

**立法會**  
**Legislative Council**

LC Paper No. FC85/20-21  
(These minutes have been  
seen by the Administration)

Ref : FC/1/1(33)

**Finance Committee of the Legislative Council**

**Minutes of the 34<sup>th</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 26 June 2020, from 9:03 am to 12:46 pm; and**  
**from 3:10 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  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon Mrs Regina IP LAU Suk-ye, 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-kiwok, SBS, MH, JP  
Hon CHUNG Kwok-pan  
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 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 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

**Member absent:**

Hon CHEUNG Kwok-kwan, JP

**Public officers attending:**

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)
Ms Bernadette LINN Hon-ho, JP	Permanent Secretary for Development (Planning and Lands)
Mr David LAM Chi-man	Principal Assistant Secretary for Development (Planning and Lands) 5
Mr Andy LAM Siu-hong	Principal Assistant Secretary for Transport and Housing (Transport) 3
Mr Ricky LAU Chun-kit, JP	Director of Civil Engineering and Development
Ms Joyce LAU Yiu-yan	Deputy Project Manager (West), Civil Engineering and Development Department
Mr CHUNG Lok-chin	Chief Engineer (West 3), Civil Engineering and Development Department
Mr CHAN Tze-ho	Coordinator (Special Duties) (West Development Office), Civil Engineering and Development Department
Ms Lily CHIU Lee-lee	Chief Estate Surveyor (New Development Area Section), Lands Department
Dr CHUI Tak-yi, JP	Under Secretary for Food and Health
Mr Chris FUNG Pan-chung	Principal Assistant Secretary for Food and Health (Health) 3
Mr Derek LAI Chi-kin	Principal Assistant Secretary for Education (Higher Education)

Mr Louis LEUNG Sze-ho	Deputy Secretary-General (1), University Grants Committee Secretariat
Mr Stephen IP Shing-tak	Chief Technical Adviser (Subvented Projects), Architectural Services Department
Mr TSE Chin-wan, BBS, JP Mr Paul WONG Yan-yin	Under Secretary for the Environment Principal Assistant Secretary for the Environment (Energy)
Mr PANG Yiu-hung, JP	Acting Director of Electrical and Mechanical Services
Mr Raymond POON Kwok-ying	Acting Deputy Director of Electrical and Mechanical Services (Regulatory Services)
Mr LO Kam-cheung	Chief Engineer (Energy Efficiency B), Electrical and Mechanical Services Department
Mr Raymond CHENG Nim-tai	Head (Airport Expansion Project Coordination Office), Transport and Housing Bureau
Ms Alice YEUNG Lai-shan	Principal Assistant Secretary for Transport and Housing (Airport Expansion Project Coordination Office)
Mr Kelvin NG Wai-yip	Chief Assistant Secretary (Airport Expansion Project Coordination Office), Transport and Housing Bureau
Miss LAU Sum-yee	Assistant Director of the Hong Kong Observatory (Aviation Weather Services)
Miss TSE Shuk-mei	Acting Senior Scientific Officer (Three Runway System Project), Hong Kong Observatory
Mr LI Luen-on	Principal Experimental Officer (Special Duty), Hong Kong Observatory

**Other persons attending:**

Prof Rossa CHIU Wa-kwun	Associate Dean (Development), Faculty of Medicine, The Chinese University of Hong Kong
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Mr FUNG Siu-man	Director (Campus Development Office), The Chinese University of Hong Kong
Ms Nowell WONG Chak-hung	Director (Resources Management and Development Planning Office)(Faculty of Medicine), The Chinese University of Hong Kong
Mr Simon LEE Wing-kong	Director of Security and Transport, The Chinese University of Hong Kong
Prof CHAN Ying-shing	Associate Dean (Development and Infrastructure), LKS Faculty of Medicine, The University of Hong Kong
Mr Jason LUK Chi-sau	Assistant Director (Estates Office), The University of Hong Kong
Mr Ernest YUEN Chung-ming	Head of IT and Technology, LKS Faculty of Medicine, The University of Hong Kong
Prof David SHUM	Yeung Tsang Wing Yee and Tsang Wing Hing Professor in Neuropsychology, Chair Professor of Neuropsychology, Dean of Faculty of Health and Social Sciences, The Hong Kong Polytechnic University
Prof Hector TSANG	Cally Kwong Mei Wan Professor in Psychosocial Health, Chair Professor of Rehabilitation Sciences and Head, The Hong Kong Polytechnic University
Prof Carly LAM	Interim Head (School of Optometry), The Hong Kong Polytechnic University
Mr Daniel SUEN	Director of Campus Development Office, The Hong Kong Polytechnic University
Mr Ben LAU	Associate Director of Campus Development Office, The Hong Kong Polytechnic University
Mr Antony MAN	Senior Project Manager of Campus Development Office, The Hong Kong Polytechnic University
Mr James LEUNG	Senior Associate, Andrew Lee King Fun and Associates Architects Limited

**Clerk in attendance:**

Ms Anita SIT

Assistant Secretary General 1

**Staff in attendance:**

Ms Angel SHEK

Chief Council Secretary(1)1

Miss Bowie LAM

Council Secretary (1)1

Miss Queenie LAM

Senior Legislative Assistant (1)2

Mr Frankie WOO

Senior Legislative Assistant (1)3

Miss Mandy POON

Legislative Assistant (1)1

Miss Yannes HO

Legislative Assistant (1)7

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Action

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

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

**Item 1 —FCR(2020-21)22**

**RECOMMENDATION OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 1 JUNE 2019**

**PWSC(2019-20)4**

**HEAD 706 —HIGHWAYS**

**Transport —Roads**

**832TH —Retrofitting of noise barriers on Long Tin Road**

3. The Deputy Chairman advised that this item sought the approval of the Finance Committee ("FC") for the recommendation made by the Public Works Subcommittee ("PWSC") at its meeting held on 1 June 2019 regarding PWSC(2019-20)4, i.e. upgrading **832TH**, entitled "Retrofitting of noise barriers on Long Tin Road", to Category A at an estimated cost of \$304.0 million in money-of-the-day ("MOD") prices. He pointed out that no request for separate voting on the recommendation at the FC meeting was made by members.

4. Mr Michael TIEN said that residents of the road section concerned in Yuen Long district had made as early as in 2013 their request for

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retrofitting noise barriers, and the Administration indicated at the relevant case conference held in June 2018 that the relevant works was expected to commence in 2020 (instead of 2019 as stated in the Administration's paper) for completion in 2023. He was pleased to note that the Administration could honour its undertaking.

5. Mr LEUNG Che-cheung said that a number of roads in Hong Kong met the requirement for retrofitting noise barriers (i.e. with a traffic noise level exceeding 70 dB(A)). However, the retrofitting of noise barriers for the roads concerned was prioritized and carried out in phases on grounds of insufficient financial resources. He urged the Administration to review the relevant policies, so to expedite the retrofitting of noise barriers for the remaining roads.

6. Permanent Secretary for Financial Services and the Treasury (Treasury) ("PS(Tsy)") said that Mr LEUNG Che-cheung's views would be relayed to the relevant bureaux. She explained that the financial arrangements of the Government were driven by policies. In the resource allocation exercise for each financial year, each bureau would prioritize the items that required resources. She stressed that the current-term Government had never procrastinated public works projects relating to people's livelihood on financial grounds.

Voting on FCR(2020-21)22

7. At 9:11 am, the Deputy Chairman put the item FCR(2020-21)22 to vote. At the request of members, the Deputy Chairman ordered a division. The Deputy Chairman declared that 19 members voted in favour of the item, while no member voted against the item and abstained from voting. The votes of individual members were as follows:

*For:*

Mr Jeffrey LAM Kin-fung	Mr WONG Kwok-kin
Mr Paul TSE Wai-chun	Mr Michael TIEN Puk-sun
Mr WU Chi-wai	Mr LEUNG Che-cheung
Mr KWOK Wai-keung	Mr Christopher CHEUNG Wah-fung
Dr Fernando CHEUNG Chiu-hung	Mr POON Siu-ping
Mr Holden CHOW Ho-ding	Mr SHIU Ka-fai
Mr SHIU Ka-chun	Ms Tanya CHAN
Dr CHENG Chung-tai	Mr Jeremy TAM Man-ho
Mr Vincent CHENG Wing-shun	Mr Tony TSE Wai-chuen
Ms CHAN Hoi-yan	

(19 members)

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8. The Deputy Chairman declared that the item was approved.

**Item 2 — FCR(2020-21)23**

**RECOMMENDATION OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 1 JUNE 2020**

**PWSC(2020-21)3**

**HEAD 708 — CAPITAL SUBVENTIONS AND MAJOR SYSTEMS  
AND EQUIPMENT**

**Medical Subventions**

**4MJ — Expansion of United Christian Hospital**

**3MP — Redevelopment of Grantham Hospital, phase 1**

**HEAD 703 — BUILDINGS**

**Health — Hospitals**

**74MM — Community health centre cum social welfare facilities at  
Pak Wo Road, North District**

**85MM — Hospital Authority Supporting Services Centre**

9. The Deputy Chairman advised that this item sought the approval of FC for the following recommendations made by PWSC at its meeting held on 1 June 2020 regarding PWSC(2020-21)3:

- (a) upgrading **4MJ**, entitled "Expansion of United Christian Hospital", to Category A at an estimated cost of \$16,214.1 million in MOD prices;
- (b) upgrading part of **3MP** (i.e. "Redevelopment of Grantham Hospital, phase 1") as **5MP**, entitled "Redevelopment of Grantham Hospital, phase 1 – demolition, site formation and foundation works", to Category A at an estimated cost of \$1,181.9 million in MOD prices;
- (c) upgrading **74MM**, entitled "Community health centre cum social welfare facilities at Pak Wo Road, North District", to Category A at an estimated cost of \$1,780.4 million in MOD prices; and
- (d) upgrading **85MM**, entitled "Hospital Authority Supporting Services Centre" ("HASSC"), to Category A at an estimated cost of \$3,788.0 million in MOD prices.



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He pointed out that no request for separate voting on the recommendations at the FC meeting was made by members.

10. The Deputy Chairman declared that he was an advisor of the Bank of China (Hong Kong) Limited. Ir Dr LO Wai-kwok declared that he was a member of the Hospital Authority.

11. Mr Jeremy TAM expressed reservation about **85MM**. He pointed out that HASSC was remote, and he had suggested that the Administration construct an additional floor for HASSC and a carpark on the ground floor of HASSC, so that the area of the carpark at the future North Lantau Hospital extension could be reduced and more wards could be provided at the extension. However, the Administration rejected his suggestion on the ground that the relevant development parameters (including plot ratio and building height restriction) had been fully utilized under the current design proposal. He enquired whether the project could be voted on separately.

12. PS(Tsy) replied that as no representative from the relevant departments had attended the meeting, she was not authorized to respond to Mr Jeremy TAM's request on behalf of such departments. She pointed out that there had been precedent cases where decisions were made at the FC meetings for separate voting on individual public works projects. The Government would respect the decision made by the Deputy Chairman in response to Mr Jeremy TAM's request.

Voting on FCR(2020-21)23

13. At 9:21 am, the Deputy Chairman split item FCR(2020-21)23 into two parts for separate voting.

(a) *Upgrading 4MJ to Category A at an estimated cost of \$16,214.1 million in MOD prices;*

(b) *Upgrading part of 3MP, entitled "Redevelopment of Grantham Hospital, phase 1 – demolition, site formation and foundation works", to Category A at an estimated cost of \$1,181.9 million in MOD prices; and*

(c) *Upgrading 74MM to Category A at an estimated cost of \$1,780.4 million in MOD prices*

14. The Deputy Chairman put this part of the proposal to vote first.

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The Deputy Chairman declared that the majority of members present and voting were in favour of this part of the proposal. This part of the proposal was approved.

(d) *upgrading 85MM to Category A at an estimated cost of \$3,788.0 million in MOD prices*

15. The Deputy Chairman then put this part of the proposal to vote. At the request of members, the Deputy Chairman ordered a division. The Deputy Chairman declared that 26 members voted in favour of this part of the proposal, while no member voted against this part of the proposal and abstained from voting. The votes of individual members were as follows:

*For:*

Mr Tommy CHEUNG Yu-yan	Mr Jeffrey LAM Kin-fung
Mrs Regina IP LAU Suk-ye	Mr Paul TSE Wai-chun
Mr Michael TIEN Puk-sun	Mr Frankie YICK Chi-ming
Mr WU Chi-wai	Mr MA Fung-kwok
Mr CHAN Chi-chuen	Mr LEUNG Che-cheung
Mr KWOK Wai-keung	Mr Christopher CHEUNG Wah-fung
Dr Fernando CHEUNG Chiu-hung	Mr Martin LIAO Cheung-kong
Mr POON Siu-ping	Ir Dr LO Wai-kwok
Mr CHU Hoi-dick	Mr Holden CHOW Ho-ding
Mr SHIU Ka-chun	Ms Tanya CHAN
Mr LUK Chung-hung	Dr CHENG Chung-tai
Mr Jeremy TAM Man-ho	Mr Vincent CHENG Wing-shun
Mr Tony TSE Wai-chuen	Ms CHAN Hoi-yan

(26 members)

16. The Deputy Chairman declared that this part of the proposal was approved.

**Item 3 — FCR(2020-21)24**

**RECOMMENDATION OF THE ESTABLISHMENT  
SUBCOMMITTEE MADE ON 3 JUNE 2020**

**EC(2020-21)1**

**HEAD 139 — GOVERNMENT SECRETARIAT : FOOD AND  
HEALTH BUREAU (FOOD BRANCH)**

**Subhead 000 Operational expenses**

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17. The Deputy Chairman advised that this item sought the approval of FC for the recommendation made by the Establishment Subcommittee at its meeting held on 3 June 2020 regarding EC(2020-21)1, i.e. retaining a Senior Principal Executive Officer (D2) post in the Food and Health Bureau (Food Branch), with effect from 24 May 2020, or upon approval of FC, whichever was later, for a period of five years to monitor the work on food safety and continue to cope with the complex and challenging food safety policy issues by implementing new initiatives to safeguard food safety. He pointed out that no request for separate voting on the recommendation at the FC meeting was made by members.

Voting on FCR(2020-21)24

18. At 9:28 am, the Deputy Chairman put the item FCR(2020-21)24 to vote. At the request of members, the Deputy Chairman ordered a division. The Deputy Chairman declared that 24 members voted in favour of and 6 members voted against the item, and no member abstained from voting. The votes of individual members were as follows:

*For:*

Mr LEUNG Yiu-chung	Mr Tommy CHEUNG Yu-yan
Mr Jeffrey LAM Kin-fung	Mr WONG Ting-kwong
Mr WONG Kwok-kin	Mrs Regina IP LAU Suk-ye
Mr Paul TSE Wai-chun	Mr Michael TIEN Puk-sun
Mr Frankie YICK Chi-ming	Mr MA Fung-kwok
Mr CHAN Chi-chuen	Mr LEUNG Che-cheung
Mr KWOK Wai-keung	Mr Christopher CHEUNG Wah-fung
Mr Martin LIAO Cheung-kong	Mr POON Siu-ping
Ir Dr LO Wai-kwok	Mr Holden CHOW Ho-ding
Mr LUK Chung-hung	Mr Kenneth LAU Ip-keung
Dr CHENG Chung-tai	Mr Vincent CHENG Wing-shun
Mr Tony TSE Wai-chuen	Ms CHAN Hoi-yan

(24 members)

*Against:*

Mr WU Chi-wai	Dr Fernando CHEUNG Chiu-hung
Mr Alvin YEUNG	Mr SHIU Ka-chun
Ms Tanya CHAN	Mr Jeremy TAM Man-ho

(6 members)

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**Item 4 — FCR(2020-21)19  
RECOMMENDATION OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 11 MAY 2020**

**PWSC(2019-20)24**

**HEAD 707 — NEW TOWNS AND URBAN AREA  
DEVELOPMENT**

**Civil Engineering — Land Development**

**787CL — Hung Shui Kiu/Ha Tsuen New Development  
Area advance works — site formation and  
engineering infrastructure**

**796CL — Hung Shui Kiu/Ha Tsuen New Development  
Area stage 1 works — site formation and  
engineering infrastructure**

**829CL — Hung Shui Kiu/Ha Tsuen New Development  
Area stage 2 works — site formation and  
engineering infrastructure**

**HEAD 701 — LAND ACQUISITION**

**Civil Engineering — Land Acquisition**

**38CA — Special Ex-gratia Cash Allowance for the First  
Phase development for the Hung Shui Kiu/Ha  
Tsuen New Development Area**

19. The Deputy Chairman advised that this item sought the approval of FC for the following recommendations made by PWSC at its meeting held on 11 May 2020 regarding PWSC(2019-20)24:

- (a) the upgrading of part of **787CL** as **845CL**, entitled "Hung Shui Kiu/Ha Tsuen New Development Area advance works phases 1 & 2 — site formation and engineering infrastructure and phase 3 — detailed design and site investigation", to Category A at an estimated cost of \$495.9 million in MOD prices; the retention of the remainder of **787CL** in Category B;
- (b) the upgrading of **796CL** (Hung Shui Kiu/Ha Tsuen New Development Area stage 1 works — site formation and infrastructure) to Category A at an estimated cost of \$1,351.2 million in MOD prices;

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- (c) the upgrading of part of **829CL** as **846CL**, entitled "Hung Shui Kiu/Ha Tsuen New Development Area stage 2 works — detailed design and site investigation", to Category A at an estimated cost of \$395.6 million in MOD prices; the retention of the remainders of **829CL** in Category B; and
- (d) the allocation of an estimated total cost of \$2.4 million for Subhead **38CA** (Special Ex-gratia Cash Allowance for the First Phase development for the Hung Shui Kiu/Ha Tsuen New Development Area) under Head 701 – Land Acquisition.

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

Hung Shui Kiu/Ha Tsuen New Development Area project

*Overall planning*

21. Dr KWOK Ka-ki said that certain developers/organizations obtained benefits through various means (e.g. land exchange projects) in some New Development Area ("NDA") projects in the past. He was concerned whether there was any suspected transfer of benefits in planning the prime sites (i.e. sites near Tin Shui Wai ("TSW") and Hung Shui Kiu ("HSK") West Rail Stations) in the Hung Shui Kiu/Ha Tsuen New Development Area ("HSK/HT NDA") as commercial and private housing sites, and criticized the remote location planned for public housing in the NDA.

22. Permanent Secretary (Planning and Lands), Development Bureau ("PS(P&L)/DEVB") advised that HSK/HT NDA had two main development nodes ("DNs"), which were located respectively in TSW West Rail Station and the proposed HSK West Rail Station and its neighbourhood. The two DNs were primarily planned for commercial and residential-cum-commercial development, with a view to developing the NDA into a Regional Economic and Civic Hub for the North West New Territories ("NWNT"). She also advised that the public housing would not be distant from the two DNs.

23. Dr KWOK Ka-ki opined that the enactment of the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region and consequential sanctions possibly imposed by foreign countries might deal a severe blow to Hong Kong's economy. He was concerned whether this had been taken into account in

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the planning of HSK/HT NDA. Dr KWOK also queried that the NDA might not be able to become a core business district, and called on the Administration to increase the share of public housing.

24. PS(P&L)/DEVB advised that the planning vision of HSK/HT NDA was to serve as a Regional Economic and Civic Hub for NWNT, instead of a territory-wide core business district. She also pointed out that the NDA would be a multi-year project, of which the development should not be affected by any short-term economic fluctuations.

*Heritage Conservation*

25. Referring to Enclosure 8 to PWSC(2019-20)24, Ms Tanya CHAN said that two important trees (i.e. *Ficus virens* and *Aquilaria sinensis*) would be affected by the works. Although the health conditions of the two trees were both fair, the Administration only planned to transplant the *Aquilaria sinensis*, while the *Ficus virens* would be felled. She enquired about the Administration's criteria for handling trees. Ms CHAN also called on the Administration to retain or transplant trees as far as possible and to compile clear guidelines for various departments.

26. The Director of Civil Engineering and Development ("DCED") responded that the Government's practice was to retain or transplant trees as far as possible, and trees would only be felled when conditions did not permit. The Administration decided to fell the *Ficus virens* because of its low survival rate, and the *Aquilaria sinensis*, being a rare species, would be transplanted.

27. Ms Tanya CHAN noted that works for the Second Phase development would affect two sites of archaeological interests identified by the Antiquities and Monuments Office ("AMO") at Tseung Kong Wai and Tung Tau Tsuen, and that the Administration would conduct an Archaeological Impact Assessment before commencing site investigation works. She enquired about the specific conservation work. Ms CHAN urged the Administration to conduct the Archaeological Impact Assessment prudently lest the archaeological relics would be damaged by the works.

28. Principal Assistant Secretary for Development (Planning and Lands)5 advised that the HSK/HT NDA works would avoid affecting declared monuments and graded historic buildings. Relevant works departments would liaise closely with AMO and conduct investigations and surveys to reduce the impact on archaeological relics, and would consider relocating these archaeological features when necessary.

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*Social welfare facilities*

29. Dr Fernando CHEUNG said that, according to prediction based on the population projections of the Census and Statistics Department ("C&SD") and the elderly hospitalization rate in Hong Kong (about 6%-7%), the demand for Residential Care Home for Elderly ("RCHE") places in HSK/HT NDA would be around 2 485, yet the supplementary information provided by the Administration (i.e. LC Paper No. PWSC174/19-20(01)) indicated that only around 860 RCHE places would be available in the NDA. He was concerned about a severe shortage in RCHE places and enquired about the data which formed the basis for the calculation of demand. Dr CHEUNG also said that the elderly and disabled had acute demands for hospitalization and community care, and enquired about whether the planning of the NDA had considered their needs. He reminded the Administration that relevant data (including C&SD's population projections) should be used to predict the actual social welfare demand in the NDA.

30. PS(P&L)/DEVB advised that the NDA reserved more than 30 hectares ("ha") of land for "Government, Institution or Community" ("GIC") sites. Since the whole HSK/HT NDA project would span nearly two decades, the Government would thoroughly consider how to optimize the use of these sites in due course in order to provide sufficient social welfare facilities and services to fulfill related demands. If necessary, GIC sites in nearby areas would also be used for these purposes. She also advised that LC Paper No. PWSC174/19-20(01) was meant to indicate the number of RCHE places required to be provided in the NDA in accordance with the Hong Kong Planning Standards and Guidelines. The figure did not reflect the actual number of places to be provided in the NDA in future.

31. Dr Fernando CHEUNG said that even though HSK/HT NDA reserved more than 30 ha of land for GIC sites, he was concerned whether the NDA could provide sufficient social welfare facilities and enquired whether the NDA had adopted an innovative planning approach with regard to Hong Kong's social development (especially population aging). Dr CHEUNG stressed that the Administration should address the shortage of land for social welfare facilities.

32. PS(P&L)/DEVB responded that, in respect of overall land planning, the Government adopted usual planning approach for NDAs and reserved general GIC sites according to population projections. The departments concerned would determine the specific social welfare facilities based on

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the needs of NDAs later on. PS(P&L)/DEVB advised that in recent years the Government had enhanced the "single site, multiple uses" model in development to optimize the use of GIC sites.

*Other issues*

33. Dr CHENG Chung-tai noted that a topic covered by the studies for the works for the Second Phase development was exploring the use of common utility tunnels ("CUT"). He pointed out that Report No. 70 of the Director of Audit set out a number of criticisms and recommendations on the Government's planning and use of CUT, including a lack of consultation, evaluation and communication among relevant departments in the planning of CUT. He enquired whether the Administration had followed up on the criticisms and recommendations concerned.

34. DCED responded that the Highways Department recently completed a research report on CUT and made numerous recommendations. The Government considered it high time to study the use of CUT in the NDA.

35. Mr WU Chi-wai noted that HSK/HT NDA's sewerage would tie in with trial schemes on food waste-collection. He enquired whether the planning of the NDA had covered this matter. DCED confirmed that the studies for the works for the Second Phase development would include meeting the requirements of food waste-collection system.

36. In response to Mr Andrew WAN's enquiry, PS(P&L)/DEVB pointed out that the works for the First Phase development would require the resumption of around 12 ha of private land for an estimated cost of \$1789.9 million.

Rehousing/resettlement and compensation arrangements for affectees

*Brownfield operators affected by the development*

37. Mr Frankie YICK said that, since logistics sites in Hong Kong had all along been in short supply, and the revitalization scheme for industrial buildings had driven up rents, quite a number of logistics industry operators were forced to operate on brownfield sites. Brownfield sites had thus become essential to Hong Kong's logistics industry. Noting that the Administration planned to build several multi-storey buildings ("MSBs") in HSK/HT NDA to accommodate brownfield operators who had to relocate as a result of the NDA development, he was concerned whether the rents of



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these MSBs would be prohibitively high, rendering it difficult for these operators to move in. Furthermore, MSBs would not be able to accommodate brownfield operators who needed to operate in open-air sites. Ir Dr LO Wai-kwok and Ms Alice MAK expressed similar concerns. Mr YICK further pointed out that NWNT would become an important logistics development area in Hong Kong. As such, he had suggested that the Administration develop an automobile maintenance complex in the region. He also hoped that the Transport Department would set up an office in NWNT to facilitate the industry. He enquired about the Administration's views on his suggestions.

38. PS(P&L)/DEVB responded that the Government would keep in view the needs of brownfield operations when developing HSK/HT NDA. The Government understood that some brownfield operations needed to operate in open-air sites and relevant planning guidelines had been drawn to guide their relocation to suitable areas through land administration and processing of planning applications. She further advised that the Government were making preparations to launch a market sounding exercise shortly to gauge the market interest towards developing and running MSBs for key brownfield businesses under different scenarios involving different contractual requirements and tender conditions. The exercise would include rent levels of MSBs. The Administration would take into account the findings of the exercise and formulate the development direction of MSBs, including whether to provide designated space for specific industries (e.g. vehicle maintenance industry and the recycling industry).

39. Dr CHENG Chung-tai enquired about the details of the market sounding exercise, including whether the exercise was conducted through questionnaires or focus group meetings, and measures to ensure that the exercise could accurately reflect the views of brownfield operators.

40. PS(P&L)/DEVB responded that the market sounding exercise was not a questionnaire survey. The Government had commissioned a marketing consultant to identify and interview potential investors, and to communicate with relevant stakeholders, with reference to data from a survey conducted by the Planning Department ("PlanD") on brownfield operations earlier on.

41. Mr WU Chi-wai said that any changes in the global economic model with the Mainland as the world's factory would severely affect the Hong Kong economy (especially the warehousing and logistics industries). He enquired whether the market sounding exercise had taken into account

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such possible changes.

42. PS(P&L)/DEVB pointed out that the Administration requested the consultant to gauge respondents' responses to different contractual requirements and tender conditions when conducting the market sounding exercise, including the requirement for setting comparable rent levels between MSBs and the existing brownfield sites; giving priority of some floor spaces to business undertakings affected by government development projects; and the accommodation of different industries in MSBs to improve financial viability. Furthermore, the consultant would also examine the impact of changes in economic environment on the respondents' investment sentiments.

43. In response to Mr Frankie YICK's enquiry, PS(P&L)/DEVB advised that the market sounding exercise and the consultancy study recently conducted by the Transport and Housing Bureau ("THB") through the Hong Kong Productivity Council on the construction of MSBs for vehicle maintenance workshops were two different projects.

44. Mr KWONG Chun-yu enquired whether the Administration had taken the initiative to communicate with brownfield operators affected by HSK/HT NDA to understand their needs and ascertain that they would be rehoused smoothly in MSBs.

45. PS(P&L)/DEVB responded that the works for the First Phase development would affect more than 20 business undertakings. The Government had made preliminary contact with them and expressed its willingness to assist their relocation to other suitable areas for continued operation. The Government needed to finish the market sounding exercise first to determine the operating mode of MSBs, so as to gather more information before communicating with stakeholders. The Government would contact the affected brownfield operators in phases later on.

46. Mr Andrew WAN noted that brownfield operators currently occupied 246 ha of land in HSK/HT NDA, yet the Administration only reserved 61 ha of land for rehousing. He was concerned whether it would lead to proliferation of brownfield sites and enquired about the Administration's counter measures.

47. PS(P&L)/DEVB advised that the 61 ha of land reserved in the NDA would be used for building MSBs. The resulting floor areas would be sufficient for accommodating most of the affected brownfield operators

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who intended to move to the MSBs. As the first batch of MSBs was expected to be completed in 2027, the Government would assist some of the affected brownfield operators to identify suitable sites for continuing operation before the completion of the first batch of MSBs in order to prevent proliferation of brownfield sites.

*Domestic households affected by the development*

48. Mr KWONG Chun-yu enquired how the Administration could ensure that domestic households affected by the development would be rehoused properly. Mr Andrew WAN enquired about the rehousing of six domestic households affected by the works for the First Phase development.

49. PS(P&L)/DEVB responded that first batch of units in dedicated rehousing estates ("DREs") would be built under the works for the First Phase development, which was expected to provide around 1 300 housing units for local rehousing of eligible households affected by the remaining phases of development, thereby eliminating the need for transitional rehousing arrangement. As to the six or so domestic households affected by the First Phase development, the Government would arrange rehousing according to prevailing policies and procedures with their eligibility assessed in due course.

50. Mr CHU Hoi-dick said that he received requests for assistance from some subdivided unit households within the HSK/HT NDA boundary (some of them had completed registration in the freezing survey) and stated that they received warning letters from the Lands Department ("LandsD") for lease breaches in respect of the lands on which they lived, and the landlords concerned also seized this chance to require them to leave. Mr CHU was concerned that enforcement actions taken by LandsD might indirectly help certain companies by giving them excuses for driving residents out. He requested the Administration to strengthen protection for domestic households within the NDA boundary who had registered in the freezing survey lest their legal rights would be jeopardized in case of eviction. Mr WU Chi-wai shared Mr CHU's concern and called on the Administration to make reference to the practices of the Urban Renewal Authority, which provided rehousing and compensation arrangements deserved by domestic households evicted unfairly, despite having completed registration in freezing surveys.

51. Mr KWONG Chun-yu said that when the Government launched new NDAs projects in the past, some domestic households often happened

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to be evicted unlawfully (e.g. by means of threats). He enquired how the Administration could avoid repeating these situations in the development of HSK/HT NDA and called on the Administration to proactively address the problem.

52. PS(P&L)/DEVB responded that although she was not in the position to comment on individual cases, LandsD was responsible for following up any breach of lease conditions or illegal occupation of land found, regardless of whether the cases were located in NDAs. As LandsD had to handle large numbers of enforcement cases, it was necessary to establish enforcement priorities. Breach cases found in NDAs would be given lower priorities if they were not too serious.

53. PS(P&L)/DEVB further advised that the Government understood that individuals/organizations used unlawful means to evict domestic households in NDAs in the past. The domestic households concerned could seek help from the Police. Furthermore, the Government had undertaken on previous occasions that it would exercise discretion in the rehousing and compensation for domestic households concerned who had completed registration in freezing surveys and were able to prove their allegations of unfair eviction. However, the Administration would not intervene in legitimate termination of leases between owners and tenants. She also clarified that domestic households in NDAs registered in freezing surveys were still subject to eligibility assessment before they could be duly rehoused and compensated.

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54. At the request of Mr CHU Hoi-dick, the Administration would provide information on the numbers of warning letters issued by LandsD for (a) cases of breach of lease conditions; and (b) unauthorized extension to surveyed squatter structures within the HSK/HT NDA boundary in 2020.

55. Mr Andrew WAN enquired when the Administration could provide information on the ratio between rental housing units and subsidized sale flats in DREs, as well as the rents and selling prices of the units.

56. PS(P&L)/DEVB replied that after FC's approval for the funding application, the Government would contact the six or so domestic households affected by the works for the First Phase development for detailed assessment, and would later assess the intentions of domestic households affected by the remaining phases of the development in order to assist the Hong Kong Housing Society to determine the ratio between rental units and subsidized sale flats in DREs.

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*Farmers affected by the development*

57. Mr CHU Hoi-dick enquired about the progress of arrangements for rehabilitation for evicted farmers since the Administration submitted the funding application to the Legislative Council ("LegCo"); and whether the Administration could deal with the compensation and rehabilitation for farmers affected by the works of the Second and Third Phases development in advance. Pointing out also that the Administration had introduced the Special Agricultural Land Rehabilitation Scheme ("SALRS") for farmers in NDAs, he enquired whether the expenditure for SALRS formed part of the recurrent expenditure of the Agriculture, Fisheries and Conservation Department ("AFCD") or the funding proposal; and whether the Administration could launch SALRS in NDAs as soon as possible.

58. PS(P&L)/DEVB pointed out that around seven ha of agricultural land in HSK/HT NDA would be affected by the development, while works for the First Phase development only covered less than 0.1 ha of agricultural land, so the number of affected farmers was relatively small. The Administration was willing to negotiate rehabilitation arrangements with farmers affected by the works for the remaining development phases, and was also willing to launch SALRS as soon as possible. The non-recurrent expenditure incurred by SALRS was not substantial, and could be funded by Capital Works Reserve Fund Block Allocations. However, to avoid unfair treatment to other affected domestic households and business undertakings, early compensation could not be offered to affected farmers. She also advised that at this stage the Government would give priority to rehousing and compensation arrangements for 29 business undertakings and around six domestic households affected by the works for the First Phase development.

59. Ms Alice MAK expected that the problem of agricultural land rehabilitation would appear after commencement of works for the Second Phase development. She pointed out that, as shown in the experience of the Wang Chau Development Project, the Administration was always sluggish in implementing agricultural land rehabilitation, despite having made various promises for such measures at meetings of relevant committees.

60. PS(P&L)/DEVB explained that more time was needed for rehousing arrangements for farmers affected by the Wang Chau Development Project because it took time for the Administration to verify the identities of affected farmers. In this regard, the Development Bureau ("DEVB") had maintained close contact and liaison with AFCD on related

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details (e.g. the definition of "farmers").

Supply of housing units and job opportunities

61. Mr Andrew WAN noted that the studies for the works for the Second Phase development of HSK/HT NDA included assessing the feasibility of revising the public and private housing mix from 51:49 to 70:30. He was concerned whether the Administration would eventually keep the public and private housing mix unchanged on the ground that such a change would require significant modifications to the planning of the NDA, and enquired whether the Administration could give a clear undertaking that the NDA's public and private housing mix would eventually be revised to 70:30. Mr CHAN Chi-chuen raised similar enquiry.

62. PS(P&L)/DEVB responded that increasing the public and private housing mix of the whole HSK/HT NDA to 70:30 was a specific objective of the related studies for the works for the Second Phase development. The revision would involve increasing development intensity and modifying relevant infrastructure support. She advised that relevant procedures (including obtaining approval from the Town Planning Board) were required if the Government decided to increase the public and private housing mix. The Government would give a clear account of the latest public and private housing mix in the funding applications for the remaining development phases of the NDA.

63. Mr LEUNG Che-cheung pointed out that a major problem of the planning of TSW was the allocation of excessive number of grass-roots residents in the district, and he was concerned that if the Administration decided to increase the public and private housing mix of HSK/HT NDA to 70:30, most of the new housing in the district would be converted to public housing, thus creating an imbalanced community. He considered that the Administration should learn from the lesson in the planning of TSW and consider the issue with caution. Mr LEUNG also called on the Administration to commence land resumption as soon as possible to ensure that DREs could be built on schedule, so that the remaining development phases of the NDA could be implemented smoothly.

64. Mr Andrew WAN disagreed with Mr LEUNG Che-cheung's view. He pointed out that the policy of increasing the public and private housing mix to 70:30 was supported by LegCo Members of various political parties (including those of the Democratic Alliance for the Betterment and Progress of Hong Kong) as a solution for the acute shortage of public

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housing in the city. He also considered that the problem in the planning of TSW was not solely a result of an inappropriate public and private housing mix, but an outcome caused by many factors (including the lack of transport and community ancillary facilities, and insufficient jobs, etc.).

65. PS(P&L)/DEVB replied that HSK/HT NDA would provide the largest area of land for economic uses and the greatest number of jobs in NWNT, while public housing would contain various types of housing (including subsidized sale flats). Therefore, the Government considered that there was room to increase the public and private housing mix. She also advised that the Administration understood the importance of building DREs on schedule to the smooth implementation of the remaining development phases of the NDA.

66. Mr WU Chi-wai asked whether the Administration's policy of building "Starter Homes" ("SH") units on private housing land would remain unchanged, and enquired about the estimated number of SH units in HSK/HT NDA. He was also concerned whether the infrastructure constructed under the works for the First Phase development could tie in if the Administration decided to increase the public and private housing mix of the NDA to 70:30 after completion of studies for the works for the Second Phase development.

67. PS(P&L)/DEVB confirmed that the Government's policy of building SH units on land planned for private housing remained unchanged. However, it was difficult to estimate the number of SH units to be provided in HSK/HT NDA at this stage. She also advised that the infrastructure developed under the works for the First Phase development would mainly be used for DREs and MSBs. The Administration would review the public and private housing mix of the NDA in the related studies for the works for the Second Phase development, with corresponding arrangements for infrastructure development then. The Government would provide relevant information in the funding application to FC for the works of the Second Phase development.

68. Mr LUK Chung-hung called on DEVB to put forth a specific industrial policy for HSK/HT NDA with other relevant bureaux in order to materialize the Administration's conception of creating 150 000 job opportunities in the NDA. Mr Andrew WAN enquired whether the Administration had projected the types of trades available in the NDA. Mr LEUNG Che-cheung was concerned whether residents who moved in early would have insufficient job opportunities. Dr CHENG Chung-tai reminded the Administration that excessive rents in MSBs would

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discourage the existing brownfield operators from moving in, thereby adversely affecting job opportunities to be created in the NDA.

69. PS(P&L)/DEVB responded that HSK/HT NDA reserved 22 ha of land for commercial sites and 83 ha of land for industrial, logistics facilities and port back-up uses etc. The Government would review whether the NDA should focus on the development of certain industries. The first batch of MSBs to be built on land under the works for the First Phase development would be conducive to the development of industries such as logistics, storage, construction and vehicle maintenance, etc. She also pointed out that the newly created jobs would mainly be related to such trades as commerce (around 75 000 jobs), industry, logistics facilities and port back-up facilities etc. (around 61 000 jobs), and community services (around 14 000 jobs).

70. As for job opportunities for residents who moved in early, PS(P&L)/DEVB advised that many job opportunities in HSK/HT NDA would come from sites zoned for port back-up, logistics facilities and industrial uses. It was expected that the first batch of MSBs would be completed in the NDA in 2027. She stressed that housing completed at each phase would have corresponding job opportunities.

71. Mr CHAN Chi-chuen noted that the Administration planned to promote same-district employment in HSK/HT NDA, and requested the Administration to elaborate on the relevant estimates and expected outcome, as well as to provide the following information based on its experience in the development of NDAs: (a) the bases/parameters used by the Administration to project the job opportunities to be created in NDAs (including the number and distribution of trades); (b) whether the figures concerned were estimates or targets set by the Administration; (c) the discrepancy between the estimated and the actual numbers of job opportunities provided; and (d) how many years from now/at what stage would the Administration evaluate the effectiveness of these new job opportunities in supporting same-district employment for local residents.

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72. PS(P&L)/DEVB advised that job opportunities in TSW stood at around 11% of the population in the district at present. After completion of the HSK/HT NDA project, the total job opportunities in the NDA and TSW were expected to reach nearly 40% of the overall population in the two districts. However, the Government did not consider it appropriate to lay down rigid indicators for the ratio of population and job opportunities. Principal Assistant Secretary for Development (Planning and Lands)<sup>5</sup> added that the projection of 150 000 job opportunities to be



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created in the NDA was done with reference to the Hong Kong Planning Standards and Guidelines and relevant consultancy studies in the past. PS(P&L)/DEVB advised that the Administration would provide the information requested by Mr CHAN Chi-chuen after the meeting.

73. Mr WU Chi-wai pointed out that one problem in the planning of TSW was the last-minute revision of the ratio of the public rental housing and sale flats by the Government, which led to a significant discrepancy between the actual and planned population structure in the district, and various ancillary facilities were unable to tie in accordingly. Therefore, the Administration should carefully determine the ratio of public rental housing and sale flats in HSK/HT NDA. Dr KWOK Ka-ki enquired about the ratio concerned.

74. PS(P&L)/DEVB responded that the Hong Kong Housing Authority would determine the ratio of public rental housing and sale flats in HSK/HT NDA according to actual conditions before the launch of construction works. She pointed out that the changes would not have too much impact on the demand for infrastructure in the NDA. She also expected that the Government would be able to give an account of the ratio when submitting funding application for the works for the Second Phase development of the NDA.

Transportation support

75. Ir Dr LO Wai-kwok said that the Administration mentioned the development of HSK Station in the Railway Development Strategy 2014. He enquired about the progress concerned. PS(P&L)/DEVB and Principal Assistant Secretary for Transport and Housing (Transport)3 responded that the Government targeted to complete the HSK Station in 2030. The MTR Corporation Limited ("MTRCL") had just submitted a proposal for the construction of HSK Station which was being examined by the Government.

76. Mr Michael TIEN, Mr Holden CHOW and Mr LAM Cheuk-ting were concerned that with a new population of over 170 000 in HSK/HT NDA and the construction of the Tuen Mun South Extension and HSK Station, the West Rail Line ("WRL") would get even more crowded during peak hours. Mr Michael TIEN said that if the Administration undertook to build the fifth cross-harbour railway (e.g. implementing the proposed coastal rail link between the coastal areas of Tuen Mun, the artificial islands in the Central Waters and the Hong Kong Island under the Lantau Tomorrow Vision), he would support this funding proposal. Mr CHOW

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was concerned that MTRCL had not yet clearly responded how it would increase the frequency of the WRL and enquired whether the Administration would conduct relevant coordination. Mr LAM noted that the Administration intended to promote same-district employment to reduce the pressure on WRL from the new population. He was concerned that past experience of new towns development had already indicated the futility of this measure. Mr LAM also reminded the Administration to pay attention to the occurrence of numerous problems in the signalling system upgrade undertaken by MTRCL recently.

77. PS(P&L)/DEVB and Principal Assistant Secretary for Transport and Housing (Transport)<sup>3</sup> replied that when planning the HSK/HT NDA, the Government had already conducted a traffic impact assessment for the NDA. The assessment results showed that the existing and planned transport infrastructure was sufficient to cope with the traffic load arising from the NDA. Furthermore, the Government had formulated several traffic improvement measures, including:

- (a) the Tuen Ma Line (i.e. the rail line from Wu Kai Sha Station on the Ma On Shan Line to Tuen Mun Station on WRL) would be fully commissioned in 2021 and the hourly frequency of WRL could then be improved from 20 to 24;
- (b) MTRCL expected that after the construction of the Tuen Mun South Extension and HSK Station on WRL, the frequency of WRL could be further increased by improving the signalling system; and
- (c) the construction of several main roads (including the Tuen Mun - Chek Lap Kok Link and Route 11) to alleviate the traffic pressure on Tuen Mun Road.

78. As for the impact of new population in HSK/HT NDA, PS(P&L)/DEVB advised that the land from the First Phase development of the NDA involved the construction of around 1 400 units. Most of them would be used as units in DREs for rehousing affected residents in the same district. Therefore, it would not cause additional burden to the traffic in the area. With an expectation that substantial influx of population in the NDA would only happen in around 2030, the Government had planned several traffic improvement measures in response to the population growth in the NDA.

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79. PS(P&L)/DEVB also pointed out that the funding application for studies related to the artificial islands in the Central Waters (including the technical feasibility study on the railway project linking the coastal areas of Tuen Mun, Lantau Island, Kau Yi Chau Artificial Islands and the Hong Kong Island) was approved by PWSC earlier, and would be added to the agenda of FC.

80. Mr Michael TIEN enquired whether the Administration would consider creating a separate project item for the fifth cross-harbour railway if the funding application for the studies related to the artificial islands in the Central Waters was rejected by FC. Pointing out that HSK/HT NDA would face severe traffic congestion problems, he said that, if the Administration was unable to undertake the building of the fifth cross-harbour railway (or proposing alternative solutions to effectively improve external transport of the NDA), he would oppose this funding application.

81. PS(P&L)/DEVB and Principal Assistant Secretary for Transport and Housing (Transport)<sup>3</sup> responded that THB planned to take forward the "Strategic Studies on Railways and Major Roads beyond 2030" on the basis of the conceptual spatial requirements to be firmed up under the "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030", which was being conducted by DEVB and PlanD, and would seek FC funding approval for the studies in due course.

82. Mr LEUNG Che-cheung and Mr LUK Chung-hung considered that the Administration should carefully examine the reprovisioning arrangement for Tin Ying Road around its current location. Ms Alice MAK hoped that HSK/HT NDA could drive the development of TSW. She called on the Administration to illustrate the traffic connectivity between the NDA and TSW as soon as possible. Dr CHENG Chung-tai expressed similar concerns.

83. On the arrangement for Tin Ying Road, DCED advised that as Tin Ying Road was built next to the TSW River Channel on elevated embankments, it would hinder residents' access between HSK/HT NDA and TSW in the future. Therefore, the Government's original plan was to replace Tin Ying Road by improving other existing roads and building new roads. However, in light of feedback from the public and LegCo Members, the Government would examine the feasibility of reprovisioning Tin Ying Road around its current location in the detailed design and related studies for the works for the Second Phase development.

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84. As for the connection between HSK/HT NDA and TSW, PS(P&L)/DEVB pointed out that the NDA had two main DNs, which were located respectively at TSW West Rail Station and the proposed HSK West Rail Station. It was envisaged that the planning arrangement could effectively connect the NDA and TSW. The Government would also launch a number of related measures. In addition to reprovisioning Tin Ying Road, it would also set up the Environmentally Friendly Transport Services ("EFTS") and the cycle track network to strengthen the connection between the NDA and TSW.

85. Mr KWONG Chun-yu and Dr CHENG Chung-tai noted that the Administration had just finished stage 1 public consultation on the feasibility study on EFTS in HSK/HT NDA and adjacent areas. They enquired about the progress of the study. Mr KWONG, Dr KWOK Ka-ki and Mr LUK Chung-hung were concerned whether the cost of EFTS recommended by the Administration would be too high. Mr LUK called on the Administration to conduct a transparent and open tendering to avoid directly entrusting the works to MTRCL. Mr CHU Hoi-dick enquired whether the Administration planned to replace the Light Rail with EFTS.

86. PS(P&L)/DEVB and DCED responded that stage 1 public consultation on the feasibility study was completed in early 2020. The Government was studying the feedback received and reviewing relevant issues like overall alignment (including how to tie in with the reprovisioning of Tin Ying Road), station locations, layout of depots, system design, procurement model, implementation timetable, and financial viability. It was expected that the preliminary results would be available in the second half of 2021, and stage 2 public consultation would be conducted then. By that time, it would be able to come out with a more accurate cost estimate. PS(P&L)/DEVB advised that the Government had not yet decided the tendering mode and other implementation arrangements of EFTS at this stage. Principal Assistant Secretary for Transport and Housing (Transport)<sup>3</sup> added that the Government did not intend to replace the Light Rail with other transportation.

87. Mr CHAN Chi-chuen noted that the detailed design for Stage 2 Works included the Green Transit Corridor ("GTC") (i.e. paragraph 10(a)(i) of the Administration's paper), while Enclosure 2 to the Administration's paper set out the alignment of GTC. He enquired whether the alignment of the proposed EFTS in HSK/HT NDA was the same as that of GTC, the area of land to be occupied by the system, and

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whether the consultants' fees of the detailed design for Stage 2 Works (around \$208 million) included the design cost of the system. Mr CHAN was also concerned whether it would take a long time to construct EFTS.

88. PS(P&L)/DEVB and DCED advised that the planned GTC in the NDA would be around 20 metres wide, comprising the EFTS, footpaths and cycle tracks. "The detailed design for stage 2 works" mentioned in the funding application referred to the detailed design for site formation and infrastructure for the land which would be required for the works for the Second Phase development (including GTC). After making reference to the outcome of the relevant consultancy study, the Government might fine-tune the alignments of GTC and EFTS. The expenditure of around \$208 million mentioned by Mr CHAN Chi-chuen did not cover the design cost of EFTS.

89. The meeting was suspended at 11:01 am and resumed at 11:11 am.

90. At 11:48 am, the Deputy Chairman advised that he received a motion proposed to be moved by a member under paragraph 37A of the Finance Committee Procedure ("FCP 37A motions"). At 12:35 am, the Deputy Chairman advised that motions would no longer be accepted when the morning session ended.

91. At 12:25 pm, the Deputy Chairman "drew a line" for members' questions.

92. At 12:46 pm, the Deputy Chairman declared that the meeting be adjourned. FC continued the deliberation on the item at 3 pm on the same day.

93. At 3:10 pm, FC continued the deliberation on FCR(2020-21)19. The Chairman declared that he was an Executive Director and the Chief Executive Officer of Well Link Insurance Group Holdings Limited. Mr Kenneth LAU declared that he was the Chairman of Tuen Mun Rural Committee. His family members owned land in HSK.

94. The Chairman advised that he received an FCP 37A motion proposed to be moved by a member. As the member who proposed the motion was not present, he would not put the question on the proposed motion.

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Voting on FCR(2020-21)19

95. At 3:11 pm, the Chairman put item FCR(2020-21)19 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 27 members voted for and 8 members voted against the item. One member abstained from voting. The votes of individual members were as follows:

*For:*

Mr Jeffrey LAM Kin-fung	Mr WONG Ting-kwong
Ms Starry LEE Wai-king	Mr WONG Kwok-kin
Mrs Regina IP LAU Suk-yee	Mr Frankie YICK Chi-ming
Mr YIU Si-wing	Mr MA Fung-kwok
Mr CHAN Han-pan	Mr LEUNG Che-cheung
Ms Alice MAK Mei-kuen	Mr KWOK Wai-keung
Ms Elizabeth QUAT	Mr POON Siu-ping
Dr CHIANG Lai-wan	Ir Dr LO Wai-kwok
Mr Jimmy NG Wing-ka	Mr Holden CHOW Ho-ding
Mr Wilson OR Chong-shing	Ms YUNG Hoi-yan
Dr Pierre CHAN	Mr CHAN Chun-ying
Mr LUK Chung-hung	Mr LAU Kwok-fan
Mr Kenneth LAU Ip-keung	Mr Vincent CHENG Wing-shun
Ms CHAN Hoi-yan	
(27 members)	

*Against:*

Mr James TO Kun-sun	Prof Joseph LEE Kok-long
Mr Michael TIEN Puk-sun	Mr CHAN Chi-chuen
Mr Alvin YEUNG	Mr CHU Hoi-dick
Dr CHENG Chung-tai	Mr KWONG Chun-yu
(8 members)	

*Abstained:*

Mr Steven HO Chun-yin  
(1 member)

96. The Chairman declared that the item was approved.

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**Item 5 — FCR(2020-21)3  
RECOMMENDATIONS OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 31 MAY AND 19 JUNE 2019**

**PWSC(2019-20)13  
HEAD 708 — CAPITAL SUBVENTIONS AND MAJOR  
SYSTEMS AND EQUIPMENT**

**Universities**

**The Chinese University of Hong Kong**

**61EF — Construction of a teaching-research complex in Tai  
Po Area 39**

**The University of Hong Kong**

**65EG — Enhancement of facilities cum medical campus  
development**

**PWSC(2019-20)17  
HEAD 708 — CAPITAL SUBVENTIONS AND MAJOR  
SYSTEMS AND EQUIPMENT**

**Universities**

**The Hong Kong Polytechnic University**

**30EK — Campus Expansion at Ho Man Tin Slope**

97. The Chairman advised that this item sought FC's approval for the recommendations made by PWSC at its meetings held on 31 May and 19 June 2019 regarding PWSC(2019-20)13 and PWSC(2019-20)17, which were:

- (a) the upgrading of part of 61EF "Construction of a teaching-research complex in Tai Po Area 39 of The Chinese University of Hong Kong ("CUHK)" to Category A at an estimated cost of \$59.7 million in money-of-the-day prices;
- (b) the upgrading of part of 65EG "Enhancement of facilities cum medical campus development of The University of Hong Kong ("HKU)" to Category A at an estimated cost of \$194.3 million in money-of-the-day prices; and
- (c) the upgrading of 30EK "Campus Expansion at Ho Man Tin Slope of The Hong Kong Polytechnic University ("PolyU)" to Category A at an estimated cost of \$1,418.0 million in money-of-the-day prices.

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PWSC spent about 2 hours and 7 minutes on scrutinizing the above proposals.

98. The Chairman declared that he was an Executive Director and the Chief Executive Officer of Well Link Insurance Group Holdings Limited. Mr Jimmy NG declared that he was a member of the Court of HKU and a member of the Council of PolyU.

99. Dr Pierre CHAN, Mr Jimmy NG, Mr KWONG Chun-yu and Mr IP Kin-yuen spoke in support of this item. Dr CHAN continued to state that he hoped that there would be ongoing exchange of views on development of universities between the Administration and LegCo.

Administration's withdrawal of the financial proposal of project 30EK earlier on

100. Mr CHU Hoi-dick, Mr CHAN Chi-chuen, Mr KWONG Chun-yu, Mr IP Kin-yuen, Dr Helena WONG, Dr Fernando CHEUNG and Mr Andrew WAN expressed dissatisfaction with the Administration's withdrawal of the financial proposal of 30EK (i.e. item FCR(2019-20)32) on the FC meeting held on 15 November 2019 due to concerns about the project raised by Members of the pro-establishment camp. In gist, they criticized the Administration that it had politicized the education issue, slowed down the progress of campus expansion at universities, and affected the training of local healthcare professionals. Mr KWONG and Mr WAN then asked if the Administration would also withdraw other agenda items in future in response to concerns raised by Members or the public, especially the applications for supplementary provision submitted to FC due to cost overruns of the public works projects.

101. Ir Dr LO Wai-kwok and Mr Tony TSE spoke in support of this item. They stated that some local universities were vandalized and even occupied by protesters in the latter half of 2019, and some people made and used weapons within campus. In view of this, they took the view that it was pragmatic for the Administration to withdraw the financial proposal of 30EK earlier on and review afresh the design of the project.

102. Under Secretary for Food and Health ("USFH") advised that the Government had been striving for the support of different Members for various financial proposals. In general, the Administration would respond to Members' concerns as far as possible before scrutiny of the relevant proposals by FC and PWSC. Nevertheless, the Government might have to rearrange the order of scrutinizing different agenda items to respond to



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unforeseen circumstances, in order to allow more time for discussing with relevant stakeholders and responding to Members' concerns.

*Campus security arrangements of universities*

103. Mr CHU Hoi-dick, Mr KWONG Chun-yu and Dr Helena WONG enquired about the efforts made by the Administration to respond to Members' concerns on the project after the Administration's withdrawal of the financial proposal of 30EK in November 2019. Mr CHU and Dr WONG then asked if the Administration had revised the contents of the three proposed projects under this item; if so, the revisions made and financial implications.

104. USFH advised that as campus facilities of some universities were vandalized during demonstrations in the latter half of 2019, quite a number of Members were concerned about the campus security arrangements of universities. The Government had conveyed those concerns to the management of CUHK, HKU and PolyU, and requested the universities to review their security measures on campus according to their respective conditions. The relevant considerations mainly included the following two areas:

- (a) Formulation of a security system and enhancement of campus management. For instance, formulation of appropriate access control measures on campus to require staff and students to produce their proof of identity before entering the campus; and
- (b) Improvements to the building designs of the proposed projects and enhancement of the structural safety of the buildings. For instance, improvements to the building and security designs of the floors and rooms with storage of dangerous goods (e.g. chemicals), and selection of suitable construction materials to ensure structural safety.

105. USFH continued to state that management of the universities had completed a review on campus security arrangements and proposed corresponding improvement measures, thus responded to Members' concerns. While the schematic designs of the three proposed projects under this item had not been changed according to the result of the review by management of the universities and enhancement of campus security level, the three proposed projects would provide the necessary teaching-research facilities as originally planned. In fact, formulation of

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security systems and enhancement of campus management had no direct relation with the construction of the proposed works.

106. USFH further stated that as 61EF and 65EG were still at pre-construction stage, the aforesaid security concerns had no significant impact on the two works projects. The estimated expenditures of the three proposed projects under this item required no adjustments.

107. On 30EK, Mr CHU Hoi-dick recalled that at the meeting on 15 November 2019, some members were worried that protesters might unlawfully throw objects onto the adjacent roads and railway tracks from PolyU's proposed new teaching building in future. However, Mr CHU noted that the selected location of the proposed works was tens of metres away from the adjacent roads and railway tracks, and the proposed works did not include the construction of any flyovers connecting PolyU's main campus. Mr CHU requested the Administration to confirm his observation, advise the reasons for it took more than half a year to clarify the aforesaid facts with the Members concerned, and submit afresh the financial proposal of 30EK to FC.

108. USFH responded that the Government considered that management of universities should take this opportunity to review the overall campus security arrangements, formulate a security system, and enhance campus management before the construction of the three proposed works under this item. Therefore, the relevant work included not only clarifying the contents of individual projects with Members. On the further enquiry and request raised by Mr CHU Hoi-dick, USFH pointed out that the Government had largely completed the aforesaid work in February 2020 and decided to submit this item to FC. The Government would submit a supplementary paper to FC to provide further information on the discussions between the Government and the three universities from November 2019 to February 2020 regarding the enhancement of security measures of the proposed teaching facilities of the universities.

*[Post-meeting note: The supplementary information provided by the Administration was issued to members on 25 September 2020 vide LC Paper No. FC288/19-20(01).]*

109. Director of Campus Development Office, The Hong Kong Polytechnic University supplemented that 30EK did not include construction of any flyovers. Users of the proposed new teaching building might go to and from PolyU's main campus via the existing walkway (i.e. Oi Sen Path and the existing pedestrian subways) or

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travelling by the MTR Shatin to Central Link.

110. Mr CHU Hoi-dick asked if the proposed teaching-research facilities would be managed by the respective universities as usual upon completion of the construction works. USFH replied in affirmative, adding that the security systems and management on campus were designed and implemented by the respective universities.

111. While stating that the Democratic Party was in support of this item, Dr Helena WONG noted that currently quite a number of water barriers were set up in the surrounding area of PolyU campus, and pedestrians and vehicles were required to register before entering the campus. She asked if such arrangements were long-term security measures; what were the rationales of formulating such arrangements, and whether they were related to this item. Dr Fernando CHEUNG requested that all universities funded by the University Grants Committee must have their campuses remained open for public use as usual, and pointed out that some private universities overseas would even allow pre-registered members of the public to sit in classes.

112. Director of Campus Development Office, The Hong Kong Polytechnic University advised that due to topographical reasons, the current boundary of PolyU's main campus was not clear. Taking into account the condition of PolyU's campus last year and for a better management of the campus, PolyU had currently adopted a temporary security measure, i.e. setting up water barriers at the campus boundary to guide all persons to enter and exit the campus through designated entrances. PolyU had planned to complete setting up fences along campus boundary within one year. There were currently four entrances within PolyU's main campus for access by members of the public, and upon completion of the aforesaid construction work of fences, PolyU would open more entrances for public use in a gradual manner. Director of Campus Development Office, The Hong Kong Polytechnic University stressed that as always, PolyU welcomed members of the public to enter and exit PolyU campus through normal entrances.

Details of the proposed works

113. Mr Andrew WAN enquired that as the demand of healthcare manpower in future might exceed the projection in the Report of the Strategic Review on Healthcare Manpower Planning and Professional Development, whether the designs of the three proposed works under this item would cater for the future expansion needs.

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114. USFH advised that the Government released the Report of the Strategic Review on Healthcare Manpower Planning and Professional Development in 2017 to lay the foundation for future healthcare manpower planning in Hong Kong, and support the healthy and sustainable development of the healthcare system. As an ongoing initiative to monitor the manpower of healthcare professionals, the Administration would conduct manpower planning and projections for healthcare professionals once every three years. A new round of manpower projection exercise had already commenced, and the results were expected to be published by end of 2020. When planning and designing the proposed works, the three universities had provided extra space to cope with the possibility of a persistent increase of healthcare training places in future, so as to meet long-term need for space. Moreover, the three universities were proactively planning for other short, medium and long-term works projects, in order to upgrade and increase their healthcare related teaching facilities. The scale of these work projects could be duly adjusted according to needs.

115. At the request of Mr Andrew WAN, USFH undertook to provide supplementary information on the respective feasibilities and relevant details of further modifications/expansions of the three proposed works (including the number of additional healthcare training places provided for the three universities by the newly constructed teaching facilities available after the modifications/expansions) after the meeting.

*[Post-meeting note: The supplementary information provided by the Administration was issued to members on 25 September 2020 vide LC Paper No. FC288/19-20(01).]*

*Project 30EK—Campus expansion at Ho Man Tin Slope of The Hong Kong Polytechnic University*

116. Mr YIU Si-wing asked about the details of the community clinic to be provided in PolyU's proposed new teaching building, including the positioning of the clinic, its estimates of income and expenditure as well as the financial arrangements of its daily operation.

117. Dr Helena WONG enquired if PolyU would retain the Optometry Clinic, which currently provided services at PolyU's main campus, after the provision of a community clinic in the proposed new teaching building. She also asked if PolyU would provide shuttle bus services connecting the main campus with the proposed new teaching building.

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118. Yeung Tsang Wing Yee and Tsang Wing Hing Professor in Neuropsychology, Chair Professor of Neuropsychology, Dean of Faculty of Health and Social Sciences, The Hong Kong Polytechnic University advised that a rehabilitation clinic and an optometry clinic would be provided in the proposed new teaching building upon its completion. In addition to medical services for the community, the two clinics would also provide practicum opportunities for students of the Department of Rehabilitation Sciences and the School of Optometry. Cally Kwong Mei Wan Professor in Psychosocial Health, Chair Professor of Rehabilitation Sciences and Head, The Hong Kong Polytechnic University added that the Rehabilitation Clinic in PolyU's main campus had become operational since 2003.

119. Interim Head (School of Optometry), The Hong Kong Polytechnic University advised that the optometry clinic to be provided in the proposed new teaching building mainly served the elderly and children in the district. The Optometry Clinic that was currently providing services at PolyU's main campus would continue its operation after the commencement of service of the new clinic. PolyU would, taking into account the operation of the new clinic, decide whether or not to retain the existing Optometry Clinic.

120. Director of Campus Development Office, The Hong Kong Polytechnic University replied that PolyU had plans to provide shuttle bus service connecting the main campus with the proposed new teaching building. PolyU would consider cancelling the shuttle bus service in case of low patronage.

*Project 61EF—Construction of a teaching-research complex in Tai Po Area 39 at The Chinese University of Hong Kong*

121. Mr YIU Si-wing enquired whether the Administration had worked out a preliminary budget for the works project of the proposed teaching-research complex; if not, how did the Administration work out the estimation that the cost for carrying out pre-contract consultancy for the works project was \$59.7 million. He also asked if the Administration would consider adjusting the project scope of the remainder of 61EF, so as to cover the repair works of campus facilities that were vandalized during demonstrations in CUHK in the latter half of 2019.

122. Director (Campus Development Office), The Chinese University of Hong Kong replied that the authority had conducted a feasibility study

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on the proposed teaching-research complex and formulated a preliminary proposal on the allocation of the floor area of the proposed complex for teaching, research and other supporting uses after taking into account the views of the relevant departments of the university. As the detailed design of the proposed complex was yet to be formulated, CUHK, having made reference to the project costs and consultancy fees of other completed projects with similar nature and upon discussions with the Architectural Services Department, estimated that the total project cost of the proposed complex was around \$2.8 billion, and the pre-contract consultancy fee generally took up around 2% of the total project cost. Director (Campus Development Office), The Chinese University of Hong Kong stressed that it was only the estimated project cost that stated in paragraph 9 of Annex 1 to Enclosure 1 to FCR(2020-21)3, and subject to FC's approval for this item, CUHK would engage consultants by tender and enter into a contract based on the actual returned tender price. Upon completion of the relevant consultancy studies and statutory procedures, CUHK would invite tenders for the construction works of the proposed teaching-research complex. Same as other public works projects, the funding proposal for FC's approval would be based on the returned tender price.

123. Director (Campus Development Office), The Chinese University of Hong Kong further advised that damage within CUHK campus resulting from demonstrations in the latter half of 2019 was mainly found on some school buses as well as the road next to the entrance of No. 2 Bridge, but not involving Tai Po Area 39, which was very far away from the MTR University Station, at where the proposed teaching-research complex was located. CUHK would request the consultant to review the design of the proposed teaching-research complex and its external perimeter to ensure that security needs would be fulfilled.

Tendering arrangement

124. Taking into account the impact of Coronavirus Disease 2019 ("COVID-19") on the construction industry, Mr Tony TSE requested the three universities to undertake that, under feasible circumstances, (a) works contract of this item to be split as far as possible so that works consultants and contractors of different sizes could engage in those works projects; (b) they would make reference to the practice of the Development Bureau to shorten the time required for processing payment to around two weeks, in order to expedite payment for works consultants and contractors; and (c) more progress milestones would be introduced in the contract to alleviate the liquidity problems of the works consultants and contractors.

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125. USFH advised that the Government would share with the management of the three universities on Hospital Authority's experience gained in other works projects to facilitate their consideration of how to shorten the time required for processing payment. He would also follow up with the management of the universities on implementing other suggestions.

126. Mr CHAN Chi-chuen noted that PolyU had invited tenders for works project 30EK in March 2019, and the contract would be awarded upon FC's funding approval. Mr CHAN enquired that as there was a downward trend in project costs in the past year, whether PolyU would consider reviewing afresh the returned tender price with the tenderers before awarding the contract. Mr CHAN further enquired if the Administration had encountered similar situations when implementing other works projects; if it had, of the way to handle the situation.

127. Director of Campus Development Office, The Hong Kong Polytechnic University responded that to meet the works schedule, PolyU invited tenders for the site formation and foundation works of the project in March 2019, and the tender was valid until the end of August 2020. The returned tender price was lower than the estimated project cost, and it was believed that 30EK could be completed within the budget.

128. USFH advised that market responses on re-tendering exercises would be affected by different factors like the economic situation, and he did not have any information on whether the Government had encountered similar situations with other works projects of the same type before. He also pointed out that the Government hoped to provide additional teaching and research facilities in a timely manner to meet the short and medium-term expansion needs of the universities.

Other works projects to enhance healthcare teaching facilities of universities

129. Ms Claudia MO noted that the Administration had earmarked about \$20 billion for various short, medium and long-term works projects to upgrade and increase the healthcare teaching facilities of CUHK, PolyU and HKU. She enquired if the provision concerned was sufficient to pay for the works expenditures of all related projects. Ms MO then raised the following questions regarding the works projects stated in paragraph 1(b) of Enclosure 1 to FCR(2020-21)3:

- (a) what was the renovation progress of healthcare-related

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teaching facilities within the PolyU campus; whether the works concerned were related to 30EK; and

- (b) the expected timing for submitting the financial proposal of the construction of PolyU's integrated teaching building for FC's approval by the Administration.

130. USFH advised that as 30EK was about to proceed to the construction stage, its estimated expenditure would be higher than that of 61EF and 65EG for carrying out pre-contract consultancy or the conversion works of the existing campus. Upon completion of the consultancy studies for the works projects stated in paragraph 1 of Enclosure 1 to FCR(2020-21)3, the Government would make a separate submission of the financial proposal to FC.

131. Director of Campus Development Office, The Hong Kong Polytechnic University responded that:

- (a) Renovation works of healthcare-related teaching facilities within the PolyU campus had commenced, and part of them could be completed successively in the coming two to three years to cope with the increase of healthcare training places. The works concerned did not have a direct relation with 30EK; and
- (b) The construction of PolyU's integrated teaching building was a long-term works project. The authority had engaged a consultant to carry out a works study and it was expected that the financial proposal would be submitted in 2022-2023 for FC's approval. The whole works project was expected to be completed in 2029.

Voting on FCR(2020-21)3

132. At 4:31 pm, the Chairman put FCR(2020-21)3 to vote. The Chairman declared that the majority of the members present and voting were in favour of the item. The item was approved.



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**Item 6 — FCR(2020-21)20  
RECOMMENDATION OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 17 MAY 2019**

**PWSC(2019-20)1**

**HEAD 705 — CIVIL ENGINEERING**

**Civil — Multi-purpose**

**Engineering**

**50CG — Provision of an Additional District Cooling  
System at the Kai Tak Development**

133. The Chairman said that this item sought the approval of FC for the recommendation of PWSC made at its meeting on 17 May 2019 regarding PWSC(2019-20)1, namely the upgrading of 50CG entitled "Provision of an Additional District Cooling System at the Kai Tak Development" to Category A at an estimated cost of \$4,269.3 million in money-of-the-day prices. PWSC spent about 2 hours and 47 minutes on the scrutiny of the aforesaid proposal.

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

135. Ir Dr LO Wai-kwok said that the existing District Cooling System ("DCS") at Kai Tak Development ("KTD") was operating smoothly, with comprehensive laws and regulations in place. He had visited the DCS substation of a primary school in KTD and received a briefing by a student ambassador of the school. Ir Dr LO opined that apart from bringing about environmental benefits, DCS also provided learning opportunities for students. He expressed support for this item.

Recover the cost of investment

136. Ms Tanya CHAN noted that both the proposed works and the existing DCS at KTD had a payback period of 30 years. She enquired whether the Administration had carried out an independent assessment on the payback period of the proposed works. She was keen to ensure that the cost of investment in the proposed works could subsequently be recovered in 30 years.

137. Acting Director of Electrical and Mechanical Services ("Acting DEMS") replied that the proposed works and the existing DCS were under separate works projects. The Administration had carried out an independent assessment on the income and expenditure level of the

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proposed works. It was believed that the investment cost of the proposed works could be recovered in 30 years.

138. Regarding the estimated recurrent costs set out in Enclosure 4 to PWSC(2019-20)1, Mr CHAN Chi-chuen enquired about the reason for the drastic fluctuation in the estimated recurrent costs of the proposed additional DCS during those few years.

139. In response, Acting DEMS pointed out that under the District Cooling Services Ordinance (Cap. 624), the Government would levy consumption charge on user buildings. The relevant charges would be used to settle the operation and maintenance fees for the DCS operator as well as the utility costs for operating DCS plants. The estimated recurrent cost shown in Enclosure 4 to PWSC(2019-20)1 represented the difference between income and expenditure, taking into account the charges and fees received for the provision of district cooling services in that particular year. It was estimated that with the successive completion of user buildings after the commissioning of the proposed additional DCS in 2022-2023, the charges and fees received for the provision of district cooling services would increase and the net expenditure would decrease gradually. Starting from 2026-2027, the charges and fees received would be sufficient for settling all the operation and maintenance fees for the DCS operator as well as utility costs for operating the DCS plants. According to an estimation made upon the basis of the schedule of provision of district cooling services to user buildings as set out in Enclosure 2 to PWSC(2019-20)1, the investment cost of the proposed works could be recovered in 30 years.

140. Mr CHAN Chi-chuen said that despite his repeated requests for information regarding the annual amount of (a) charges and fees received for the provision of district cooling services to KTD; and (b) district cooling service charges paid by the Kai Tak Cruise Terminal, the Administration had only provided the estimated recurrent costs of the proposed works. Mr CHAN Chi-chuen was of the view that the existing data would not be sufficient to prove that the investment cost of the proposed project could be recovered in 30 years. Hence, he had reservation about this project. Ms Tanya CHAN shared the view that the relevant data should be made public, so as to facilitate the monitoring of the cost-effectiveness of DCS by LegCo.

141. Mr CHAN Chi-chuen then requested the Administration to provide in a supplementary paper the total income received since the existing DCS in KTD commenced operation, together with the annual

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estimated income as well as annual estimated operation and maintenance expenditure of the proposed additional DCS from 2022-2023 to 2026-2027 and after 2026-2027.

142. Under Secretary for the Environment ("USEN") said that as tendering procedures were being carried out for the proposed works, in order to safeguard the interests of the Government, it would not be appropriate to disclose the detailed estimated income and expenditure regarding the proposed additional DCS at this stage. Enclosure 4 to PWSC(2019-20)1 had already set out the difference between the income and expenditure upon the commissioning of the proposed works, taking into account the charges and fees received for the provision of district cooling services. It was shown that the investment cost of the proposed works could be recovered in 30 years.

143. USEN further said that, according to the supplementary information submitted to PWSC on 17 May 2019, the actual recurrent expenditure of the existing DCS in KTD from the time it commenced operation to 2018-2019 was lower than the recurrent expenditure estimated at the time when the Government submitted the relevant funding application to FC. According to the estimation, the charges and fees received in respect of the system would be sufficient to settle the relevant operating expenses from 2021-2022 onwards, and the target of full cost recovery could be achieved over the system's project life of 30 years.

144. Mr CHAN Chi-chuen sought further elaboration on the time when the tender invitation for the proposed works would close, and the substantive effect of disclosing financial data on the tendering exercise to be carried out by the Administration. As the existing DCS in KTD was providing services to a number of user buildings, even if the Administration disclosed the relevant financial data, the commercially sensitive information of individual users would not be involved. Mr CHAN urged the Administration to consider disclosing the total amount of income from the existing DCS in KTD after the tender invitation for the proposed works closed.

145. Acting DEMS replied that the tender invitation for the proposed works had already closed. Under the design-build-operate contract mode, technical evaluation of the tenders received was being carried out by the Government. After completing the technical evaluation, the Government would carry out financial evaluation of the tenders received. It was expected that the entire tendering procedure could be completed in the coming months.

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146. USEN supplemented that as financial evaluation had not been carried out yet, the whole tendering procedure had not been completed. As such, information about the total amount of income received from the existing DCS as well as the breakdown on the estimated income and expenditure of the proposed additional DCS could not be disclosed at this moment. He further said that subject to the progress of the tendering exercise and other circumstances, the Government would carry out a review with the relevant departments and consider disclosing some of the relevant data after completing the whole tendering procedure.

Charges for district cooling services

147. Mr CHAN Chi-chuen asked whether the operator of the Kai Tak Cruise Terminal was still required to pay the charges for district cooling services after cruise ship passenger handling at the Terminal was suspended since February 2020.

148. Acting DEMS pointed out that in accordance with the charging principles for district cooling services at KTD, DCS users were required to pay the capacity charge and consumption charge. Even if individual users' actual consumption had decreased, they were still required to pay the capacity charge according to the contract cooling capacity (i.e. an estimation of the maximum designed cooling capacity for the building).

149. Ms Tanya CHAN enquired about the time when the quinquennial tariff review of the charges for district cooling services as specified under the District Cooling Services Ordinance would be completed. Acting DEMS replied that the Electrical and Mechanical Services Department ("EMSD") was conducting a tariff review of the charges for district cooling services. Relevant work had reached the final stage and a report would be submitted to the Environment Bureau in due course.

Service coverage of the proposed additional district cooling system

150. Mr KWONG Chun-yu enquired about the service targets of the proposed additional DCS and sought clarification on whether the Kai Tak Sports Park was the main service target of the system. Mr KWONG also asked whether after the announcement of the increase in the development density of KTD in the 2017 Policy Address, the Administration had to re-design the entire DCS of KTD and postpone its commissioning date. Mr KWONG was keen to ensure that the cooling capacity of the proposed additional DCS would be able to meet the ultimate demand.

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151. Ms Tanya CHAN asked whether the completion date of the proposed works would be able to tie in with the completion of various user buildings.

152. In response, USEN and Acting DEMS said that the cooling capacity of the existing DCS was designed during the initial stage of development of KTD in 2008. The existing DCS was completed and came into operation in 2013. Since then, EMSD had been monitoring the latest development closely and decided in 2017 that the existing DCS would not be able to meet the growth in the projected cooling demand of user buildings. Hence, the proposal relating to the proposed works was put forward, so as to meet the additional cooling demand from the following user buildings: the New Acute Hospital (accounted for around 44% of the total additional cooling capacity of the proposed works); around 400 000 square metres of commercial gross floor area arising from the increase in development density announced in the 2017 Policy Address (accounted for around 31% of the total additional cooling capacity of the proposed works); and the Kai Tak Sports Park (accounted for around 25% of the total additional cooling capacity of the proposed works). Based on the latest development density of KTD and the designed cooling capacity of the Kai Tak Sports Park, EMSD had estimated the additional cooling capacity required. It was believed that the final cooling demand from user buildings would not be very different from the current estimation. If FC approved the funding in this legislative session, the Government was confident about the timely provision of district cooling services when the relevant facilities commenced operation.

153. Acting DEMS also clarified that as this project and the existing DCS or DCS being built in KTD belonged to different public works projects, the completion dates of the other projects would not be affected by the implementation of this project.

Design of the proposed additional district cooling system

154. Ms Claudia MO sought further details on how the construction cost of the project could be reduced by using water discharged from the Desilting Compound for heat rejection required by DCS.

155. Acting DEMS said that DCS needed to use water for heat rejection. The Government planned to build the proposed additional DCS plant next to the Desilting Compound, so as to make good use of the water from the Desilting Compound cooled once for the chiller plant's heat

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rejection. Its energy efficiency was higher than that of other cooling towers using recirculating systems. With the site locating next to the Desilting Compound, it would also be possible to shorten the pipes required for connecting the proposed plant to the Desilting Compound, and would help lower the construction cost of the proposed project.

156. Ms Tanya CHAN pointed out that the existing DCS plant was flooded in July 2018 due to water main burst. She enquired whether the Administration (a) had identified the cause of the incident, so as to prevent the same problem from occurring at the proposed additional DCS; and (b) would install a flood warning system in the proposed additional DCS so as to ensure that the cooling system would operate normally. Ms CHAN also asked whether the contractor involved in the aforesaid flooding incident could still bid for the contract on the proposed works.

157. In response, USEN said that the incident was caused by leakage of water due to the poor quality of the works done by the contractor to install a condenser gasket for a chiller. As the contractor failed to discover the leakage in time, approximately one inch of water accumulated at basement level 2 of the plant room building. EMSD had already issued a warning letter to the contractor and urged it to carry out improvement measures immediately, such as stepping up patrol of the plant room. As a pumping system was installed at the plant room of DCS, the cooling services would not be affected due to flooding of the plant room.

158. Acting DEMS supplemented that in order to prevent the recurrence of similar incidents, risk assessment had been conducted afresh on the operation of the plant room, and the contractor involved had been requested to install flood monitoring equipment in the plant room, enhance the coverage of closed-circuit television systems and improve the image resolution. Acting DEMS further said that although the performance of the contractor involved was unsatisfactory in the aforesaid water leakage incident, it did not constitute sufficient ground for prohibiting the contractor from bidding for the contract on the proposed works.

*Energy conservation and greening designs*

159. Ms Claudia MO enquired if renewable energy facilities such as solar and wind power systems would be installed in the proposed additional DCS plant. Mr CHAN Chi-chuen sought details on the additional energy conservation measures set out in paragraph 14(f) of PWSC(2019-20)1.

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160. USEN pointed out that solar energy and wind power would not be sufficient for meeting the proposed additional DCS's electricity demand in its day-to-day operation. DCS per se was a project to enhance energy efficiency. It consumed 35% and 20% less electricity as compared with traditional air-cooled air-conditioning systems and individual water-cooled air-conditioning systems using cooling towers respectively.

161. Acting DEMS supplemented that additional energy conservation measures would be adopted for the design of the proposed works, i.e. the use of various forms of energy efficient features and renewable energy technologies, including (a) light-emitting diode ("LED") general lighting and occupancy sensors for lighting control; and (b) LED type exit signs. There would also be landscaping, roof greening and vertical greening in suitable places, so as to reduce indoor temperature and bring about environmental and amenity benefits. It was estimated that the additional energy efficient measures could achieve 5% saving in the energy consumption of building services in the plant room, with a payback period of about seven years. Principal Assistant Secretary for the Environment (Energy) advised that the Government would, where appropriate, equip government buildings with renewable energy installations as far as possible, and it had planned to install photovoltaic systems in the proposed additional DCS plant.

162. Mr Tony TSE declared that he was a member of the Task Force on Kai Tak Harbourfront Development ("Task Force"). Since DCS would bring about significant environmental benefits, he expressed support for this project. Quoting paragraph 20 of PWSC(2019-20)1, Mr TSE asked how the views from the Task Force would be followed up.

163. Acting DEMS replied that the Government would invite tender for the core works of the proposed additional DCS under a "Design, Build and Operate" contract. It was set out in the tender document that the contractor should make reference to the views from the Task Force in the detailed design for the project. USEN further indicated that EMSD and the contractor would consult the Task Force again when a more detailed design was available.

164. Mr Tony TSE also asked whether the Administration would specify in the tender document that the successful contractor should take into account both the functional and aesthetic requirements in carrying out the detailed design work for various structures of the proposed project. Acting DEMS replied in the affirmative.

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*Environmental mitigation measures*

165. Ms Tanya CHAN enquired whether the implementation of the environmental mitigation measures (including acoustic louvres and silencers) was recommended to address noise generated during the construction of DCS or its long-term operation. She also requested the Administration to further explain the impacts of the proposed project on the environment and clarify whether sludge treatment, which might lead to environmental pollution, was included in the proposed project.

166. USEN advised that as the movable parts in DCS were fewer than those in ordinary air-conditioning plants, it would be easier to address the noise generated by DCS. Since the proposed DCS plant would be about 100 metres away from residential developments, it was believed that the noise impacts on the residential developments would be minimal. On the other hand, as water for cooling the DCS chiller plants would only be discharged into the sea after it had been treated, it would be unlikely for it to cause adverse environmental impacts. The Government would also implement environmental mitigation measures during construction to control noise, dust and site run-off nuisances, in order to comply with established standards and guidelines.

167. Acting DEMS supplemented that the recommended environmental mitigation measures (including acoustic louvres and silencers) would be implemented mainly to address noise generated during the operation of the DCS plant. Similar environmental mitigation measures were also adopted in other air-conditioning systems.

Adopting district cooling systems in other new development areas

168. Having regard to the environmental benefits that would be brought about by DCS, Mr Tony TSE suggested that consideration should be given to the adoption of DCSs in other areas. Ms Tanya CHAN and Mr Jeremy TAM asked whether plans were in place to adopt DCSs in other NDAs and provide district cooling services for residential buildings.

169. USEN advised that the Government was currently studying with relevant departments the possibility of adopting DCS in the Tung Chung New Town Extension project and Hung Shui Kiu NDA. Relevant considerations included the development approach of and the number of users in the aforesaid NDAs, and whether suitable sites were available for the construction of DCS chiller facilities in the NDAs.



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170. Acting Deputy Director of Electrical and Mechanical Services (Regulatory Services) advised that energy efficiency could be enhanced by adopting DCSs in NDAs in place of the installation of separate air-conditioning systems in individual buildings. However, since centralized air-conditioning systems were generally not provided in residential buildings, the provision of district cooling services by DCS for residential buildings might not enhance energy efficiency. As such, it would not be likely for residential buildings to become DCS users.

171. The meeting was suspended at 5:00 pm and resumed at 5:12 pm.

Voting on FCR(2020-21)20

172. At 5:33 pm, the Chairman put item FCR(2020-21)20 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 28 members voted in favour of and 7 members voted against the item, and no members abstained from voting. The votes of individual members were as follows:

*For:*

Mr Abraham SHEK Lai-him	Prof Joseph LEE Kok-long
Mr Jeffrey LAM Kin-fung	Mr WONG Ting-kwong
Dr Priscilla LEUNG Mei-fun	Mr WONG Kwok-kin
Mrs Regina IP LAU Suk-yee	Ms Claudia MO
Mr Steven HO Chun-yin	Mr Frankie YICK Chi-ming
Mr YIU Si-wing	Mr MA Fung-kwok
Mr Charles Peter MOK	Ms Alice MAK Mei-kuen
Dr Fernando CHEUNG Chiu-hung	Mr IP Kin-yuen
Mr POON Siu-ping	Ir Dr LO Wai-kwok
Mr Alvin YEUNG	Mr SHIU Ka-fai
Mr SHIU Ka-chun	Dr Pierre CHAN
Mr CHAN Chun-ying	Ms Tanya CHAN
Mr LUK Chung-hung	Mr Jeremy TAM Man-ho
Mr Tony TSE Wai-chuen	Ms CHAN Hoi-yan
(28 members)	

*Against:*

Mr CHAN Chi-chuen	Dr Helena WONG Pik-wan
Mr Andrew WAN Siu-kin	Mr LAM Cheuk-ting
Mr HUI Chi-fung	Dr CHENG Chung-tai
Mr KWONG Chun-yu	
(7 members)	

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173. The Chairman declared that the item was approved.

**Item 7 — FCR(2020-21)4  
CAPITAL WORKS RESERVE FUND**

**HEAD 708 — CAPITAL SUBVENTIONS AND MAJOR SYSTEMS  
AND EQUIPMENT**

**Hong Kong Observatory**

**New Subhead "Provision of aviation meteorological systems to support the Three-Runway System at Hong Kong International Airport"**

174. The Chairman advised that the item invited FC to approve the creation of a new commitment of \$271.9 million for the provision of aviation meteorological systems to support the Three-Runway System ("3RS") at Hong Kong International Airport ("HKIA").

175. Ir Dr LO Wai-kwok spoke in support of the item.

Financial arrangement

176. Mr HUI Chi-fung and Mr KWONG Chun-yu expressed dissatisfaction that the Administration had repeatedly sought funding approvals from LegCo for the construction of a number of facilities to dovetail with the operation of 3RS at HKIA. Noting that FC had never approved funding proposals for the construction of 3RS, Mr HUI considered that the Airport Authority Hong Kong ("AAHK") ought to bear all related costs out of its own pocket. Mr HUI also asked whether consideration would be given to acquiring the aviation meteorological systems and equipment under this item through other financing options.

177. Mr Jeremy TAM pointed out that according to the information provided by the Administration, the additional recurrent cost and depreciation cost arising from the project would eventually be recovered in accordance with the "user pays" principle. Based on the above, he enquired whether consideration had been given to assigning AAHK to fund the acquisition of the aviation meteorological systems and equipment and recover the related costs from users.

178. Head (Airport Expansion Project Coordination Office), Transport and Housing Bureau ("H(AEPCO)") advised that as stated in the LegCo

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Brief (File Ref.: THB(T)CR2/582/08) issued on 20 March 2015, the Government had to construct a number of government facilities to dovetail with the operation of 3RS at HKIA. The aviation meteorological systems and equipment under this item were government facilities, whose construction, operation and maintenance works were undertaken by the Government and all the associated costs would have to be borne by the Government. Following the installation and commissioning of the first batch of aviation meteorological systems (i.e. from 2021-2022 onwards), the Government would, in line with the "user pays" principle, recover the additional recurrent cost and depreciation cost arising from the project through collecting the aviation weather services charges from AAHK. In fact, the Government had made a similar financial arrangement during the construction of HKIA in 1990s, under which the Government funded the construction and acquisition of the necessary aviation meteorological systems and recovered the costs in accordance with the "user pays" principle.

Recover the cost of aviation weather services provided by Hong Kong Observatory

179. Mr YIU Si-wing enquired whether the aviation weather services charges payable by AAHK had taken into account the depreciation cost. He also asked whether the Administration would directly levy the aviation weather services charges on airlines.

180. H(AEPCO) advised that the Hong Kong Observatory ("HKO") would collect from AAHK the aviation weather services charges, inclusive of the additional recurrent cost arising from the project, depreciation of fixed assets and amortization of capitalized costs. In setting the airport charges levied on airlines, AAHK would take into consideration a basket of factors, including the aviation weather services charges payable by AAHK to HKO.

181. Assistant Director of the Hong Kong Observatory (Aviation Weather Services) ("AD/HKO") supplemented that for the purpose of determining the amount of charges for aviation weather services, HKO would annually work out the cost for the provision of aviation weather services and the depreciation cost incurred by the aviation meteorological systems and equipment, and submit a cost statement to the Financial Services and the Treasury Bureau for vetting and approval.

182. Mr WU Chi-wai enquired whether AAHK was required to pay the aviation weather services charges to HKO for the existing aviation weather

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services provided by the latter; if so, the weighting of the aviation weather services charges in the airport charges currently receivable by AAHK from airlines. Mr Jeremy TAM enquired about the annual sum of aviation weather services charges currently payable by AAHK to the Government.

183. Ms Claudia MO enquired about the meaning of "additional recurrent cost" mentioned in paragraph 22 of FCR(2020-21)4.

184. In response, H(AEPCO) advised that AAHK was currently required to pay the aviation weather services charges to the Government to meet the costs incurred by HKO in the provision of aviation weather services for the existing two-runway system at HKIA. The aviation weather services charges only accounted for a small part of the airport charges levied on airlines by AAHK. The "additional recurrent cost" referred to the additional cost incurred by the aviation weather services for supporting the operation of 3RS at HKIA on top of the existing services provided by HKO to AAHK.

185. AD/HKO supplemented that the annual sum of services charges receivable by HKO from AAHK for the provision of aviation weather services for the existing two-runway system was around \$110 million. The said amount, which was calculated on an accountable basis, covered the staff costs of HKO for the provision of aviation weather services as well as the depreciation of fixed assets and amortization of capitalized costs in respect of the existing aviation meteorological systems and equipment. HKO would, in calculating the aviation weather services charges, take into account the depreciation costs of the equipment in various meteorological equipment sites, equipment rooms, as well as the HKO office at the Air Traffic Control towers.

186. Mr WU Chi-wai enquired whether HKO would, apart from relying on the aviation meteorological systems and equipment, make use of data collected by other meteorological equipment of HKO when providing services to AAHK and aircraft overflying the Hong Kong Flight Information Region; if so, whether HKO had correspondingly included the costs incurred in providing such services in the aviation weather services charges receivable.

187. AD/HKO replied that at present, HKO would transmit data collected through various weather stations to its computer system for analysis, and at the same time support the provision of public weather forecasts and aviation weather services. According to the "user pays" principle, HKO would take into account all the costs associated with the

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provision of aviation weather services (e.g. expenditures pertaining to the procurement of independent display panels and graphic production) in the aviation weather services charges receivable.

188. Mr Jeremy TAM enquired about the depreciation periods of the aviation meteorological systems and equipment under this item. Mr WU Chi-wai and Mr HUI Chi-fung enquired when the non-recurrent expenditure totalling \$271.9 million incurred by this item could be fully recovered.

189. AD/HKO replied that the normal serviceable lives of aviation meteorological equipment varied. For example, the normal serviceable lives of the Light Detection and Ranging systems and the Terminal Doppler Weather Radar ("TDWR") were 10 years and 15 years respectively. In calculating the aviation weather services charges, HKO would work out the depreciation periods and depreciation costs of individual aviation meteorological equipment based on their normal serviceable lives to the effect that the related non-recurrent expenditures would be fully recovered upon expiry of the depreciation periods. Hence, the amount of aviation weather services charges would drop upon expiry of the depreciation periods (please refer to the supplementary paper (LC Paper No. CB(4)447/19-20(01)) dated 2 April 2020 provided by the Administration to the Panel on Economic Development for details) until HKO replaced the relevant equipment.

190. In reply to enquiries made by Ms Claudia MO and Mr Jeremy TAM, H(AEPCO) and AD/HKO respectively confirmed that the aviation weather services charges would cover the annual cost incurred in the provision of aviation weather services by HKO (including staff costs, electricity expenses and consumables, etc.), as well as the depreciation cost of the non-recurrent expenditure (estimated to be \$271.9 million) to be incurred by this item. The non-recurrent expenditure concerned would be fully recoverable upon expiry of the depreciation periods of the aviation meteorological equipment.

191. Mr SHIU Ka-chun enquired whether the Administration had, in the course of evaluating the timeline for cost recovery under this item, considered AAHK's financial sustainability in meeting the relevant expenditures, particularly at a time when AAHK would still possibly face challenges arising from COVID-19 and other epidemics. Noting that there was a significant slump in air traffic at HKIA due to the COVID-19 epidemic, Mr SHIU also asked whether there would be a corresponding reduction in expenditures on repair and other professional services for the

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existing aviation meteorological systems and equipment operated by HKO.

192. H(AEPCO) advised that the cost incurred by HKO in the provision of aviation weather services would be fully recovered from the aviation weather services charges payable by AAHK. Despite the fact that HKIA's air traffic had been seriously affected by the COVID-19 epidemic, AAHK was financially sound and would determine the level of airport charges on its own volition. At present, the aviation weather services charges only accounted for a small part of the airport charges levied on airlines by AAHK.

193. Mr HUI Chi-fung enquired whether a mechanism had been formulated to determine which government facilities built for the purpose of dovetailing with the operation of 3RS at HKIA should have their costs recovered under the "user pays" principle.

194. H(AEPCO) advised that given that both air traffic control services and aviation weather services were commercial in nature and they were for use by airlines operating at HKIA, the Government would recover from AAHK the costs associated with the provision of services by the Civil Aviation Department ("CAD") and HKO for aircraft take-offs and landings. The Government would not, on account of public safety and the provision of rescue services, request AAHK to meet expenditures pertaining to security and fire services.

Procurement

*Export control measures of the United States for dual-use technology*

195. Mr Andrew WAN, Mr LUK Chung-hung and Mr Jeremy TAM said that in view of the current China-United States ("US") relations, the US Government might ban the export of high technology products, such as radars, from US to Hong Kong. As a consequence, HKO might be unable to acquire new aviation meteorological equipment and enhance its existing aviation meteorological systems and equipment. Mr TAM further pointed out that equipment for civilian use might also be subject to US export control measures for strategic commodities. For instance, the bird strike risk alerting radar equipment (manufactured by a US company) serving Taiwan Taoyuan International Airport was banned from being exported to the Mainland.

196. In this regard, Mr Andrew WAN enquired whether the existing aviation meteorological systems and equipment of HKO were using

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technologies and products developed in US or exported from US. Mr Jeremy TAM requested the Administration to provide information on the number of suppliers who could supply the radars under this item and the countries where they were located. Both members also asked whether the Administration had taken the initiative to understand the legislation of places around the world through the local suppliers, so as to ensure that the relevant equipment could be exported to Hong Kong smoothly.

197. In response, AD/HKO pointed out that HKO's meteorological equipment was equipment for civilian use rather than strategic commodities. Hence, there should be no problem in making procurements. In the past, HKO had not encountered any export control issues in procuring similar products. As far as HKO knew, currently, there were around four suppliers in the market which could supply the radars under this item. They were located in Europe, US and Japan. Having liaised with the suppliers, HKO confirmed that the relevant equipment was for civilian use and would not be subject to the export control on strategic commodities imposed by those countries.

198. Mr LUK Chung-hung suggested that in procuring the systems and equipment under this item, the Administration should include both overseas and Mainland suppliers in the relevant tendering exercise to enhance value-for-money. He also enquired how the Administration would invite tenders from more suppliers from different countries/regions in order to avoid monopolization of the market by traditional suppliers in Europe and US. Mr LUK further said that if the Administration decided to adopt a selective tendering process for this procurement, it should provide to FC a list of suppliers to be invited.

199. AD/HKO responded that regarding the procurement of radar systems under this item, the Government would gazette tender invitation and conduct global open procurement. Suppliers did not need to register on the supplier list for HKO's equipment in advance. She also emphasized that HKO would treat all suppliers equally. So long as the requirements specified in the tender invitation were met, HKO would give consideration to the supplier concerned, regardless of its country of origin. In fact, the radar currently installed inside HKO Tate's Cairn Meteorological Station was provided by a Mainland supplier.

200. H(AEPCO) supplemented that the tender invitation would only set out the specifications of the required systems and equipment without specifying their places of origin or brands. According to experience, quite a number of Mainland companies would keep tabs on the tendering

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exercises for works projects in Hong Kong and bid for the relevant contracts.

201. Mr LUK Chung-hung enquired about the respective weightings given to technical score and price score when evaluating tenders. AD/HKO responded that HKO would stipulate the relative weightings in accordance with the guidelines of the Government Logistics Department. In general, the weighting of technical score under the marking scheme was around 50% to 70%, depending on the particular equipment.

Implementation plan

202. Mr CHAN Chi-chuen pointed out that at present, the civil aviation industry had almost come to a complete halt. Global demand for aviation equipment might fall. He enquired whether the Administration had formulated strategies to bargain with equipment suppliers, including delaying the tender schedule, so as to secure the best terms for Hong Kong. Mr CHAN also asked whether the Administration had assessed if the COVID-19 epidemic would last all the way to the commissioning of the third runway at HKIA in 2022, and whether the Administration would reconsider the implementation plan of 3RS in view of the persistent spread of the epidemic.

203. H(AEPCO) advised that air traffic at HKIA had dropped significantly amid the COVID-19 epidemic. Due to such situation, AAHK had once closed the North Runway earlier on. Operation of the two runways had resumed recently. Upon the commissioning of the third runway, which was expected to be in 2022, the existing North Runway would be closed for about two years for reconfiguration into the new centre runway. In other words, HKIA would maintain two-runway operation only until 2024 when 3RS commenced operation.

204. AD/HKO supplemented that procurement procedures would start after FC had approved this item. Procurement would be carried out through open tender, etc. The associated costs would be reflected in the final contract sum.

205. Mr YIU Si-wing cited paragraph 24 of FCR(2020-21)4, which stated that the progress of providing new aviation meteorological systems and equipment would be subject to a number of factors, and multiple works contracts were involved. He enquired that in case the relevant projects could not interface with one another and be completed as scheduled, whether the commissioning of the third runway of HKIA and the entire



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3RS would lag behind the schedule.

206. H(AEPCO) advised that the Government obtained funding from FC in 2018 to construct the first batch of government facilities, including those of CAD, HKO and the Fire Services Department required for supporting the operation of 3RS. In 2019, the design and construction of these government facilities were entrusted to AAHK. AAHK had taken forward the relevant works, and no slippage of works had been found so far. The Administration would continue to monitor closely the works progress. Upon completion of the relevant works, some of the new aviation meteorological equipment under this item would be installed inside the buildings concerned.

207. AD/HKO supplemented that based on the current estimation, HKO would be able to provide timely the required aviation meteorological systems and equipment to support the commissioning of HKIA's third runway in 2022 and the entire 3RS by the end of 2024. In case the third runway or 3RS was not ready as scheduled, HKO might adjust correspondingly the implementation plan of this item. AD/HKO also confirmed that the aviation meteorological systems and equipment procured under this item would be managed by HKO.

208. In response to the enquiry of Ms Claudia MO, H(AEPCO) confirmed that the commissioning of HKIA's third runway in 2022 and the entire 3RS in 2024 had always been the target of AAHK. No delay had been identified so far.

Aviation meteorological systems and equipment proposed to be procured and enhanced

*International Standards and Recommended Practices of the International Civil Aviation Organization*

209. Mr HUI Chi-fung enquired whether the 19 items of systems and equipment proposed to be procured or enhanced as listed in Enclosure to FCR(2020-21)4 were included in the International Standards and Recommended Practices of the International Civil Aviation Organization ("ICAO"); if not, how much non-recurrent expenditure would be involved in providing additional systems and equipment on top of the International Standards and Recommended Practices of ICAO.

210. AD/HKO advised that in accordance with the International Standards and Recommended Practices of ICAO, each runway had to be

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equipped with its own meteorological equipment to monitor the atmospheric conditions at specific locations of the runway for safeguarding the safety of flights taking off and landing. The non-recurrent expenditure for providing the relevant equipment (i.e. item 1 in Enclosure to FCR(2020-21)4 - Meteorological equipment near the third runway) and enhancing the relevant data processing equipment was about \$20 million.

211. AD/HKO added that for the safe and efficient operation of the third runway at HKIA, equipment commensurate with the standards for the existing runways (i.e. items 2 to 19 in Enclosure to FCR(2020-21)4) were also required for this runway. Among such systems and equipment, TDWR incurred the highest setup cost of about \$120 million.

*Terminal Doppler Weather Radar*

212. Ms Claudia MO asked what functions a TDWR performed. She also sought further information on the total number of TDWRs currently installed in Hong Kong, their locations, utilization as well as the number of TDWRs planned to be replaced under this item. Mr Andrew WAN and Mr MA Fung-kwok enquired about the justifications for providing a new TDWR at the Tai Lam Chung TDWR station.

213. H(AEPCO) advised that HKO currently made use of a TDWR installed at Brothers Point TDWR station for detection and alerting of windshear and microburst in rainy conditions, which was of paramount importance to ensure aviation safety. Moreover, HKO had another TDWR at the Tai Lam Chung TDWR station. This radar was installed in 1996 and had been serving as a back-up since 2015. To cope with the air traffic growth upon the commissioning of 3RS at HKIA, it was necessary for HKO to acquire a new TDWR and install it at the Tai Lam Chung TDWR station to replace the TDWR which had been in use for many years at that station. The new TDWR, upon commissioning, would work in tandem with the TDWR at Brothers Point TDWR station. At times when one of the radars was not serviceable due to reasons such as maintenance or repair, HKO could rely on the other radar to maintain the windshear alerting services.

214. Mr Jeremy TAM considered that as the TDWR at the Tai Lam Chung TDWR station had been in service for over 20 years, it was necessary to replace the radar even if AAHK did not implement the 3RS project at HKIA. Taking into account the air traffic movement at HKIA, Mr TAM agreed that one more TDWR was needed as a back-up. Mr MA Fung-kwok asked the Administration whether HKO had set up more than

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one TDWR since the commissioning of HKIA in 1998.

215. AD/HKO advised that, from 1998 to 2015, HKO had only one TDWR. It was rather inconvenient to make arrangements for maintenance or repair. Besides, when the radar was not serviceable due to reasons such as maintenance or repair, the officers of HKO could only rely on their professional judgment in issuing windshear alerts. In view of this, when the TDWR at Brothers Point TDWR station started operation in 2015 and replaced the TDWR which had been in use for many years at the Tai Lam Chung TDWR station, the latter was kept as a back-up. The TDWR at the Tai Lam Chung TDWR station was installed in 1996 and had long passed its normal serviceable life of 15 years.

216. Mr WU Chi-wai noted that, before being used as a back-up, the TDWR at the Tai Lam Chung TDWR station had operated for nearly 20 years, exceeding its normal serviceable life. Given that the data provided by aviation meteorological equipment was of paramount importance to aviation safety, Mr WU considered that aviation meteorological equipment should be replaced in a timely manner. He enquired about the major considerations for replacing aviation meteorological equipment. In addition, Mr WU asked the Administration to clarify whether this item included the replacement of all aviation meteorological equipment in HKIA.

217. H(AEPCO) advised that HKO had all along monitored closely the condition of its aviation meteorological equipment and kept a stock of the critical spare parts as far as practicable to maintain its aviation weather services.

218. AD/HKO supplemented that funding under this item would only be used for providing new meteorological equipment to support the operation of the third runway at HKIA; and enhancing the existing meteorological systems and equipment so as to process the additional data from the new equipment and cope with the increased operation scale in future. In other words, this item did not include the replacement of the existing meteorological equipment near the North and South runways of HKIA. Factors considered by HKO in replacing aviation meteorological equipment included international technical requirements, service needs, the current stock of spare parts and the utilization of the systems, etc. AD/HKO emphasized that aviation safety was always the topmost priority of HKO. Deferral of replacement of meteorological equipment would only be considered when there were sufficient spare parts in stock.

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*New equipment to support visibility forecasting*

219. Ms Claudia MO asked the Administration to clarify whether the funding under this item covered the provision of new off-airport equipment to support visibility forecasting by HKO (paragraph 12 of FCR(2020-21)4 was referred); if so, the estimate for providing the new equipment.

220. H(AEPCO) answered in the affirmative. AD/HKO supplemented that the provision of the new equipment required about \$2 million.

The latest development of the Three-Runway System project at the Hong Kong International Airport

221. Mr KWONG Chun-yu and Mr HUI Chi-fung were worried that the 3RS project at HKIA would consequently result in cost overrun which had to be met by public money. Mr KWONG criticized the Administration for never reporting to LegCo the latest progress of the 3RS project. He also urged the Administration to affirm that it would not seek funding from FC in future to cope with the possible cost overrun.

222. H(AEPCO) advised that AAHK reported to the Panel on Economic Development the latest development of the 3RS project at HKIA on a half-yearly basis. The last report to the Panel was made at the meeting of the Panel on 22 June 2020. AAHK had undertaken to bear all the expenditure of the 3RS project and maintain its target of completing the whole project within the estimate of \$141,500 million. AAHK had also reiterated at the aforesaid meeting that no cost overrun had been identified for the 3RS project.

Voting on FCR(2020-21)4

223. At 7:04 pm, the Chairman put item FCR(2020-21)4 to vote. The Chairman declared that the majority of the members present and voting were in favour of the item and the item was approved.

224. The meeting ended at 7:04 pm.

Legislative Council Secretariat

4 January 2021