

立法會
Legislative Council

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(These minutes have been
seen by the Administration)

Ref : FC/1/1(11)

Finance Committee of the Legislative Council

Minutes of the 11th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 8 January 2021, from 3:35 pm to 5:32 pm

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, GBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP
Hon KWOK Wai-keung, JP
Hon Christopher CHEUNG Wah-fung, SBS, JP
Hon Elizabeth QUAT, BBS, JP
Hon Martin LIAO Cheung-kong, GBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP

Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Jimmy NG Wing-ka, BBS, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai, JP
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan, JP
Dr Hon Pierre CHAN
Hon CHEUNG Kwok-kwan, JP
Hon LUK Chung-hung, JP
Hon Kenneth LAU Ip-keung, BBS, MH, JP
Dr Hon CHENG Chung-tai
Hon Vincent CHENG Wing-shun, MH, JP
Hon Tony TSE Wai-chuen, BBS, JP

Members absent:

Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon CHAN Han-pan, BBS, JP
Hon LAU Kwok-fan, MH

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
Miss Jennie CHAN Cheuk-yin	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Dr James DING Kwok-wing	Commissioner (Inclusive Dispute Avoidance and Resolution Office), Department of Justice
Miss Queenie HO Pui-yue	Acting Senior Government Counsel (Inclusive Dispute Avoidance and Resolution Office), Department of Justice
Miss Phoebe SUEN Wing-yiu	Government Counsel (Inclusive Dispute Avoidance and Resolution Office), Department of Justice

Mr HONG Wing-kit	Chief Civil Engineer (Public Works Programme), Transport and Housing Bureau
Mr Ringo MOK Wing-cheong, JP	Project Manager (West), Civil Engineering and Development Department
Ms Joyce LAU Yiu-yan	Deputy Project Manager (West), Civil Engineering and Development Department
Mr CHOW Bing-kay	Chief Traffic Engineer (New Territories West), Transport Department
Ms Karen LEUNG Miu-yin	Chief Estate Surveyor (Acquisition Section), Lands Department
Ms Emily SER Hing-yi	Chief Architect (7), Housing Department

Other persons attending:

Mr Thomas SO	Chairman (Board of Directors), eBRAM International Online Dispute Resolution Centre Limited
Mr Nicholas CHAN	Vice Chairman (Board of Directors), eBRAM International Online Dispute Resolution Centre Limited
Mr Adrian LAI	Director, eBRAM International Online Dispute Resolution Centre Limited
Mr Daniel LAM	Chief Executive Officer, eBRAM International Online Dispute Resolution Centre Limited
Mr Clement TANG	Chief Operations Officer, eBRAM International Online Dispute Resolution Centre Limited
Mr Lawrence TAM	Chief Technology Officer, eBRAM International Online Dispute Resolution Centre Limited
Mr Dennis CAI	Deputy Chief Operations Officer, eBRAM International Online Dispute Resolution Centre Limited

Clerk in attendance:

Ms Anita SIT	Assistant Secretary General 1
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Staff in attendance:

Ms Angel SHEK	Chief Council Secretary (1)1
Miss Bowie LAM	Council Secretary (1)1
Mr Frankie WOO	Senior Legislative Assistant (1)3
Miss Yannes HO	Legislative Assistant (1)7

Action

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

Item 1 — FCR(2020-21)76

HEAD 92 — DEPARTMENT OF JUSTICE

**Subhead General non-recurrent
700**

New item "One-off Funding Support for the Development and Enhancement of an Online Dispute Resolution and Deal Making Platform by a Non-governmental Organisation"

Continuation of the discussion on agenda item FCR(2020-21)76

2. The Chairman advised that this item sought the approval of the Finance Committee ("FC") to create a new commitment of \$100 million to support the development, enhancement and initial operation of an online dispute resolution ("ODR") and deal making platform by eBRAM International Online Dispute Resolution Centre Limited ("eBRAM Centre"), a non-governmental organization ("eBRAM Platform"). FC spent 34 minutes on the discussion of this agenda item at the last meeting.

3. Mr SHIU Ka-fai declared that Mr Nicholas CHAN, Vice Chairman of eBRAM Centre, he himself and Mr Frankie YICK all belonged to the Liberal Party. Mr Nicholas CHAN did not have any shareholding in eBRAM Centre, and took up the position at eBRAM Centre on a pro bono basis.

Justifications for eBRAM International Online Dispute Resolution Centre Limited to develop applications in-house

4. Dr Pierre CHAN noted that eBRAM Centre developed some applications in-house on the one hand, and purchased the licences of other technological software on the other. Dr CHAN and Dr CHENG Chung-tai asked, in the case of translation software, why eBRAM Centre had to develop the relevant application in-house.

5. Vice Chairman (Board of Directors), eBRAM Centre ("Vice Chairman, eBRAM Centre") said that eBRAM Centre considered whether to purchase or develop in-house the applications for business promotion on the principle of proper use of financial resources. As language translation was a sophisticated technology and off-the-shelf translation software left much to be desired and failed to meet the requirements of the legal profession, eBRAM Centre found it necessary to develop translation software in-house and planned to adopt machine learning and artificial intelligence ("AI") in the provision of document translation and real-time interpretation. To this end, eBRAM Centre would also establish a database and a library facilitating the translation of legal documents. Director, eBRAM Centre added that as the service involved the translation of legal documents, both parties to the proceedings might dispute the wording of documents used in arbitral proceedings, and thus translation with high accuracy was indispensable.

Network security

6. Dr Pierre CHAN said that, according to LC Paper No. FC88/20-21(01), eBRAM Centre planned to spend \$1.5 million on enhancing, among others, video conferencing technology. Dr CHAN considered that software developers in the market would from time to time enhance network security measures for the software and update its functions. He enquired about the reasons why eBRAM Centre considered relevant technologies developed in-house to be superior to off-the-shelf video conferencing software. Dr CHAN also enquired whether eBRAM Centre had considered engaging an external contractor by way of an open tender to develop an exclusive video conferencing software.

7. Vice Chairman, eBRAM Centre replied that as regards the existing software equipped with video conferencing functions developed by eBRAM Centre in-house, all data would be stored in a secured and private cloud in Hong Kong managed by eBRAM Centre and protected by Hong Kong laws. This could address security concerns parties to the proceedings might have in using third-party video conferencing

technologies for private and confidential proceedings, including the need for protection of privacy.

8. Chief Technology Officer, eBRAM Centre pointed out that, having studied the security measures for off-the-shelf e-signature and video conferencing software, eBRAM Centre considered that providers of such software were unable to properly address the issues on security and location raised by eBRAM Centre concerning the cloud facilities for user information storage. Moreover, as regards measures to control/deny non-attendees' access to virtual meeting rooms, off-the-shelf video-conferencing software still had shortcomings. Therefore, eBRAM Centre considered it necessary to develop software in-house to enhance the functions and security of e-signature and video conferencing. eBRAM Centre could also decide on its own how and where data was stored. Such measures were crucial to arbitration and mediation service providers and protecting the personal privacy of parties to the proceedings, as well as preventing the breach of sensitive data.

9. As the second factor authentication of the two-factor authentication implemented on the eBRAM Platform was made via email or short message service, Dr Pierre CHAN said that at present, there were more advanced and safer ways to do the second factor authentication. He questioned the relatively backward technology of eBRAM Centre in this respect.

10. Vice Chairman, eBRAM Centre advised that eBRAM Centre would consider introducing other factors for the second factor authentication, including biometrics, as and when appropriate. He explained that the selection of the second factor authentication hinged on the acceptability of individual authentication factors among users of eBRAM Centre services and whether the computer hardware used by those users could meet the authentication requirements.

11. Dr CHENG Chung-tai enquired whether arbitration and mediation proceedings, including signing of documents, could all be undertaken online, and how eBRAM Centre would protect the privacy of both parties and the course of proceedings from disruption.

12. Director, eBRAM Centre stated that one of the major principles of arbitration was that both parties could decide on their own the way in which the entire proceedings would be conducted. On the eBRAM Platform, both parties to the proceedings could conclude all proceedings online. Both parties could also conduct the relevant proceedings in a mixed mode. For example, case materials could be

uploaded electronically and, upon entering the hearing process, both parties could also choose to hold physical meetings.

Recognition of eBRAM Centre services

13. Dr CHENG Chung-tai said that as eBRAM Centre was not a government agency, he was concerned about the recognition of arbitral awards made on the eBRAM Platform in other jurisdictions.

14. Director, eBRAM Centre stated that, in accordance with the Arbitration Ordinance (Cap. 609), arbitral awards made in Hong Kong were recognized and enforced by the courts of Hong Kong. The Arbitration Ordinance did not specify a particular body as a recognized arbitration body in Hong Kong. In other words, awards made by local arbitration bodies, including eBRAM Centre, could all be recognized and enforced by the courts of Hong Kong under the Arbitration Ordinance. Moreover, Hong Kong became a party to the New York Convention courtesy of its relationship with China. Awards made in Hong Kong were all recognized and enforced by the 160 parties to the New York Convention. In addition, the Government signed an agreement with the Supreme People's Court of the Mainland in 1999 for mutual recognition of arbitral awards. Hence, awards made on the eBRAM Platform would also be recognized and enforced on the Mainland.

15. Mr LEUNG Che-cheung enquired whether the eBRAM Platform could be used on the Mainland, particularly for cases involving the Guangdong-Hong Kong-Macao Greater Bay Area ("Greater Bay Area") to be dealt with in the future; and how discrepancies in arbitral concepts or proceedings between the Mainland and Hong Kong would be reconciled. Vice Chairman, eBRAM Centre advised that eBRAM Centre had the confidence and would strive to have its services recognized by the Mainland, including the Greater Bay Area, and other overseas jurisdictions.

Reasons for the Administration to provide funding for eBRAM Centre

16. Mr LEUNG Che-cheung enquired about the reasons for the Government to provide funding support for eBRAM Centre only, but not other dispute resolution bodies. Dr Junius HO supported the funding proposal. He opined that in the future, eBRAM Centre must strive to cooperate with more Mainland dispute resolution bodies and economies in other regions, and step up the development of more software that facilitate dispute resolution, so as to increase revenue. Dr HO also suggested eBRAM Centre draw on the experience of judicial authorities of other regions in the adoption of technology and software.

17. Commissioner (Inclusive Dispute Avoidance and Resolution Office), Department of Justice ("C/IDAR, DoJ") advised that eBRAM Centre was the most representative ODR service provider in Hong Kong. The Centre was also commissioned by the Government to operate the COVID-19 Online Dispute Resolution Scheme ("COVID-19 ODR Scheme") and was provided with funding support under the Anti-epidemic Fund for the development and operation of the relevant ODR platform. In addition to entering into a Memorandum of Understanding ("MOU") with the Hong Kong International Arbitration Centre ("HKIAC") on cooperation between the two bodies, eBRAM Centre had already entered into MOUs with other local bodies such as the Asian Academy of International Law Limited and Hong Kong Maritime Arbitration Group, as well as other dispute resolution bodies on the Mainland such as China Maritime Arbitration Commission and Hainan International Arbitration Court. eBRAM Centre was currently in discussion with Hangzhou Arbitration Commission on entering into an MOU. The Government considered that eBRAM Centre had the required experience.

18. Dr CHENG Chung-tai said that given eBRAM Centre not being a government agency and under "one country, two systems", people would possibly get the impression that legal loopholes were being exploited if the Government provided funding to assist eBRAM Centre in conducting legal affairs, including the arrangement for mutual recognition of arbitral awards, with other jurisdictions including the Mainland. Dr CHENG enquired about the details of "the arrangement on interim measures in aid of arbitral proceedings" that the Secretary for Justice signed with the Vice-president of the Supreme People's Court, YANG Wanming, in 2019.

19. C/IDAR, DoJ advised that, according to "the arrangement on interim measures in aid of arbitral proceedings", six specified arbitral institutions in Hong Kong could make applications to the Mainland courts for interim measures concerning property or evidence involved in arbitration, and eBRAM Centre was one of the six institutions. He explained that arbitral proceedings were invariably instituted privately, and the Government would not be involved. He stated that HKIAC, which had been established for years, had all along been engaging in international arbitration, and the Hong Kong Government was equally supportive of its operation. As eBRAM Centre focused on providing ODR services, the Government considered that it could help promote LawTech services in Hong Kong, and thus sought funding from the Legislative Council to support the Centre to develop and enhance an ODR and deal making platform, and subsidize its initial operation.

Plans to promote eBRAM Centre and other dispute resolution service providers

20. Mr Holden CHOW asked, given that many arbitration cases were of a cross-border nature, how the Administration and eBRAM Centre would promote the eBRAM Platform and related services among other regions, and whether the Government would provide support for other similar service platforms in the future to bring in competition. Mr CHOW said that eBRAM Centre was the only ODR service provider from Hong Kong invited to participate as an expert in various Asia-Pacific Economic Cooperation ("APEC") workshops and meetings in relation to the development of the APEC ODR Framework; and eBRAM Centre should step up publicizing its progress in this respect among other regions.

21. C/IDAR, DoJ advised that eBRAM Centre helped elevate Hong Kong's arbitration and mediation services and build capacity to meet the rapidly expanding demand for cross-border legal and dispute resolution services. It had been promoting its services among regions other than Hong Kong, including collaboration with international organizations and various economies, such as APEC, the Association of Southeast Asian Nations, the Belt and Road countries and the Greater Bay Area.

22. C/IDAR, DoJ further said that Hong Kong, China joined the APEC ODR Framework in April 2020 after it was endorsed by the APEC Economic Committee. Dispute resolution service providers under the Framework could provide relevant services for micro, small and medium enterprises in member economies. eBRAM Centre was interested in becoming one of the service providers. Collaborative partners having entered into MOUs with eBRAM Centre, such as the HKIAC, could also deliver their services utilizing the platform provided by eBRAM Centre to achieve a win-win situation. The Government supported the direction of work of eBRAM Centre in this regard. In March 2021, the APEC Economic Committee would hold further discussions on the aforementioned Framework, and eBRAM Centre would again participate as an expert in the meetings with other organizations.

23. Chairman (Board of Directors), eBRAM Centre added that in the coming two or three years, eBRAM Centre would endeavor to develop an ODR platform compatible with the APEC ODR Framework. He pointed out that, as stated in the policy document on the Greater Bay Area, Hong Kong had the potential to develop into an international dispute resolution centre. eBRAM Centre intended to utilize innovative technology, and this, coupled with the edge Hong Kong already had in terms of handling cross-border arbitration cases, would elevate its arbitration and mediation

services to new heights. In March 2020, eBRAM Centre provided technical support for the 17th Willem C. Vis East International Commercial Arbitration Moot, which was conducted virtually for the first time, thus further promoting its arbitration and mediation services which utilized innovative technology. In the future, eBRAM Centre would continue to carry out such promotional activities.

Operational progress of the COVID-19 ODR Platform

24. Dr Pierre CHAN enquired about the progress and achievements made by eBRAM Centre in operating the COVID-19 ODR Platform.

25. Chairman (Board of Directors), eBRAM Centre responded that eBRAM Centre had handled 11 cases since it launched the COVID-19 ODR Scheme on 29 June 2020. As a reference, he pointed out that HKIAC handled nine cases in the first year following its establishment in 1985; and the Financial Dispute Resolution Centre, which was established in 2011, handled 16 cases in the first year following its establishment. He advised that in the future, eBRAM Centre would focus on developing AI-powered real-time interpretation software and completing the development of the APEC ODR Platform.

Voting on FCR(2020-21)76

26. At 4:30pm, the Chairman put item FCR(2020-21)76 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 30 members voted in favour of and one member voted against the item, and no members abstained from voting. The votes of individual members were as follows:

For:

Mr Abraham SHEK Lai-him	Mr Tommy CHEUNG Yu-yan
Mr Jeffrey LAM Kin-fung	Mr WONG Ting-kwong
Ms Starry LEE Wai-king	Mr CHAN Hak-kan
Mrs Regina IP LAU Suk-yee	Mr Michael TIEN Puk-sun
Mr Steven HO Chun-yin	Mr Frankie YICK Chi-ming
Mr YIU Si-wing	Mr LEUNG Che-cheung
Ms Alice MAK Mei-kuen	Mr KWOK Wai-keung
Mr Christopher CHEUNG Wah-fung	Ms Elizabeth QUAT
Mr Martin LIAO Cheung-kong	Mr POON Siu-ping
Ir Dr LO Wai-kwok	Mr Jimmy NG Wing-ka
Dr Junius HO Kwan-yiu	Mr Holden CHOW Ho-ding
Mr SHIU Ka-fai	Mr Wilson OR Chong-shing

Ms YUNG Hoi-yan
Mr CHEUNG Kwok-kwan
Mr Vincent CHENG Wing-shun
(30 members)

Mr CHAN Chun-ying
Mr LUK Chung-hung
Mr Tony TSE Wai-chuen

Against:

Dr CHENG Chung-tai
(1 member)

27. The Chairman declared that the item was approved.

**Item 2 — FCR(2020-21)78
RECOMMENDATION OF THE PUBLIC WORKS
SUBCOMMITTEE MADE ON 9 DECEMBER 2020**

**PWSC(2020-21)19
HEAD 704 — DRAINAGE
Environmental Protection — Sewerage and sewage treatment
399DS — Relocation of Sha Tin Sewage Treatment Works to
caverns**

28. In relation to the recommendations made by the Public Works Subcommittee ("PWSC") at today's meeting, the Chairman declared that he was a Director and the Chief Executive Officer of Well Link Insurance Group Holdings Limited, and a Director of Well Link General Insurance Company Limited and Well Link Life Insurance Company Limited under Well Link Insurance Group.

29. The Chairman advised that this item sought the approval of FC for the recommendation of PWSC made at its meeting on 9 December 2020 regarding PWSC(2020-21)19, i.e. the upgrading of part of **399DS** "Relocation of Sha Tin Sewage Treatment Works to caverns" as **445DS**, entitled "Relocation of Sha Tin Sewage Treatment Works to caverns – main caverns construction and upstream sewerage works", to Category A at an estimated cost of \$14,076.5 million in money-of-the-day ("MOD") prices; and the retention of the remainder of **399DS** in Category B.

Voting on agenda item FCR(2020-21)78

30. At 4:36 pm, the Chairman put agenda item FCR(2020-21)78 to vote. The Chairman declared that the majority of the members present and voting were in favour of the item. The item was approved.

**Item 3 — FCR(2020-21)79
RECOMMENDATIONS OF THE PUBLIC WORKS
SUBCOMMITTEE MADE ON 9 DECEMBER 2020**

PWSC(2020-21)20

HEAD 707 — NEW TOWNS AND URBAN AREA DEVELOPMENT

Civil Engineering—Land Development

**706CL — Development of Lok Ma Chau Loop – Main Works
Package 1**

HEAD 703 — BUILDINGS

Public Safety—Fire services

**178BF — Fire Station and Ambulance Depot with Departmental
Accommodations in Lok Ma Chau Loop**

31. The Chairman advised that this item sought the approval of FC for the recommendation of PWSC made at its meeting on 9 December 2020 regarding PWSC(2020-21)20:

- (a) the upgrading of part of **760CL** "Development of Lok Ma Chau Loop – Main Works Package 1" as **856CL**, entitled "Development of Lok Ma Chau Loop – Main Works Package 1 – site formation and infrastructure works", to Category A at an estimated cost of \$13,217.3 million in MOD prices; and the retention of the remainder of **760CL** in Category B; and
- (b) the upgrading of **178BF** "Fire Station and Ambulance Depot with Departmental Accommodations in Lok Ma Chau Loop" to Category A at an estimated cost of \$1,130.0 million in MOD prices.

32. After the Chairman had declared to put agenda item FCR(2020-21)79 to vote, Mr LEUNG Che-cheung queried why members could not discuss the above item at the FC meeting and why no public officers attended the meeting to answer members' questions.

33. The Chairman advised that should a member wish to discuss at an FC meeting a recommendation endorsed by PWSC or the Establishment Subcommittee ("ESC"), it was necessary to make a request for separate voting. Such a request should reach the Clerk to FC no later than 5:00 pm on the working day before the FC meeting concerned, so as to enable the

Administration to arrange for the attendance of public officers at the meeting.

34. At the request of the Chairman, the Clerk further explained that regarding the recommendations made by PWSC and ESC, it had been a standing arrangement that when the two Subcommittees had completed the scrutiny of a funding proposal and endorsed it, the chairman of the respective Subcommittee would ask if any member requested that the item be voted on separately by FC. If there was such a request, the Administration would arrange for the item to be included as a separate item on the agenda of an FC meeting and make arrangement for relevant public officers to attend the FC meeting to answer members' questions. If no members had requested separate voting at the Subcommittee, individual members still could, after the item in question had been included on the agenda of an FC meeting, make a request to the Legislative Council Secretariat by 5:00 pm on the working day before the FC meeting concerned that public officers be invited to attend the meeting. As far as agenda item FCR(2020-21)79 was concerned, no members had requested separate voting at the FC meeting concerned upon endorsement of the item by PWSC, nor had the Secretariat received any member's request for relevant public officers to attend the meeting before the deadline (i.e. by 5:00 pm yesterday). In this case, should any member wish to speak on the item, the Chairman would normally exercise discretion to allow the member to give a brief speech.

Voting on agenda item FCR(2020-21)79

35. At 4:38 pm, the Chairman put agenda item FCR(2020-21)79 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 28 members voted in favour of and one member voted against the item, and no members abstained from voting. The votes of individual members were as follows:

For:

Mr Abraham SHEK Lai-him	Mr Tommy CHEUNG Yu-yan
Mr Jeffrey LAM Kin-fung	Mr WONG Ting-kwong
Ms Starry LEE Wai-king	Mr CHAN Hak-kan
Mrs Regina IP LAU Suk-ye	Mr Paul TSE Wai-chun
Mr Michael TIEN Puk-sun	Mr Steven HO Chun-yin
Mr Frankie YICK Chi-ming	Mr YIU Si-wing
Mr LEUNG Che-cheung	Ms Alice MAK Mei-kuen
Mr Christopher CHEUNG Wah-fung	Ms Elizabeth QUAT
Mr Martin LIAO Cheung-kong	Mr POON Siu-ping

Ir Dr LO Wai-kwok	Mr Jimmy NG Wing-ka
Dr Junius HO Kwan-yiu	Mr Holden CHOW Ho-ding
Mr SHIU Ka-fai	Mr Wilson OR Chong-shing
Ms YUNG Hoi-yan	Mr CHAN Chun-ying
Mr Vincent CHENG Wing-shun	Mr Tony TSE Wai-chuen

(28 members)

Against:

Dr CHENG Chung-tai
(1 member)

36. The Chairman declared that the item was approved.

Item 4 — FCR(2020-21)80

**RECOMMENDATION OF THE PUBLIC WORKS
SUBCOMMITTEE MADE ON 9 DECEMBER 2020**

PWSC(2020-21)18

HEAD 711 — HOUSING

Civil Engineering—Land development

**811CL — Site formation and infrastructure works for public
housing developments at Tuen Mun Central**

37. The Chairman advised that this item sought the approval of FC for the recommendation of PWSC made at its meeting on 9 December 2020 regarding PWSC(2020-21)18, i.e. the upgrading of part of **811CL** "Site formation and infrastructure works for public housing developments at Tuen Mun Central" as **857CL**, entitled "Site formation and infrastructure works for public housing developments at Tuen Mun Central – Phase 1", to Category A at an estimated cost of \$968.4 million in MOD prices; and the retention of the remainder of **811CL** in Category B.

Voting on agenda item FCR(2020-21)80

38. At 4:44 pm, the Chairman put agenda item FCR(2020-21)80 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 28 members voted in favour of and one member voted against the item, and no members abstained from voting. The votes of individual members were as follows:

For:

Mr Abraham SHEK Lai-him	Mr Tommy CHEUNG Yu-yan
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Mr Jeffrey LAM Kin-fung	Mr WONG Ting-kwong
Ms Starry LEE Wai-king	Mr CHAN Hak-kan
Mrs Regina IP LAU Suk-ye	Mr Paul TSE Wai-chun
Mr Michael TIEN Puk-sun	Mr Frankie YICK Chi-ming
Mr YIU Si-wing	Mr LEUNG Che-cheung
Ms Alice MAK Mei-kuen	Mr Christopher CHEUNG Wah-fung
Ms Elizabeth QUAT	Mr Martin LIAO Cheung-kong
Mr POON Siu-ping	Ir Dr LO Wai-kwok
Mr Jimmy NG Wing-ka	Dr Junius HO Kwan-yiu
Mr Holden CHOW Ho-ding	Mr SHIU Ka-fai
Mr Wilson OR Chong-shing	Ms YUNG Hoi-yan
Dr Pierre CHAN	Mr CHAN Chun-ying
Mr Vincent CHENG Wing-shun	Mr Tony TSE Wai-chuen
(28 members)	

Against:

Dr CHENG Chung-tai
(1 member)

39. The Chairman declared that the item was approved.

**Item 5 — FCR(2020-21)81
RECOMMENDATION OF THE PUBLIC WORKS
SUBCOMMITTEE MADE ON 9 DECEMBER 2020**

**PWSC(2020-21)18
HEAD 711 — HOUSING
Civil Engineering — Land development
776CL — Site formation and infrastructure works for public
housing developments at Kam Tin South, Yuen Long**

40. The Chairman advised that this item sought the approval of FC for the recommendation of PWSC made at its meeting on 9 December 2020 regarding PWSC(2020-21)18, i.e. the upgrading of part of **776CL** "Site formation and infrastructure works for public housing developments at Kam Tin South, Yuen Long" as **858CL**, entitled "Site formation and infrastructure works for public housing developments at Kam Tin South, Yuen Long – Phase 1" ("the proposed works"), to Category A at an estimated cost of \$907.1 million in MOD prices; and the retention of the remainder of **776CL** in Category B.

Development scale of Kam Tin South, Yuen Long

41. Mr LEUNG Che-cheung and Mr Kenneth LAU expressed objection to the proposed works. Mr LEUNG, Mr LAU and Mr Holden CHOW pointed out that while as many as 90 000 to 100 000 people would move into the area upon the full development of Kam Tin South, Yuen Long, the development scale was equivalent to that of a new town. It was disappointing that the Administration refused to adopt the new town approach in developing Kam Tin South and failed to make comprehensive planning for transport and other ancillary facilities in the area.

42. Chief Civil Engineer (Public Works Programme), Transport and Housing Bureau ("CCE(PWP)/THB") advised that the public housing developments at Kam Tin South were taken forward in accordance with the "Land Use Review for Kam Tin South and Pat Heung" completed by the Planning Department in 2014, which was a district-based land use review and planning exercise to examine the feasibility of public housing development in the vicinity of Kam Sheung Road Station of the West Rail Line ("WRL"). Hence, the development at Kam Tin South was not positioned as a new town. He further explained that the review recommended the rezoning of five sites for housing developments. Among them, three public housing sites involved in the proposed works were expected to accommodate about 22 700 people, while the other two sites for private housing development were expected to accommodate about 21 000 people. CCE(PWP)/THB stressed that the Government would make reference to the Hong Kong Planning Standards and Guidelines for the provision of social welfare and recreational ancillary facilities in the public housing developments at Kam Tin South, and had earmarked "Government, Institution or Community" sites for building two primary schools and a community complex, in which a library, a clinic, a sports centre, residential care homes for the elderly and persons with disabilities, and public parking spaces, etc. would be provided according to the preliminary proposal.

43. Mr LEUNG Che-cheung opined that the Administration should not determine the development scale solely based on the area of land resumed and included in the development. He also pointed out that three rounds of consultation would be conducted on the planning of a new town development area, but only one district consultation had been conducted on the development at Kam Tin South before the proposed works were submitted to the Legislative Council for scrutiny. Mr Kenneth LAU and Mr Holden CHOW asked whether the Administration would withdraw the proposed works and postpone/suspend the development at Kam Tin South so as to consider afresh developing the area under the new town approach

in order to refine the compensation arrangements, as well as the transportation and employment planning in the area.

44. CCE(PWP)/THB said that the Government commenced consultation on the rezoning of Kam Tin South with relevant Rural Committees and the Yuen Long District Council in 2017. During the gazettal of the Kam Tin South Outline Zoning Plan, the Government had received 320 representations and 133 comments from parties including resident representatives who were invited to attend hearings and express their views to the Town Planning Board ("TPB"). The Government had also maintained communication with various stakeholders. The rezoning of the relevant sites for housing purpose was approved by TPB in December 2018.

Compensation for land resumption and rehousing arrangements

45. Mr Kenneth LAU criticized the Administration for refusing to develop Kam Tin South under the new town approach as this had prevented residents affected by the clearance exercise in relation to the public housing developments at Kam Tin South from receiving compensation based on the ex-gratia compensation rate for resumed land for Zone A. He suggested that reference should be drawn from the development approach of "villages in towns" on the Mainland for land resumption to enable residents to share the fruits of development in the future.

46. CCE(PWP)/THB responded that the compensation issue must be handled carefully as it involved the use of public money. The existing ex-gratia compensation mechanism for the resumption of private land in the New Territories clearly set out four compensation levels (i.e. Zones A, B, C, D) with relevant guidelines. The Government also adopted this mechanism when taking forward the development at Kam Tin South – advance works in 2018 and ex-gratia compensation for Zone B was provided to affected landowners back then.

47. Mr Holden CHOW enquired about the latest progress of rehousing of residents affected by the relevant clearance exercise.

48. CCE(PWP)/THB advised that the Lands Department was conducting eligibility vetting on affected residents and had completed the vetting of about 60 households. The Government would formally launch the land resumption process upon FC's approval of the funding for the proposed works. Affected households would then be interviewed individually so as to explain to them in detail the arrangements after clearance, including the rehousing and compensation arrangements.

Transport facilities

49. Mr Kenneth LAU was concerned about the already very serious traffic congestion in Yuen Long district at present. With the phased completion of public housing at Kam Tin South from 2026, more than 20 000 people would move into Kam Tin South. He requested the Administration to provide a detailed transport planning, illustrating how the transport needs of local residents would be met. Dr CHENG Chung-tai opined that given the lack of an overall transport planning in Yuen Long district, it would be difficult to cope with the transport demand arising from the additional population.

50. Mr Holden CHOW reiterated that the full development of Kam Tin South would add nearly 100 000 people to the area, but the transport planning (including WRL service and other road arrangements) did not seem to be effective in alleviating the traffic congestion in Yuen Long district. He asked how the service of WRL would be enhanced in order to cope with the increasing transport demand after the intake of public housing at Kam Tin South.

51. CCE(PWP)/THB clarified that the five rezoned housing sites, including three public housing sites and two private housing development sites, would not add nearly 100 000 people, but only about some 40 000. He also said that the Government had conducted a traffic impact assessment on the five housing sites and according to the assessment result, the overall traffic condition at Kam Tin South would be acceptable upon completion of the relevant road improvement works. He stressed that the traffic impact assessment was conducted based on data such as the population distribution of the Kam Tin South development. Whether the Kam Tin South development was classified as Compensation Zone A or Zone B would have no bearing on the assessment result. The Government would provide additional ancillary facilities accordingly should there be other new developments in the area in the future. CCE(PWP)/THB further pointed out that, with the upgrade of the signalling system for WRL by the MTR Corporation Limited ("MTRCL"), train frequency was expected to increase in 2021 at the soonest for enhanced overall passenger capacity. MTRCL would keep in view the service demand and adjust its service in due course.

52. In response to the Administration's comment that the traffic condition in the area would be acceptable after the intake of public housing at Kam Tin South, Mr Steven HO enquired about how the aforesaid traffic impact assessment was conducted and the definition of "acceptable".

53. CCE(PWP)/THB advised that the traffic impact assessment would examine the capacity of the intersections and roads in the vicinity of the Kam Tin South development to evaluate whether the traffic load would exceed its capacity. Project Manager (West), Civil Engineering and Development Department added that the consultant first made reference to the data in the Territorial Population and Employment Data Matrix during the design stage. The population distribution and other relevant data obtained would be input into the traffic model to work out the traffic flow and capacity of the road sections near the Kam Tin South development at present and after the completion of development in the future. A traffic volume/capacity ratio below 1 was considered acceptable.

54. Mr Steven HO further enquired whether the traffic volume/capacity ratio at Pok Oi Interchange, Yuen Long was above 1. Chief Traffic Engineer (New Territories West), Transport Department reiterated that the traffic flow in the surrounding area would be acceptable after the intake of public housing at Kam Tin South. CCE(PWP)/THB supplemented that, according to the consultancy report, the traffic volume/capacity ratio at Pok Oi Interchange was 0.85 and the Government had already proposed to take forward the improvement works at Pok Oi Interchange.

55. Mr Steven HO queried the accuracy of the above traffic impact assessment. He pointed out that the traffic load in Yuen Long district was already very heavy at present. In addition to that, nearly 100 000 people would move into the area after the full development of Kam Tin South. He urged the Administration to make proper transport arrangements.

56. CCE(PWP)/THB reiterated that the three sites for public housing developments at Kam Tin South would provide about 8 100 units upon completion to house a projected population of about 22 700 people. The Government had begun to take forward a number of road/railway projects, including the feasibility study on Route 11 scheduled for consultation with the Legislative Council in the first quarter of 2021; and inviting MTRCL to proceed with detailed planning and design of the Northern Link project. The Government was also taking forward other road improvement works with a view to improving the traffic condition in northwest New Territories.

57. Ms Alice MAK expressed support for increasing public housing supply. However, she was concerned about the possible impacts of the additional population on the daily lives of the existing residents. At the meeting of PWSC held on 9 December 2020, the Administration stated that it would take forward the traffic improvement works at Kam Sheung Road

in a timely manner, including the widening of Kam Sheung Road. In this connection, Ms MAK enquired about the concrete plan and timetable for the above road widening works and said that she could hardly support the proposed works if no plan and timetable had been drawn up.

58. CCE(PWP)/THB responded that the Government was making preparation for the widening works of Kam Sheung Road and aimed to create the project item within 2021. In accordance with the general procedures, upon the creation of the project item, the Government would engage a consultant to carry out the design work, gazette the land resumption pursuant to the relevant ordinance and commence consultation. It was expected that funding could be sought from the Legislative Council for the commencement of works about two to three years after the creation of the project item.

Employment opportunities and other ancillary facilities

59. Mr LEUNG Che-cheung enquired about the employment opportunities brought about by the Kam Tin South development. He was worried that if the same development approach as Tin Shui Wai was adopted, Kam Tin South would become another "town of sadness" due to the lack of local employment opportunities.

60. Referring to LC Paper No. PWSC53/20-21(01), CCE(PWP)/THB pointed out that the five sites rezoned for housing developments at Kam Tin South could provide about 3 000 job opportunities according to preliminary estimates.

61. Dr CHENG Chung-tai quoted LC Paper No. CB(1)276/20-21(01) in which the Administration stated that a site had been reserved at the Hung Shui Kiu/Ha Tsuen new development area in Yuen Long for the construction of a new hospital, and the feasibility of expanding Tin Shui Wai Hospital and Pok Oi Hospital would be explored to meet local medical needs. Dr CHENG asked whether the Administration had assessed the burden that would be exerted on these two hospitals by the development at Kam Tin South, and whether the two hospitals had made corresponding arrangements to cope with the demand for medical services arising from the additional population.

62. CCE(PWP)/THB advised that the planned ancillary facilities in Yuen Long district were generally adequate. The three sites for public housing developments at Kam Tin South would provide a total of approximately 8 100 units. It was believed that they would not have too much impact on the overall capacity of the above hospitals. The Bureau

had consulted the relevant policy bureaux and noted that they would review and implement the timetable for developing relevant medical facilities in a timely manner as appropriate.

63. Mr LEUNG Che-cheung noted that at present, there was only one police station in Pat Heung, Yuen Long, which could merely cope with general rural policing duties; and according to the discussion paper (i.e. PWSC(2020-21)18), no police station or fire station was planned for the Kam Tin South development. He asked whether the Administration would add such facilities at Kam Tin South in order to meet the additional service demand arising from the development of the area.

64. CCE(PWP)/THB said that the Government would provide appropriate social welfare and recreational facilities on the sites for public housing developments at Kam Tin South. As for other ancillary facilities, the relevant policy bureaux/departments would make concerted efforts by starting the planning and implementation of the projects in a timely manner.

65. The meeting ended at 5:32 pm.

Legislative Council Secretariat
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