

Memorandum for the Hong Kong Housing Authority
Wang Chau Public Housing Development

PURPOSE

Further to our letter to Members regarding the public housing development at Wang Chau (Wang Chau Development) on 23 September 2016, the Government submitted a paper to the Legislative Council Panel on Housing on 18 October 2016 to provide information on the background and the latest development of the Wang Chau Development, including the considerations and justifications for the Government's decision to take forward the Development in phases, as well as the work and challenges involved in implementing Phases 2 and 3 in the future, in response to concerns raised by Members of the Legislative Council, the media and the public. The paper is attached at ----- **Annex A** for Members' reference.

2. On 18 October 2016, the Government also released the report of the Planning and Engineering Feasibility Study of the Wang Chau Development, with a few parts with contents such as third party information, financial/cost information, privacy of individuals, land sensitive information and grave details being redacted. The report can be viewed at the following webpage – http://www.thb.gov.hk/eng/popup/wangchau_report.htm.

3. Furthermore, the Government issued press statements on 28 September, 30 September, 19 October and 25 October 2016 in response to enquiries from the media and the public on the Wang Chau Development. The ----- press statements are attached at **Annexes B to E** for Members' reference.

INFORMATION

4. This paper is issued for Members' information.

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Secretary, Housing Authority
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File Ref. : HD4-2/PS1/6-20/4C
(Strategy Division)
Date of Issue : 28 October 2016

c.c. Members of HA Committees/Sub-Committees

香港特別行政區政府
The Government of the Hong Kong Special Administrative Region

運輸及房屋局

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19 October 2016

Mr Derek Lo
Clerk to Legislative Council Panel on Housing
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road, Central
Hong Kong

Dear Mr Lo,

**Public Housing Development Plan at
Wang Chau, Yuen Long**

The Government announced earlier that the Planning and Engineering Study Report for the public housing development and Yuen Long Industrial Estate Extension at Wang Chau would be released to the public for reference. Having appropriately processed information related to finance, land matters, etc., the Report has been uploaded to the website of THB. Details can be accessed via the following link:

http://www.thb.gov.hk/eng/popup/wangchau_report.htm

A digital disc containing a copy of the Report is also attached for Members' easy reference.

————— In view of Members' concerns about the public housing development at Wang Chau, an information paper explaining the background and latest development of the said project is attached. Grateful if the Secretariat can also distribute the paper to other Legislative Council Members for reference.

Yours sincerely,

(Original Signed)

(Jerry Cheung)
for Secretary for Transport and Housing

For information

Legislative Council Panel on Housing Public Housing Development Plan at Wang Chau, Yuen Long

Purpose

This paper briefs Members on the background and latest development of the public housing development at Wang Chau, Yuen Long (“Wang Chau Housing Development”), including the considerations and justifications for the Government’s decision to take forward the Development in phases, as well as the work and challenges involved in implementing Phases 2 and 3 in the future.

Background

2. In July 2012, the Government and the Hong Kong Science and Technology Parks Corporation jointly entrusted the Hong Kong Housing Authority (“HA”) to commission a Planning and Engineering Study (“P&E Study”) on the feasibility of the Wang Chau Housing Development and Yuen Long Industrial Estate Extension (“YLIEE”). The P&E Study covered various aspects, including planning, engineering and environmental issues. Different parts of the P&E Study were completed in phases and the entire P&E Study was completed in September 2015.

3. The total planned development area is around 34 hectares. It is situated North to Long Ping Estate in Yuen Long, between Kai Shan and Fuk Hi Street. A map illustrating the geographical area is contained in the information paper issued to the Panel on Development in March 2016 (Paper No. CB(1)707/15-16(01)). The demarcation of the site of Phases 1, 2 and 3 of the Development and the YLIEE site is added to the map as at **Annex** for Members’ reference. Land information of the P&E study sites is as follows –

	Public Housing Development			YLIEE	Total Development Area
	Phase 1	Phase 2	Phase 3		
Total Site Area (ha)	Around 5.6	Around 5.9	Around 7.5	Around 15.0	Around 34.0
Planned Land Use in Outline Zoning Plan (ha)	“Residential (Group A) 4” ¹ : 5.6	“Green Belt”: 5.6 “Open Storage”: 0.3	“Green Belt”: 1.7 “Open Storage”: 5.6	“Green Belt”: 2.2 “Open Storage”: 12.5	
Area of Government Land (ha)	2.1	0.8	3.2	7.4	13.5
Area of Brownfield Operations (including open storage operations that support the logistics industry, port-backup facilities, waste recycling, vehicle maintenance industry, etc.) as estimated under the P&E Study (ha)	0.1	1.3	5.7	10.0	17.1

- (i) The above land information on Phase 1 is based on the current development plan; while other land information is derived from the P&E Study and may not reflect the latest situation. All figures are approximate numbers for reference only.
- (ii) Accurate number of household within the area is not available at the moment. The P&E Study noted that there were possible domestic structures in Phases 1, 2 and 3, but did not provide an estimation on the population.

4. In 2013, whilst the P&E Study was yet to be completed, data and analyses gradually became available. Such information enabled Government departments to examine the optimal way forward for the Wang Chau Housing Development. The plan announced to the public at that time was to proceed concurrently with all three phases of the public housing development to provide around 17 000 units, as well as YLIEE (“Concurrent Development’ approach”). The advantage of “Concurrent Development” approach was that the open storage operations (“brownfield operations”) on the site of YLIEE would be cleared and YLIEE would serve as a buffer between the existing Yuen Long Industrial Estate in the North and the Phase 3 development in the South. Also, brownfield operations on the Phase 3 development site would be cleared and thus the environmental impacts on the public housing in Phase 2 in the South would be alleviated.

¹ In June 2015, the area was rezoned from “Green Belt” to “Residential (Group A) 4”.

5. Based on the concept of “Concurrent Development” approach at the time, relevant departments carried out works on various fronts in 2013, including two lobbying sessions² with local representatives in July and September 2013 to understand their concerns and reactions towards the plan.

6. During the lobbying sessions, local representatives raised strong objection to the entire development (including Phases 1 to 3 and YLIEE) and expressed various concerns including –

- (a) the Government should give an overview of the planning and development projects in Yuen Long;
- (b) there were many housing developments in Yuen Long District, which would lead to a significant increase in population, and affect transport, traffic and infrastructure in the district; and
- (c) the Wang Chau Housing Development would affect the existing brownfield operations.

7. During the internal discussions in late 2013, various departments noted the views collected during the lobbying sessions, and at the same time, reached some conclusions based on technical considerations, including that it would take time for the proper handling of the large area of brownfields in Phases 2 and 3 sites.

8. Based on these considerations, the Government decided to proceed first with Phase 1 Development to provide 4 000 units, and develop Phases 2 and 3 at later periods. In March 2014, relevant departments conducted two lobbying sessions with local representatives on the development of 4 000 units at Wang Chau. Local representatives did not oppose the development plan in general. With reference to these opinions and that the implementation plan of Phase 1 Development had already been formulated, the Government launched the public consultation process. Key events in the process included –

- (a) On 29 April 2014, the Government briefed Members of the Yuen Long District Council on the Wang Chau North/South Phase 1 Development among 14 housing sites (YLDC Paper No. 14/2014). A table under Paragraph 5 of the Paper sets out the preliminary plan of 4 000 units as proposed by the P&E Study. The footnote also sets out -

² Details of the lobbying on the Wang Chau Housing Development in 2013 and 2014 (only available in Chinese) can be accessed via the following link:
<http://www.info.gov.hk/gia/general/201609/21/P2016092100721.htm>

“The planned population and the number of units refer to those deriving from the housing site in Wang Chau South. The rest is subject to further review.”

Furthermore, paragraphs 16 and 17 of the Paper discussed the matter of brownfields, which pointed out:

“17. A drastic change of the development of brownfield sites will affect local industrial activities and the employment landscape. Although a total of 318 hectares have been zoned “Open Storage” and “Industrial (Group D)” in the existing Draft Yuen Long Outline Zoning Plan, these sites have mostly been occupied or become privately owned land incapable of meeting the re-provisioning need. The Development Bureau, the Transport and Housing Bureau and the Environment Bureau will assess the impact of developing brownfield sites and explore feasible measures in this respect, including the relocation of some operations to multi-storey blocks.”

- (b) On 23 May 2014, the Government consulted the Ping Shan Rural Committee on the construction of about 4 000 public rental housing units in Phase 1 Development.
- (c) On 24 June 2014, the Government consulted the Yuen Long District Council³ (YLDC Paper No. 47/2014). As seen from the minutes of the meeting –
 - (i) *Members supported the development plan in Wang Chau in principle;*
 - (ii) *Some Members were concerned about the development would involve the use of land in Green Belt and questioned about brownfields; and*
 - (iii) *Despite a relatively smaller scale of development proposed on that day, Members were still expressed concerns about support facilities, such as traffic infrastructure, medical facilities, etc.*

³ YLDC Paper No. 47/2014 (only available in Chinese) can be accessed via the following link:-
http://www.districtcouncils.gov.hk/yl/doc/2012_2015/common/dc_meetings_doc/606/dc_paper_2014_047.pdf

Minutes of the YLDC meeting dated 24 June 2014 can be accessed via the following link:
[http://www.districtcouncils.gov.hk/yl/doc/2012_2015/en/dc_meetings_minutes/yldc\(2014\)_3rd_summary\(en\).pdf](http://www.districtcouncils.gov.hk/yl/doc/2012_2015/en/dc_meetings_minutes/yldc(2014)_3rd_summary(en).pdf)

- (d) On 17 October 2014, the Town Planning Board (“TPB”) approved the gazettal of the proposed rezoning of Wang Chau to residential use for public consultation. Paragraph 3.3 of the RNTPC Paper No. 13/14⁴ of the Rural and New Town Planning Committee under TPB explained that Housing Department (“HD”) would take forward the Wang Chau Housing Development in phases. A site zoned as Green Belt in Wang Chau at that time would first be rezoned for public housing development.
- (e) On 31 October 2014, TPB gazetted the proposed rezoning for a two-month public consultation. TPB received a total of 109 representations, and a meeting was held on 10 April 2015⁵. Among the representations, one objected the proposed rezoning for Phase 1 Development on the ground of “not making use of brownfield area”. The following meeting minutes show that the representation considered that the Government should develop public housing in the brownfield area in Wang Chau.

“Not Making Use of Brownfield Area (R4)”

- (vi) *the Government recommended earlier using the brownfield area at Wang Chau, which was currently use as recycling stations, for public housing development. However, due to strong opposition from local villagers, development on “GB” site was proposed instead. The proposal provided fewer public housing units, increased the cost and delayed the completion of the public housing. It was more cost-effective to develop brownfield area;*
- (vii) *the industrial area (i.e. brownfield area) in Wang Chau should be rezoned to “R(A)”;*

In response, the Government suggested that the area proposed for rezoning was occupied by a large number of industrial establishments. Development of these brownfield sites would require careful consideration on how to minimise the impacts on

⁴ The RNTPC Paper No. 13/14 of the Rural and New Town Planning Committee under TPB can be accessed via the following link:
http://www.info.gov.hk/tpb/en/papers/RNTPC/520-rntpc_13-14.pdf

⁵ Minutes of 1082nd Meeting of the TPB held on 10 April 2015 can be accessed via the following link:
http://www.info.gov.hk/tpb/en/meetings/TPB/Minutes/m1082tpb_e.pdf

the existing community. Thus, detailed planning and public consultation would be required before the commencement of any relevant rezoning exercise.

As mentioned in paragraph 102 of the meeting minutes, TPB decided not to uphold Representation R4 and considered that the Plan should not be amended to meet the representations. Members also considered that the reasons for not upholding the representation in paragraph 102(d) appropriate. The relevant reasons were extracted below –

“better utilisation of brownfield sites is one of the land supply options under the multi-pronged approach. To use the brownfield area in Wang Chau for residential development requires further detailed planning and public consultation. It is therefore considered premature to rezone the area at this stage...”

- (f) On 25 February 2015, the Secretary for Development referred to “Wang Chau North/ South Phase 1” in his written reply to the question raised by the Hon James TO in the Legislative Council⁶.
- (g) In March and April 2015, the Legislative Council examined the Estimates of Expenditure 2015-16. In response to a question raised by the Hon Cheung Chiu-hung, Fernando on whether the Government would publish the feasibility study report on the Wang Chau Housing Development and the expansion of Yuen Long Industrial Estate, Transport and Housing Bureau (“THB”) replied regarding the P&E Study conducted earlier that, “the contents of the Study Report are no longer applicable” (because further study would be required)⁷. Notwithstanding this, it does not mean that the Government will refrain from developing Phases 2 and 3 of the Wang Chau Housing Development.
- (h) On 12 May 2015, the Government consulted the Ping Shan Rural Committee on the road works required for Phase 1 Development, and on 21 May 2015 consulted the Traffic and Transport Committee under the Yuen Long District Council on the same

⁶ The question raised by the Hon James To and a written reply by the Secretary for Development in the Legislative Council on 25 February 2015 can be accessed via the following link:
<http://www.info.gov.hk/gia/general/201502/25/P201502250455.htm>

⁷ Replies from the Government to questions on housing matters raised by Finance Committee Members in examining the Estimates of Expenditure 2015-16 can be accessed via the following link:
http://www.legco.gov.hk/yr14-15/english/fc/fc/w_q/thb-h-e.pdf

matter. Both Committees raised no objection to the proposed road construction.

- (i) On 18 March 2016, the Government submitted an information paper on its actions against illegal occupation of Government land and the latest plan for Wang Chau Housing Development, Yuen Long to the Legislative Council Panel on Development (Legislative Council Information Paper CB(1)707/15-16(01))⁸. The paper stated that –

“10. Having considered the overall development priority, with the time required for the clearance of the existing squatters, temporary structures, brownfield operations, etc. taken into account, the Housing Authority will first develop the southern portion of the site (i.e. the area where construction works would soon commence) for about 4 000 public housing units. This will help achieve the target of increasing the public housing supply in the short term...”

12. The remaining of the Wang Chau site, including the “Open Storage” and “Green Belt” zones in the northern part, is planned for public housing development and YLIE extension according to the findings of the feasibility study. Subject to the progress of associated works/studies including the formulation of policies and measures for clearing brownfield sites, the Government will take steps to implement the remaining development of the Wang Chau site according to priority. For the brownfield matters, the Government has established an inter-bureaux/departments task force on brownfield operations in 2014, exploring effective policies and practicable measures to handle brownfield operations, including study on means of more efficient land utilisation to accommodate brownfield operations that are still needed in Hong Kong. The Government will use Hung Shui Kiu New Development Area as a pilot case, including studying practicable measures to accommodate some brownfield operations in suitable multi-storey compounds.”

9. It is noted from the above public documents that –

- (a) the Government has indicated to the public its consideration of constructing 17 000 public housing units at Wang Chau;

⁸ Legislative Council Information Paper CB(1)707/15-16(01) can be assessed via the following link:
<http://www.legco.gov.hk/yr15-16/english/panels/dev/papers/dev20160223cb1-707-1-e.pdf>

- (b) the Government subsequently decided to proceed with Phase 1 Development with 4 000 units first, and defer the development of Phases 2 and 3 to later periods; and
- (c) the need for undertaking necessary support measures, such as the handling of brownfield operations, etc., which would require more time, was the main consideration in deferring Phases 2 and 3 to later periods.

Recent Discussions

10. In response to the recent enquiries from the public and the media on the Wang Chau development, the Chief Executive, together with the Financial Secretary, Secretary for Transport and Housing (STH), the Acting Secretary for Development and other relevant officials held a press conference on 21 September 2016 and provided information regarding the Government's internal deliberation process for the decision to proceed with Phase 1 first, as well as the considerations supporting this decision. Details are set out below.

11. In early 2014, HD proposed to STH that the Wang Chau Housing Development be carried out in phases, firstly with Phase 1 and leaving Phases 2 and 3 and YLIEE to later periods ("Phased Development" approach). This proposal enabled the early construction of 4 000 units and avoided delaying other public housing development plans in Yuen Long District. The proposal was agreed by STH, who then reported to the senior levels of the Government.

12. The 3Cs Meeting on 27 January 2014 discussed the proposal of proceeding with Phase 1 of the Wang Chau Housing Development first, leaving Phases 2 and 3 to later periods. This direction of work was supported by the Chief Executive.

13. When making this decision, the Government not only made reference to the opinions gathered from the lobbying sessions. More importantly, the Government considered that the "Concurrent Development" approach, as compared to proceeding with Phase 1 Development first, would involve more complicated problems and hence requiring a longer time to formulate and implement measures in the aspects of infrastructure, environmental mitigation measures, as well as the handling of brownfield operations.

14. In the response to media enquiries dated 30 September 2016, the Government explained the technical considerations that lead to the decision to proceed with Phase 1 Development first and then Phases 2 and 3 later. A brief explanation on the technical considerations in terms of infrastructural requirements, brownfield operations and environmental problems is given below –

(I) Examples of Infrastructural Requirements

15. Under “Phased Development” approach, infrastructural requirements of Phase 1 are less extensive than that of “Concurrent Development” approach.

16. Concerning **road works**, Phase 1 Development only involves the improvement of the junction at Long Ping Road and Fung Chi Road and the construction of an access road to the Phase 1 site. Developing the whole Wang Chau site concurrently will require road works at various locations in Yuen Long District, such as, Long Ping Road, Wang Lok Street, Fuk Hi Street, Shui Pin Wai Interchange, as well as the construction of a public transport interchange. It involves more complicated works and takes a longer lead time to work out a proposal and complete the works. An extract of some relevant parts in the P&E Study report is provided below –

**Planning and Engineering Study for the Public Housing Site
and Yuen Long Industrial Estate Extension at Wang Chau**

(P&E Study)

**Final Technical Report No. 4B (TR-4B) –
Implementation and Costing**

“2.5.1.2 - Other than the access roads within the (i.e. public housing) site and YLIEE (i.e. Yuen Long Industrial Estate Extension) site, a total of 4 local improvements on existing road outside the Project site are also proposed.

Table 2.5.1: Summary of Road Improvement Works

Junction		Proposed Improvement Works
Ref	Location	
RW1	Fuk Hi Street/ Long Ping Road and access road to PH (i.e. public housing) site	<p>Preliminary junction improvement has been included for this junction. A section of approximately 150m long of the north bound of Fuk Hi Street would be widened.</p> <p>A section of approximately 120m long of the north bound of Long Ping Road would be widened for left turn.</p> <p>Some minor refinement of the local access road to Ting Fook Villas.</p>
RW2	Fuk Hi Street/ Wang Lok Street	An additional left turn lane from Wang Lok Street to Fuk Hi Street
RW3	Long Ping Road/ Fung Chi Road and access road to GIC building	Minor reconfiguration of road junction layout to facilitate new access road connection.
RW5	Shui Pin Wai Interchange	Local junction reconfiguration at WB lane from Long Ping Road into Shui Pin Wai Interchange.

2.5.1.3 - The widening work at RW1 would increase the capacity of Fuk Hi Street and Long Ping Road to cater for the increase in traffic demand induced by the Project. For RW2 to RW5, only some minor reconfiguration or an additional left turn lane is required.”

17. On **sewerage works**, while Phase 1 Development only requires improvement on local sewers, proceeding with the whole Wang Chau development concurrently will require a larger scale of improvement works on sewers in the area concerned and in Yuen Long District. The Yuen Long Sewage Treatment Works will also need to be upgraded, involving more complicated works and a longer lead time for working out a proposal and completing the works. An extract of some relevant parts in the P&E Study report is provided below –

P&E Study
Final Technical Report No. 4B (TR-4B)
Implementation and Costing

- “2.5.2.1 - New sewerage system would be required within the Project Site to suit the arrangement for building block layout. The sewage collected from various buildings would be conveyed to sewers running along the access roads.
- 2.5.2.2 – Since the existing sewers within YLIE (i.e. Yuen Long Industrial Estate) were not designed for the proposed development, construction of new sewers/upgrade of existing sewerage network within YLIE is required to convey the sewage flows from the Project Site to the YLSTW (Yuen Long Sewage Treatment Works).
- 2.5.2.3 – According to the current design, sewage from the Project Site would be diverted to YLSTW by adopting the existing gravity system. The existing sewerage along Fuk Hi Street of varying pipe size from 375mm to 900mm diameter would need to be upgraded to 900mm from the project boundary to Fuk Shun Street to 1050mm from Fuk Shun Street to the existing sewerage along Wang Lee Street.”

18. In respect of **power supply**, the existing substation can cope with the demand generated by Phase 1 Development. However, proceeding with the whole Wang Chau development concurrently will require another site for the construction of a new 132kV substation. An extract of some relevant parts in the P&E Study report is provided below –

P&E Study
Final Technical Report No. 4A (TR-4A) – Preliminary
Recommended Option

- “2.5.4.2 – According to the power service provider CLP (i.e. China Light and Power Company Limited), a new 132kV substation will be required to deliver power from the 132kV cables at Long Ping Road to the proposed development.”

(II) Handling of Brownfield Operations

19. In the site for Phase 1 Development, there is only about 0.1 hectare of brownfield operations, while such operations occupy about 17 hectares on the sites of Phases 2 and 3 and YLIEE. The sizeable brownfield operations in Phases 2 and 3 include operations that provide support services to logistics industry, port-backup facilities, waste recycling, vehicle maintenance industry, etc. They also provide employment opportunities. It is the Government's intention to handle these operations properly when developing these sites. An extract of some relevant parts in the P&E Study report is provided below –

P&E Study Inception Report

“3.4.4 - A large portion of the proposed public housing development site and YLIEE is currently occupied by different types of industrial uses including motor vehicle/equipment depots, petrol filling stations, metal workshops, waste recycling workshops, OS (i.e. open space) areas, container yards and carparks, etc.

In addition, as a large portion of site area falls within the private land lots or under short term tenancy and the majority of the land is currently occupied by OS and vehicle repairing workshops which are all in operation, grant for site access is very unlikely.

3.6 - Since the Study site mainly consists of open storage areas and private lands, land resumption, clearance, re-housing and/or reprovisioning of the affected lots, short term tenancies, Short Term Waivers, Modification of Tenancy Permits, Government Land Licences, temporary and permanent land allocations, structures and cultural and religious features will be inevitable for the proposed development and associated infrastructures/facilities.”

P&E Study
Final Technical Report No. 4A (TR-4A) – Preliminary
Recommended Option

“3.3.1.1 - Open storages/ workshops including vehicle parks and repair facilities, container storage areas, waste recycling workshops currently occupies about 50% of the Project Site and most of them are located within the YLIEE site and the northern part of the PH site.”

(III) Environmental Mitigation Measures

20. There are various environment issues to be dealt with for the Phases 1, 2 and 3 sites. One of the more prominent problems is the pollution generated by brownfield operations in the area. The site for Phase 1 Development is far away from those brownfield operations in the sites for Phases 2 and 3 and the pollution brought by them. To proceed with Phase 2 Development, the pollution problem caused by brownfield operations in Phase 3 site at the North of Phase 2 has to be resolved. To proceed with Phase 3 Development, the pollution problem caused by brownfield operations on the site of YLIEE at the North of Phase 3 has to be resolved. Thus more time will be required to tackle the environmental pollution problems if Phases 2 and 3 are implemented concurrently, including the pollution caused by the brownfield operations on the sites for Phases 2 and 3 and YLIEE. An extract of some relevant parts in the P&E Study report is provided below –

P&E Study
Inception Report

“3.4.1 - The key environmental issue is the problem of Industrial/Residential (IR) interface. The existing industrial noise source in the vicinity of the Study site are mainly from the industrial facilities inside the YLIE and other rural industrial operations, such as OS and car stripping/repair workshops that contribute to the overall ambient noise level. The YLIEE will be a future noise source. All these sources will affect the nearby existing noise sensitive receivers (such as Ng Uk Tsuen next to the north of YLIEE) and the proposed public housing development site. Clean industry and noise tolerant buildings or green buffer in between the YLIEE and these receivers should always be considered priority approach to planning.”

P&E Study
Final Technical Report No. 4B (TR-4B) – Implementation and Costing

- “3.3.1.3 - Development Package 1 - Site formation for PH Phase 1–Formation of about 5.5ha of land including the following: Site decontamination (about 0.02 ha of land having potential land contamination);
- 3.3.1.5 - Development Package 2 - Site formation for PH Phase 2 and Essential supporting infrastructure works outside the site boundary Within Phase 2 development site - Formation of about 5.9ha of land including the following: Site decontamination (about 1.3 ha of land having potential land contamination);
- 3.3.1.6 - Development Package 3 - Site Formation for PH Phase 3...Formation of about 7.5ha of land including the following: Site decontamination (about 5.7 ha of land having potential land contamination);
- 3.3.1.7 - Development Package 4 - Site Formation for YLIEE Formation of about 15ha of land including the following: Site decontamination (about 10ha of land having potential land contamination);”

The Way Forward

21. In early 2014, when the Government decided to adopt the “Phased Development” Approach, the brownfield issue is one of the major considerations. The Government is actively examining the issue at the moment. As the Acting Secretary for Development said at the press conference on 21 September 2016:

“Many brownfield operations now play a significant supporting role in logistics, port back-up, waste recycling, vehicle maintenance and construction industries, and provide a lot of employment opportunities. It is necessary for us to explore ways to make available the operating spaces they require.

Since the establishment of the task force on brownfield operations in 2014, we have, among other things, conducted surveys on the brownfield distributions and operations in Hung Shui Kiu and Yuen Long South respectively. Using Hung Shui Kiu New Development

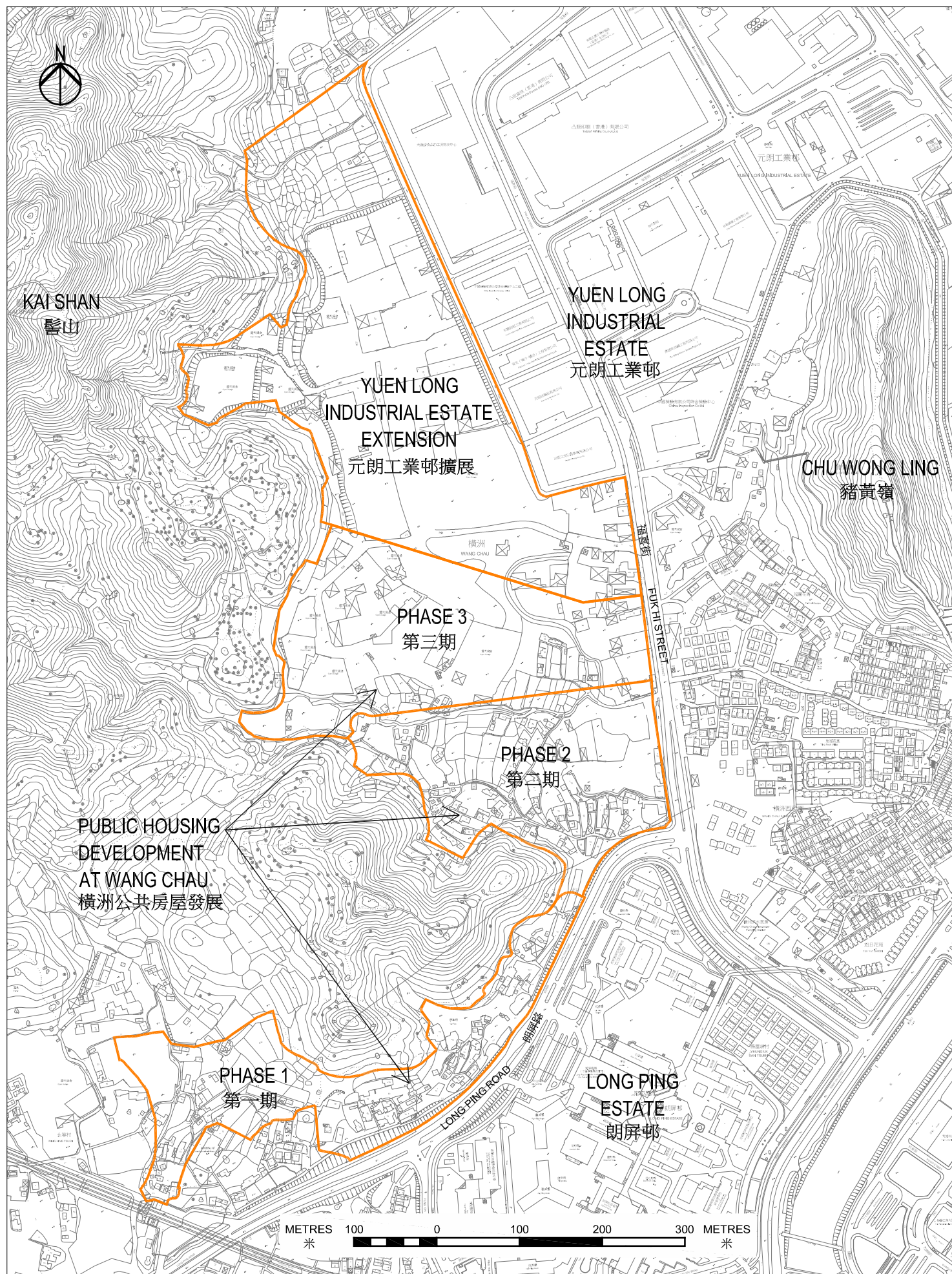
Area as a pilot case, we have also launched a consultancy study, which consists of technical and financial assessments as well as business and management mode researches, to explore the feasibility of consolidating brownfield operations in multi-storey industrial buildings. The study is expected to be completed by mid-2018.

Looking forward, we are reviewing a set of more comprehensive, practicable policies and measures in dealing with brownfield matters. Next year, the Planning Department will initiate a study on the uses and operation status of brownfield sites in the New Territories through an extensive survey on the overall distribution and uses of brownfield sites. The findings will provide us with more information on brownfield sites, enabling us to make analysis and draw up brownfield policies. Our target is to optimise land uses and improve rural areas by means of appropriate planning and consolidating strategies for brownfield sites in different areas.”

22. In light of the public support for Wang Chau Phases 2 and 3 Development recently, the Government has decided to explore further compressing the relevant implementation programme. The Government will update the relevant study and, at the same time, expedite the completion of the brownfield study mentioned above.

23. As the Government pointed out earlier, the P&E Study included information related to financial information, land matters, etc. The Government will, after processing the relevant information in an appropriate manner, submit the report to the Legislative Council and release to the public, after the Legislative Council commences its work in the new term. The report has already been uploaded to the website of THB on 18 October 2016.

**Transport and Housing Bureau
October 2016**



PUBLIC HOUSING DEVELOPMENT AT WANG CHAU
橫洲公共房屋發展計劃

Press Releases

Government response to media enquiries on development at Wang Chau

In response to media enquiries on the amount of government land and the number of households affected by the public housing development and Yuen Long Industrial Estate Extension (YLIEE) at Wang Chau, a Government spokesman said today (September 28) that when conducting the Planning and Engineering (P&E) feasibility study in 2012, the consultant made a projection that there were approximately 14 hectares of government land within the development boundary (Phases 1, 2 and 3 of the public housing development and YLIEE), some 40 houses and about 210 temporary structures. But there was no projection of the number of households affected. The Government will conduct detailed surveys when rolling out the development.

To assist in taking forward Phase 1 of the public housing development at Wang Chau, the Lands Department has worked out the area of government and private land within Phase 1 of the development (about 3.4 hectares of government land and 3.5 hectares of private land). The Department also conducted a freezing survey in October 2015 within the area affected by Phase 1 of the development, during which about 180 households (involving about 400 persons) and a few business undertakings were registered. However, since occupants of some structures refused to be registered, the figures at present may not reflect the total number of households and business undertakings affected.

As regards the P&E feasibility study for the development at Wang Chau, the spokesman pointed out that the study, comprising 16 reports with over 1,000 pages, contains some sensitive information such as land matters, project financial information and so on. Disclosure of such information may affect public interest. The Government, after processing the related sensitive information in an appropriate manner, will submit the 16 reports to the Legislative Council when the new term comes into session officially and make them available to the public.

Ends/Wednesday, September 28, 2016

Issued at HKT 18:36

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Press Releases

Government response to media enquiries on public housing development plan at Wang Chau

In response to media enquiries on the public housing development plan at Wang Chau, a spokesman for the Government said today (September 30) that, after checking various documents, a consolidated reply is given as follows:

As explained earlier, the Planning and Engineering (P&E) feasibility study for the public housing development plan at Wang Chau, which commenced in 2012, comprised a number of technical parts, including assessments on traffic and transport impact, geotechnical feasibility and site formation, natural terrain hazard, drainage impact, sewerage impact, water and utility impact, environmental impact, air ventilation, land requirement, tree survey, financial assessment and so on. Different parts were completed at different periods. The Government originally planned to develop Phases 1, 2, 3 and Yuen Long Industrial Estate Extension (YLIEE) at the same time. But after the Government decided in early 2014 to develop Phase 1 first, followed by phases 2 and 3 later, we asked the consultant, who were carrying out the study then, to conduct supplementary assessment on the traffic and transport impact, air ventilation, drainage impact, sewerage impact, water supplies and environmental impact to confirm the feasibility of commencing Phase 1 first.

We have stated earlier that the P&E feasibility study reports for the public housing development plan at Wang Chau contain some sensitive information, and the Government will submit them to the Legislative Council when the new term comes into session officially and make them available to the public after processing the relevant sensitive information in an appropriate manner.

Assessment reports have to be submitted to the Town Planning Board (TPB) when processing the rezoning application for the Phase 1 development. Therefore, the supplementary assessments on traffic and transport impact and air ventilation in the feasibility study were attached to the submission to the Rural and New Town Planning Committee (RNTPC) of the TPB on October 17, 2014. (Reference number: RNTPC Paper No. 13/14).

Prior to the submission to the RNTPC, we had ascertained that there was no sensitive information in it. But the staff concerned did not delete the wording "please keep confidential" when preparing the submission.

The aforesaid traffic and transport impact assessment stated that "planning parameters are yet to be confirmed at the stage of the study. As for a conservative approach, it is assumed that the total number of flats is capped at 5 000 units with PRH/HOS ratio of 50:50 for technical assessment purpose....." This illustrates clearly that the "planning parameters" of the Phase 1 housing project has not yet been decided. The assessment adopted a "conservative approach" that "assumed" the total number of flats was to be "capped at" 5 000 and, for "technical assessment

purpose", the proportion of public rental housing/home ownership scheme flats was "assumed" to be 50:50 so as to maintain the flexibility to ensure that results of the technical assessments will be applicable to future development. The paper (RNTPC Paper No. 13/14) itself stated clearly that the proposed number of flats was 4 000. As regards the actual number of flats and the proportion of rental housing and subsidised sales flats, it has yet to be decided.

In the traffic impact assessment submitted to the RNTPC, routing of the road connecting Wang Chau Phase 1 was different from the one outlined in the paper submitted by the Civil Engineering and Development Department (CEDD) to the Yuen Long District Council's Traffic and Transport Committee (TTC Paper No. 39/2015) on May 21, 2015.

As for the reason for the re-routing, the CEDD had already given a detailed account in the paper for the aforesaid meeting of the Yuen Long District Council. It was stated that "Through enhancing the road routing and moving it northward within the development boundary by the CEDD, members of the public will have the convenience of passing in and out the burial ground located to the north of the development area without the need to enter into the future housing estate."

As regards the planning application by a private development at the locality of the Wang Chau public housing development, when the Planning Department consulted related government departments on it, the Housing Department raised objection on the ground that ingress of the road proposed by the private development would encroach into the boundary of the Phase 1 public housing development at Wang Chau and the original design of the public road for Wang Chau Phase 1 had not taken into account the private development.

There are views commenting on our decision of rolling out firstly Phase 1 of the Wang Chau public housing development and then phases 2 and 3 later. We reiterate that the decision aims at an early production of 4 000 public housing flats in the Phase 1 of the Wang Chau public housing development. Some of the technical details are outlined herein.

On the part of road traffic, Phase 1 only involves the improvement of the junction at Long Ping Road and Fung Chi Road and the construction of a road to the Phase 1 of Wang Chau development. The concurrent development of phases 1, 2 and 3 of Wang Chau will require road works at various locations in Yuen Long District such as Long Ping Road, Wang Lok Street, Fuk Hi Street, Shui Pin Wai Interchange and so on as well as the construction of a public transport interchange. It involves more complicated works and requires longer time for working out a proposal and completing the works.

On drainage facilities, it only needs to improve local drainage pipes there in Phase 1. The concurrent development of phases 1, 2 and 3 will require a larger scale of improvement works on drainage pipes in the area concerned and in Yuen Long District. The Yuen Long Sewage Treatment Works will also need to be improved, involving more complicated works and longer time for working out a proposal and completing the works.

In respect of power supply, the existing transformer station can cope with demand generated by Phase 1. If phases 1, 2 and 3 are to be developed simultaneously, a new 132kV transformer station will have to be constructed.

As regards brownfield operations, about 0.1 hectare of land on the sites of Phase 1 are occupied while such operations occupy about 17 hectares on the sites of phases 2 and 3 and YLIEE. The sizeable brownfield operations in phases 2 and 3 include supportive activities such as logistics, port back-up, waste recycling, car repair and so on. They also offer employment opportunities. The Government wishes to handle them more properly.

Moreover, there are various environmental issues that have to be dealt with in phases 1, 2 and 3. The more critical one is pollution generated by operations on the brownfield sites in the district. In terms of location, Phase 1 is farther away from those brownfield operations at phases 2 and 3 and the pollution brought by it. When bringing forward Phase 2, we have to resolve the pollution problem caused by brownfield operations at Phase 3 on the north of the development. When we move on with Phase 3, we have to resolve the pollution problem caused by brownfield operations on site of YLIEE on the north. Thus, it will require more time to resolve the environmental pollution problem when we implement phases 2 and 3, including the pollution caused by brownfield operations on sites of phases 2 and 3 and YLIEE.

Taking the above into account, the Government decided in early 2014 to roll out the Phase 1 development at Wang Chau first with the objective of completing 4 000 public housing flats in 2024/25 with the early commencement of various formal procedures within a relatively short period of time.

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Press Releases

Development at Wang Chau has to take into account the actual circumstances and other factors

Regarding the Planning and Engineering Feasibility Study for Public Housing Site and Yuen Long Industrial Estate Extension at Wang Chau (P&E Study) report conducted between 2012 and 2015 by a consultancy firm, which was released yesterday, a Government spokesman reiterated today (October 19) that the study aimed to explore feasibility and therefore may not have fully considered time factor and actual circumstances.

It was mentioned in the report that there is no "insurmountable" difficulties in the development of Wang Chau Phases 2 and 3, the spokesman noted, adding that this is exactly why the Government has been planning all along to develop Wang Chau Phases 1, 2 and 3 so as to construct 17 000 public housing units in the end.

"Besides, developing each of Phase 1, 2 and 3 of the Wang Chau development involves certain difficulties. We have been pointing out all along that Phases 2 and 3 involve more complicated issues, which require more time to tackle.

"We have pointed out that the purpose of the P&E Study was to study the technical feasibility of the development. Although technically feasible, preliminary procedures, in addition to works programme, will often take more time than what the technical works assessment expects. For example, the P&E Study estimated that the consultation with the Rural Committee and the District Council would take only two months. But experience tells us that, if we have to develop Phases 1, 2 and 3 in one go, formal and informal consultations with the Rural Committee and the District Council, together with other community engagement activities and consultation, would take more than two months.

"Apart from associated works such as transport, electricity supply, sewage and the mitigation measures for tackling environmental issues, the Government also has to work out suitable measures to handle the large amount of brownfield operations, which is about 7 hectares, at Wang Chau Phases 2 and 3. Just as the Acting Secretary for Development has stated at the press conference on September 21, the Government is reviewing the relevant policies and measures with an aim of handling brownfield operations in a more comprehensive and suitable manner," the spokesman said.

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Press Releases

Response to media enquiries on Planning and Engineering Study for Wang Chau

In response to media enquiries on the Planning and Engineering Study for the Public Housing Site and Yuen Long Industrial Estate Extension at Wang Chau (P&E Study), a Government spokesman replied today (October 25) as follows:

When releasing the P&E Study, an introduction to the study to give an account on the objectives and constraints of planning and engineering studies in general, as well as some background information of the Wang Chau project, was attached (www.thb.gov.hk/eng/popup/wangchau_report.htm). The introduction and earlier replies in response to media enquiries have already addressed some of the recent questions by the media. The relevant information is summarised here for public reference.

When the study was first started, the original plan was to develop Wang Chau Phases 1, 2 and 3 as well as the Yuen Long Industrial Estate Extension as one works project. However, the scope of the study was adjusted in accordance with the Government's strategy. In early 2014, the Government decided to launch Wang Chau Phase 1 development first. The P&E Study had to add in content on technical assessments specifically required for the rezoning of Phase 1. In this connection, we had instructed the consultant to extract appropriate information and make necessary updates, thereby producing an additional of five technical reports and two technical data summaries.

As the Government decided not to develop Phase 1 along with Phases 2 and 3 and the Industrial Estate Extension in one go, the P&E Study did not pursue further on subjects associated with a joint development, such as public consultation or environmental impact assessment required for a joint development. According to the Environmental Impact Assessment Ordinance, environmental impact assessment reports are required for engineering feasibility study of urban development projects with a study area covering more than 20 hectares or involving a total population of more than 100 000. Since the Phase 1 development only involves a site of about 5.6 hectares with a future population of about 12 000 persons, an environmental impact assessment is not required.

Besides, although the P&E Study had suggested at an early stage that public consultation and community engagement were required when developing Wang Chau Phases 1, 2 and 3 and Yuen Long Industrial Estate Extension in one go, the Government decided in early 2014 to develop Phase 1 first. Thus, the P&E Study, in the end, did not recommend the implementation of consultation specifically for the concurrent development of Wang Chau Phases 1, 2 and 3 and Yuen Long Industrial Estate Extension. Instead, informal consultations, as well as using about two months to consult the Rural Committee and District Council, were suggested.

In respect of informal consultations, we had clarified to the media that the two informal consultations as mentioned on

paragraph 3.2.1.2 of the TR-4B report of the P&E Study should have taken place in July and September 2013, not July and September 2012. The correct dates can be found on paragraph 3.4.1.1 of the same report which also touched on the two informal consultations. These two informal meetings were exactly the two informal consultations on July and September 2013 mentioned by the Secretary for Transport and Housing at the press conference on September 21, 2016. Please refer to the following link for details (Chinese only):
www.info.gov.hk/gia/general/201609/21/P2016092100721.htm.

The completion time estimated by the P&E Study for various types of work was based on the original assumption of developing Wang Chau Phases 1, 2 and 3 and Yuen Long Industrial Estate Extension in one go. In addition, the estimate was generally made on the assumption that the relevant procedures would proceed smoothly, which is not necessary to be the case in reality.

The conclusion of the P&E Study was that there was no "insurmountable" difficulty in the development of Phases 1, 2 and 3. It was exactly on this basis that we had all along considered that the public housing development in Phases 2 and 3 should go ahead. Yet the P&E Study showed that each of Phase 1, 2 and 3 had to overcome their own respective difficulties and the difficulties facing Phase 2 and 3 were more complicated. The time needed to overcome the difficulties in Phases 2 and 3 will be longer than the time needed for Phase 1. Thus, we decided to go ahead with Phase 1 first and Phases 2 and 3 later.

There are views that the P&E Study had not taken into consideration of households and brownfield operations within the project area. In general, the objective of planning and engineering study is to assess the technical feasibility of a project. As a project is still at an early study stage and having taken into account the factor of confidentiality, a consultancy firm will collect necessary information for study, including conducting site visits to count the number of structures and making enquiries with government departments concerned (such as Land Registry). However, this will not include detailed household survey, number of families and so on and registration of brownfield operators. Government departments concerned will undertake related surveys or registration at an appropriate time after the implementation programme of the project is confirmed.

As regard the scope of the housing plan in Wang Chau, the P&E Study did suggest the exclusion of some green belt sites and adding three other green belt sites. The Government agreed to these changes. The removed green belt sites included some Village Environs (VEs). According to established government policy, generally speaking, considering that VEs have existed for a long time (VEs refers to a 300-foot radius from the edge of the last village type house built before the introduction of the Small House Policy on December 1, 1972), its original intent is to cope with the implementation of the Small House Policy. Any suggestion of shrinking or even canceling the VEs would inevitably induce demand for compensation for other lands. In general, it is suggested that the lands within the village boundaries will not be included in development areas. In the planning of Wang Chau, VEs was also not included in the proposed public housing development areas.

These adjustments, as well as media questions on the highway plan within Wang Chau Phase 1, have nothing to do with the private development located to the west of Phase 1. In fact, the private development application has direct conflict with Phase 1. Just like what was stated in the Government's response to media enquiries on September 30, 2016, when the Planning Department consulted various government departments on the planning application by the private developer, the Housing Department (HD) raised objection on the ground that ingress of the road proposed by the private development would encroach into the boundary of the Phase 1 public housing development at Wang Chau and the original design of the public road for Wang Chau Phase 1 had not taken into account the private development. With regard to a proposal by the private developer of changing the west end of the public road to a roundabout for the access of the private development, the HD had expressed that the suggestion would affect the road design of the public housing development and hold over its development progress. Therefore, the private developer should plan an alternative road. The government departments had also raised various other views, including the Government had no plan to extend the proposed public road, to be constructed for the public housing development, to the private development; and that the proposed sewerage facility for public housing development just caters for sewage discharged from the public housing.

Regarding the cause of road design adjustment, the Government had already pointed out in the press release issued on September 30, 2016 that the Civil Engineering and Development Department (CEDD), in a paper submitted to the Traffic and Transport Committee of the Yuen Long District Council on May 21, 2015, had fully explained the change of the road routing: "by optimising the road design and relocating it northward within the development area, it would be convenient for the public to get in and out of the burial area, which is located on the north outside the development area, without the need to pass through the future estate area."

As we understand, the application of the private development has not yet been approved. The private developer submitted revised information on rezoning application to the Town Planning Board (TPB) on September 29 this year. The Government will give its views again to the TPB accordingly.

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