Hoi-dick

Hon HO Kai-ming

Hon Holden CHOW Ho-ding  
Hon Wilson OR Chong-shing, MH  
Hon Tanya CHAN  
Hon CHEUNG Kwok-kwan, JP  
Hon LUK Chung-hung, JP  
Hon LAU Kwok-fan, MH  
Dr Hon CHENG Chung-tai  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho  
Hon Gary FAN Kwok-wai  
Hon AU Nok-hin  
Hon Vincent CHENG Wing-shun, MH  
Hon Tony TSE Wai-chuen, BBS  
Hon CHAN Hoi-yan

**Members attending:**

Dr Hon CHIANG Lai-wan, SBS, JP  
Hon SHIU Ka-fai

**Members absent:**

Hon Charles Peter MOK, JP (Deputy Chairman)  
Hon Michael TIEN Puk-sun, BBS, JP  
Dr Hon Helena WONG Pik-wan  
Dr Hon Junius HO Kwan-yiu, JP  
Hon HUI Chi-fung

**Public officers attending:**

Mr Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) <sup>3</sup>
Mr LAM Sai-hung, JP	Permanent Secretary for Development (Works)
Ms Bernadette LINN, JP	Permanent Secretary for Development (Planning and Lands)

Mr Elvis AU Wai-kwong, JP	Deputy Director of Environmental Protection (1)
Mr Denny HO Lap-ki	Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)1
Dr Raymond SO Wai-man, BBS, JP	Under Secretary for Transport and Housing
Mr Michael HONG Wing-kit	Chief Civil Engineer (Public Works Programme) Transport and Housing Bureau
Mr Aaron BOK Kwok-ming	Head of Civil Engineering Office Civil Engineering and Development Department
Mr Gabriel WOO Tai-on	Deputy Head of Civil Engineering Office (Housing) Civil Engineering and Development Department
Ms CHIM Sau-yi	Chief Architect (5) Housing Department
Mr Kenneth LEUNG Tak-yan	Chief Civil Engineer (2) Housing Department
Mr YEUNG Man-leung	Housing Manager (Clearance Housing) Housing Department
Ms Lily CHIU Lee-lee	Chief Estate Surveyor (Acquisition Section) Lands Department

**Clerk in attendance:**

Ms Doris LO	Chief Council Secretary (1)2
-------------	------------------------------

**Staff in attendance:**

Mr Keith WONG	Council Secretary (1)2
---------------	------------------------

Ms Christina SHIU  
Ms Clara LO

Legislative Assistant (1)2  
Legislative Assistant (1)9

---

Action

The Chairman advised that there were six funding proposals on the agenda for the meeting. The first proposal was an item carried over from the previous meeting, while the second to sixth proposals were new submissions from the Administration. Those six funding proposals involved a total funding allocation of \$37,964.2 million. He reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of the Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the funding proposals under discussion at the meeting before they spoke on the proposals. He also drew members' attention to Rule 84 of RoP on voting in case of direct pecuniary interest.

**Head 711 – Housing**

**PWSC(2018-19)40 780CL Site formation and infrastructure works  
for public housing development at Wang  
Chau, Yuen Long**

2. The Chairman advised that the proposal (i.e. [PWSC\(2018-19\)40](#)) sought to upgrade 780CL to Category A at an estimated cost of \$2,390.2 million in money-of-the-day prices for the site formation and infrastructure works to support the proposed Wang Chau public housing development Phase 1, Yuen Long ("WCPHD1"). Regarding the proposed works, the Government had consulted the Panel on Housing on 6 November 2017 and 26 and 29 June 2018, as well as the Subcommittee to Follow Up the Issues Related to the Wang Chau Development Project under the Panel on Housing on 25 April and 30 November 2018 and 1 February 2019. Members had no objection to the submission of the funding proposal to the Public Works Subcommittee for consideration. A report on the gist of the Panel's discussion was tabled at the meeting.

3. The Chairman said that a meeting of the Bills Committee on National Anthem Bill ("the Bills Committee") would be held at 8:45 am in Conference Room 2. In view of the large membership size of the Bills Committee, he would suspend the meeting of the Subcommittee at the aforesaid time to facilitate the formation of a quorum of the Bills Committee. The Subcommittee meeting would resume once the meeting of the Bills Committee was called to order.

Ex-gratia compensation for landowners affected by land resumption

4. Mr Andrew WAN and Mr LEUNG Che-cheung pointed out that under the ex-gratia zonal compensation system adopted by the Government, Wang Chau was classified as Zone B. Landowners affected by the land resumption exercise for WCPHD1 were therefore offered ex-gratia compensation calculated based on the zonal compensation rate applicable to Zone B only, which was different from the higher zonal compensation rate applicable to Zone A for land resumption in the Kwu Tong North and Fanling North new development areas ("NDAs"). They considered it unfair and urged that the matter should be handled flexibly by applying the zonal compensation rate for Zone A to the land resumption exercise in Wang Chau as well. Mr LEUNG also pointed out that the future land resumption exercises for NDAs in Kam Tin South and Hung Shui Kiu would meet with stronger resistance should the zonal compensation rate for Zone B be applied in calculating the compensation. Ms Claudia MO and Dr Fernando CHEUNG enquired about the current number of landowners, among those affected by WCPHD1, who had not yet accepted the compensation package offered by the Government.

5. Permanent Secretary for Development (Planning and Lands) ("PS(PL)/DEVB") and Chief Estate Surveyor (Acquisition Section), Lands Department ("CES(A)/LandsD") said that under the existing ex-gratia zonal compensation system which consisted of four compensation zones (i.e. Zones A, B, C and D), the compensation rate for Zone A was offered to owners of land to be resumed within New Town Development Areas, while the compensation rate for Zone B would apply to land within the extension of new towns. As Wang Chau fell within the extension of new towns, the Government would compensate the affected landowners based on the compensation rate for Zone B in accordance with the established mechanism. Among the 79 private lots affected, the landowners of 53 lots, as well as some joint landowners of four other lots, had expressed agreement to the amount of ex-gratia land compensation payment offered. Landowners who were dissatisfied with the ex-gratia land compensation payment offered by the Government in accordance with the established mechanism might submit claims to the Lands Department ("LandsD") or the Lands Tribunal.

*[At 8:49 am, the Chairman declared that the meeting be suspended. At 8:53 am, the Chairman declared that the meeting be resumed. During the suspension of the meeting, some members of the public shouted slogans in the public gallery. The Chairman reminded the members of the public in the public gallery to keep quiet, or he would ask them to leave the conference room after issuing warnings.]*

6. The Chairman reminded members that the Administration's ex-gratia land compensation mechanism was a matter of broader policy issues. He suggested that members should follow up on the matter at a relevant Panel.

7. Ms Alice MAK noted from paragraph 23 of the Government's funding submission that the estimated cost of land resumption and clearance was about \$311.1 million, and the cost would be charged to Head 701 – Land Acquisition of the Capital Works Reserve Fund ("CWRF"). She enquired how the Administration would pay the overrun cost should the cost exceed the estimate.

8. CES(A)/LandsD said that the cost of land resumption and clearance for public works projects would be charged to CWRF and have no implications on the cost estimate of the proposed works.

*[At 9:05 and 9:12 am, a member of the public shouted slogans in the public gallery repeatedly. After issuing warnings twice, the Chairman asked the member of the public to leave the conference room.]*

Rehousing the squatter households affected by the Government's land resumption exercise

9. Ms Alice MAK enquired about the number of squatter households, among those affected by the land resumption exercise for WCPHD1, which had accepted the compensation and rehousing package offered by the Administration, and how the Administration would follow up on the cases of those who had not yet accepted the rehousing package.

10. CES(A)/LandsD said that the Government had reached out to all 180 squatter households affected by the land resumption exercise. After preliminary vetting, the rehousing applications of a total of 102 households (including rehousing applications arising from household splitting) had been forwarded to the Hong Kong Housing Authority ("HKHA") or the Hong Kong Housing Society ("HKHS") for rehousing arrangement to be made. Among them, 41 were offered means-tested rehousing arrangement in HKHA's public rental housing ("PRH") units. Seven households eligible for non-means tested rehousing in dedicated rehousing estates were admitted to HKHS's rental estates as a transitional arrangement before the dedicated rehousing estates were ready for population intake. Besides, 17 households had opted for ex-gratia allowances offered by the Government, and there were some 90 households being not eligible for rehousing arrangement for reasons that they had previously received housing benefits from the

Government, owned other private properties, or were currently residing in non-licensed/non-surveyed squatter structures. She added that the Government would continue to discuss with the about 30 remaining households on their compensation and rehousing arrangements.

11. Dr Fernando CHEUNG was dissatisfied that the Administration's land resumption exercise was forcing squatter households to move out of the place where they had made home for years, and requested the Administration to provide statistics on the number of residents who were elderly people, chronic patients and people with disabilities among the squatter households ineligible for rehousing arrangement, and their years of residence in the squatter structures concerned.

*(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC187/18-19\(01\)](#) on 29 April 2019.)*

12. CES(A)/LandsD said that LandsD had maintained liaison with the Social Welfare Department. So far, no households had requested the Government to provide any special social welfare support services.

13. Mr AU Nok-hin, Mr KWONG Chun-yu and Mr Andrew WAN pointed out that eligible households opting for rehousing in rental units in HKHS's dedicated rehousing estates would be required to pay rents chargeable at HKHS's prevailing Group B standard, with a monthly rent ranging from \$6,000 to \$8,000. They enquired whether the Administration would coordinate with HKHS to lower the rental level.

14. PS(PL)/DEVB and CES(A)/LandsD explained that since the rehousing option concerned was not subject to any means test, eligible households opting for rehousing in rental units in dedicated rehousing estates would have to pay rents chargeable at HKHS's prevailing Group B standard. Tenants with financial difficulties might apply for rent reduction under HKHS's Rent Assistance Scheme. In addition, as a transitional arrangement pending the completion of HKHS's dedicated rehousing estates, these households would currently be admitted to the rental units of HKHS and HKHA and be given an option to either relocate to the dedicated rehousing estates upon their completion or continue to reside in the transitional units.

15. In response to further enquiry from Mr Andrew WAN, PS(PL)/DEVB said that the Government appreciated that some households, though being able to pass the means test and be eligible for allocation of HKHA's PRH units, would prefer to move to HKHS's dedicated rehousing estates. In this connection, the Government was ready to discuss with HKHS to explore the

possibility of making special arrangements for these households which could pass the means test.

16. In response to further enquiry from Mr AU Nok-hin, CES(A)/LandsD said that among the 102 households applying for rehousing arrangement, 73 had opted for means-tested rehousing in HKHA's PRH units, while the remaining 29 had opted for non-means tested rehousing in HKHS's dedicated rehousing estates.

17. Ms Claudia MO enquired about the Administration's policy of assisting households to settle in PRH estates bringing along the dogs they had been keeping for years. Moreover, she opined that officials of the Agriculture, Fisheries and Conservation Department should attend the meetings of the Subcommittee to respond to members' questions about animal welfare.

18. Under Secretary for Transport and Housing ("USTH") said that under the existing mechanism, applications could be filed with HKHA for dog keeping in PRHs units if the dogs concerned were permitted dogs under the Temporary Permission Rule, guide dogs for visually impaired tenants, or companion dogs for tenants whose need of them for mental support was confirmed by a medical practitioner. Such principles would apply to Wang Chau residents who were rehoused in PRH units.

#### Site formation and infrastructure works

19. Mr LEUNG Che-cheung, Mr CHU Hoi-dick and Mr CHAN Chi-chuen questioned that the works procedures and cost of the site formation works were increased due to the Administration's decision to build public housing on the slopes located in the Green Belt in Wang Chau. They enquired why it did not pursue development at the brownfield sites in the area first, where a large piece of flat land was readily available.

20. In response, USTH said that given the currently strained supply of land, the Government would endeavour to build public housing at suitable sites under the principle of making the best use of land resources. Director of Civil Engineering and Development ("DCED") supplemented that to fit in with the hilly terrain and topography of the project site of WCPHD1, slopes and retaining walls were built and land platforms were formed for public housing development.

21. Mr Tony TSE expressed support for the proposed works, so that public housing units could be provided in Wang Chau as soon as possible. Mr TSE and Mr CHU Hoi-dick pointed out that the cost estimate of the



proposed works was close to \$2.4 billion, which translated to an average cost up to \$600,000 for each housing unit in respect of the 4 000 units to be provided in WCPHD1. They enquired whether it was more expensive than other public housing development projects. At the request of Mr CHU, the Administration should provide the relevant supplementary information.

*(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide [LC Paper No. PWSC187/18-19\(01\)](#) on 29 April 2019.)*

22. Head of Civil Engineering Office, Civil Engineering and Development Department ("Head(CEO)/CEDD") explained that the project site of WCPHD1 was located within an area specified as Area Number 2 in the schedule to the Buildings Ordinance (Cap.123) where underground cavities might be present. In carrying out the site formation works in the area, a higher cost estimate had to be made to cope with any additional reinforcement works that might be required due to the possible presence of underground cavities.

23. Noting that the estimate of consultants' fees for the proposed works was \$12.4 million, Mr Tony TSE enquired whether the amount was sufficient and comparable to that for other similar projects. Head(CEO)/CEDD said that during the delivery of the proposed works, a consultant would be engaged to monitor the overall site operation, including contract management and provision of professional advices to the Government for prevention of any cost overruns and works delay. Moreover, the consultant would also manage and engage resident site staff ("RSS") to monitor the works delivery of various contractors at the project site, so as to ensure works quality and safety. He added that the remuneration of RSS would be reimbursed on an actual cost basis in accordance to the Government's usual practice, and the level of consultants' fees of the proposed works was comparable to that of other similar projects.

24. Mr CHAN Chi-chuen pointed out that the proposed works involved formation of land on hill slopes, including construction of retaining walls on the slopes. He enquired about the works details and the cost incurred. Moreover, he was concerned whether a substantial quantity of construction waste would be generated from the works, and whether the delivery of construction waste would bring about additional road traffic load in the vicinity of the project site.

25. Head(CEO)/CEDD said that the cost estimate of the proposed works included about \$1 billion for site formation works and retaining structures, including construction of retaining walls with a total length of about

900 metres and bored piles with a diameter up to 2.8 metres. The construction cost was relatively high as the works had to be carried out on a narrow slope of about one kilometre long, adding complexity to the works procedures. About 250 000 tonnes of construction waste was expected to be generated from the works and required to be delivered to public fill banks. The number of trips made by waste-carrying vehicles was expected to range from 10 to 20 per day.

### Design of the public housing development

26. Ms Alice MAK urged the Administration to make the best use of the underground space at the project site of WCPHD1, including constructing underground car parks and social welfare facilities, so that more ground space could be made available for development of PRH units.

27. Chief Architect (5), Housing Department said that the plot ratio of the project site of WCPHD1 had been maximized. Moreover, most of the underground space built taking account of the local topography would be used for provision of underground car parks. As for social welfare facilities, land had been reserved for development of an integrated social welfare building for provision of such facilities.

28. Mr Holden CHOW suggested that the Administration should consider widening vehicular roads and entrances to the public housing development within the WCPHD1 site, so as to prevent traffic congestion at major access roads during the intake period as a large number of residents would move in or have their internal fitting-out works carried out at the same time.

29. Head(CEO)/CEDD said that pick up/drop off areas would be provided within the WCPHD1 site, including that for green minibuses. He undertook that discussion would be carried out with the Housing Department on the provision of pick up/drop off areas at the roads concerned and the design of entrances to the public housing development, and members' comments would be taken into account. Moreover, it was believed that HKHA's estate management would have corresponding measures to prevent traffic congestion caused by the intake of residents at the same time.

30. Mr CHU Hoi-dick pointed out that WCPHD1 would include the construction of a vehicular underpass to avoid affecting the existing burial facilities in the area. He enquired whether there was any precedent for such an arrangement.

31. Head(CEO)/CEDD pointed out that in view of the presence of existing burial facilities near the WCPHD1 site, the Government, in

designing the roads for the area, considered it suitable to adopt an underpass design for this some 20-metre road section, so as to avoid affecting the burial facilities on both sides. He supplemented that it was a usual practice for the Government to conduct site formation works by adopting a design which was in tie with the topographical and geographical settings as well as the scope and boundary of the development site. It was not rare to build underpasses in order to avoid affecting certain facilities.

Consultation exercise for Wang Chau public housing development

32. Mr Gary FAN, Mr CHU Hoi-dick, Ms Claudia MO and Dr KWOK Ka-ki criticized the Administration for consulting local stakeholders on the development of Wang Chau by way of informal consultation, while some of those stakeholders were themselves landowners or involved in the economic operations at the brownfield sites in the area. Given the absence of a declaration mechanism in the informal consultation, it was difficult for the public to monitor if any conflicts of interest were involved. Besides, Mr FAN pointed out that according to the Administration, the former Chief Executive had chaired a task force to take forward high-level coordination work for the consultation exercise on the development of Wang Chau. He enquired whether the task force was still in operation.

33. USTH said that the Government had consulted the relevant District Council and Rural Committee on the development of Wang Chau in accordance with the established consultation procedures, under which a mechanism for declaration of interests was in place. The consultation work conducted was detailed in paragraphs 11 to 15 of the funding submission for the current agenda item. He added that in taking forward its policies, it was a usual practice for the Government to communicate with different stakeholders or conduct lobbying work. However, such communication would in no way substitute the formal consultation procedures. As for the task force mentioned by Mr FAN, its work was already completed. Also, it was a usual practice for the Chief Executive to provide directional and strategic steering for policy implementation.

34. Dr CHENG Chung-tai requested the Administration to put on hold the development of Wang Chau until the issue of conflict of interests involved in the consultation work had been resolved. Moreover, he requested the Administration to provide background information on the landowners affected by land resumption for WCPHD1, including whether those landowners were indigenous residents, and the years for which they had held the land title. He considered that such information could allow the public to

learn whether the Government was involved in transfer of benefits in the development of Wang Chau.

35. CES(A)/LandsD said that the Government would not consider the background of the landowners and the years for which they had held the land title when granting compensation to them.

36. The Chairman reminded members that the Subcommittee to Follow Up the Issues Related to the Wang Chau Development Project had been formed under the LegCo Panel on Housing, at which issues such as the consultation exercise in relation to the development of Wang Chau had been highlighted for discussion. Members who wished to further pursue those issues should do so at the Panel on Housing or at the meetings of the Council.

Wang Chau public housing development Phases 2 and 3, Yuen Long ("WCPHD2 & 3")

37. Mr Andrew WAN, Mr Gary FAN and Mr CHU Hoi-dick criticized that the Administration had been delaying the development of WCPHD2 & 3 owing to its evasive stance towards resuming the brownfield sites currently occupied by economic operations. They requested the Administration to provide the development timetable of WCPHD2 & 3.

38. Mr Gary FAN and Dr CHENG Chung-tai opined that the Administration should conduct a freezing survey on the brownfield operations in Wang Chau, so as to prevent brownfield operators from damaging the remaining Green Belt and expanding the brownfield sites before the commencement of WCPHD2 & 3.

39. Head(CEO)/CEDD said that the Civil Engineering and Development Department was conducting the engineering feasibility study for WCPHD2 & 3, which had been completed substantially. Based on the current statistics, WCPHD2 & 3 would involve the development of about seven to eight hectares of brownfield sites. USTH supplemented that the Government would conduct consultation in accordance with the established procedures when taking forward WCPHD2 & 3.

Other issues

40. The Chairman advised that members who intended to propose motions pursuant to paragraph 32A of the Public Works Subcommittee Procedure should forward their proposed motions to the Secretariat as soon as possible.

41. The meeting ended at 10:27 am.

Council Business Division 1  
Legislative Council Secretariat  
7 May 2019