

立法會
Legislative Council

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(These minutes have been
seen by the Administration)

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Finance Committee of the Legislative Council

Minutes of the 18th meeting
held at Conference Room 1 of the Legislative Council Complex
on Wednesday, 11 March 2020, from 2:30 pm to 7:04 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
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-yea, GBS, 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 Dennis KWOK Wing-hang
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Hon Elizabeth QUAT, BBS, JP
Hon Martin LIAO Cheung-kong, GBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, BBS, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai, JP
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan, JP
Dr Hon Pierre CHAN
Hon Tanya CHAN
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 Vincent CHENG Wing-shun, MH, JP
Hon Tony TSE Wai-chuen, BBS
Hon CHAN Hoi-yan

Members absent:

Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon CHUNG Kwok-pan

Public officers attending:

Mr Joseph CHAN Ho Lim, JP	Under Secretary for Financial Services and the Treasury
Ms Alice LAU Yim, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Mr Raistlin LAU Chun, JP	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)
Mr Howard LEE Man-sing	Deputy Secretary for Financial Services and the Treasury (Treasury) 3
Mr CHIU Kwong-kin	Assistant Secretary for Financial Services and the Treasury (Treasury) (W) 2
Mr Frankie FUNG Yiu-man	Chief Assistant Secretary (Works)1, Development Bureau
Mr Albert CHEUNG Ka-Lok	Assistant Director of Lands (Specialist 3), Lands Department
Mrs Sylvia LAM YU Ka-wai, JP	Director of Architectural Services
Mr LEUNG Kam-pui	Assistant Director (Property Services), Architectural Services Department
Ms Alice LEE Nga-lai	Chief Superintendent of Police (Planning and Development), Hong Kong Police Force
Ms Judith TAM Ngai-yin	Senior Executive Officer (Planning and Development), Hong Kong Police Force
Mr Wilson PANG Wai-sing	Deputy Director of Drainage Services
Mr Ricky LAU Chun-kit, JP	Director of Civil Engineering and Development
Mr CHENG Tak-kuen	Assistant Director of Environmental Protection (Waste Infrastructure Planning)
Mr Raymond WONG Wai-man	Principal Environmental Protection Officer (Recycling Network Planning), Environmental Protection Department

Mr NG Wai-keung	Deputy Director of Highways
Mr Tony CHEUNG Ka-leung	Deputy Project Manager (Major Works) (1), Highways Department
Ms Eugenia CHUNG Nga-chi, JP	Assistant Director of Home Affairs (2)
Mr Paul AU Ying-kit	Acting Chief Engineer (Works), Home Affairs Department
Mr Louis LEUNG Sze-ho	Deputy Secretary-General (1), University Grants Committee Secretariat
Mr Samuel FAN Kim-fung	Chief Maintenance Surveyor (School Premises Maintenance), Education Bureau
Mrs Elina CHAN NG Ting-ting	Principal Assistant Secretary for Education (Infrastructure and Research Support)
Ms Carrie CHAN Lai-hung	Senior Maintenance Surveyor (School Premises Maintenance)1, Education Bureau
Mr Alex WONG Kwok-chun	Assistant Director of Social Welfare (Subventions)
Mr Andy LIU Hon-wah	Chief Executive Officer (Planning)1, Social Welfare Department
Mr WONG Chung-leung, JP	Director of Water Supplies
Mr Boer CHAN Hon-kwong	Assistant Government Chief Information Officer (Governance and Resources), Office of the Government Chief Information Officer
Mr Gavin WAH Kwok-kee	Chief Systems Manager (Governance and Resources), Office of the Government Chief Information Officer
Mr Michael HONG Wing-kit	Chief Civil Engineer (Public Works Programme), Transport and Housing Bureau
Dr Raymond SO Wai-man, BBS, JP	Under Secretary for Transport and Housing
Mr Aaron BOK Kwok-ming	Head of Civil Engineering Office, Civil Engineering and Development Department
Mr Thomas CHAN Wai-kit	Chief Engineer (Housing Projects 2), Civil Engineering and Development Department
Mr Percy HAU Kin-man	Acting Chief Engineer (Housing Projects 3), Civil Engineering and Development Department

Mr John CHAN Chuen-lung	Senior Engineer 3, Civil Engineering and Development Department
Dr Michelle YEUNG Lee	Senior Veterinary Officer (Technical Services), Agriculture, Fisheries and Conservation Department
Ms Lily CHIU Lee-lee	Chief Estate Surveyor (New Development Area), Lands 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

Clerk in attendance:

Ms Anita SIT	Assistant Secretary General 1
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Staff in attendance:

Ms Angel SHEK	Chief Council Secretary (1)1
Mr Jason KONG	Senior Council Secretary (1)1
Ms Alice CHEUNG	Senior Legislative Assistant (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
Ms Clara LO	Legislative Assistant (1)9

Action

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

**Item 1 — FCR(2019-20)47
CAPITAL WORKS RESERVE FUND**

HEAD 701 — LAND ACQUISITION
HEAD 702 — PORT AND AIRPORT DEVELOPMENT
HEAD 703 — BUILDINGS
HEAD 704 — DRAINAGE
HEAD 705 — CIVIL ENGINEERING
HEAD 706 — HIGHWAYS

HEAD 707 — NEW TOWNS AND URBAN AREA DEVELOPMENT

HEAD 708 (PART) — CAPITAL SUBVENTIONS

HEAD 709 — WATERWORKS

HEAD 710 — COMPUTERISATION

HEAD 711 — HOUSING

Block allocations

2. The Chairman advised that this item invited the Finance Committee ("FC") to approve:

- (a) a total allocation of \$22,350.5 million for 2020-2021 for the block allocations under the Capital Works Reserve Fund ("CWRF");
- (b) an increase of the approved allocation for Subhead 3101GX under Head 703 for 2019-2020 by \$165 million from \$948 million to \$1,113 million; and
- (c) a revision of the ambit of Subhead 6101TX under Head 706 with effect from 2020-2021.

3. The Chairman advised that the Public Works Subcommittee ("PWSC") had spent about 4 hours and 24 minutes on scrutinizing the above proposal at its three meetings held on 15 January, 22 January and 26 February 2020. FC had also spent around 7 hours and 30 minutes on discussing the contents of the agenda item at the last two meetings (6 March and 9 March).

4. The Chairman declared that he was an Executive Director and the Chief Executive Officer of Well Link Insurance Group Holdings Limited.

5. The Chairman advised that he had drawn a line to conclude the discussion of the item at the last meeting held on 9 March and there were still seven members waiting to speak. After all members currently on the wait-to-speak list had spoken, he would put to vote the questions on whether the four motions proposed by members under paragraph 37A of the Finance Committee Procedure ("FCP") ("FCP 37A motions") should be proceeded with forthwith. After that, he would put agenda item FCR(2019-20)47 (i.e. block allocations under CWRF for 2020-2021) to vote.

6. Ms Tanya CHAN advised that the Administration provided FC with two supplementary information papers (LC Paper Nos. FC123/19-20(01)

and FC125/19-20(01)) on 10 March and 11 March respectively, and members had not had the chance to raise questions on the aforesaid two papers. She asked whether the Chairman could provide additional time for members to raise questions in order to follow up on the contents of the papers.

7. The Chairman advised that with a huge backlog of agenda items awaiting FC's scrutiny, it was necessary for FC to expeditiously finish its scrutiny of and voting on item FCR(2019-20)47. As he had, at the last meeting, drawn a line to conclude the discussion on the item, he did not want to casually make exceptional arrangements, which might then affect FC's meeting progress. He suggested that if members had any questions on the supplementary information papers provided by the Administration, they could follow up through other channels.

8. Mr Charles Peter MOK said that he and Mr Jeremy TAM were unable to attend the last two meetings for scrutinizing item FCR(2019-20)47 as they were out of town then, and some members might also be absent from the two meetings due to other commitments. He asked whether the Chairman could allow members who had never raised questions on the item to speak once for not more than five minutes. The Chairman agreed that Mr MOK and Mr TAM might each speak for not more than five minutes.

Continuation of the discussion on item FCR(2019-20)47

The use of arm signals by police officers while driving motorcycles

9. Regarding the Administration's response in part (g) of LC Paper No. FC123/19-20(01) in relation to a video clip showing a traffic police officer having taken both hands off the handlebars when driving a motorcycle, Mr CHU Hoi-dick, Mr WU Chi-wai, Mr Alvin YEUNG and Dr KWOK Ka-ki enquired whether the Administration could affirm that the act of the police officer concerned complied with relevant requirements under the Road Traffic Ordinance (Cap. 374) and the Road Users' Code.

10. Mr CHU Hoi-dick advised that in accordance with the Road Users' Code, if a motorcyclist intended to slow down or stop and needed to give arm signals to vehicles behind, the motorcyclist should extend the right arm level with the waist and move the arm up and down. Mr WU Chi-wai also pointed out that drivers should keep both hands on the steering wheels at all times. Mr CHU, Mr WU and Mr Alvin YEUNG were concerned whether police officers, as law enforcement officers, were subject to regulation under the Road Traffic Ordinance and the Road Users' Code, or

whether they enjoyed special privileges, as well as whether the Administration had adopted a double standard in judging whether a police officer and a member of the public had observed the Road Traffic Ordinance and the Road Users' Code.

11. In response, Chief Civil Engineer (Public Works Programme), Transport and Housing Bureau ("CCE(PWP)/THB") pointed out that as mentioned in the Administration's response in part (g) of LC Paper No. FC123/19-20(01), any person who drove a vehicle on the road should abide by the requirements under the Road Traffic Ordinance and the Road Users' Code by being prudent and attentive at all times and driving with due regard for the safety of other road users. Regarding Mr Alvin YEUNG's request for confirmation as to whether "any person" included police officers, CCE(PWP)/THB advised that he had no further comment.

12. Considering that the act of the police officer shown in the aforesaid video clip had obviously violated the Road Traffic Ordinance, Dr KWOK Ka-ki asked the Chief Superintendent of Police (Planning and Development), Hong Kong Police Force, who was present at the meeting, whether the Police would punish and prosecute the police officer concerned. He also requested the Police to apologize to all members of the public in Hong Kong in this respect.

13. Chief Superintendent of Police (Planning and Development), Hong Kong Police Force ("CSP/HKPF") advised that the police officer in the aforesaid video clip had, based on his professional judgment at that time, considered it necessary to lift both hands to give arm signals, and there were similar examples in overseas countries. Moreover, no specific rule had been stipulated under the Road Traffic Ordinance and the Road Users' Code as to how a driver should control the handlebars when driving a motorcycle.

14. Dissatisfied with the replies given by public officers, Mr CHU Hoi-dick criticized them for evading the questions and spoke aloud in his seat. Advising Mr CHU not to obstruct the progress of the meeting, the Chairman suggested that follow-up actions might be taken through other channels.

Motion to adjourn discussion on item FCR(2019-20)47

15. At 2:43 pm, Mr CHAN Chi-chuen moved under FCP 39 that discussion on item FCR(2019-20)47 be adjourned ("the adjournment motion"). The Chairman directed that each member might speak on the adjournment motion once for not more than three minutes.

16. At the invitation of the Chairman, Mr CHAN Chi-chuen, as mover of the motion, spoke first. Mr CHAN advised that, in accordance with the Administration's anti-epidemic strategies, the handling of any matters not relating to the coronavirus disease 2019 ("COVID-19") should be suspended, but taking into account that a number of items on FC's agenda were related to people's livelihood, members belonging to the pro-democracy camp were willing to support the holding of additional FC meetings. However, in the course of FC's scrutiny of item FCR(2019-20)47, the performance of the Administration in responding to questions raised by members was unsatisfactory, including evading questions from members, not providing comprehensive and complete replies, providing information papers shortly before the start of meetings, etc.

17. Mr CHAN Chi-chuen further said that item FCR(2019-20)47 included a number of works to upgrade the facilities in police stations, but the Administration failed to respond to the questions raised by members belonging to the pro-democracy camp on the management of the Police Force, so it was difficult for members to support the works concerned. He also criticized that the Administration had incorporated a number of projects on the construction of quarantine facilities into item FCR(2019-20)47 and had earlier applied to the Lotteries Fund for financing the construction of quarantine facilities, rendering it impossible for FC to scrutinize these works projects separately. The Administration also did not take the initiative to provide relevant papers for members' reference.

18. The Chairman pointed out that at present, FC did not only scrutinize financial proposals relating to the COVID-19 epidemic, and that his decision on the holding of an FC meeting depended on the latest situation and development with reference to the views of members.

19. Dr KWOK Ka-ki, Ms Claudia MO, Mr WU Chi-wai, Mr Jeremy TAM, Dr CHENG Chung-tai, Dr Fernando CHEUNG, Mr Charles Peter MOK, Mr HUI Chi-fung, Mr LEUNG Yiu-chung, Mr Dennis KWOK, Ms Tanya CHAN, Mr Alvin YEUNG, Dr Helena WONG, Mr Kenneth LEUNG, Mr SHIU Ka-chun, Mr CHU Hoi-dick, Mr KWONG Chun-yu and Mr LAM Cheuk-ting spoke in support of the adjournment motion. Ms MO and Mr YEUNG advised that as item FCR(2019-20)47 involved a funding of more than \$22.3 billion and covered a large number of works projects, including major projects like the Universal Accessibility Programme and the works associated with the Kai Tak Development Area and the West Kowloon Cultural District, it was incumbent upon FC to conduct detailed scrutiny. With the Chairman drawing a line to conclude

the discussion on the item at this stage, FC was unable to thoroughly discuss the item.

20. Dr Fernando CHEUNG and Ms Claudia MO advised that at this moment FC should focus on tackling the most pressing issues under the COVID-19 epidemic, such as the provision of relief measures to assist members of the public. Most of the works projects under item FCR(2019-20)47 were not related to anti-epidemic work, so there was no urgency in dealing with the item. They urged the Administration to re-arrange the financial proposals to be submitted to FC for deliberation.

21. Dr KWOK Ka-ki, Mr LEUNG Yiu-chung and Mr Kenneth LEUNG criticized that the Administration, by dividing a large number of controversial works (especially items relating to the upgrading of facilities in police stations or other facilities of the Police) into minor works items of less than \$30 million each and incorporating them into item FCR(2019-20)47, had rendered it impossible for FC to separately deliberate these items one by one. By bundling controversial items together with livelihood-related items, the Administration had, in a way, forced FC to expeditiously approve the funding proposal.

22. Dr KWOK Ka-ki, Mr LEUNG Yiu-chung, Mr WU Chi-wai, Mr Jeremy TAM, Mr HUI Chi-fung, Mr Dennis KWOK, Mr CHU Hoi-dick and Mr KWONG Chun-yu pointed out that since June 2019 when the social movements triggered by the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 took place, members of the public had been very dissatisfied with the performance of the Police. As such, members belonging to the pro-democracy camp wrote to the Administration in as early as January 2020 (LC Paper Nos. PWSC67/19-20(01) and PWSC71/19-20(01)), requesting that the items associated with the Police be taken out from item FCR(2019-20)47 for separate deliberation to prevent other livelihood-related works projects under the item from being affected, but the Administration refused to accede to the request, paying no heed to the public's demands. Thus, it was indeed difficult for members belonging to the pro-democracy camp to support item FCR(2019-20)47. Dr CHENG Chung-tai also criticized that the Police enjoyed far-fetching powers, to the detriment of the basic human rights guaranteed under the Basic Law.

23. Dr Fernando CHEUNG, Ms Tanya CHAN and Mr SHIU Ka-chun were concerned that the Administration had sought to circumvent FC's supervision and refused to submit the items relating to the construction of quarantine facilities as separate items for scrutiny by FC. On the contrary, it incorporated the works concerned into item FCR(2019-20)47 or applied

for funding under the Lotteries Fund to finance the construction of the quarantine facilities, which were unreasonable. Ms CHAN pointed out that the Legislative Council ("LegCo") passed a resolution in 1965 to set up the Lotteries Fund and the relevant paper expressly stated that the Lotteries Fund was to be used solely for financing social welfare services. If the items or services involved statutory obligations of government departments, the Government could not even apply for funding under the Lotteries Fund. She was of the view that constructing quarantine facilities to assist in combating the epidemic was definitely the statutory obligation of government departments. She criticized the Administration for making funding applications to the Lotteries Fund, which was tantamount to competing with non-governmental organizations for funding and benefits. As to whether those quarantine facilities could be transformed to serve social welfare and other community purposes in future, the Administration also did not provide a clear answer. Mr SHIU specially pointed out that while an application was made to the Lotteries Fund for financing the construction of quarantine facilities on a piece of 4-hectare government land at Penny's Bay and the estimated cost for building the first 100 units together with site formation and infrastructure works amounted to \$190 million, the Administration had so far not been able to give an account of the related details.

24. Mr Charles Peter MOK and Mr Kenneth LEUNG criticized the Administration for directly submitting item FCR(2019-20)47 for scrutiny by FC before PWSC had completed its deliberation on the agenda item relating to block allocations under CWRP for 2020-2021 (PWSC(2019-20)23), which was not in line with the established procedures. Regarding the Administration's explanation that the item had to be submitted to FC directly for scrutiny as PWSC had cancelled its originally scheduled eight-hour meeting slots due to the epidemic, Mr LEUNG considered that the grounds cited by the Administration were not fully justified. He pointed out that PWSC could identify other time slots to hold additional meetings to continue with its scrutiny of the item. Mr SHIU Ka-chun asked the Permanent Secretary for Financial Services and the Treasury (Treasury) about the number of meetings cancelled by relevant LegCo committees due to the epidemic, as well as the number of meeting hours involved.

25. Dr Helena WONG criticized that in the face of successive social movements, the Administration had all along turned a blind eye to the core conflicts in society and refused to respond to the demands of the public, making it difficult for the Hong Kong community and LegCo to resume normal operation. Ms Claudia MO, Mr KWONG Chun-yu and Mr LAM Cheuk-ting criticized members belonging to the pro-establishment camp

for having been blindly supporting the Government all along to secure the expeditious approval of item FCR(2019-20)47.

26. Mr Holden CHOW, Mr KWOK Wai-keung, Ir Dr LO Wai-kwok, Mr Tony TSE, Dr Junius HO and Mr LEUNG Che-cheung spoke against the adjournment motion. These members advised that item FCR(2019-20)47 involved more than 10 000 public works projects which were closely related to people's livelihood, including works projects associated with public housing development, renovation of schools and upgrading of facilities in hospitals, etc., which was particularly important to the development of the construction industry. They further said that owing to the impacts of social movements and the COVID-19 epidemic, Hong Kong's economy was in distress and the livelihood of people in every sector was hard hit, it was therefore necessary to carry out various works projects as soon as possible to ease the economic hardship. They urged members belonging to the pro-democracy camp to give due regard to Hong Kong's overall benefits and optimize the use of meeting time to deliberate item FCR(2019-20)47 in an efficient and focused manner, in the hope that FC could speedily complete its scrutiny of and voting on the item and deal with the backlog of other items on the agenda.

27. Dr Junius HO and Mr LEUNG Che-cheung considered that if members belonging to the pro-democracy camp had any dissatisfaction with the Police, they should follow up on the issues through other channels, rather than dragging on the progress of the meeting.

28. Ir Dr LO Wai-kwok, who was the Chairman of PWSC, advised that PWSC had earlier held three meetings to scrutinize the item on block allocations under CWRP for 2020-2021, but was still unable to complete its scrutiny of and voting on the item. The Administration therefore decided to directly submit the item to FC for scrutiny. Ir Dr LO pointed out that it was a standing practice to incorporate a large number of minor works projects into the agenda item on block allocations under CWRP. Dr Junius HO advised that having regard to the necessity of expeditiously completing the construction of quarantine facilities to combat the epidemic, the Administration incorporated some works projects on quarantine facilities into item FCR(2019-20)47 or applied for funding under the Lotteries Fund to finance the construction of quarantine facilities.

29. The Chairman advised that FC and PWSC had spent a total of more than 12 hours to scrutinize the item on block allocations under CWRP for 2020-2021 (as at 2:27 pm), with more than 10 members having spoken more than five times and some members having even spoken more than six

times at FC meetings. He was of the view that the time spent by FC on the scrutiny of the item was sufficient.

30. At the invitation of the Chairman, Permanent Secretary for Financial Services and the Treasury (Treasury) ("PS(Tsy)") responded that according to the original plan, the Administration would first consult various relevant LegCo Panels on the item relating to block allocations under CWRP, and then sought FC's approval for the item after PWSC had completed its scrutiny. However, as explained in the Government's letter to the Chairman on 28 February 2020 (Appendix to LC Paper No. FC110/19-20), the cancellation of eight meeting hours originally scheduled by PWSC as a result of the COVID-19 outbreak had been a factor beyond the Government's control. Given the necessity for the item relating to block allocations under CWRP for 2020-2021 be approved by FC before 1 April 2020, the Administration decided to withdraw the item from the meeting agenda of PWSC and, with the concurrence of FC Chairman, advance the submission of the item to FC for scrutiny. In this connection, the Government thanked the support of the Chairman and Members.

31. Mr Charles Peter MOK and Mr Alvin YEUNG disagreed with the allegation that if the adjournment motion was passed by FC, it would be difficult for the Administration to submit afresh item FCR(2019-20)47 to FC for scrutiny within a short time. Mr YEUNG pointed out that under the prevailing executive-led system, the meeting agenda of FC was decided by the Financial Secretary or relevant public officers, implying that the Administration could submit afresh the item for FC's scrutiny at any time. In response, PS(Tsy) said that if the adjournment motion was passed by FC, it would take a certain period of time for the Government to include the item into FC's meeting agenda again for scrutiny by members.

32. Dr KWOK Ka-ki and Mr Alvin YEUNG criticized the Chairman for offering full support for the implementation of policies by the Government, and for failing to perform FC Chairman's duty of monitoring and urging the Administration to properly respond to questions raised by members. Mr Kenneth LEUNG advised that the Chairman, when presided at meetings, had argued with members time and again when those members were speaking. He had indeed obstructed members from speaking freely.

33. The Chairman said that since he assumed FC chairmanship, he had acted with a clear conscience and the aforesaid criticism of him made by members was blatant nonsense. However, in order not to obstruct the conduct of the meeting, he would not debunk the criticism made by the members concerned. Mr Abraham SHEK advised that most members

were of the view that the Chairman was competent, and that there was no need for the Chairman to waste time arguing with a small number of members.

34. Mr CHAN Chi-chuen spoke in reply to the adjournment motion moved by him. He reiterated that as item FCR(2019-20)47 involved a funding of more than \$22.3 billion, it was very reasonable that PWSC and FC had to spend 10-odd hours to scrutinize the item. He pointed out that even if the adjournment motion was passed by FC, the Administration could still submit the item to FC afresh for scrutiny right away. He also criticized the Chairman for offering full support for the Government, such that the Administration did not need to take the questions raised by members seriously and could simply wait for the speedy approval of the item after the Chairman had drawn a line to conclude members' discussion on the item.

35. The Chairman pointed out that since FC had to scrutinize financial proposals worth more than a hundred billion dollars every year, it was necessary to set a discussion time limit for each item. He had endeavoured to strike a balance between the provision of sufficient question time for members and the efficient conduct of meetings.

36. At 4:17 pm, the Chairman put the adjournment motion to vote. At the request of members, the Chairman ordered a division. The motion was [negatived](#).

Resumption of scrutiny of item FCR(2019-20)47

37. At 4:22 pm, FC resumed its scrutiny of item FCR(2019-20)47.

Head 707 Subhead 7100CX— Technical Study on Partial Development of Fanling Golf Course Site — feasibility study

38. Regarding the Technical Study on Partial Development of Fanling Golf Course Site — feasibility study, Mr Andrew WAN enquired about the scope of the study, the estimated time required for conducting the study, and the development timetable of the site.

39. Director of Civil Engineering and Development advised that the relevant procedures of the aforesaid feasibility study had been carried out from April to May 2019. The scope of the study included land uses and development areas, while technical assessment on the impacts on traffic and ecological environment, etc. would also be conducted. It was

expected that the preliminary study results would be available within 18 to 24 months.

Head 707 Subhead 7100CX— Protective and upkeeping works for the site of Ex-Kennedy Town incineration plant, abattoir and adjoining area

40. Referring to the Administration's reply in part (j) of LC Paper No. FC123/19-20(01), Mr HUI Chi-fung said that in the past few months, the Highways Department ("HyD") had participated in clearing up the barriers on public roads after major public events. Such barriers were mainly construction materials (including paving bricks that had been dug out, railings that had been removed, etc.) and some other facilities on public roads (such as water-filled barriers), but articles requiring special treatment like dangerous goods or chemical waste, etc. were not included. In the event that articles requiring special treatment were found, HyD would refer them to other relevant departments for handling. Some barriers had been temporarily stored in HyD's temporary site on Sai Ning Street and the cost incurred by HyD for transporting the barriers temporarily stored in the temporary site on Sai Ning Street to landfill facilities was about \$260,000. In this connection, he asked whether composition of tear gas rounds had remained on these barriers after the Police fired tear gas rounds during major public events; and whether the Administration knew what kinds of harmful chemicals were contained in tear gas rounds, as well as whether these barriers had been subjected to special treatment during clear-up and transportation.

41. In response, Deputy Director of Highways pointed out that the Department would follow the procedures for handling general construction waste in clearing up the barriers on public roads.

Applications made to the Lotteries Fund for financing the construction of quarantine facilities

42. Mr Charles Peter MOK concurred with the remarks made by Ms Tanya CHAN that the construction of quarantine facilities was a statutory obligation of relevant government departments and that the funding applications made to the Lotteries Fund for undertaking the relevant works were against the original intent of establishing the Lotteries Fund. He was worried that this would set a bad precedent for the Administration to make funding applications to the Lotteries Fund for carrying out projects not relating to social welfare again in future. Referring to the Administration's reply in part (c) of LC Paper No. FC125/19-20(01), he was concerned that the reply only indicated that quarantine units could be used in-situ or relocated to other places for social

welfare purpose and other community needs, while no commitment was made to the effect that the units would definitely be used for social welfare purpose.

43. In response, PS(Tsy) pointed out that there was a pressing need for the Administration to construct quarantine facilities as an integral part of its strategies to battle against the COVID-19 epidemic in Hong Kong. She believed members would not dispute the importance and urgency of the facilities concerned. In accordance with section 6(4) of the Government Lotteries Ordinance (Cap. 334), the Financial Secretary might appropriate from the Lotteries Fund moneys for the purpose of financing, by way of grant, loan or advance, the support and development of such social welfare services as the Chief Executive, after consultation with the Social Welfare Advisory Committee, might approve. The controlling officers of relevant government departments considered after assessment that quarantine facilities fell into the category of "camps and hostels", i.e. one of the categories in the list updated by the Social Welfare Department ("SWD") in 1994 with the consent of the Social Welfare Advisory Committee (the list was a guideline for approving applications for the Lotteries Fund projects), so the expenditure for constructing quarantine camps complied with the criteria for making funding applications to the Lotteries Fund. Hence, the Administration consulted the Lotteries Fund Advisory Committee ("LFAC") by circulation of papers. She pointed out that apart from the Secretary for Labour and Welfare or his representative and the Director of Social Welfare as the Chairman, the remaining 12 members of LFAC were non-official representatives who were very familiar with the operation of the Lotteries Fund. They unanimously supported and approved the funding applications for constructing isolation quarantine camps.

44. Mr Charles Peter MOK enquired, as section 6(4) of the Government Lotteries Ordinance provided that moneys of the Lotteries Fund should be used on social welfare services, whether LFAC had raised queries regarding the funding applications made by the Administration for constructing quarantine facilities. He also requested the Administration to give an account in writing of the decision-making process of LFAC in vetting and approving the aforesaid applications. PS(Tsy) advised that a written reply (LC Paper No. FC125/19-20(01)) had been provided in this respect.

The use of arm signals by police officers while driving motorcycles

45. Regarding the video clip showing a traffic police officer having taken both hands off the handlebars when driving a motorcycle, Mr Jeremy TAM cited the Administration's reply in part (g) of LC Paper No.

FC123/19-20(01) that no specific rule had been stipulated under the Road Traffic Ordinance and the Road Users' Code as to how a driver should control the handlebars when driving a motorcycle. He asked CSP/HKPF whether this implied that the police officer in the aforesaid video clip did not break the law, and that any person who performed the same action as the aforesaid police officer would not break the law either. He also asked whether police officers had, whilst receiving training in the Hong Kong Police College, learnt that they could take both hands off the handlebars while driving motorcycles.

46. Mr Jeremy TAM advised that according to the Road Users' Code, drivers should use one arm to give signals. The Code also mentioned that giving an arm signal did "involve riding one-handed. As riding one-handed is dangerous, arm signals should not be given for longer than is necessary and at times not be given at all". He therefore considered it unsafe and inappropriate to take both hands off the handlebars of a motorcycle.

47. In response, CSP/HKPF advised that the police officer in the aforesaid video clip was escorting a coach carrying Hong Kong citizens returning to Hong Kong from Wuhan to the quarantine centre at Chun Yeung Estate, Fo Tan at that time. The police officer found that vehicles behind in the right and middle lanes were following too close, so he used both hands to give arm signals, indicating to the vehicles concerned that they should keep a suitable clear distance. She emphasized that the police officer gave arm signals based on his professional judgment after assessing road safety risks.

48. Doubting that the questions raised by Mr Jeremy TAM were irrelevant to item FCR(2019-20)47, Mr LUK Chung-hung urged the Chairman to duly perform his gatekeeping role.

Motions proposed by members under paragraph 37A of the Finance Committee Procedure

49. At 4:36 pm, FC started to vote on whether the FCP 37A motions proposed by members should be proceeded with forthwith. The Chairman put to vote, one by one, the questions that these FCP 37A motions should be proceeded with forthwith. At the request of members, the Chairman ordered a division on each question. Immediately after the Chairman declared that FC decided against proceeding with the first FCP 37A motion proposed by Dr Fernando CHEUNG, Mr CHAN Hak-kan moved without notice a motion under FCP 47 that in the event of further divisions being claimed in respect of any motions or questions under the same agenda item,

FC should proceed to each of such divisions immediately after the division bell had been rung for one minute. At the request of members, the Chairman ordered a division. The motion was carried.

50. The voting results on the questions on proceeding with the proposed FCP37A motions were as follows:

Member proposing the motion	Serial number of the motion	Motion be proceeded with forthwith
Dr Fernando CHEUNG	<u>0001</u>	<u>No</u>
Mr Alvin YEUNG	<u>0002</u>	<u>No</u>
Ms Tanya CHAN	<u>0003</u>	<u>No</u>
Mr CHAN Chi-chuen	<u>0004</u>	<u>No</u>

Voting on FCR(2019-20)47

51. At 4:51 pm, the Chairman put item FCR(2019-20)47 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 36 members voted in favour of and 23 members voted against the item, and no member abstained from voting. The votes of individual members were as follows:

For:

Mr Abraham SHEK Lai-him	Mr Tommy CHEUNG Yu-yan
Mr Jeffrey LAM Kin-fung	Mr WONG Ting-kwong
Ms Starry LEE Wai-king	Mr CHAN Hak-kan
Mr WONG Kwok-kin	Mr Michael TIEN Puk-sun
Mr Steven HO Chun-yin	Mr Frankie YICK Chi-ming
Mr YIU Si-wing	Mr CHAN Han-pan
Mr LEUNG Che-cheung	Ms Alice MAK Mei-kuen
Mr KWOK Wai-keung	Mr Christopher CHEUNG Wah-fung
Ms Elizabeth QUAT	Mr Martin LIAO Cheung-kong
Mr POON Siu-ping	Dr CHIANG Lai-wan
Ir Dr LO Wai-kwok	Mr Jimmy NG Wing-ka
Dr Junius HO Kwan-yiu	Mr HO Kai-ming
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 Kenneth LAU Ip-keung	Mr Vincent CHENG Wing-shun
Mr Tony TSE Wai-chuen	Ms CHAN Hoi-yan

(36 members)

Against:

Mr James TO Kun-sun	Mr LEUNG Yiu-chung
Prof Joseph LEE Kok-long	Ms Claudia MO
Mr WU Chi-wai	Mr Charles Peter MOK
Mr CHAN Chi-chuen	Mr Kenneth LEUNG
Dr KWOK Ka-ki	Dr Fernando CHEUNG Chiu-hung
Dr Helena WONG Pik-wan	Mr IP Kin-yuen
Mr Alvin YEUNG	Mr Andrew WAN Siu-kin
Mr CHU Hoi-dick	Mr LAM Cheuk-ting
Mr SHIU Ka-chun	Dr Pierre CHAN
Ms Tanya CHAN	Mr HUI Chi-fung
Dr CHENG Chung-tai	Mr KWONG Chun-yu
Mr Jeremy TAM Man-ho	
(23 members)	

52. The Chairman declared that the item was approved.

53. At 4:53 pm, the Chairman directed that the meeting be suspended. The meeting resumed at 5:03 pm. The Deputy Chairman took the Chair.

Points of order

54. At 3:19 pm, Mr HUI Chi-fung, when speaking on the adjournment motion, criticized the Chairman for allowing the Administration to directly submit the item on block allocations under CWRP for 2020-2021 for FC's scrutiny before PWSC had completed its scrutiny of the item. He considered it an abuse of power and referred to the Chairman as "a lackey". Mr KWOK Wai-keung considered that the remarks made by Mr HUI had offended the Chairman.

55. Pointing out that "lackey" was an unparliamentary term, the Chairman requested Mr HUI Chi-fung to withdraw the remark. Mr HUI agreed to withdraw the term "lackey".

56. At 3:26 pm, Mr Dennis KWOK, when speaking on the adjournment motion, said that since Mr CHAN Kin-por had assumed FC chairmanship, he should be prepared psychologically that he would be criticized by members. He also referred to the Chairman as "a lackey". The Chairman requested him to withdraw the term "lackey". Mr KWOK refused to do so. The Chairman said that Mr KWOK, as a barrister, was fully aware that the term was unparliamentary but still repeatedly used such a term. The Chairman ruled that the conduct of Mr KWOK was grossly disorderly and ordered him to withdraw from the meeting.

57. At 3:28 pm, as Mr Dennis KWOK refused to leave the conference room, the Chairman directed that the meeting be suspended. The meeting resumed at 3:35 pm, and by then Mr KWOK had already left the conference room by himself.

**Item 2 — FCR(2019-20)5A
RECOMMENDATION OF THE PUBLIC WORKS
SUBCOMMITTEE MADE ON 29 MARCH 2019**

PWSC(2018-19)40

HEAD 711 — HOUSING

Civil Engineering — Land development

**780CL — Site formation and infrastructure works for
public housing development at Wang Chau,
Yuen Long**

58. The Deputy Chairman advised that this item sought FC's approval for the recommendation made by PWSC at its meeting held on 29 March 2019 regarding PWSC(2018-19)40, i.e. upgrading 780CL – Site formation and infrastructure works for public housing development at Wang Chau, Yuen Long to Category A at an estimated cost of \$1,800.2 million in money-of-the-day prices. Some members requested that the recommendation be voted on separately at a meeting of FC. PWSC spent about 3 hours and 30 minutes on scrutinizing the above proposal. The Administration had also provided a number of information papers.

59. The Deputy Chairman declared that he was an advisor of the Bank of China (Hong Kong) Limited.

Estimated cost and schedule of the proposed works

60. Referring to paragraph 3 in FCR(2019-20)5A, Mr Andrew WAN noted that the estimated project cost had been reduced from the original estimate of \$2,390.2 million to \$1,800.2 million (about \$590 million (i.e. 24.7%) less than the earlier estimate). He said that cost overruns had happened in previous works projects implemented by the Government from time to time, but cost reduction had seldom occurred. He requested the Administration to explain the reasons why the returned tender price was lower than the original estimate.

61. Head of Civil Engineering Office, Civil Engineering and Development Department ("HCEO/CEDD") explained that the tendering exercise for the contract of the proposed works had been conducted in early

2019. After assessing and examining the tenders returned in May 2019, the Administration confirmed that the returned tender price was lower than the original estimate. It was therefore considered that the estimated project cost could be reduced by about \$590 million. He believed that the returned tender price being lower than the original estimate was related to market competition and also reflected the prevailing market situation.

62. Expressing support for the proposed works, Ir Dr LO Wai-kwok considered that various government departments had done a tremendous amount of work on the Wang Chau public housing development, Yuen Long ("WCPHD"). He pointed out that Phase 1 of the project could provide about 4 000 public housing units, which would be conducive to solving the problem of housing shortage. He hoped that FC would expeditiously approve the funding proposal, so that WCPHD could be implemented as soon as possible. He advised that the returned tender price being lower than the original estimate reflected that the amount of works projects on the market was declining and the business environment of the industry was very harsh. He also urged the departments concerned to plan the works of Phases 2 and 3 as soon as possible. Under Secretary for Transport and Housing ("USTH") noted the views of Ir Dr LO.

63. Mr Tony TSE expressed support for the proposed works and urged the Administration to implement WCPHD as soon as possible to address the problem of housing supply shortage in Hong Kong. He pointed out that the works had been originally scheduled to commence in the third quarter of 2019; and if the proposal was approved on the day of the meeting, the proposed works were expected to be implemented in 2020, meaning that there was a delay of over six months compared to the original schedule. He enquired whether the timetable set by the Administration in respect of the works of Phase 1 was reasonable and whether a review would be conducted on the timetables for the works under Phases 2 and 3. Mr Andrew WAN also enquired about the progress of and timetables for the works to be undertaken under Phases 2 and 3.

64. In response, USTH and HCEO/CEDD advised that:

- (a) the Government had adopted the approach of "working on the easier tasks first and the more difficult ones later" in taking forward WCPHD, i.e. first developing Phase 1 of WCPHD to provide about 4 000 public housing units and then developing Phases 2 and 3 to provide about 13 000 public housing units, with a view to providing a total of 17 000 public housing units;

- (b) as regards the development of Phase 1, subject to funding approval by FC, the Government planned to commence site formation and infrastructure works in the second quarter of 2020, and estimated that the first batch of land would be handed over to the Hong Kong Housing Authority ("HA") in 2023 for public housing construction. The Government would discuss with contractors whether the works schedule could be further compressed with a view to expediting the progress of works without compromising safety and quality; and

- (c) as for the development of Phases 2 and 3, the Government wrote to FC on 6 December 2019, informing FC that the Site Formation and Infrastructural Works for Remaining Phases of Public Housing Developments at Wang Chau, Yuen Long - Feasibility Study had been substantially completed and the Civil Engineering and Development Department ("CEDD") had uploaded the related executive summary and final report onto its web page for public reference. The Government anticipated that rezoning and the related consultation work would commence in 2020 and CEDD would also expeditiously engage consultants to carry out investigation and design in respect of the remaining phases of WCPHD to map out the area to be demolished under the development project. According to CEDD's current projection, the related road works would be gazetted in 2021-2022 the earliest. The Lands Department ("LandsD") would, in tandem with the works schedule, conduct a pre-clearance survey (also known as "freezing survey") for affected residents in a timely manner in order to proceed with rehousing and compensation arrangements.

65. Mr LUK Chung-hung considered that due to the pressing housing demand in Hong Kong, the implementation of public housing development projects was of great urgency. He pointed out that the Administration planned to commence the proposed works in 2020, which would take about four years to complete. As the site formation and infrastructure works were expected to be completed in 2023 and 2024 respectively, and the expected completion date of WCPHD was 2026-2027, it meant that the public housing construction works would take about three years to complete. He enquired about the reasons why there was a significant difference between the time required for both works, and whether the Administration could commence the works in phases as soon as possible.

66. In response, USTH advised that the Government would bear the cost of site formation and infrastructure, etc., while HA would be responsible for public housing construction without having to apply for funding from LegCo. HCEO/CEDD supplemented that the proposed works involved site formation, road works and provision of infrastructural ancillary facilities. The Government would carry out site formation and infrastructure works in phases, kicking start the works on government land first, followed by the resumption and clearance of private land, which would then be handed over to contractors for construction. It was expected that the site would be progressively handed over to HA for public housing construction starting from 2022-2023 with a view to completing the project as soon as possible.

Consultants' fees, remuneration of resident site staff and contingencies

67. Pointing out that while the Administration had reduced the estimated project cost on account of the returned tender price being lower than the original estimate, the relevant consultants' fees and remuneration of resident site staff ("RSS") had remained unchanged, Mr Tony TSE enquired about the reasons for that. Mr LEUNG Che-cheung was of the view that on the assumption that the proposed works project would be completed within three years, the level of consultants' fees, which would stand at about \$4 million per year, was hefty. He enquired about the professional consultants who would be engaged to take charge of contract administration and management of RSS, as well as the uses of the contingencies of around \$160 million.

68. HCEO/CEDD explained that due to insufficient in-house resources, CEDD engaged consultants to undertake contract administration and site supervision of the proposed works project, as well as management of the daily work of RSS, such as Clerk of Works, draughtsmen, surveyors, etc.; while CEDD would monitor the work of the external consultants. Given that the relevant consultancy contracts had already been signed earlier, the consultants' fees could not be adjusted. He further said that the remuneration of RSS was calculated based on an established mechanism with reference to the pay levels of civil servants. The Government estimated that the proposed works would create 775 jobs, including professional or technical staff (such as engineers, surveyors, landscape architects, etc.). Since the number of RSS remained unchanged, no adjustment had been made to the estimated remuneration of RSS. He added that the level of contingencies had been adjusted in light of the reduction in the overall estimated project cost.

Cost of the road works

69. Referring to the Administration's plan to spend about \$200 million to construct an underpass of 20 m long and 15 m wide to facilitate grave-sweeping visits by residents, Mr Andrew WAN considered that the construction of the underpass at an average cost of \$10 million per metre long was not cost-effective for the above purpose. He enquired about the parties that had been consulted by the Administration, the number of villagers and ancestral graves affected, as well as the availability of alternatives to the construction of the underpass. Ms Claudia MO enquired about the cost and details of a footbridge across Long Ping Road under the proposed works project and how the Administration would phase the expenditure.

70. In response, HCEO/CEDD advised that:

- (a) the proposed underpass comprising a carriageway and footpaths was a section of a main access road to the entire housing development area, not merely serving as an access to the burial ground;
- (b) the proposed site platforms would be constructed at levels approximately between +6.0 m above Principal Datum ("mPD") and +16.0 mPD;
- (c) since the existing ground level at that location was about +20.0 mPD, the height difference between the existing ground level and the proposed carriageway and footpaths would exceed 10 m, and massive excavation would be required for constructing the section of carriageway and footpaths there;
- (d) due to site constraints, there was insufficient space for the construction of slopes on both sides of the proposed carriageway and footpaths, so vertical retaining structures must be constructed;
- (e) having regard to different factors, the Government considered that the design of a box-type reinforced concrete vehicular tunnel would be most suitable and cost-effective for the construction of the said section of carriageway and footpaths. Such a design could provide space for the construction of footpaths on the two sides as well as a footpath above the underpass for access to the permitted burial ground;

- (f) given that the returned tender price was lower than the original estimate, the cost of the proposed underpass had also been reduced by around \$100 million correspondingly;
- (g) the footbridge across Long Ping Road would be about 30 m long with a lift provided on each side. The total cost would be around several ten million dollars, which had been included in the cost of road works; and
- (h) the estimated expenditure by phases in money-of-the-day prices was derived on the basis of the Government's latest set of assumptions on the trend rate of change in the prices of public sector building and construction output for the period from 2020 to 2027, taking into account the inflation factor.

Consultation exercises

71. Mr CHU Hoi-dick expressed objection to this extremely controversial project, and considered that the proposed works were underpinned by an unfair urban planning system, in which "government-business-rural-triad collusion" was involved. He pointed out that the Government had proposed two options for the selection of site for WCPHD in 2015, but the southern site was finally selected for development, instead of the relatively larger brownfield site in the northern part of Wang Chau. This was because after conducting informal consultations with District Council members, rural representatives and brownfield operators, etc., the Government gave up the option of resuming a brownfield site, which would enable the construction of 13 000 public housing units. Instead, it chose to force the villagers residing on the southern site to move out, eventually victimizing the underprivileged residents.

72. Ms Claudia MO, Dr KWOK Ka-ki and Dr Fernando CHEUNG agreed that WCPHD involved "government-business-rural-triad collusion". Ms MO pointed out that despite Members' repeated requests made in accordance with the Code on Access to Information for disclosure of the report on planning and engineering study, the Administration still refused to make public part of the contents, thereby failing to mitigate public concerns. Dr KWOK and Dr CHEUNG criticized that the way in which WCPHD was implemented involved informal consultation process, which was tantamount to transferring interests to landowners and property developers, etc.

73. USTH clarified that according to HA's Report on Planning and Engineering study for the Public Housing Development and Yuen Long Industrial Estate Extension at Wang Chau, it was assumed at the beginning of the study that Phase 1 of WCPHD would be implemented together with Phases 2 and 3. Later, the content of the study had been adjusted to align with the Government's strategy, and the Government decided in early 2014 to take forward Phase 1 of WCPHD first. As regards Phases 2 and 3, the Administration expected to commence rezoning and the related consultation work in 2020 and map out the area to be demolished under the development project. He also pointed out that the Government had carried out extensive consultation work and the required statutory procedures in respect of the proposed works project, including consulting the Ping Shan Rural Committee and the Yuen Long District Council. The Ping Shan Outline Zoning Plan was also available for public inspection at the Town Planning Board. Members of the public therefore had channels and opportunities to express their views during the process. He stressed that the Government had all along respected and been willing to listen to the views of the public.

74. Mr LEUNG Yiu-chung said that WCPHD had aroused concerns in society and residents had expressed many opinions about the resumption arrangements. He pointed out that according to paragraph 11 in the Enclosure to FCR(2019-20)5A, among the 159 objections received by the Administration, 155 objectors maintained their objections in the end. He enquired about the contents of these 155 objections, the reasons why the objectors maintained their objections, and how the Administration had handled these objections. He also urged the Administration to improve the consultation work in the future.

75. In response, HCEO/CEDD advised that objectors could raise their objections within 60 days after the gazettal of the proposed works, and then the Government would meet with the objectors to explain the details of the project, compensation option(s) under the prevailing policy, etc. They could decide whether to withdraw their objections. If objectors did not withdraw their objections in the end, the Government would submit the objections and the correspondences with the objectors to the Chief Executive-in-Council for consideration. Chief Engineer (Housing Projects 2), Civil Engineering and Development Department supplemented that the contents of these objections mainly included objections to land resumption, dissatisfaction with the amounts of compensation, inadequate consultation, and objections raised against issues relating to traffic and environmental impacts, etc.

Compensation and rehousing arrangements

76. Mr LEUNG Yiu-chung and Ms Alice MAK enquired about the arrangements for and progress of rehousing the residents affected by the clearance exercises and granting ex-gratia allowances ("EGAs") for permitted occupiers of licensed structures and surveyed squatters. Chief Estate Surveyor (New Development Area), Lands Department ("CES(NDA)/LandsD") responded that:

- (a) the Government announced the enhanced ex-gratia compensation and rehousing package ("the new measure") in 2018. With respect to rehousing, in addition to retaining the "means-tested" rehousing option currently provided by HA to allow the affected eligible households to move into public rental housing ("PRH") units under HA, a "non-means-tested" rehousing option was introduced to rehouse the affected eligible households to dedicated rehousing estates developed and managed by the Hong Kong Housing Society ("HKHS"). Dedicated rehousing estates would provide rental and subsidized sale flat units for eligible households to choose from. During the transitional period before the dedicated rehousing estates were completed, HKHS and HA would make use of vacant units in their rental housing estates to offer one-off transitional arrangements for eligible households who selected the non-means-tested rehousing option. The new measure also relaxed the eligibility criteria and increased the amounts of ex-gratia compensations. For example, regarding EGAs for eligible households residing in squatters, the maximum amount could reach \$1.2 million calculated on the size cap of 100 sq m for an eligible structure. Besides, all households who had been registered in the freezing survey, irrespective of whether they were eligible for rehousing or compensation, were entitled to the enhanced Domestic Removal Allowance. The new measure was applicable to WCPHD;
- (b) currently, over 240 households (including household splitting cases) were affected by Phase 1 of WCPHD, and 68% of them were eligible to apply for rehousing or EGAs. Among these households, about 56% chose to apply for rehousing and about 12% chose to apply for EGAs;
- (c) among the affected households who were eligible to apply for rehousing, about 90% had been rehoused, while HA and

HKHS were proactively following up on the rehousing arrangements for the remaining 10-odd households; and

- (d) households who were not eligible to apply for rehousing and EGAs (80 households in total) were mainly current PRH households or owners of private properties or Home Ownership Scheme ("HOS") flats, or their occupied structures were illegal structures (i.e. the structures had not been registered in the 1982 Squatter Structure Survey and had not been licensed), and 13 such households had already moved out. The remaining 67 households could still apply for the enhanced Removal Allowance. LandsD had contacted these households and, if they had housing needs, their cases would be referred to SWD for follow-up. SWD would offer compassionate rehousing to them as far as possible and there were some successful cases.

77. Dr CHENG Chung-tai considered that the consultation work of the proposed project was quite controversial and the application procedures for rehousing and compensation were complicated. Some villagers had indicated that it was difficult for them to understand the relevant information. He urged the Administration to consider streamlining the relevant application procedures in future. In addition, he expressed doubts on the Government's local rehousing scheme. This was because districts in the New Territories (such as Tuen Mun district) covered vast areas, and the definition of local rehousing was overly broad-brush if residents rehoused to a housing estate at the far end of a district was also deemed as locally rehoused. He was of the view that the Government should avoid affecting the daily lives of local residents as far as possible during land development, including schooling and elderly care habits, etc. He requested the Administration to provide information on the locations where the villagers affected by the proposed works project were rehoused, which might serve as reference for affected residents in other new development areas ("NDAs") (such as NDAs in Northeast New Territories, Yuen Long South, Hung Shui Kiu, etc.) in future.

78. CES(NDA)/LandsD advised that in handling the rehousing applications of the residents affected, HA would try to allocate to them units within the districts concerned. Options of PRH units under HA available to eligible households affected by WCPHD were mainly located at Yuen Long, Tuen Mun and Tin Shui Wai. Most of the households had selected Long Shin Estate, Yuen Long and Yan Tin Estate, Tuen Mun and they were satisfied with the related arrangements. Eligible households who chose the non-means-tested rehousing option could also select vacant

units in rental estates under HKHS. HKHS would consider the wishes of applicants in respect of the allocation of flats (including districts) in the process. Furthermore, she advised that the Government had set up social worker teams in NDAs to provide assistance to the residents affected, including answering questions raised by residents on rehousing and compensation arrangements. The Government would, in due course, review the experience gained from the aforesaid work.

79. Dr Fernando CHEUNG considered that the compensation and rehousing principles adopted by the Administration were unacceptable. He pointed out that LandsD undertook in 2017 that no villagers in Wang Chau would be rendered homeless because of the development therein. In this connection, he considered that the reasonable approach was to adhere to the "rehousing before clearance" principle. However, at present, about 60 households were not eligible to apply for rehousing and compensation. Among them, some residents might have purchased HOS flats and later sold the flats owing to financial problems, etc. Now, they were forced to move out of their squatters and became homeless. Dr CHEUNG enquired whether the Administration could adopt a more flexible approach and exercise discretion in offering rehousing or compensation for these households.

80. CES(NDA)/LandsD further explained that among the 67 households who were not eligible for rehousing, 37 households were PRH residents or owners of HOS flats/Tenant Purchase Scheme flats/private properties, while 26 households were residing in illegal structures. Regarding the four households who were ineligible for rehousing as they had previously enjoyed housing benefits, the Government had already asked if they had any housing or other needs with a view to providing assistance to them as far as possible. She added that for the affected households who had previously enjoyed housing benefits, HA and HKHS had established policies to deal with some exceptional cases, including cases in which applicants had special needs due to personal or family problems such as bankruptcy, financial hardship, adverse changes to family circumstances (such as divorce, death of bread-winner, etc.), cases in which a significant drop in household income had made it difficult for the households to repay mortgage loans, thereby being unable to continue to own subsidized housing, and cases in which household members were beset with medical or personal problems, etc. She stressed that the Administration noted the opinions made by members, and all departments concerned would closely cooperate and continue to adopt a "people-oriented" principle to handle the rehousing matters according to prevailing policies. In fact, there were some successful cases of compassionate rehousing.

[A few observers yelled in the public gallery. The Deputy Chairman asked them to keep quiet and gave them oral warnings, but these people ignored his warning and continued yelling. At 5:30 pm, the Deputy Chairman ordered them to leave the public gallery.]

81. Mr CHU Hoi-dick pointed out that the Government demolished Choi Yuen Tsuen for the construction of the Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link some years ago and some residents had to temporarily reside in temporary housing erected by the MTR Corporation Limited for more than four years before their new homes were completed and ready for intake. He was worried that the Administration would begin the demolition work immediately after FC approved this funding proposal, rendering some residents homeless before the completion of their new homes. Mr CHU and Ms Alice MAK enquired about the arrangements made for the farmers affected, as well as the proportion of villagers applying for agricultural resite among the 68% of villagers eligible for rehousing and EGAs, and whether any of these farmers had applied under the special agricultural land rehabilitation scheme ("SALRS").

82. In response, CES(NDA)/LandsD advised that:

- (a) to assist farmers affected by NDAs and other development projects in rehabilitation, the Government established SALRS under which the Government would proactively identify government land and private landowners who were willing to sell or lease their land for agricultural rehabilitation, and would carry out matching with the farmers affected. No household affected by Phase 1 of WCPHD had applied under SALRS;
- (b) in addition, for farmers affected by government works, if they lived in a surveyed squatter or a licensed structure that was affected by the works and had to be demolished, they could apply for agricultural resite with LandsD in respect of their structures affected, so that they could build a house and continue farming on private agricultural land they had secured elsewhere. When processing agricultural resite applications, LandsD would consult the Agriculture, Fisheries and Conservation Department ("AFCD") and relevant departments. After confirming the applicants' eligibility and feasibility of their farming proposals, LandsD would consider issuing the

landowners a short-term waiver, allowing the construction of a domestic structure of prescribed dimensions (consisting of two storeys, with a maximum height of 5.18 m/17 feet, and a maximum roofed-over area of 37.16 sq m/400 sq feet) on the private agricultural land. Farmers with agricultural resite applications approved were not entitled to any other rehousing arrangements. For Phase 1 of WCPHD, the Administration were currently processing 27 applications received for agricultural resite;

- (c) regarding the 27 applications, LandsD had given notices to four applicants who fulfilled the farmers' requirements and farming scale set by AFCD, and had requested the applicants to submit their proposals on continuing farming operations. One of the applicants had submitted the proposal on continuing farming operations, which was accepted by AFCD; and LandsD was processing the application for a short-term waiver to allow the construction of a domestic structure on the private agricultural land identified. As for the remaining applications, according to the information submitted by applicants, it was very likely that most of the cases also fulfilled the requirements of farming scale. LandsD was currently communicating with the applicants concerned and asking them to provide further information. Some applicants had to provide supplementary information to prove that they resided in surveyed squatters at the time of the freezing survey for verification and further processing of their applications; and
- (d) although farmers with agricultural resite applications approved were not entitled to other rehousing arrangements, they might still apply for EGAs if eligible. According to the existing information, among the 27 agricultural resite applications, about 13 applicants were PRH residents or residential property owners. The Government understood the concerns raised by members and residents and would process the agricultural resite applications as soon as possible. Should residents have any housing needs, the Government would coordinate with the Housing Department and SWD with a view to providing them with support.

Pre-clearance survey

83. Mr WU Chi-wai said that the purpose of freezing survey was to collect data on and register the structures that might be affected by the development plan within the boundary of an NDA as well as their occupation status to help the Administration grasp the actual economic activities and living conditions. When the need for demolition was confirmed in the future, the data on households and business operators collected from the freezing survey would be used for verifying the eligibility of the households concerned in respect of rehousing and EGAs, so as to make reasonable arrangements for rehousing and resumption of economic activities. Mr WU, Dr KWOK Ka-ki and Dr Fernando CHEUNG enquired whether the Administration had conducted/would conduct an early registration/freezing survey on brownfield sites to prevent landowners from deliberately transforming their land to brownfield sites after knowing that their land might be included in a development project, with a view to obtaining more favourable compensation packages in the future; and if it had not done so/would not do so, the reasons for that.

84. Given that many pieces of government land in Wang Chau that were leased out under short-term tenancies were used for economic activities such as container yards, Mr WU Chi-wai also enquired about the number of tenancies involved and their expiry dates, as well as whether the Administration would consider resuming the land as soon as possible to minimize the resistance to future development and use the land for construction of transitional housing, so as to fully utilize the land.

85. CES(NDA)/LandsD replied that freezing surveys for development projects aimed to collect data on the existing structures within the development areas and their occupation status to form a basis for assessing the eligibility for rehousing or EGAs in the future. Freezing surveys had nothing to do with the compensation for land to be offered to landowners in future land resumption exercises. Regarding Phase 1 of WCPHD, in light of development timetable, LandsD conducted a freezing survey on the land involved in the development plan in 2015. As for Phases 2 and 3, the Administration would, in the first place, commence rezoning and relevant consultation work, and would conduct a freezing survey as early as possible after mapping out the area to be demolished under the development project.

86. Given that the Government had announced its plan to take forward Phases 2 and 3 of WCPHD and it was expected that the works would commence in 2027 and be completed in 2033, Mr WU Chi-wai considered that if a freezing survey was not conducted as early as possible, some

people not living in the area to be demolished might move into the area during this period for the sake of obtaining rehousing or compensation.

87. CES(NDA)/LandsD advised that under the new measure announced by the Development Bureau in May 2018, affected households must have been residing in surveyed squatters/licensed structures continuously for at least two years or seven years immediately preceding the date of freezing survey in order to be eligible for the means-tested or non-means-tested rehousing arrangements or EGAs. In addition, households residing in surveyed/licensed non-domestic structures must have been residing in the structures/squatters concerned since 10 May 2016 or before and must have been registered under the one-off Squatter Occupants Voluntary Registration Scheme conducted by LandsD and fulfilled the requirements set out in the registration in order to be eligible for EGAs or rehousing arrangements. In general, freezing surveys would be conducted in a timely manner after the confirmation of land use, development area and implementation timetable. As for the development of Phases 2 and 3 of WCPHD, the Government would commence rezoning and relevant consultation work to map out the development area, and timely arrangements would be made to conduct freezing surveys for the development area.

Ex-gratia allowances

88. Ms Tanya CHAN enquired about the reasons why the number of claims for EGAs for Tun Fu ceremonial fees ("Tun Fu fees") had dropped from four cases in May 2019 (as set out in LC Paper No. FC188/18-19(01)) to three cases in January 2020 (as set out in LC Paper No. FC83/19-20(02)).

89. In response, CES(NDA)/LandsD advised that all claims for Tun Fu fees must be fully justified and a list of itemized costs incurred by Tun Fu ceremonies must be submitted by claimants for consideration by the Administration. In determining the amount of Tun Fu payment, the Administration would take into account various factors, such as the distance between the locations of the construction site and the villages or sites where fung shui was allegedly affected, etc. Each village could only submit one claim for Tun Fu fees in respect of each public works project. Regarding the proposed works project, as one of the claims was rejected with the claimant concerned failing to provide sufficient justifications, there remained only three claims awaiting processing.

90. Regarding other EGAs of about \$14 million as set out in the Enclosure to FCR(2019-20)5A, Mr Jeremy TAM enquired whether other

EGAs consisted of all items set out in the bracket, as well as the respective numbers of shops, workshops, godowns, slipways, schools, churches and ornamental fish breeding undertakings within the area covered by Phase 1 of WCPHD.

91. In response, CES(NDA)/LandsD advised that the Government would estimate the cost of each EGA in projecting the cost for land clearance. Phase 1 of WCPHD mainly involved allowances for agriculture and clearance of graves, such as crop compensation, disturbance allowance for cultivators, EGA for miscellaneous permanent improvements to farms as well as EGA for clearance of graves, urns ("Kam Taps") and shrines. As regards "EGAs for shops, workshops, godowns, slipways, schools, churches and ornamental fish breeding undertakings", it was a generalized term with no implication that all types of facilities were found in the area. Under Phase 1 of WCPHD, there were at present a total of three claims for EGAs for shops, workshops and open-air/outdoor business undertakings, and the eligibility of claimants had been verified.

92. Ms Tanya CHAN and Mr Jeremy TAM requested the provision of the following supplementary information by the Administration:

- (a) (i) the mechanism adopted by the Administration in vetting and approving claims for Tun Fu fees and the consideration factors in verifying the eligibility of claims and determining the level of EGAs granted; (ii) the details of revisions, if any, that had been made to the aforesaid mechanism and the consideration factors in the past decade; and (iii) a summary of the three claims for Tun Fu fees as mentioned in LC Paper No. FC83/19-20(02); and
- (b) a breakdown of the estimated cost for each category of EGAs listed in Enclosure 3 to FCR(2019-20)5A and the claim cases involved.

[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC126/19-20(01) on 12 March 2020.]

Important trees affected

93. Ms Tanya CHAN pointed out that a summary of three affected important trees that were recommended to be felled was listed in Enclosure 4 to FCR(2019-20)5A, including a *Dimocarpus Longan* and a

Celtis Sinensis that were not suitable for transplanting due to large size and an Aquilaria Sinensis that was protected under the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586). She enquired about the locations of these three important trees and whether alternative remedial actions could be taken, such as revising the construction plans or the planning in order to retain the three important trees. Mr Jeremy TAM raised a similar question and was concerned that if the Administration made public the locations of the important trees in a paper, the risk of illegal tree felling would be increased. He also enquired how the Administration had disposed of important Aquilaria Sinensis felled in the course of construction works in the past, including whether they would sell them out by means of auction, dispose of them in landfills or deliver them to timber factories for use as raw materials.

94. In response, HCEO/CEDD advised that according to the post-assessment comments made by tree experts, the aforesaid three trees were leaning with poor health and structural conditions. In addition, as the trees were located in the middle of the proposed construction site and carriageway, it was not suitable to retain them in-situ or transplant them to other places. If there were no other suitable uses, the three trees would be delivered to landfills for disposal after being felled. He supplemented that it was a common practice for the Government to only indicate the approximate locations of important trees when providing relevant information. Trees of rare species and with good forms would be transplanted as far as practicable. In previous public works projects, if a large quantity of trees were felled, the Government had provided shredded trees to the Leisure and Cultural Services Department or AFCDD for recycling where appropriate.

95. Given that the removal of the three important trees was considered necessary, Mr LEUNG Che-cheung enquired whether the Administration would consider replanting the three species of trees in the development area. HCEO/CEDD responded that the proposed works would involve the removal of approximately 1 000 trees and the Administration would incorporate planting proposals as part of the proposed works. It was estimated that about 1 057 trees and 15 300 shrubs would be planted. Noting the views of members, he said that tree experts would, having regard to local environment, consider whether it would be suitable to replant the three original species of trees.

96. Ms Tanya CHAN and Mr Jeremy TAM requested the Administration to provide supplementary information on the reasons why other than the removal of the three trees, no alternatives were available. The authorities should avoid directly or indirectly disclosing the exact

locations of the three trees when providing the aforesaid information in order to prevent illegal tree felling.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC126/19-20(01) on 12 March 2020.]

97. The Deputy Chairman advised that as members still had questions on the item, he would defer the discussion of the item to the next meeting.

98. The meeting ended at 7:04 pm.

Legislative Council Secretariat
10 September 2020