

立法會
Legislative Council

LC Paper No. FC275/19-20
(These minutes have been
seen by the Administration)

Ref : FC/1/1(15)

Finance Committee of the Legislative Council

Minutes of the 16th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 6 March 2020, from 10:03 am to 1:00 pm; and
from 2:30 pm to 7:01 pm

Members present:

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

Hon CHAN Han-pan, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
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 POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, BBS, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai, JP
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan, JP
Dr Hon Pierre CHAN
Hon Tanya CHAN
Hon HUI Chi-fung
Hon LUK Chung-hung, JP
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Tony TSE Wai-chuen, BBS
Hon CHAN Hoi-yan

Members absent:

Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Charles Peter MOK, JP
Hon Kenneth LEUNG

Hon Martin LIAO Cheung-kong, GBS, JP
Hon CHEUNG Kwok-kwan, JP
Hon Kenneth LAU Ip-keung, BBS, MH, JP
Hon Jeremy TAM Man-ho
Hon Vincent CHENG Wing-shun, MH, JP

Public officers attending:

Mr James H. LAU Jr, JP	Secretary for Financial Services and the Treasury
Mr Joseph CHAN Ho-lim, JP	Under Secretary for Financial Services and the Treasury
Ms Alice LAU Yim, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Mr Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Mike CHENG Wai-man	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Dr Raymond SO Wai-man, BBS, JP	Under Secretary for Transport and Housing
Mr Stephen WONG Wing-hung	Project Director 2, Transport and Housing Bureau
Mr Derek LO Chi-yung	Senior Project Manager 1, Transport and Housing Bureau
Mr Howard LEE Man-sing	Deputy Secretary for Financial Services and the Treasury (Treasury)3
Ms Margaret HSIA Mai-chi	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (W)
Mr Frankie FUNG Yiu-man	Chief Assistant Secretary (Works)1, Development Bureau
Mr Albert CHEUNG Ka-Lok	Assistant Director of Lands (Specialist 3), Lands Department
Mrs Sylvia LAM YU Ka-wai, JP	Director of Architectural Services
Mr LEUNG Kam-pui	Assistant Director (Property Services), Architectural Services Department
Ms Alice LEE Nga-lai	Chief Superintendent of Police (Planning and Development), Hong Kong Police Force
Ms Judith TAM Ngai-yin	Senior Executive Officer (Planning and Development), Hong Kong Police

	Force
Mr Wilson PANG Wai-shing	Deputy Director of Drainage Services
Mr Ricky LAU Chun-kit, JP	Director of Civil Engineering and Development
Mr CHENG Tak-kuen	Assistant Director of Environmental Protection (Waste Infrastructure Planning)
Mr Raymond WONG Wai-man	Principal Environmental Protection Officer (Recycling Network Planning), Environmental Protection Department
Mr NG Wai-keung	Deputy Director of Highways
Mr Tony CHEUNG Ka-leung	Deputy Project Manager (Major Works)(1), Highways Department
Ms Eugenia CHUNG Nga-chi, JP	Assistant Director of Home Affairs (2)
Mr Paul AU Ying-kit	Acting Chief Engineer (Works), Home Affairs Department
Mr Louis LEUNG Sze-ho	Deputy Secretary-General (1), University Grants Committee Secretariat
Mr Samuel FAN Kim-fung	Chief Maintenance Surveyor (School Premises Maintenance), Education Bureau
Ms Carrie CHAN Lai-hung	Senior Maintenance Surveyor (School Premises Maintenance)1, Education Bureau
Mr Alex WONG Kwok-chun	Assistant Director of Social Welfare (Subventions)
Mr Andy LIU Hon-wah	Chief Executive Officer (Planning)1, Social Welfare Department
Mr WONG Chung-leung, JP	Director of Water Supplies
Mr Boer CHAN Hon-kwong	Assistant Government Chief Information Officer (Governance and Resources), Office of the Government Chief Information Officer
Mr Gavin WAH Kwok-kee	Chief Systems Manager (Governance and Resources), Office of the Government Chief Information Officer

Mr HONG Wing-kit	Chief Civil Engineer (Public Works Programme), Transport and Housing Bureau
------------------	---

Clerk in attendance:

Ms Anita SIT	Assistant Secretary General 1
--------------	-------------------------------

Staff in attendance:

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

Action

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

Item 1 — FCR(2019-20)45

HEAD 62 — HOUSING DEPARTMENT

Subhead 700 General non-recurrent

New Item "Funding Scheme to Support Transitional Housing Projects by Non-government Organisations"

Continuation of the discussion on FCR(2019-20)45

2. The Finance Committee ("FC") continued with the discussion on item FCR(2019-20)45.

3. The Deputy Chairman advised that this item sought the approval of FC for a new non-recurrent commitment of \$5 billion for the implementation of a funding scheme to support transitional housing projects by non-government organizations ("NGOs") ("the proposed funding scheme"). The Transport and Housing Bureau ("THB") consulted the Panel on Housing on the proposal on 4 November 2019. The time

spent by the Panel on Housing on the deliberation of the proposal was about one hour, and FC had so far spent about 43 minutes on discussing the item.

Increasing the supply of transitional housing

4. Mr LEUNG Yiu-chung, Mr CHAN Chi-chuen and Dr Helena WONG considered that the Administration should assume the direct responsibility for the provision of transitional housing, instead of shifting it to NGOs. Mr Abraham SHEK declared that he was an executive committee member of an NGO. While expressing support for the proposed funding scheme, he queried why the Administration had shifted the responsibility of providing transitional housing to NGOs. Mr LEUNG pointed out that with a rising number of applicants waiting for public rental housing ("PRH"), there was a keen demand for transitional housing. He took the view that comparing with NGOs, the Administration was in a better position to provide transitional housing, considering the scale of and resources required for the development of such projects. Dr WONG expressed similar views. Mr CHAN asked whether the Administration would consider developing transitional housing on its own in the event that the progress made by NGOs in taking forward transitional housing projects was not satisfactory.

5. In response, Under Secretary for Transport and Housing ("USTH") said that:

- (a) instead of shifting the responsibility of developing transitional housing projects to NGOs, the Government would collaborate with NGOs in taking forward the projects concerned. Apart from providing financial support, THB had established the Task Force on Transitional Housing ("Task Force") which offered one-stop assistance to NGO project proponents, including providing advice to NGOs, and coordinating meetings between NGOs/professional personnel engaged by them and the relevant departments in order to address their concerns as soon as possible and obtain the relevant approval promptly. Moreover, the Task Force had convened seven inter-bureaux and cross-departmental meetings to discuss ways to resolve obstacles for the current policy framework, technical standard requirements, specification requirements and safety standard requirements, so as to expedite the supply of transitional housing;

- (b) in the symposium organized by the Task Force in November 2019, liaison was made with private developers and the Hong Kong Construction Association, and a number of project plans were announced. The Hong Kong Housing Authority ("HA") would continue to focus its resources on the development of PRH. The Administration would review the operation of the Task Force in due course in order to support the implementation of transitional housing projects;
- (c) as noted by the Task Fork, some NGOs had difficulty in carrying out some of their preparatory work. Hence, with the support of the proposed funding scheme, NGOs could make use of the funds for their approved transitional housing projects to engage consultants for providing coordination and planning services for their proposed projects. The Assessment Committee would oversee the progress of all approved projects regularly to ensure that public funds were properly used and the rights of tenants were protected; and
- (d) the Government intended to engage community efforts and enable NGOs to exercise their creativity in order to provide more diversified transitional housing projects and take forward these projects expeditiously.

6. Dr Helena WONG considered that the Administration was capable of building transitional housing on its own, as reflected by the fact that it had facilitated a number of transitional housing projects proposed and operated by NGOs, and among those projects, some were built on vacant government and private land with the use of Modular Integrated Construction ("MiC") method, and that it had constructed about 350 quarantine units at Lei Yue Mun Park and Holiday Village within a short period of time.

7. Ms Alice MAK expressed support for the proposed funding scheme. However, she was concerned whether the progress of NGOs in building transitional housing was comparable to that of the Administration in building the quarantine centre at Lei Yue Mun Park and Holiday Village. Ms MAK urged the Administration to shoulder the responsibility for developing transitional housing in order to speed up its supply.

8. USTH explained that:

- (a) the nature of transitional housing was different from that of temporary quarantine camps. As the tenancy period of

transitional housing units was generally longer than the accommodation period in the temporary quarantine camps, the Bureau had to, in planning the development of transitional housing, take into account such factors as sewage facilities, community support, employment opportunities and education, in order to provide a sound residential environment for tenants. Therefore, the scale of transitional housing development was different from that of temporary quarantine camps, and the former could not be treated on a par with the latter; and

- (b) the Bureau took note of the concerns raised by members on the progress of developing transitional housing projects, and would explore ways to compress the construction schedule, such as standardizing the MiC units and sharing the use of approved layout plans for housing units, so as to expedite the construction progress.

9. While expressing support for the proposed funding scheme, Dr Junius HO criticized that the level of funding required for constructing a transitional housing unit was on the high side, and also queried the cost effectiveness of involving NGOs in the development of transitional housing projects. He commented that instead of using the new non-recurrent commitment of \$5 billion for improving the sub-divided units ("SDUs"), it would be more desirable to resume the land concerned to increase the supply of transitional housing. Dr HO referred to his remarks made in the debate on the motion on "Increasing housing supply in the short to medium term to rectify the problem of public housing shortage" moved by Mr James TO at the Council meeting of 17 January 2019, in which he suggested that the Government should resume the 40-hectare site near Lok Ma Chau, which was mainly used for open storage, parking or fish farming, for constructing temporary housing. Dr HO urged the Administration to consider his suggestion. Mr James TO expressed similar views, and asked whether the Administration had any concrete plans for resumption of agricultural lands.

10. In response, USTH said that under the proposed funding scheme, the funding ceiling for each transitional housing project was (a) not more than \$200,000 for each transitional housing unit for projects in vacant residential buildings; and (b) not more than \$550,000 for each transitional housing unit to be provided through erection of temporary structures on vacant land and in non-residential buildings. The funding would include the costs of site formation, provision of sewerage, construction of infrastructural facilities, etc. Given that the average construction cost for a PRH unit at present was more than \$800,000, the Bureau considered that

the above budgeted funding ceiling was appropriate. USTH noted Dr Junius HO's views, and would carefully examine the feasibility of his suggestion.

11. Mr WU Chi-wai enquired whether the Administration had prepared a list of all vacant government land available for transitional housing development. USTH responded that a list setting out the vacant government sites currently available for community, institutional or non-profit-making purposes on short-term tenancy basis was available on the website of the Lands Department ("LandsD"). Project Director 2, Transport and Housing Bureau ("PD2/THB") added that although some of the sites on the list were zoned for long-term development purposes, NGOs could still apply to develop transitional housing on those sites by means of short-term tenancies.

12. Mr James TO pointed out that the government departments (such as LandsD) did not provide sufficient information when consulting the local community and relevant stakeholders on the selection of sites for transitional housing development, and as a result, the local community resented the development of such transitional housing projects. Mr TO urged that the Administration should make improvement in this respect by providing concrete information on transitional housing projects to the local community for their reference.

13. USTH responded that the Task Force would consult the District Councils concerned on the selection of sites for transitional housing development, and would, together with NGOs, brief the District Councils on the project details. PD2/THB said that as for NGOs which submitted their proposals for developing transitional housing, the Task Force would help them apply for short-term tenancy approval from LandsD, and LandsD would then consult the local community and relevant stakeholders. The Task Force would communicate with the District Councils concerned and other stakeholders only after preliminary proposals on transitional housing projects were made. In response, PD2/THB advised that the Task Force would coordinate with LandsD and the Home Affairs Department on consultation matters.

14. Mr Alvin YEUNG was concerned that the Hong Kong Housing Society ("HKHS") would receive funding for refurbishment works at Trackside Villas, a property owned by the MTR Corporation Limited ("MTRCL"), in order to convert the premises into "T-home" transitional housing units, and the funds involved were close to \$46 million. Given that the Administration had to return Trackside Villas to MTRCL after five years, he asked whether it was in the interests of the public to undertake the

refurbishment works, and enquired about the criteria for using public funds to conduct refurbishment works for private properties. Mr YEUNG was also concerned whether MTRCL would, after five years, resume possession of Trackside Villas and refuse to continue leasing the property for use as transitional housing units.

15. USTH replied that Trackside Villas was used by MTRCL as staff quarters. Given the low occupancy of the property, THB supported the HKHS's initiatives that aimed to refurbish the vacant units for use as transitional housing premises. Under the cooperation agreement signed between MTRCL and HKHS, Trackside Villas would be operated and managed by HKHS on a short-term loan basis for a period of five years. USTH emphasized that a maximum of \$200,000 would be funded for each transitional housing unit for projects in vacant residential buildings. As Trackside Villas was still in good condition, it was expected that the cost of refurbishment would not exceed the funding ceiling, and the costs of the works would be funded by the Community Care Fund.

Supply target of transitional housing units

16. Mr LEUNG Che-cheung expressed support for the proposed funding scheme. He was concerned how the Administration would ensure that the policy objective of providing 15 000 transitional housing units in the next three years could be met. Mr CHAN Chi-chuen raised similar concerns. Mr LEUNG Yiu-chung said that the Administration's initiative of solely relying on NGOs to provide 15 000 transitional housing units in the next three years was just a drop in a bucket. USTH said that the Bureau was confident that the policy objective of providing 15 000 transitional housing units in the next three years, albeit being challenging, could be met on schedule.

17. Mr KWONG Chun-yu enquired about the expected supply in the first year given that the Administration aimed to provide 15 000 transitional housing units in the next three years. PD2/THB replied that the transitional housing projects would be successively completed starting from mid-2020, and it was expected that 2 000 units would be provided by the end of the first year (2020-2021).

18. Mr Alvin YEUNG noted from the enclosure to the discussion paper for this item that it was anticipated that only 1 723 units could be provided by existing and announced transitional housing projects. He requested the Administration to explain how the objective of providing 15 000 transitional housing units in the next three years could be achieved.

19. USTH replied that breakdown information on the provision of 10 000 transitional housing units was given to the Research Office of the Information Services Division of the Legislative Council ("LegCo") Secretariat for reference. Specifically, sites with sufficient space had been identified by the Government to develop 10 000 transitional housing units. These transitional housing projects included projects involving private developers and the Hong Kong Construction Association. For example, a private developer lent a parcel of land at Kong Ha Wai for building transitional housing units, while the "United Court project" would be developed by another private developer. Taking into account the number of units to be developed in the projects already announced, the Administration expected that about 10 268 units could be provided. Regarding the announcement made by the Government on 14 January 2020 about further increasing the supply of transitional housing, it was expected that the three-year target of transitional housing supply could be raised to 15 000 units, and among which, 2 000 units would be built on the Government, Institution or Community ("GIC") sites not yet scheduled for development. The Task Force would continue with its endeavours to achieve the latest target of providing a total of 15 000 transitional housing units in the next three years.

20. Mr Alvin YEUNG sought clarification from the Administration as to whether the provision of 15 000 transitional housing units was only a target, and whether the new non-recurrent commitment of \$5 billion was specifically created for supporting NGOs to launch their transitional housing projects which were expected to offer 10 000 units; and he also requested the Administration to provide information on the construction cost per unit. Ms Claudia MO queried whether the average non-recurrent cost of \$500,000 per transitional housing unit was on the high side since such housing units were meant for temporary accommodation purpose only.

21. USTH said that the proposed funding scheme aimed to support NGOs in pursuing eligible transitional housing projects which were expected to offer 10 000 units. With the announcement made by the Government in January 2020 that it would further increase the target of transitional housing supply to 15 000 units, the Administration would review the financial needs and seek for additional resources, if necessary, under the established mechanism. PD2/THD supplemented that the funding ceiling for each transitional housing unit to be provided through erection of temporary structures on vacant land and in non-residential building was \$550,000. As the MiC method would be adopted to build reusable transitional housing units in some projects, the cost estimate of \$500,000 for each unit was only the average cost.

22. Mr CHU Hoi-dick considered that there might be difficulties in developing the sites lent by developers as a result of the disputes that might arise from so doing. It was irresponsible for the Administration to take into account the number of transitional housing units to be developed on the sites lent by developers when setting the target of transitional housing supply (i.e. 10 000 units). The Administration's move would also exert pressure on the Town Planning Board ("TPB") in granting approval for the rezoning of land. Mr Andrew WAN expressed his support for the proposed funding scheme, but queried whether the Administration intended to create a false impression that the target of providing transitional housing could be achieved. He asked how the Administration would address the problem if the progress of developing transitional housing projects on the sites lent by developers was affected due to the conservation value of these sites.

23. USTH did not subscribe to the views of Mr WAN, and pointed out that in line with its usual practice, the Government would estimate the housing requirements, including assessing the number of transitional housing units needed, based on the preliminary planning proposal. NGOs would still need to submit planning applications to TPB regarding the use of the rural sites lent by developers for building transitional housing.

24. Mr Steven HO held the view that it was too optimistic for the Administration to anticipate that the target of providing transitional housing could be met in three years. He enquired how the Administration would assess the impact of the current outbreak of the novel coronavirus disease and social incidents on the proposed funding scheme. Mr HO said that the agricultural sector was gravely concerned that the development of the agricultural sector might be affected as landowners might submit land rezoning applications to TPB, having regard to the Administration's plan to develop transitional housing on brownfield sites or agricultural land in the New Territories.

25. USTH said that:

- (a) at the moment, the Government would put its priority on epidemic prevention work, including promoting social distancing, strengthening anti-epidemic facilities and services, etc. According to the Bureau's estimation, the proposed funding scheme would not be significantly affected by the epidemic;

- (b) given the divergent views of residents on the transitional housing projects, the Task Force would strengthen its communication with the local community and stakeholders, and would work with the NGOs concerned to build a livable community; and
- (c) landowners intending to use the land for other development purposes in future must apply to TPB separately, which had nothing to do with the existing uses of the sites concerned.

26. Mr Wilson OR urged the Administration to expedite the supply of transitional housing. He asked about the reasons for not including transitional housing in the Long Term Housing Strategy ("LTHS"). USTH explained that in the annual exercise to update the long-term housing demand projection pursuant to LTHS, the Government had taken into account the housing demand of the inadequately housed households, including, among others, the households in SDUs which covered units in temporary structures (such as huts, squatters and roof-top structures); units in non-residential buildings (such as commercial and industrial buildings ("IBs")); units shared with other households (such as rooms, cubicles, bedspaces and cocklofts in private permanent buildings); and SDUs. Since transitional housing was short term in nature with neither a fixed schedule of supply nor a stable provision, which might vary from time to time, it was not suitable to include the transitional housing units in the 10-year target of housing supply under LTHS.

Role and capability of non-government organizations in transitional housing projects

27. Mr LAU Kwok-fan and Ms CHAN Hoi-yan expressed support for the proposed funding scheme. Referring to the visit to the Lok Sin Tong Social Housing Scheme and the pilot project on conversion of school premises into transitional housing conducted on 30 April 2019 by the Subcommittee to Follow Up Issues Related to Inadequate Housing and Relevant Housing Policies, Ms CHAN said that she, together with two other Members, visited a number of families in order to better understand their living conditions. Ms CHAN considered that the transitional housing projects could help relieve the predicaments faced by households awaiting PRH or currently residing in inadequate housing and paying high rents.

28. Mr LAU Kwok-fan and Ms CHAN Hoi-yan enquired how the Administration would assist NGOs in tackling the technical problems

encountered in pursuing transitional housing projects. Ms CHAN was particularly concerned about the way in which NGOs would solve problems arising from site formation and slope improvement. Mr LEUNG Che-cheung raised similar concerns, and asked how the Administration would coordinate communication between NGOs and professional parties in putting forward the transitional housing projects.

29. Mr KWONG Chun-yu enquired whether the Administration would provide dedicated administrative support to facilitate the development of the projects, so as to prevent the proposed funding scheme from getting bogged down like the funding scheme to support the use of vacant government sites by NGOs. Mr Andrew WAN was concerned whether initial expenses or seed grants would be offered under the proposed funding scheme so that applicants with low financial liquidity would not give up applying for the proposed funding due to difficulty in making upfront payments to proceed with their projects.

30. In response, USTH said that:

- (a) NGOs could apply for funding in stages. For example, they could submit preliminary proposals for their proposed transitional housing projects in order to apply for funds to undertake advance works, including engaging professionals for conducting surveys or planning work;
- (b) the Task Force would provide necessary policy support for suitable projects proposed by NGOs, give advice on relevant administrative or statutory procedures, provide assistance in applying for funding, etc.; and
- (c) the Task Force would also coordinate with the relevant policy bureaux and departments ("B/D") to make flexible and appropriate arrangements on a case by case basis, such as, coordinating the relevant government departments on slope improvement works.

31. Ms Claudia MO asked the Administration why it did not consider inviting open tender for the construction of transitional housing. Given that complicated works were involved in the development of transitional housing projects, Ms MO was concerned whether NGOs were capable of putting forward these projects.

32. USTH said that under the proposed funding scheme, individual NGOs could provide transitional housing for their target groups according

to their operation missions and service objectives. As for the applicants of the funding scheme, they must be one of the following organizations or groups: (a) charitable institution or trust of a public character exempt from tax under section 88 of the Inland Revenue Ordinance (Cap. 112); (b) a company incorporated under the Companies Ordinance (Cap. 622) or the former Companies Ordinance (Cap. 32) as limited by guarantee whose objects and powers do not include distribution of profits to members, or a non-profit-making society registered or body established under any legislation in Hong Kong; or (c) an enterprise that operated in the form of a social enterprise. The Assessment Committee would be responsible for vetting applications and overseeing the implementation of the funding scheme. Its members included representatives from relevant B/Ds and non-official members appointed by the Secretary for Transport and Housing.

33. Mr SHIU Ka-chun enquired whether the Administration would address the following issue: as the NGO staff who were previously engaged in social work had to focus on housing management and maintenance issues as they were required to participate in transitional housing project, the time spent on providing services for clients would be reduced correspondingly. He also asked whether the Administration would consider setting up a team of social workers specializing in transitional housing matters.

34. USTH said that with their experience and professional knowledge, NGOs could provide social services for people in poor living conditions. Moreover, NGOs also played the role as transitional housing project proponents which applied for funds under the proposed funding scheme for engaging professionals to carry out the projects. The Task Force would provide one-stop assistance to project proponents in order to facilitate the implementation of the projects.

Operation details and rental level of transitional housing

35. Mr CHAN Chi-chuen enquired whether applications for transitional housing units (including those submitted by same-sex partners) would be vetted and approved by NGOs or by the Administration. USTH replied that under the proposed funding scheme, NGOs would be responsible for vetting and approving all applications for transitional housing units. Applicants were required to meet the relevant criteria, including generally, among others, that they had been on the waiting list of PRH for three years or more and residing in inadequate housing. However, NGOs could also set aside about 20% of such units for application by persons with specific needs, in line with the operation objectives of the NGOs concerned. In

response to Mr CHAN Chi-chuen's further enquiry, USTH said that the transitional housing projects would be operated by NGOs. A project operator should provide regular progress reports on fulfilment of project milestones stated in the funding agreement. The Assessment Committee would oversee the progress of all approved projects according to the project milestones stated in the funding agreements.

36. Dr Helena WONG asked about the tenancy period of transitional housing units. USTH said that generally speaking, the tenancy period of transitional housing units was about two years. As for the renewal of tenancy afterwards, it would be subject to the agreement made between the project operators and their tenants. Dr WONG further enquired whether the waiting time of PRH applicants would be affected if they were allocated transitional housing units. USTH replied in the negative.

37. Ms CHAN Hoi-yan noted that under the proposed funding scheme, the transitional housing projects would be operated on a non-profit-making and cost-recovery basis. Although the Administration expected that the rental level of transitional housing would be lower than the market rate, Ms CHAN enquired whether and how the Administration would regulate the rental level of transitional housing. Mr Wilson OR raised similar questions. Ms CHAN suggested that a centralized application platform for transitional housing should be provided by the Administration to facilitate submission of applications.

38. Mr CHU Hoi-dick enquired about the justifications for the Administration to propose that the ceiling of the rent of transitional housing should be set at no more than 40% of the prevailing PRH income limit. Mr Andrew WAN queried whether the above ceiling was too generous. Mr Michael TIEN was of the view that the rent ceiling of transitional housing units should be pegged to the market rent in the district concerned in order to ensure that the rental burden on residents would not be too heavy. Mr LEUNG Yiu-chung concurred with Mr Michael TIEN's views, and urged the Administration to lower the rent ceiling by, inter alia, setting the ceiling at no more than 30% of the prevailing PRH income limit, so as to address the housing predicaments currently faced by those residing in inadequate housing.

39. USTH explained that:

- (a) the Bureau considered that it was desirable to allow NGOs to determine the rental levels of their projects flexibly based on their missions in operating transitional housing projects, specific target groups, unique service foci, etc. Under the

proposed funding scheme, the Government intended to set the rent ceiling at no more than 40% of the prevailing PRH income limit. However, individual projects would, having regard to the situation unique to the projects, determine their rental level according to the specific conditions of a particular project. It was not a hard and fast rule for tenants to pay a rent equivalent to 40% of the prevailing PRH income limit;

- (b) some NGOs (such as the Hong Kong Council of Social Service) would charge transitional housing tenants who were individual or household recipients of Comprehensive Social Security Assistance ("CSSA") a rent pursuant to the latest rent allowance under the CSSA scheme as adjusted by the Social Welfare Department; and some NGOs would pitch the rental fee at a level of not more than 25% of the income of the households. Generally speaking, the rental level of existing transitional housing projects was about 29% of the income of the households;
- (c) the Assessment Committee would, when assessing applications for proposed projects, take into account the rental policy proposed in the applications; and
- (d) while the rents of individual transitional housing projects might vary in tandem with the affordability and needs of households, they were usually lower than the market rents of residential premises in the same district. It might not be desirable to adopt a broad-brush approach in determining the rent ceiling.

40. Mr Michael TIEN was not convinced by the Administration's explanation. He said that he would not support the proposed funding scheme unless the Administration undertook to lower the rent ceiling to not more than 30% of the income of households. Mr Andrew WAN also urged the Administration to lower the rent ceiling. Noting the concerns and views of members, USTH reiterated that the proposed rent ceiling at not more than 40% of the prevailing PRH income limit was not intended to be an indicator, but to allow appropriate flexibility for project operators. Moreover, the NGOs' mechanism for determining rents was one of the important considerations in vetting and approving project applications. In response to Mr Michael TIEN's further enquiry, USTH said that the Bureau would not examine the applications and income data of individual households, but the mutually agreed rental level would be specified in the

funding agreement between the Government and the project applicant. The Government would review the proposed funding scheme in due course.

41. Mr HUI Chi-fung was concerned whether the Administration would allow project operators to, in the name of cross-subsidizing other transitional housing projects, set the rental income of a particular project at a level higher than the operating cost of that project. USTH said that the project operators must put the surplus of a project into the same project or other transitional housing projects.

42. Mr Abraham SHEK requested the Administration to provide the financial analysis on the proposed funding scheme, including but not limited to the following:

- (a) in comparison with directly launching transitional housing projects by the Government itself, whether the proposed funding scheme was more economically effective;
- (b) the reasons for setting the rent ceiling of transitional housing under the scheme at a level of not more than 40% of the prevailing PRH income limit instead of setting it at a lower rate in order to better relieve the rental pressure faced by the tenants;
- (c) with the new non-recurrent commitment of \$5 billion, the expected number of years for which the proposed funding scheme might run, the number of units that could be provided at the initial stage of operation (such as the first three years) and in each year afterwards, as well as the number of beneficiaries; and
- (d) the expected operating expenditure incurred by individual NGOs in launching non-profit-making transitional housing projects.

[Post-meeting note: The supplementary information provided by the Administration was circulated to members on 6 April 2020 vide LC Paper No. FC143/19-20(01).]

43. USTH replied that transitional housing was different from permanent housing in that the projects of the former would not occupy the land permanently. Moreover, the modular housing units were reusable in other projects. The proposed funding scheme aimed to provide subsidy

for NGOs to build 10 000 transitional housing units. In short, the rate of return on rent charges on transitional housing units was about 3.6%.

44. Mr WU Chi-wai suggested that the Administration should set the rent at an appropriate level for tenants of transitional housing units with reference to the Rent Assistance Scheme of HA. He was also concerned about the accommodation arrangement for tenants after the expiry of the operation period of the transitional housing projects.

45. USTH reiterated that the rental levels of transitional housing projects would vary subject to the affordability and needs of tenants, and would be adjusted according to changes in the financial status of tenants. PD2/THB said that the tenancy period of transitional housing units was, in general, two years. In the past, there were some cases that with the support of certain schemes, the housing problem of transitional housing tenants was addressed after the expiry of the two-year tenancy period. NGOs currently providing transitional housing under various projects would use their resources flexibly to help tenants with special needs.

Monitoring and control

46. Mr Holden CHOW expressed support for the proposed funding scheme. He asked about the mechanism put in place for monitoring the implementation of transitional housing projects by NGOs, such as whether there was an exit plan if an NGO could not put forward or operate the transitional housing projects pursuant to the objectives of the Administration within three years, and whether the Administration would take over those projects. Mr Alvin YEUNG and Mr CHAN Chi-chuen raised similar enquiries.

47. USTH responded that:

- (a) a successful applicant had to sign a funding agreement with the Government. The agreement would specify the parameters for a successful applicant to manage and maintain a transitional housing project, such as the rent of a unit, tenancy period, basic eligibility criteria for applicants of transitional housing units (for example, income and asset limits), mode of operation and exit plan;
- (b) the Assessment Committee would be responsible for vetting the proposed projects and overseeing the progress of all approved projects according to the project milestones stated in the funding agreements. THB would submit annual reports

on approved applications and project progress to the LegCo Panel on Housing;

- (c) the Bureau would charge part of the revenue generated by the monthly rent of transitional housing projects and set aside the amount in reserves. It was envisaged that the housing projects would not cause any financial commitment to the Government; and
- (d) in the event that an approved project ceased operation, the Government would coordinate with the NGO concerned in order to help the affected tenants to move to other transitional housing units.

48. Mr Alvin YEUNG further enquired about the parties responsible for footing the maintenance bill for the buildings where the transitional housing units were located. USTH responded that for the units offered by private owners to NGOs for operating transitional housing projects, the owners concerned should be held responsible for the maintenance of the buildings. As for the transitional housing projects built on idle sites, the Bureau would specify in the funding agreement that the successful applicant, upon receiving the subsidy, would not create any recurrent financial commitment to the Government. Project applicants must take out appropriate insurance.

49. Mr Wilson OR pointed out that as reflected by many NGOs operating transitional housing projects, the procedures for applying for disbursement of funds from the Administration were cumbersome and time-consuming. He requested the Administration to review how the payment procedure might be expedited.

50. USTH replied that upon receipt of applications and relevant supporting documents submitted by NGOs for disbursement of funds, the Bureau would, in general, make payments within 28 days. Individual project operators had to review whether their administrative procedures could be streamlined in order to obtain the funds expeditiously.

51. Mr Dennis KWOK declared that he was a member of HA. He enquired about the mechanism for vetting the projects under the proposed funding scheme, e.g. whether the Building Committee under HA would be responsible for vetting and approving such projects.

52. PD2/THB said that USTH would be the approving authority for projects under the proposed funding scheme, and the Assessment

Committee would be responsible for assisting USTH in vetting applications and overseeing the implementation of the funding scheme. In response to Mr Dennis KWOK's further enquiry, PD2/THB said that subject to the provision of sufficient information by the project proponents, it was expected that applications could be vetted and approved within one month.

53. Mr HUI Chi-fung noted that in case of unsatisfactory project progress or contravention of the funding guidelines, the Administration would suspend the disbursement of funding, cease a project or require the applicant to refund the amount disbursed. He requested the Administration to explain the relevant mechanism with concrete examples. Mr HUI further asked in case a project operator was found to be involved in bid-rigging activities, whether corresponding follow-up actions would be decided by the Administration or by the Assessment Committee; as well as the mechanism to be put in place for appointing the non-official members of the Assessment Committee.

54. PD2/THB explained that upon the approval of the proposed funding scheme by FC, the Bureau would upload the funding guidelines to the homepage of THB for reference by project applicants. To ensure that transitional housing projects were developed and operated in accordance with the policy objectives, the funding agreements would set out the parameters (including tender requirements) for compliance by successful applicants when managing and maintaining their transitional housing projects. The Assessment Committee would monitor the progress of all approved projects according to the project milestones specified in the funding agreements. The project operators would also be required to submit annual reports to THB until the end of the transitional housing operation period. The tender boards of NGOs must handle the tender process in accordance with the code of conduct. In case irregularities were detected, the Bureau would handle such cases in accordance with the law. Non-official members of the Assessment Committee would be appointed by the Secretary for Transport and Housing. The Bureau would appoint persons with credibility in society as non-official members, having regard to their experience.

Construction of modular housing units

55. Ir Dr LO Wai-kiwok expressed support for the proposed funding scheme. He pointed out that the ultimate solution to housing problems was to identify sufficient land for constructing PRH and private housing. Before new housing supply was available, he supported the Administration to build transitional housing on idle land. Ir Dr LO was pleased to note that besides using the MiC method to construct transitional housing on

vacant government land and private sites, the Administration had also employed this method in the construction of quarantine facilities at various locations. Ir Dr LO said that separate toilet, air-conditioner and basic furniture were installed in each quarantine unit. These units were reusable for transitional housing purpose. Ir Dr HO pointed out that the MiC method had been widely used, such as the 17-storey InnoCell building in the Hong Kong Science Park. Ir Dr HO supported the Administration's initiative of extensively promoting the use of MiC to expedite the construction of transitional housing.

56. USTH responded that the Task Force had been assisting and supporting NGOs in developing transitional housing by a number of means, including constructing new housing units on idle government or private land by using the MiC method or other construction technologies, or converting existing vacant buildings into transitional housing units, in order to provide compliant and safe residential premises for persons in need.

57. Mr CHU Hoi-dick enquired about the service life and construction cost of these modular housing units. He also enquired about the handling of these housing units after the expiry of the three-year operation period of the transitional housing projects, for instance, whether NGOs could resell the modular housing units to others. Mr WU Chi-wai asked how the Administration would help NGOs dispose of the components of these housing units after the operation period.

58. PD2/THB replied that precast concrete components were currently being used by HA in building public housing projects. Generally speaking, with proper maintenance, the service life of modular housing units could be more than 10 years. Currently, the average construction cost for each basic modular housing unit ranged between \$250,000 and \$270,000, subject to the design of the units. A successful NGO applicant would have to sign a funding agreement with the Government, and would be required to set aside funds for relocating the reusable modular housing units to places specified by the Bureau after the operation period. USTH said that the modular housing units could be relocated to other places to meet social welfare needs and other community requirements wherever appropriate.

59. Mr CHU Hoi-dick requested the Administration to undertake that the modular housing units would not be abandoned after the operation period of transitional housing projects. USTH replied that the modular housing units would be reused as far as possible. However, these modular units might have wear and tear during project operation or relocation, and

repairing them would require a high cost. Under such circumstances, the Administration would not rule out the possibility of abandoning these units.

60. Mr Wilson OR asked whether the Administration would, under the proposed funding scheme, request NGOs to develop transitional housing projects by using the MiC method in order to speed up the supply of transitional housing.

61. USTH replied that besides supporting NGOs to use the MiC and other construction methods to build new residential premises on idle government and private land, the proposed funding scheme also covered the projects that converted existing vacant buildings (including non-residential buildings) to transitional housing premises. For example, the Lok Sin Tong Primary School had been converted to transitional housing premises, which would be ready for intake later this year.

Land use and planning

62. Mr CHU Hoi-dick relayed the grave concerns raised by green groups regarding the recent news on cases of land being loaned by developers for constructing transitional housing premises, such as the construction of transitional housing on the sites at Tung Tsz, Tai Po, and the "United Court" transitional housing project to be constructed at Tung Tau, Yuen Long. Pointing out that the proposed United Court project would be constructed on wetland, he was concerned whether the Administration would take the initiative to remove the project from the list of transitional housing projects. Mr CHU queried whether the developers would, with the excuse of developing transitional housing on the loaned sites, apply to TPB to rezone such land to residential use in order to facilitate their future resumption of the land for profiteering development. Ms Claudia MO, Dr Fernando CHEUNG and Mr Alvin YEUNG expressed similar concerns. Citing the Land Sharing Pilot Scheme launched by the Development Bureau as an example, Mr CHU Hoi-dick considered that the Administration should put in place strict criteria for applications which sought to rezone land use for building transitional housing units, including compiling a list of sites in respect of which applications for transitional housing purpose would not be accepted. Mr CHU was also concerned whether the applications made by developers for rezoning land use would be approved by TPB eventually.

63. PD2/THB replied that:

- (a) a number of idle sites in the New Territories were currently being reviewed by the Task Force. Planning applications

should be made pursuant to section 16 of the Town Planning Ordinance (Cap. 131) for constructing transitional housing on these sites;

- (b) in respect of a site at Tung Tau, Yuen Long (i.e. the proposed site for developing the United Court), the land use rezoning application made by a property developer years ago was rejected by TPB. At present, the site was an abandoned fish nursery ground in close proximity to a number of factories. According to the technical assessment, the ecological value of the site was low. The Task Force would conduct a preliminary assessment on the feasibility of developing transitional housing projects on the site lent by developers. The Bureau would, prior to deciding whether to support a project proponent to launch transitional housing projects on the site concerned, take into consideration the views of the Task Force and consult relevant departments on the current status of the site and the environmental and traffic impacts;
- (c) when submitting a planning application to TPB in respect of the United Court project, the NGO was required to provide technical assessments on the traffic and environmental impacts of the project. The NGO concerned would commence the development project only after obtaining TPB's approval; and
- (d) after the expiry of the operation period of the transitional housing project, the property developer was required to apply to TPB afresh if it intended to apply for permanent rezoning of the land concerned.

64. Mr CHU Hoi-dick, Mr Alvin YEUNG and Ms Tanya CHAN were concerned that the development of transitional housing projects might cause irreversible damage to a particular type of land (such as wetland). Mr Alvin YEUNG and Ms Tanya CHAN queried whether the environmental impact assessment ("EIA") mechanism could effectively conserve the ecological environment. Ms Tanya CHAN enquired how the Administration would prevent the situation of "destroy first, plan later" (deliberate destruction of the ecological environment for planning purpose) from recurring. PD2/THB replied that the Government had attached great importance to conservation of the ecological environment. Moreover, it was statutorily required that EIA must be satisfied if transitional housing projects were to be developed on wetland. He reiterated that wetland assessed as having high ecological value would not be used for building transitional housing.

65. Dr Fernando CHEUNG enquired, as far as the sites for developing transitional housing projects were concerned, whether the Administration had considered such factors as the ecological value, traffic conditions, living environment and supporting facilities in the community. USTH replied that if individual projects involved the rezoning of land for transitional housing purpose, the project proponents had to apply for TPB's approval pursuant to requirements and provide technical assessments on traffic, environmental and ecological impacts. As for the supporting facilities in the community, the Administration had, in developing such projects, endeavoured to incorporate the concepts of enhancing social inclusion and facilitating the placement of job seekers in the vicinity of their residences.

66. Mr CHU Hoi-dick said that the Kam Sheung Road MTR Station was the traffic hub of the Kong Ha Wai area. He opined that instead of making plans to establish retail points in Kong Ha Wai to provide convenience for the tenants of 2 000 transitional housing units, it would be better to build a temporary public market beside the Kam Sheung Road MTR Station in order to meet the immense demand of about 20 000 residents in Kong Ha Wai and its surrounding areas for community facilities. In response, PD2/THB said that as the transitional housing project in Kong Ha Wai was temporary in nature, the Administration planned to establish retail points in the project area as associated facilities in order to meet the needs of tenants of transitional housing units and residents nearby.

67. Mr LAU Kwok-fan pointed out that converting a site into a "spade-ready" site was a time-consuming process, including conducting the necessary technical assessments and going through the statutory procedure. Mr LAU asked whether the Administration would consider converting the sites for developing transitional housing into "spade-ready" sites on which permanent housing might be built.

68. Dr Priscilla LEUNG said that residents were concerned whether sites with long-term plans would be occupied by transitional housing projects over a prolonged period, such as the site at the junction of Yen Chow Street West and Tung Chau Street in Sham Shui Po and other GIC sites. Dr CHENG Chung-tai expressed similar concerns. Dr LEUNG urged the Administration to undertake that sites which were lent for constructing transitional housing would be returned for the development of planned community facilities.

69. In response, USTH said that:

- (a) given that it took years to conduct land use planning, in order to optimize the use of land resources, the Bureau developed transitional housing on government sites which would be left idle for a short period. Although these sites had long-term planned use, there was room for their conversion into sites for transitional housing purpose on a short-term basis. For example, as it would take a long time to prepare for the construction of PRH on the site situated at the junction of Sung Wong Toi Road and To Kwa Wan Road, the Bureau supported the granting of the site to Lok Sin Tong Benevolent Society, Kowloon for developing transitional housing;
- (b) transitional housing projects would not occupy government land permanently. LandsD would grant the idle government land on short-term tenancies for various temporary uses. After the expiry of the short-term tenancies, LandsD would determine the appropriateness of tenancy renewal having regard to such factors as the status of the sites and timetable for implementing long-term development projects. This policy was also applicable to the use of GIC sites for temporary purposes; and
- (c) the Task Force would, in collaboration with relevant government departments, continue to examine the latest status of vacant government land and buildings, and would consider the suitability of developing transitional housing projects on the land or in the buildings concerned.

70. Mr LAU Kwok-fan further enquired whether landowners' move of using their private land to construct transitional housing at the moment would be conducive to their future rezoning applications to TPB. Ms Tanya CHAN was concerned that if the development of transitional housing on a non-residential site lent by a developer was approved, whether it would carry the implication that residential use had been included as one of the uses always permitted ("Column 1 uses") or uses that would require permission from TPB ("Column 2 uses") in respect of the zone concerned on the Outline Zoning Plan. Mr Alvin YEUNG queried whether the Government's advance announcement of some transitional housing projects on sites in respect of which rezoning permission was required by TPB would exert pressure on TPB in granting rezoning permission.

71. USTH reiterated that when a piece of private land was returned to the landowner upon the expiry of the loan period, the landowner must apply to TPB according to statutory requirements if he/she intended to use the land for development purposes not permitted under the law. Therefore, the temporary use of the land for transitional housing purpose had no implication on the future uses of the land. PD2/THB supplemented that TPB would consider each rezoning application on a case-by-case basis. "Column 1 uses" and "Column 2 uses" of an individual site would not be revised simply because the site concerned had been used for developing transitional housing projects.

72. Mr Alvin YEUNG enquired whether the Administration would use public funds to conduct advance works, such as site formation, on private land proposed to develop transitional housing. PD2/THB stressed that the Administration would request developers to carry out advance works, such as site formation, at their own cost on the land to be leased or lent by them. There was no question of transfer of benefits to developers under the proposed funding scheme.

Site reserved for Phase 2 development of the Hong Kong Disneyland Resort

73. Mr WU Chi-wai urged the Administration to streamline the construction process of transitional housing as far as practicable in order to facilitate and expedite the vetting and approval process. He noted that the Administration would use a piece of government land with an area of around four hectares ("ha") in Penny's Bay to establish quarantine units. In addition, The Walt Disney Company ("TWDC") agreed to explore the possibility of using the site in Penny's Bay reserved for developing tourism facilities in future for building quarantine facilities. Mr WU enquired whether the Administration would consider, when the epidemic had eased, converting those quarantine facilities into transitional housing premises and discussing with TWDC the possibility of developing transitional housing on the 60-ha site reserved for Phase 2 development of the Hong Kong Disneyland Resort ("HKDL") ("Phase 2 site"). Mr Andrew WAN raised similar enquiries.

74. USTH emphasized that TWDC accepted the establishment of quarantine facilities on the Phase 2 site with the aim of supporting the anti-epidemic efforts made by the Government, but it did not imply that TWDC agreed to the construction of transitional housing on that site. According to the Option Deed signed in 2000 between the Government and the Hongkong International Theme Parks Limited ("HKITP") (i.e. the joint

venture with the Government and TWDC as shareholders ("the joint venture")), the joint venture had an option to buy the Phase 2 site for taking forward further development of HKDL. Before the joint venture exercised such option, the Phase 2 Site could be used for various short-term uses in accordance with the permitted land uses under the Deed of Restrictive Covenant, such as recreational, sports and cultural facilities, etc., but not residential use (such as development of transitional housing). Regarding Mr WU Chi-wai's suggestion on the use of the Phase 2 site, the Administration would follow up on the issue with relevant parties.

75. Mr WU Chi-wai requested the Administration to provide the following information after the meeting: whether the Government had considered building transitional housing on part of the site reserved for the expansion and development plan of HKDL, and whether it had considered exploring the feasibility of the above proposal with relevant parties (such as TWDC or HKITP (joint venture between the Government and TWDC)). If it had explored the proposal, the Administration was requested to provide the time and content of discussion, and the response of the relevant parties. If it would explore the proposal, the Administration was requested to provide the proposed timetable for discussion.

[Post-meeting note: The supplementary information provided by the Administration was circulated to members on 6 April 2020 vide LC Paper No. FC143/19-20(01).]

Facilitating conversion of industrial buildings to transitional housing premises

76. Mr WU Chi-wai said that as far as he understood, the process of approving a planning application for converting vacant school premises or an IB to transitional housing premises was lengthy. He asked whether the Administration would grant provisional permission for planning applications relating to transitional housing premises.

77. PD2/THB responded that with the agreement of TPB, the transitional housing projects coordinated by the Task Force in permanent buildings (including wholesale-converted IBs in the "Commercial", "Comprehensive Development Area" and "Other Specified Uses" annotated "Business" and "Residential" zones) in the urban and new town areas would be regarded as temporary use which was always permitted under the Outline Zoning Plans if it was for a period of five years or less. In this case, planning application was not required. As for transitional housing projects in the New Territories, the project proponents must submit

application for planning permission pursuant to the requirements under section 16 of the Town Planning Ordinance (Cap. 131).

78. Mr WU Chi-wai further enquired whether landowners were required to pursue wholesale or partial conversion of IBs if transitional housing was to be provided in IBs, and whether the Buildings Department ("BD") would allow for flexibility or exemption in order to facilitate the development of transitional housing projects if such projects could not comply fully with the natural lighting requirements stated in the Buildings Ordinance. PD2/THB replied that IB owners must conduct wholesale conversion of their buildings if they intended to provide transitional housing units in such buildings. Moreover, regarding problems associated with design limitations of IBs which were intended for wholesale conversion to provide transitional housing, BD would be pragmatic in tackling such problems, and proactively consider exercising its powers under the Buildings Ordinance (Cap. 123) by granting exemptions for this type of transitional housing projects in respect of various requirements for domestic buildings, such as those on the floor area of the superstructure, plot ratio, natural lighting, etc. Moreover, the project proponents would be required to implement compensatory measures, including the provision of artificial lighting and mechanical ventilation systems, to ensure that the safety and hygiene standards would not be compromised.

79. Mr SHIU Ka-chun declared that the drama troupe in which he had been participating was currently operating in an IB. Referring to the meeting held by the LegCo Subcommittee on Issues Relating to Policy on Industrial Buildings on 21 January 2020, he recalled that he had sought information from the Administration on the number of owners intending to undergo wholesale conversion of their IBs for transitional housing purpose. According to the Administration, it was difficult to estimate the number of IBs conducting such conversion. Mr SHIU was dissatisfied with the Administration's slow progress in incentivizing IB owners to conduct wholesale conversion of IBs for transitional housing purpose, and enquired about the incentives to be offered to drive and encourage IB owners to undergo wholesale conversion of their IBs for transitional housing purpose.

80. PD2/THB said that under the scheme of revitalization of IBs, if a transitional housing project supported by the Task Force was to take place in any IBs, the Government would exercise flexibility in the application of planning, land lease and building design requirements, including charging a nil waiver fee for the specific use of transitional housing. Moreover, the Chief Executive-in-Council approved in April 2019 the exemption of waiver fee, rent and associated costs for land applications relating to the provision of transitional housing, with a view to relieving the financial

burden of NGOs and facilitating the development of more transitional housing projects. The Task Force would continue to assist and support NGOs in developing transitional housing projects.

Interim housing

81. Dr CHENG Chung-tai queried whether the proposed funding scheme was intended to conduct improvement works for SDUs. Referring to a media report in November 2019, he said that according to the information of HA, there were about 2 000 units in Shek Lei Interim Housing and its average vacancy rate was as high as 70% over the past three years. Dr CHENG took the view that the Administration should use the new non-recurrent commitment of \$5 billion to renovate Shek Lei Interim Housing for transitional housing purpose. Mr LEUNG Yiu-ching expressed similar views. He also suggested the Administration to, with reference to the mode of temporary housing areas, provide accommodation for those with housing needs.

82. USTH explained that:

- (a) besides subsidizing the applicants to build transitional housing on vacant land, the proposed funding scheme also covered the costs for basic and necessary interior works required for making the relevant housing units suitable for residential purpose;
- (b) modular housing units were generally reusable. With a service life of up to more than 10 years, they could be dismantled and reassembled for use in other projects. The MiC method was an effective, economical and environmentally-friendly construction method;
- (c) as the Administration planned to demolish Shek Lei Interim Housing in 2022 for developing PRH, and the conditions of the building blocks of Shek Lei Interim Housing had been deteriorating, it was inappropriate to arrange tenants to move into the units; and
- (d) the Government had been flexibly deploying existing housing resources. For example, HA had renovated some of the vacant units in Pak Tin Estate for accommodating some PRH waitlistees before the estate was due for redevelopment, and such waitlistees would be allocated PRH units in the locality as far as possible. Separately, HKHS would launch its first

"T-Home" project at Yue Kwong Chuen which would provide 200-odd residential units for transitional housing purpose. Applicants waiting for PRH could apply for temporary stay after renovation.

83. At 11:33 am, the Deputy Chairman directed that the meeting be suspended. The meeting resumed at 11:43 am.

84. At 12:05 pm, Mr CHU Hoi-dick enquired whether the placing of objects at Mr James TO's seat by members belonging to the Hong Kong Federation of Trade Unions for political expression purpose was a practice accepted by the Deputy Chairman. Ms Claudia MO requested the Deputy Chairman to deal with the issue. The Deputy Chairman said that it was more appropriate to hand the objects over to Member's Office. He directed Secretariat staff to remove the objects from Mr James TO's seat. Mr LUK Chung-hung requested Secretariat staff to hand the objects over to Mr James TO after the meeting.

85. At 1:00 pm, the Deputy Chairman directed that the meeting be suspended. The meeting resumed at 2:30 pm, with the Chairman taking the chair.

Sub-divided units

86. Mr LAM Cheuk-ting noted that under the proposed funding scheme, the funding ceiling was \$200,000 for each transitional housing unit for projects in vacant residential buildings. He raised the following questions:

- (a) as far as SDUs were concerned, how "each transitional housing unit" was defined; and
- (b) whether the residential building in which transitional housing units were located must be vacant at the juncture when applications for funding support were lodged; if so, whether this application criterion would become an incentive that encouraged owners to cease leasing their SDUs first in order to be eligible for applying for funds, and then rent them out again for profits after obtaining funding approval; and whether this process would lead to SDU tenants being evicted forcibly.

87. USTH replied that:
- (a) "each transitional housing unit", in the context of a compliant SDU in a THB-supported transitional housing development project, referred to a flat as shown on the original approved plan of a building; and
 - (b) an NGO whose application had been approved could carry out the works required to make fit the potential sites/premises for transitional housing projects after obtaining the vacant possession of potential site/premises. Given that the operation period of a transitional housing project was expected to be no less than three years, and that the Administration would stringently assess the proposed projects under the established mechanism and monitor their implementation progress, the Administration believed that SDU owners could not abuse the funding scheme by leaving the units vacant for a short period.

Implementation period of transitional housing measures

88. Ms Tanya CHAN pointed out that the provision of transitional housing was one of the short-term housing measures adopted by the Government. She enquired about the duration for which these measures would be implemented, and whether the Administration was prepared to maintain these measures on a long-term basis. USTH said that the historic mission of transitional housing would have been accomplished when there was an adequate supply of public housing. However, as there was an acute shortage of PRH supply at the moment, the Government hoped that the operation of transitional housing could be sustained through provision of transitional housing units at potential sites/premises and by means of natural turnover of tenants.

89. Dr Priscilla LEUNG sought clarification on transitional housing policy. In her view, the Administration should not rely on transitional housing as part of the housing ladder as the living environment in transitional housing premises was not desirable. USTH replied that the provision of transitional housing aimed to relieve the burden of those living in poor environment and having been waiting for PRH for a prolonged period. When the supply of land for PRH was adequate and the supply target of PRH could be achieved, the Government's mission in providing transitional housing would have been accomplished by then. USTH further said that each transitional housing unit was equipped with toilet,

bathroom and cooking area. The internal floor area was about 7 m² per person.

Arrangement for scrutiny of this item

90. At 3:36 pm, the Chairman advised that more than five hours had been spent by FC on the discussion of this item. The Chairman said that he would end the discussion on the item after all members currently on the wait-to-speak list had spoken.

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

91. At 3:47 pm, FC started to vote on whether the two motions respectively proposed by Mr CHU Hoi-dick and Dr Fernando CHEUNG under paragraph 37A of the Finance Committee Procedure ("FCP 37A motions") for expressing views on this item should be proceeded with forthwith.

92. The Chairman put to vote the questions, one by one, that these FCP37A motions should be proceeded with forthwith. At the request of members, the Chairman ordered a division. The voting results were as follows:

Member proposing the motion	Serial number of motion	Motion be proceeded with forthwith
Mr CHU Hoi-dick	0001	No
Dr Fernando CHEUNG Chiu-hung	0002	No

Voting on FCR(2019-20)45

93. At 3:57 pm, the Chairman put item FCR(2019-20)45 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 35 members voted in favour of and 10 members voted against the item, with 1 member abstaining from voting. The votes of individual members were as follows:

For:

Mr LEUNG Yiu-chung
Mr WONG Ting-kwong
Mr CHAN Hak-kan
Mr WONG Kwok-kin

Mr Tommy CHEUNG Yu-yan
Ms Starry LEE Wai-king
Dr Priscilla LEUNG Mei-fun
Mr Paul TSE Wai-chun

Mr Frankie YICK Chi-ming	Mr WU Chi-wai
Mr YIU Si-wing	Mr MA Fung-kwok
Mr CHAN Han-pan	Mr LEUNG Che-cheung
Ms Alice MAK Mei-kuen	Mr Christopher CHEUNG Wah-fung
Dr Helena WONG Pik-wan	Ms Elizabeth QUAT
Mr POON Siu-ping	Ir Dr LO Wai-kwok
Mr Andrew WAN Siu-kin	Mr Jimmy NG Wing-ka
Mr HO Kai-ming	Mr LAM Cheuk-ting
Mr Holden CHOW Ho-ding	Mr SHIU Ka-fai
Mr SHIU Ka-chun	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 Tony TSE Wai-chuen
Ms CHAN Hoi-yan	
(35 members)	

Against:

Prof Joseph LEE Kok-long	Ms Claudia MO
Mr CHAN Chi-chuen	Dr KWOK Ka-ki
Mr Dennis KWOK Wing-hang	Dr Fernando CHEUNG Chiu-hung
Mr Alvin YEUNG	Mr CHU Hoi-dick
Ms Tanya CHAN	Dr CHENG Chung-tai
(10 members)	

Abstained:

Dr Junius HO Kwan-yiu
(1 member)

94. The Chairman declared that the item was approved.

**Item 2 — FCR(2019-20)47
CAPITAL WORKS RESERVE FUND**

HEAD 701 — LAND ACQUISITION

HEAD 702 — PORT AND AIRPORT DEVELOPMENT

HEAD 703 — BUILDINGS

HEAD 704 — DRAINAGE

HEAD 705 — CIVIL ENGINEERING

HEAD 706 — HIGHWAYS

HEAD 707 — NEW TOWNS AND URBAN AREA DEVELOPMENT

HEAD 708 (PART) — CAPITAL SUBVENTIONS

HEAD 709 — WATERWORKS

HEAD 710 — COMPUTERISATION

HEAD 711 — HOUSING

Block allocations

95. The Chairman advised that the item sought FC's approval of the proposals in PWSC(2019-20)23 having been considered by the Public Works Subcommittee ("PWSC") at its meetings held on 15, 22 January 2020 and 26 February 2020 to:

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

PWSC had spent about 4 hours and 24 minutes on the scrutiny of the aforesaid proposals. The Administration had provided a number of information papers.

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

97. At the invitation of the Chairman, Secretary for Financial Services and the Treasury ("SFST") spoke on the item. He said that of the block allocations of \$22,350.5 million, \$12,076 million were for public works programmes while the remainder related mainly to compensation and ex-gratia allowance for land acquisition and computerization projects. He expressed appreciation to Ir Dr LO Wai-kwok, PWSC Chairman, for scheduling additional PWSC meetings for examining the proposals. As three PWSC meetings had to be cancelled on account of the novel coronavirus outbreak and hence a loss of eight hours' meeting time, it was not possible for scrutiny of the funding proposals to be completed by end February 2020. As such, the Administration had decided to withdraw the proposals from PWSC for direct submission to FC, so that FC would have sufficient time to consider the proposals.

98. SFST said that there were 26 block allocation subheads under CWRF covering about 12 000 minor works projects which impacted on the community and the public's livelihood. The timely approval of these

projects was important as many were to ensure public safety or enhance public hygiene, such as landslip preventive measures, drainage works, emergency repair of burst water pipes and highways. These projects involved about 17 000 labourers, professional and technical staff, and their livelihood would be affected if the block allocations were not approved before 1 April 2020. SFST called on members to support the proposals.

Head 701 Subhead 1100CA — Compensation and ex-gratia allowances in respect of projects in the Public Works Programme

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

99. Mr LEUNG Che-cheung enquired about the progress of the consultation made on the project in the Hung Shui Kiu/Ha Tsuen New Development Area, as he had received complaints about the Administration making changes to the land resumption proposals after consultation with the villagers but not having updated the latter.

100. Director of Civil Engineering and Development ("DCED") said that the Civil and Engineering and Development Department ("CEDD") had maintained close liaison with the villagers and existing operators at the site proposed for the related substation at Ping Shan, and ascertained their concerns on land resumption, vehicular access, etc. A proposal would be made to PWSC for funding support of the item under the Public Works Programme, whereupon more details would be provided regarding communication with villagers and the Government's response to their concerns. At Mr LEUNG's request, DCED undertook to provide supplementary information after the meeting.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC 121/19-20(01) on 9 March 2020.]

Resumption of land for purpose-built complex of residential care homes for the elderly in Area 29 of Kwu Tung North New Development Area

101. Mr Andrew WAN referred to the project for a purpose-built complex of residential care homes for the elderly in Kwu Tung North New Development Area. He understood that there were many elderly homes in the site concerned, and over 140 elderly were affected by Phase 1 of the project. He also recalled the Administration having made a pledge previously for a seamless transition. Mr WAN asked for the area of the

site and the number of affected elderly currently living in the care homes on the site in question.

102. Assistant Director of Social Welfare (Subventions) ("ADSW(S)") said that 940 elderly were currently living in 15 elderly homes in the site concerned. Works under the proposed project would be undertaken in two phases and by its completion in 2023, there would be five elderly homes with a total of 1 250 places. These should be sufficient places to cater to the needs of the affected elderly. The 140 elderly referred to by Mr WAN were currently living in four elderly homes affected by Phase 1 of the project, and sufficient places would be made available to accommodate them during the interim period.

103. Mr Andrew WAN pointed out that as many types of elderly home places and operators were involved in the project which comprised two phases, the Administration should ensure a seamless transition and the satisfactory relocation of the affected elderly to the different types of places having regard to the actual circumstances. In addition, the Administration should also study how to help the existing operators vacate their premises.

104. ADSW(S) reiterated that the 1 250 places to be made available by 2023 would cope with the different care needs of the elderly concerned, and arrangements would be in place to cater to their wishes. The Government would aim for the target of a seamless transition.

Central-Wanchai Bypass

105. Ms Tanya CHAN sought clarification on whether the estimate of \$301 million in 2020-2021 for the Central-Wanchai Bypass which had already been completed was for the payment of outstanding balance. Assistant Director of Lands (Specialist 3), Lands Department said that the estimate was for the payment of outstanding compensation claims. Ms CHAN remarked that she would seek more details in writing as the sum involved was significant.

Head 703 Subhead 3004GX — Refurbishment of government buildings for items in Category D of the Public Works Programme

Refurbishment of report room to meet new generation requirement in Hung Hom Police Station

Refurbishment of report room to meet new generation requirement in Sau Mau Ping Police Station

106. Ms Claudia MO referred to the refurbishment of the report rooms in the Hung Hom and the Sau Mau Ping Police Stations to meet new generation requirement, and asked for the reason for the selection of these two police stations and the details of the new generation requirement.

107. Chief Superintendent of Police (Planning and Development), Hong Kong Police Force ("CSP(P&D), HKPF") explained that the two police stations concerned were part of a phased programme initiated in 2009 to improve facilities; report rooms in nine police stations had so far been covered. The improvements involved three main areas, namely (a) enhancing personal privacy; (b) upgrading facilities to comply with Government's standards such as the provision of barrier-free access facilities and interpretation services; and (c) enhancing efficiency of reporting process.

108. Ms Claudia MO further enquired whether enhanced privacy meant less CCTVs, and how works instead of manpower resources could improve reporting efficiency. In response, CSP(P&D), HKPF said that the provision of sound-proof interview rooms and the addition of ceiling-height partitions would enhance privacy. On the other hand, the installation of ticketing machines for queuing and the sorting of cases would help expedite the reporting process.

109. Mr LAM Cheuk-ting sought elaboration on the works proposed for the report rooms. He also stressed the need for more report rooms to cater for situations such as the 2019 social incidents when large number of persons were arrested and lawyers had waited long to speak to their clients. Mr CHAN Chi-chuen expressed similar concerns.

110. CSP(P&D), HKPF said that instead of reporting crime at open counters, citizens could request to do so in partitioned sound-proof spaces, and police officers would decide on the need for privacy protection if sensitive information was involved. More partitioned spaces and interview rooms in report rooms would be provided under the improvement programme, in particular in busy police stations such as North Point.

Head 703 Subhead 3100GX — Project feasibility studies, minor investigations and consultants' fees for items in Category D of the Public Works Programme

Item 032LJ - Additional courtrooms and associated facilities on LG4/F in the High Court Building-consultants' fees

111. On the captioned project in the High Court Building, Mr Dennis KWOK enquired about the number of courtrooms to be added, whether their size could accommodate cases with jury, and if modern technologies such as video conferencing would be provided. He also asked where the existing library on LG4/F would be relocated.

112. Director of Architectural Services ("DArchS") undertook to provide the requisite information after the meeting. She added that the project estimate was for consultants' fees for providing the design and estimates of the project, and it was one of the potential capital works items to be submitted to PWSC in the 2019-2020 session for full upgrade of project.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC 121/19-20(01) on 9 March 2020.]

113. At 4:45 pm, the Chairman directed that the meeting be suspended. The meeting resumed at 4:58 pm.

Head 703 Subhead 3004GX — Refurbishment of government buildings for items in Category D of the Public Works Programme

Item 151/20 - Refurbishment of emergency lighting system at public area, East Wing in Hong Kong Police Headquarters, Wan Chai

Item 188/20 - Refurbishment of lighting system for 4/F East Wing in Hong Kong Police Headquarters, Wan Chai

Head 703 Subhead 3101GX—Minor buildings works for items in Category D of the Public Works Programme

Fitting-out works at 11/F of Arsenal House West Wing and 8/F of Arsenal House, Hong Kong Police Headquarters, Wan Chai

Fitting-out works at 28/F of Arsenal House West Wing, Hong Kong Police Headquarters, Wan Chai

Fitting-out works at 18/F of Arsenal House, Hong Kong Police Headquarters, Wan Chai

114. Mr Alvin YEUNG followed up on the six items of refurbishment and fitting-out works for the Police Headquarters in Wan Chai at a total estimate of \$45 million. He recalled \$3,233 million having been approved in 2000 for the redevelopment of the Police Headquarters which, according

to the Administration, would meet the operational requirements of the Police including advanced technologies. Mr YEUNG enquired if the upcoming works were required because the works previously undertaken did not meet the advanced technological requirement.

115. CSP(P&D), HKPF explained that there were altogether four building blocks in the Police Headquarters Complex with different completion dates. Items 1 and 2 referred to by Mr YEUNG related to the Arsenal House East Wing constructed in 1990, while items 4 and 5 were for Arsenal House West Wing constructed in 1996. Item 3 was on fitting-out works to tie in with the 2018 Policy Address on enhancing capabilities of law enforcement agencies. Item 4 was for meeting the performance pledge and enhancing the standard of work of the Identification Bureau, which had a four-fold increase in workload in the past 20 years, in servicing law enforcement agencies in Hong Kong. In response to Mr YEUNG, CSP(P&D), HKPF affirmed that none of the six items were related to the increase in Police manpower announced in the 2020-21 budget.

Item PF-F14 - Improvement on the detention facilities in Tuen Mun Police Station

116. Mr HUI Chi-fung expressed concern on the upgrading works for detention facilities in the police stations in Tuen Mun and other districts, and asked for details of the facilities to be refurbished. He said that the detention facilities were not made available to the large number of persons arrested in the 2019 social incidents; they had to use toilets in the open and toilet paper was not provided. He doubted whether detention facilities would be put into use after completion of the proposed works.

117. CSP(P&D), HKPF said that the principles adopted for improvement of the detention facilities included personal safety and privacy of the detainees; as well as enhancement of security and for the detainees not to hurt themselves or others who they might have contact with. In essence, a balance had to be struck between the need for the protection of personal safety, privacy and dignity.

Handling of works requests

118. Ms Tanya CHAN expressed appreciation to the Administration for the details in Appendix 1 to PWSC98/19-20(01) which set out the key details of items proposed to be funded by CWRF block allocations for 2020-2021. She emphasized the need for similar full details in future submissions to facilitate members' understanding. Citing the examples of

numerous works items for one government department within a single building complex such as the Electrical and Mechanical Services Department Headquarters and the Police Headquarters, Ms CHAN enquired how requests for building works were handled within the Administration; the reason for the discrepancy in the Chinese and English titles of some projects; if the different terms used such as improvement, enhancement, reshuffling and upgrading indicated different types of works; and if the Administration would standardize the descriptions.

119. DArchS said that government departments, being the user bureaux/departments, would make requests for maintenance and improvement works to the government buildings under their management. Architectural Services Department ("ArchSD") would then follow up on such requests to tie in with their needs. ArchSD would discuss with them about their user requirements, carry out technical feasibility studies and cost estimation, etc. Feasible works requests backed up with full justifications would then be included under the new proposed items under the relevant block allocations, be subject to relevant vetting procedures and be taken forward upon funding approval being obtained. DArchS explained that different descriptions might be used by government departments for similar projects for the 2 000 odd items in the CWRP block allocations. She had taken note of Ms CHAN's concern, and would aim to standardize the descriptions as far as possible.

Head 703 Subhead 3004GX — Refurbishment of government buildings for items in Category D of the Public Works Programme

Subhead 3101GX — Minor building works for items in Category D of the Public Works Programme

Head 705 Subhead 5101CX — Civil engineering works, studies and investigations for items in Category D of the Public Works Programme

120. Some members expressed concern on the funding and the award of contracts under the captioned subheads for the three quarantine facilities at the Lei Yue Mun Park and Holiday Village, the Sai Kung Outdoor Recreation Area, and the Junior Police Call ("JPC") Permanent Activity Centre in Pat Heung. They also questioned the appropriateness for some of these quarantine facilities funded by the Lotteries Fund.

Project estimates/tender

121. Mr CHU Hoi-dick said that he had asked for details of works, as well as an itemized breakdown of expenses, under the captioned subheads

for providing quarantine facilities for the novel coronavirus outbreak in the three centres in Lei Yue Mun Park and Holiday Village, Sai Kung Outdoor Recreation Centre, and Pat Heung JPC Permanent Activity Centre, but the Administration's response was disappointing. He was concerned that the Administration might have divided up projects into small items to enable their inclusion under CWRP block allocations.

122. In addition, Mr CHU Hoi-dick also expressed concern on the contract to the contractors without going through the open tender process. He said that while he appreciated that the urgency of circumstances might dictate such a need, high transparency was warranted in such cases. As opposed to the cost of each container used in the quarantine facilities of about \$20,000 as advised by some contractors, the project estimates in the quarantine facilities were much higher. He also asked for the reason for the difference in cost per unit in the Lei Yue Mun Park and Holiday Village of \$85,000 and that in the Sai Kung Outdoor Recreation Centre of \$200,000.

123. DArchS explained that the direct engagement of contractors was necessary because of the urgent situation of the pandemic. Each quarantine unit in Basketball Court, Upper Lei Yue Mun Park and Holiday Village costed around \$160,000 to \$170,000 which was considered reasonable. She clarified that the quarantine facilities were of building construction works adopting Modular Integrated Construction ("MiC") method, with the standards of the buildings similar to those built by conventional methods, and should be distinguished from a mere container. These quarantine units had to meet construction standards and requirements, such as compliance with the fire services regulations and even more stringent requirements such as drainage installations in particular for combating contagious diseases. Regarding the relatively high unit cost in Sai Kung Outdoor Recreation Centre, DArchS advised that it was a 3-storey building construction due to the limited site area with higher construction complexity and structural loading requirements as compared to Lei Yue Mun Park and Holiday Village where one- and two-storey buildings were accommodated. Furthermore, the contractor had to work within the very tight schedule for the completion of the works.

124. Mr CHU Hoi-dick insisted on requesting the details of the project cost breakdown of the quarantine facilities. At his request, which was echoed by Mr CHAN Chi-chuen and Ms Tanya CHAN, the Administration undertook to provide details of the works items under the CWRP block allocations for the four quarantine facilities projects (at the Basketball Court of Upper Lei Yue Mun Park and Holiday Village, the Football Pitch of Lower Lei Yue Mun Park and Holiday Village, the Sai Kung Outdoor

Recreation Centre, and the JPC Permanent Activity Centre in Pat Heung), the respective heads and subheads to which they belonged, detailed itemized cost breakdown (including but not limited to site formation, basic facilities works, acquisition of quarantine units/residential structures, fitting-out and furnishing and electrical appliances, and staff), and the related layout plans and photographs.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC 121/19-20(01) on 9 March 2020.]

Lotteries Fund

125. Noting that in addition to the block allocations under CWRF, the Administration had also appropriated \$1,100 million from the Lotteries Fund for funding the construction of quarantine facilities, Mr CHU Hoi-dick considered this arrangement to be a deliberate attempt by the Administration to circumvent scrutiny by FC. Dr Fernando CHEUNG and Dr KWOK Ka-ki expressed similar views. Dr CHEUNG considered that the Lotteries Fund should be used for social welfare related purposes. Dr KWOK said that the expenditure of the Lotteries Fund in the past five years were all related to medical services and elderly homes, and it was improper for the Administration to deploy resources from the Lotteries Fund for setting up quarantine camps.

126. On the arrangement of appropriating moneys from the Lotteries Fund, SFST and Permanent Secretary for Financial Services and the Treasury (Treasury) ("PS(Tsy)") said that the Administration had followed the due process in processing the funding application in order to cope with the urgent need to construct quarantine camps in the face of the coronavirus outbreak. The relevant policy bureau had applied for \$1,100 million from the Lotteries Fund for the construction of camps for quarantine purpose. Under the chairmanship of the Director of Social Welfare ("DSW") as the Controlling Officer of the Lotteries Fund, the Lotteries Fund Advisory Committee had considered the proposal through the circulation of papers and recommended its approval by the Government. The Government believed that with unofficial members from different sectors of the community, the Advisory Committee had given due regard to the usage of the premises and the ambit of the Lotteries Fund. Accordingly, the allocation had been approved by the Financial Services and the Treasury Bureau under delegated authority from the Financial Secretary. Allocations made under the Lotteries Fund were usually for subsidizing welfare and related designated facilities. This included the construction, furnishing and refurbishment of camps and related expenses which were

non-recurrent, and the Government would not rule out the possibility of the premises concerned being used for other purposes in future. SFST and PS(Tsy) advised that financing the construction of the quarantine camps and facilities was within the ambit of the Lotteries Fund.

127. Dr Fernando CHEUNG did not agree with the Administration's stance. He said that the general understanding was for premises constructed under the Lotteries Fund to be used by charitable and welfare organizations for welfare related purposes such as the provision of recreation and services for youth and families. He asked for the basis of the Administration's claim that funding the construction of such camps was within the ambit of the Lotteries Fund, and expressed concern about the impact of the current arrangement on other welfare related items, and the creation of a precedent for the Lotteries Fund to be deployed for non-welfare related purposes. Ms Claudia MO expressed concurrence with Dr CHEUNG's view. She considered that the Fund should be for meeting non-recurrent expenses which were welfare related, and should operate on an application basis.

128. On the ambit of the Lotteries Fund, PS(Tsy) made reference to section 6(4) of the Government Lotteries Ordinance (Cap. 334) which provided that the Financial Secretary might appropriate from the Lotteries Fund moneys for the support and development of such social welfare services as the Chief Executive, after consultation with the Social Welfare Advisory Committee, might approve. The list of services, approved by the Social Welfare Advisory Committee, included family welfare, elderly, youth, rehabilitation, community development and a category "Other", which included camps and hostels. PS(Tsy) also noted that Lotteries Fund allocations were outside the scope of the current agenda item.

129. Dr Fernando CHEUNG did not agree with PS(Tsy). He said that for the same purpose of refurbishing the existing quarters in the JPC Permanent Activity Centre as a quarantine camp, about \$10 million came from the CWRF block allocations and another \$50 million from the Lotteries Fund. Hence, discussion of the Lotteries Fund allocations concerned at the FC meeting was warranted. He also pointed out that Cap. 334 clearly provided for Lotteries Fund moneys to be spent on social welfare purposes. Mr Alvin YEUNG and Ms Tanya CHAN expressed similar views. Mr YEUNG enquired about the reason for making use of the two sources of allocations instead of say just the Lotteries Fund. Ms Tanya CHAN said that the expenditure of the Lotteries Fund in 2017-2018 and 2018-2019 showed that many government departments and non-government organizations had made use of the Lotteries Fund. This included the allocation of \$80 million to the Home Affairs Department

("HAD") for the celebration events on 20th anniversary of the establishment of the Hong Kong Special Administrative Region, and allocations to ArchSD and the Social Welfare Department relating to child and elderly care. She enquired whether any such allocations were similar to that of the quarantine camps.

130. On Mr YEUNG's enquiry, DArchS said that the arrangement was made on account of the urgent need for the addition of hygiene facilities and toilets in the existing quarters of the JPC Permanent Activity Centre premises within a fortnight. As regards other members' concerns, PS(Tsy) said that the camps in the three captioned sites were for quarantine purpose and their construction had been funded by the Lotteries Fund.

131. Mr Holden CHOW noted that allocations of up to \$100 million had previously been made under the Lotteries Fund for major works including large scale premises, and sought clarification on whether the Administration had provided the relevant building plans to members or LegCo Panels as part of the established procedure. In response, PS(Tsy) said that the Labour and Welfare Bureau provided annual reports on the implementation of Lotteries Fund items to the Panel on Welfare Services. ADSW(S) added that a mechanism had been established since 2018 for the Government to report on Lotteries Fund items which had additional recurrent costs exceeding \$10 million to the Panel.

132. Dr Fernando CHEUNG pointed out that the Lotteries Fund allocations in 2018-2019 were for the five major categories of family and child welfare, elderly, rehabilitation, community welfare and youth services, and there was no "Other" category. He requested the Administration to provide documents to support the claim that "Other" meant camps.

133. PS(Tsy) undertook to provide after the meeting documents which showed that the Lotteries Fund could be allocated for "Other" category as well as such cases of allocations (especially those similar to quarantine facilities related works items, if any). She stressed that while she understood members' concerns and the call on the Lotteries Fund in this case, was uncommon, the Government was prudent in ensuring compliance with the established procedures of funding applications under the Lotteries Fund, including consulting the relevant advisory committee. She also reiterated that the funding arrangement was made to meet the urgent need for camps with quarantine facilities.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC 121/19-20(01) on 9 March 2020.]

134. In response to Dr Fernando CHEUNG on the financial status of the Lotteries Fund, PS(Tsy) said that its balance was estimated to be \$21,250 million by 31 March 2021. The expenditure of the Fund in 2019-2020 was about \$2,200 million, and the estimated expenditure for 2020-2021 was about \$4,600 million.

135. Ms Claudia MO said that \$1,100 million was a significant sum, when compared to the total expenditure of the Lotteries Fund in 2018-2019 of about \$1,700 million. Dr Fernando CHEUNG pointed out that notwithstanding the Fund's balance of \$21,250 million, the allocation of \$1,100 million for quarantine related purpose had depleted the balance of the Lotteries Fund by about 10%. He requested the Administration to pledge that there would not be any reduction in Lotteries Fund allocations for social welfare services as a result of the allocation in question. The Administration took note of Dr CHEUNG's request.

Head 706 Subhead 6100TX — Highway works, studies and investigations for items in Category D of the Public Works Programme

Widening of shelters at Cross Boundary Coach Bus Bays at North Public Transport Interchange in Hong Kong-Zhuhai-Macao Bridge Hong Kong Port

136. Mr Tony TSE spoke in support of the funding proposals as these were for works programmes urgently needed in Hong Kong currently suffering economically from the China-US trade conflict, the social incidents and the coronavirus outbreak. The construction industry was waiting for the large number of works items pending FC's approval, and employees in the architecture sector were hard hit. He also expressed concern on the livelihood of the 17 000 employees referred to by the Administration. Mr TSE considered it necessary for the works items to be large in number, expedient in proceeding and not bundled together in the interest of small and medium enterprises.

137. On the captioned item concerning the widening of shelters at the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port, Mr Tony TSE asked for the reason for such works not having been undertaken as part of the recently completed bridge project. Deputy Director of Highways ("DDHy") explained that the need for widening the shelters at the bus bays in question was only determined after completion of the bridge project.

Head 706 Subhead 6100TX — Highway works, studies and investigations for items in Category D of the Public Works Programme

Elevated Pedestrian Corridor in Yuen Long Town connecting with Long Ping station – investigation and design

138. Mr KWONG Chun-yu enquired about the status of the project relating to the captioned elevated pedestrian corridor in Yuen Long for which parallel tender had been called. Given its huge project cost of \$1,708.5 million and its controversial nature, Mr KWONG urged the Administration to consult the Yuen Long District Council ("DC") again for their latest views.

139. Deputy Project Manager (Major Works)(1), Highways Department said that the consultation process for the project had been duly completed and parallel tender had already been called. The Government was reviewing the tender bids and did not have a timetable for submission of the project to FC for the time being. He assured members that the tender would not be awarded before funding approval for the project had been obtained from FC. Mr KWONG Chun-yu suggested that the Administration should consider withdrawing the proposal.

Head 706 Subhead 6100TX — Highway works, studies and investigations for items in Category D of the Public Works Programme

Installation of decorative lightings in the vicinity of MTR station exits

140. Mr Alvin YEUNG enquired about the proposals for the installation of decorative lightings in the vicinity of MTR station exits in various districts. DDHy said that this was an ongoing programme for the beautification of street lights, starting with those near MTR stations which had heavy pedestrian flow. In response to Mr YEUNG, DDHy affirmed that such works were for improving the appearance of the street lights and would not serve purposes other than lighting.

Head 707 Subhead 7016CX — District minor works programme

District minor works projects in 18 districts

141. Ms Tanya CHAN said that she had wanted to follow up on the progress of minor works in the 18 districts but was unable to do so as the HAD website was outdated. Assistant Director of Home Affairs (2) said that funding under block vote Subhead 7016CX was given to the 18 DCs each year for undertaking works proposed by DCs and government

departments. The block allocations under CWRP comprised both ongoing and new projects, and all projects required approval of the DCs concerned. She said that details of these minor works projects including the photographs were uploaded onto the HAD website on an ongoing basis.

Head 707 Subhead 7100CX — New Towns and urban area works, studies and investigations for items in Category D of the Public Works Programme

Advance promenade at Shing Sai Road—design and construction

Enhancement of Tsuen Wan Waterfront

142. Mr Tony TSE sought clarification on whether the two waterfront related items at Shing Sai Road and Tsuen Wan Waterfront should be under the portfolio of the Harbour Commission which had its own resources. DCED said that the two items were minor improvements undertaken by ArchSD for the beautification of the waterfront.

Study on proposed multi-storey buildings in Hung Shui Kiu Development Area for brownfield operations

143. Mr Andrew WAN referred to the captioned study in Hung Shui Kiu at an estimated cost of \$16 million, and sought clarification on whether this was the same study undertaken earlier on by CEDD and which should have been completed in 2018. He wanted to ascertain the progress of the study on brownfield operations as the affected operators had many views.

144. DCED said that CEDD was conducting a study on multi-storey buildings in relation to brownfield sites. The technical assessment had largely been completed, and it was feasible from technical perspective. On the other hand, it was necessary to consider financial viability and the views of the market. As such, CEDD would launch a market sounding survey in mid-2020 and the findings would be available upon its completion.

Head 708 Subhead 8100EX — Alterations, additions, repairs and improvements to the campuses of the UGC-funded institutions

145. Dr Priscilla LEUNG declared that she was an Associate Professor of the City University of Hong Kong and was supportive of the funding proposals in general. She referred to the social incidents in 2019 in which illegal activities in universities such as The Chinese University of Hong Kong and The Hong Kong Polytechnic University had caused extensive

damage to campus facilities, and sought clarification on whether any of the items under the captioned subhead such as refurbishment, repair and improvement works on university campuses were related to the facilities damaged or destroyed in the 2019 incidents. She further enquired how security in the universities could be ensured to protect Hong Kong people's livelihood and public safety.

146. Deputy Secretary-General (1), University Grants Committee Secretariat ("DSG(1)UGCS") said that all 81 items under the subhead were proposed in or prior to May 2019, i.e. before the outbreak of the social events in June 2019, and none of these items were for repair to damage to the university campuses due to recent social events. He supplemented that the universities concerned had deployed their own existing resources for repairing such damage to the campuses. As regards security arrangements, he added that the universities had, having regard to their respective circumstances, enhanced security such as access control and the installation of security fences.

147. Dr Priscilla LEUNG saw a need for the Administration to state clearly in future funding proposals whether works programmes in universities were for usual maintenance or related to the 2019 social incidents. She also urged the Administration to provide assistance to universities in enhancing security arrangements as students' safety was involved.

148. Dr KWOK Ka-ki noted that many proposed new items under the captioned subhead as from item 5 onwards were for various facilities on university campuses. While he was supportive of these works, he was concerned with the withdrawal earlier on by the Administration of the three funding proposals for a total of \$1,800 million for the medical teaching facilities in The Hong Kong Polytechnic University, The Chinese University of Hong Kong and the University of Hong Kong. He asked for the schedule for the re-submission of the three proposals to FC, and if the subject had been discussed at the morning assemblies held by the Administration.

149. DSG(1), UGCS said that the three proposals were under the portfolio of the Food and Health Bureau. The Government was liaising with relevant members to address their concerns with a view to re-submitting the proposals to FC within the current legislative session as far as practicable. SFST added that the Government would review the need of the items concerned according to the established procedure and make proposals as necessary.

Head 708 Subhead 8100QX — Alterations, additions, repairs and improvements to education subvented buildings

Renovation of a vacant school premises in Wong Tai Sin District

Renovation of a vacant school premise in Kowloon City District

150. Mr IP Kin-yuen noted that many projects under the captioned subhead were for refurbishing or improving school premises many of which were vacant. He enquired about the two projects in Wong Tai Sin and Kowloon City, both at a project estimate of \$29.9 million. He pointed out that both were small, old and substandard premises, and their floor area would remain small after refurbishment.

151. Chief Maintenance Surveyor (School Premises Maintenance), Education Bureau ("CMS(SPM)/EDB") said that school premises would be allocated for school premises purpose after refurbishment and the same would apply to the two premises concerned. Relevant information including the area of the schools would be made available in the public domain for the consideration of potential school sponsoring bodies. The Government would discuss details of the refurbishment work with the bodies which were successful in their applications.

152. Mr IP Kin-yuen considered such situation was far from ideal. He doubted if this was caused by consideration for the high population density in the districts concerned. He also enquired if allocation would be made immediately after refurbishment work to avoid wastage. He said that one of the sites was the former Hung Hom Government Primary School for which bidding was invited by the Administration in 2019. Of the four sites open for bidding in the same school premises allocation exercise, two were new sites with a floor area of 6 700 sq m and 7 700 sq m respectively. In comparison, the small site in question was only 1 895 sq m and was 58 years old. Mr IP expressed concern with students studying in a new but substandard school, and enquired if the Education Bureau ("EDB") had set a standard for new schools.

153. CMS(SPM)/EDB said that EDB would have regard to the suitability of the vacant school sites for reallocation purpose including their floor area, and provide relevant details for consideration by potential school sponsoring bodies. In turn, these bodies would consider the number of classes and students as well as the conditions of the premises concerned. He added that the reallocated premises might either be used for new schools, or for relocation or expansion of existing schools, and the scrutiny of the applications was underway for the site in question. At Mr IP's

request, CMS(SPM)/EDB undertook to provide the plan for the usage of the relevant site, in order to address FC's concern that the small floor area of the school premises would not be able to meet the requirement for standard school premises even after refurbishment.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC 121/19-20(01) on 9 March 2020.]

Head 710 Subhead A007GX — New administrative computer systems

154. Mr Holden CHOW noted that many proposed new items under Part II of the captioned subhead were for upgrading computer and information systems within government departments. He considered that the Administration should review the cost effectiveness of such works after their completion.

(a) *Digital video editing system (Police College)*

(b) *Electronic training materials storage system for Hong Kong Police College*

(c) *e-Solution to promotion to Sergeant Qualifying Examination*

155. Mr CHAN Chi-chuen asked for details of the above three computerization programmes for the Police Force. In response, CSP(P&D), HKPF said that (a) was for the production of videos on specific topics and mock situations for training purpose; (b) was for enhancing the quality of software and efficiency in arranging for training programmes, thereby riding on the advancement in technologies and reducing the manually intensive workload; and (c) was for improving efficiency in Sergeant Qualifying Examinations which currently entailed significant manpower resources. At Mr CHAN's request, CSP(P&D), HKPF undertook to provide the number of candidates taking part in Sergeant Qualifying Examinations annually.

[*Post-meeting note:* The supplementary information provided by the Administration was issued to members vide LC Paper No. FC 121/19-20(01) on 9 March 2020.]

Head 711 Subhead B100HX — Minor housing development related works, studies and investigations for items in Category D of the Public Works Programme

Site formation and infrastructure works for public housing development sites near Po Lam Road South in Tseung Kwan O—feasibility study and associated site investigation works

Site formation and infrastructure works for public housing development at Tuen Mun Central—design and investigation

Site formation and infrastructure works for public housing developments near Tan Kwai Tsuen, Yuen Long—design and investigation

Site formation and infrastructure works for public housing developments at Long Bin, Yuen Long—design and investigation

156. Mr Holden CHOW expressed concern on the feasibility studies, design and investigation for the site formation and infrastructure works for public housing projects, in particular, the four projects at Tseung Kwan O, Tuen Mun and Yuen Long with estimates ranging between \$25.75 million and \$29.07 million. As the project estimates were very close to the financial ceiling of \$30 million for block allocations under CWRP, Mr CHOW was worried that the novel coronavirus outbreak might cause an increase in project costs resulting in their exceeding the permitted ceiling. He enquired how the works could be taken forward should this really happen.

157. Chief Civil Engineer (Public Works Programme), Transport and Housing Bureau said that the Government was closely monitoring the projects concerned and was confident that the project estimates would be within the financial ceiling of \$30 million for these feasibility studies, design and investigation. In the unlikely event of the project cost exceeding the ceiling of \$30 million, a mechanism was in place for upgrading the project concerned to Category A of the Public Works Programme and consultation would be made expediently with the LegCo Panel on Housing, PWSC and FC.

158. The meeting ended at 7:01 pm.