

立法會
Legislative Council

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(These minutes have been seen by
the Administration)

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**Subcommittee to follow up
the outstanding capital works projects
of the former municipal councils**

**Minutes of meeting
held on Thursday, 1 March at 8:30 am
in Conference Room A of the Legislative Council Building**

Members Present : Dr Hon TANG Siu-tong, JP (Chairman)
Hon Fred LI Wah-ming, JP
Hon CHAN Yuen-han
Hon LAU Wong-fat, GBS, JP
Hon WONG Sing-chi
Hon IP Kwok-him, JP

Members Absent : Hon Cyd HO Sau-lan
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
Hon Albert CHAN Wai-yip
Hon LAU Ping-cheung

Member Attending : Hon CHAN Kam-lam

Public Officers Attending : Mr Paul TANG
Deputy Secretary for the Environment and Food (A)

Ms Eva TO
Principal Assistant Secretary for the Environment and Food (A) 3

Mr NG Shek-hon
Deputy Secretary for Home Affairs (3)

Ms Lolly CHIU
Deputy Director of Leisure and Cultural Services
(Administration)

Mr WONG Shiu-kwan
Project Director 3
Architectural Services Department

Ms Janet WONG
Deputy Director of Food and Environmental Hygiene
(Administration and Development)

Mr Paul WONG
Chief Executive Officer (Planning) 1
Food and Environmental Hygiene Department

Mrs Angel CHOI
Chief Executive Officer (Planning) 2
Food and Environmental Hygiene Department

Mr HUNG Chi-pai
Assistant Director (Operations) 1
Food and Environmental Hygiene Department

Clerk in Attendance : Mrs Constance LI
Chief Assistant Secretary (2)5

Staff in Attendance : Miss Betty MA
Senior Assistant Secretary (2)1

I. Confirmation of minutes of meeting
[LC Paper Nos. CB(2) 962/00-01 and CB(2) 963/00-01]

The minutes of the meetings held on 10 November and 7 December 2000 were confirmed.

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II. Information paper(s) issued since last meeting

[LC Paper Nos. CB(2) 791/00-01(01) - (11)]

2. Members noted that the Administration had advised in its letter dated 29 January 2001 [LC Paper No. CB(2) 791/00-01(01)] that it would complete its consultation with the 18 District Councils (DCs) on the relative priorities of projects involving leisure and cultural facilities in districts and would provide a report by the end of March 2001. The Chairman said that the Subcommittee would discuss the Administration's report of its consultation findings in early April 2001. The Chairman added that the Secretariat had so far received nine submissions from DCs [LC Paper No. CB(2) 791/00-01(02)-(11)].

III. Progress of outstanding capital works projects of the former Provisional Municipal Councils

(a) Position report on the outstanding projects

[LC Paper Nos. CB(2) 964/00-01(01) and (02)]

Position of capital works projects involving food and environmental hygiene facilities

3. Referring to the Administration's paper [LC Paper No. CB(2) 964/00-01(01)], the Chairman drew members' attention that funds would be set aside for the following three projects -

- (a) Aldrich Bay Complex;
- (b) Temporary off-street Refuse Collection Point cum Public Toilet at Ma Tau Kok Road; and
- (c) Kwai Chung Ambulance Depot with FSD Offices and Refuse Collection Point at Hing Shing Road, Area 10B, Kwai Chung.

4. On the proposed market in Siu Sai Wan Complex, Deputy Director of Food and Environmental Hygiene (Administration and Development) (DD/FEHD(A&D)) said that the Administration would have to review the viability of the proposed market in the light of the demand for the market facilities, the impact of the new superstore to be commissioned in the area, etc. before taking a decision.

Reprovisioning of Kam Tin Market

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5. Mr LAU Wong-fat noted that the Planning Department had estimated that there would not be significant population growth in Kam Tin area in the next ten years. He queried whether the Administration had taken into account the possible population growth in the vicinity following the construction of West Rail.

6. DD/FEHD(A&D) replied that all relevant factors and up-to-date population projections would be taken into account in the planning of new market facilities.

7. Mr LAU Wong-fat further queried why the Administration had adopted the Director of Audit's comment that the viability of new markets should be the overriding consideration in the planning of public markets. Mr LAU was of the view that the Administration was only using this as an excuse for not proceeding with the outstanding capital works projects of the two ex-Provisional Municipal Councils (PMCs).

8. Deputy Secretary for Environment and Food (DS(EF)) responded that the Public Accounts Committee of the former Provisional Legislative Council had accepted the recommendations made in the Director of Audit's report entitled "Value for Money Audit Report on Urban Council Markets" published in October 1997. Against this background, the Administration would have to consider, among other things, the viability of markets in the planning of public markets. He said that the Administration would undertake a comprehensive review of the demand for new market facilities and their viability before reaching a decision on their construction. In response to the Chairman, DS(EF) said that the Administration would keep in view the population growth in the vicinity of Kam Tin in the planning of new market facilities in the area.

9. Mr Fred LI said that Yuen Long DC had pointed out that the existing facilities in Kam Tin Market were very old and out-dated, and could not meet the current demand. He asked how the Administration could improve the existing facilities in this market.

10. DS(EF) responded that the Administration would examine whether the existing facilities in Kam Tin Market could be improved by way of minor improvement works. Chief Executive Officer (Planning)2/FEHD added that fire installation improvement works for the market had already started, and sewage improvement works would start in May 2001. About \$5 million would be set aside for these minor improvement works.

Position of the capital works projects involving leisure and cultural facilities

11. Deputy Director of Leisure and Cultural Services (DD/LCSD) advised that her department had already consulted 10 DCs on the ex-PMC capital works projects

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involving leisure and cultural facilities in their districts. The Administration expected that the whole consultation exercise with the 18 DCs would be completed by the end of March 2001. A comprehensive report on the consultation findings would then be forwarded to the Subcommittee.

12. Mr Fred LI referred to the six criteria set out in paragraph 4 of the Administration's paper [LC Paper No. CB(2)964/00-01(02)] and sought clarification on the weighting of these criteria. He said that some of these criteria were not applicable to certain projects. For example, the safety reason in criterion (a) was not applicable to a new project while the usage rates in criterion (c) could not apply to new towns where there were no such facilities. Given the few criteria, Mr LI queried how the 16 new priority projects were identified from the 99 outstanding projects of the 10 districts consulted.

13. Deputy Secretary for Home Affairs (DS(HA)) clarified that the six criteria were not arranged in order of importance and they were by no means exhaustive. He said that criterion (a) was normally adopted for consideration of improvements to existing facilities, while the usage rates in criterion (c) were only for reference in planning new facilities. The Administration would examine the merits of each project with regard to these six factors when according priority to the ex-PMC projects. He added that the Administration would keep the projects under review and discuss with DCs any new developments before deciding on the relative priorities of the remaining projects. In response to the Chairman, DD/LCSD said that the Administration would endeavour to provide its report on consultation with the 18 DCs before the Subcommittee's next meeting in April 2001.

14. Mr WONG Sing-chi also raised queries on the criteria for according priority to the outstanding projects. He said that for projects already included in Category B of the Public Works Programme (PWP), the sites should already be reserved and funds available. He therefore saw no reason why the Administration still had to go through the process of site identification and seeking funding approval. DD/LCSD explained that some sites which had been identified by the two ex-PMCs might not be readily available for development, for example, the site might temporarily be occupied for sewage treatment works or infrastructural projects such as construction of the West Rail. The Administration therefore had to take into account the readiness of the site concerned when according priority to a project. As regards financial resources, DD/LCSD said that projects which were under planning by the former PMCs but had not received all the necessary approvals from the PMCs would have to compete for resources for inclusion into the PWP under the normal resources allocation mechanism. In response to Mr WONG's further query, DD/LCSD said that the Administration would assess the usage rates of leisure and cultural facilities during different hours including the non-peak periods, as far as practicable.

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15. Mr WONG Sing-chi further said that he would not object to the Administration further consulting DCs on the relative priorities of projects in their districts. However, as some facilities were planned to meet the needs at a regional level, it would not be fair if the Administration would consult only the district where such facility was to be located.

16. DS(HA) responded that the Administration had engaged a consultancy study on the major recreational and sport facilities to be provided on a territory-wide basis in Hong Kong. Professional bodies and interested parties including those at the district and regional levels would also be consulted. He said that the Administration would report the consultancy findings to the LegCo Panel on Home Affairs.

17. Mr WONG Sing-chi said that planning of some of the outstanding projects had already been undertaken by the two former municipal councils. He queried whether the costs previously incurred for the planning of these projects had been wasted if the Administration now decided to review the scope and revise the design of these projects.

18. Project Director 3/ Architectural Services Department (PD3/ArchSD) explained the procedures for inclusion of a capital works project into the PWP. He said that the department/bureau concerned should have to first determine the scope of the project. Then a preliminary project feasibility study (PPFS) would be prepared. Subject to the approval of the Finance Bureau, the project would then be included in Category C of PWP. The project would be upgraded to Category B only after the policy bureau had obtained the necessary funding under the annual resources allocation exercise. Detailed design and tender documents would then be prepared for the Category B item to be upgraded to Category A of PWP.

19. DS(HA) advised that following the dissolution of the two former PMCs, 12 priority projects which had already received funding approval of the former PMCs had been directly injected into Category A of PWP. However, the majority of the remaining 169 projects were in the preliminary planning stage. For those projects where there were sufficient planning information such as site investigation findings, the Administration would make reference to these information when following up the ex-PMC projects. For example, the Administration had tried to retain the original design of the Stanley Complex as far as possible to minimize any possible waste of efforts and resources. However, if a project was still in the initial planning stage, the Administration would need to carefully review the project scope to avoid waste of resources caused by revision of design after a project had started. DS(HA) added that the review was necessary in order to ensure that the proposed project would meet present day standards such as the enhanced requirements for environmental protection.

20. Mr WONG Sing-chi strongly disagreed that the scope of ex-PMC projects should be re-examined as these projects were followed up by the same group of

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government officers in departments. Mr WONG said that the Administration should provide information on the expenditure incurred in the planning and development of those projects which had now been aborted or substantially revised.

21. DS(HA) responded that all relevant planning information would be used for the planning and implementation of the ex-PMC projects. He stressed that the review was necessary given the changes in circumstances and demand. DD/LCSD said that it would be difficult for the Administration to provide precise information on whether the design/development costs of some ex-PMC projects had been wasted. Citing the example of the Kowloon Bay Recreation Ground as an example, she said that the original project design had to be revised in view of the recent decision not to close a section of Kai Lai Road. She added that the design of the Stanley Complex was also revised in order to include a community hall instead of a public market. She considered there would be practical difficulties to calculate which part of the project design costs had been wasted.

22. Mr WONG Sing-chi expressed dissatisfaction with the Administration's response. He said that although he appreciated that the scope of certain projects might have been revised for different reasons, the Administration should provide all relevant information to enable monitoring by the Subcommittee. He further said that members might consider moving a motion in the Council urging the Administration not to further delay implementation of the ex-PMC projects.

23. DS(HA) assured members that the Administration was committed to implementing the 169 outstanding capital works projects of the former PMCs. However, the Administration would have to carefully consider the scope of these projects and examine whether modifications/variations would be necessary to ensure cost-effectiveness of these projects. He said that the Hammer Hill Road District Park was an example that the project scope had been substantially revised in view of the comments of Chi Nin Nunnery and LegCo Members. The Administration would also need to take a broader look at those projects which straddled several districts in order to ensure optimal use of resources. DS(HA) agreed to consider Mr WONG's request for information regarding the possible abortive expenditure incurred in the planning/design of some major projects.

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24. Miss CHAN Yuen-han also expressed strong dissatisfaction about the delays in the implementation of the outstanding ex-PMC projects. She said that the Subcommittee had received submissions from a number of DCs regarding the outstanding ex-PMC projects in their districts. Citing the request for the provision of a civic centre in Kwun Tong as an example, Miss CHAN said that the request was fully justified given the population in the district. However, the Administration still did not agree to proceed with the project despite the approval-in-principle previously given by the PMCs and relevant government departments.

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25. Miss CHAN Yuen-han further said that she disagreed with the six criteria proposed in Administration's paper because certain important considerations such as enhancement of social and economic development and preservation of cultural heritage were not included. She added that as the outstanding ex-PMC projects had been thoroughly discussed by the respective DCs and agreed to by the former PMCs, the Administration had the responsibility to implement these projects after the dissolution of the PMCs. She was of the view that an inter-departmental working group should be set up for the implementation of these ex-PMC projects.

26. Miss CHAN added that she had the impression that the Administration wanted to delay the implementation of the ex-PMC projects, or even not to implement them at all. She was worried that the Administration might not fully reflect the views and sentiments of the DCs when submitting its report on the consultation findings to the Subcommittee. Miss CHAN suggested that the Subcommittee should consider inviting representatives of DCs to attend meetings of the Subcommittee to express their views on the relative priorities of the projects in their districts and to discuss each project in detail. To enable an in-depth exchange of views, she considered that two DCs would be invited each time. The Chairman advised that Miss CHAN's suggestion of inviting District Council representatives to attend the Subcommittee's meeting could be discussed under "Any other business".

27. The Chairman also informed members that the Panel on Home Affairs would discuss the planning and provision of community facilities at its meeting on 13 March 2001 and members of the Subcommittee would also be invited to attend.

(b) Progress of the Kowloon Bay Recreation Ground, Hammer Hill District Park and Stanley Complex

[LC Paper No. CB(2) 964/00-01(03)]

28. DD/LCSD said that eight of the 11 priority projects for which funds had been set aside had already been upgraded to Category A of PWP. She said that the progress of the remaining three priority projects was as follows -

(a) Kowloon Bay Recreation Ground

The original proposal for this project involved the permanent closure of a section of Kai Lai Road which fell within the boundary of the project site. However, the Administration received a total of 28 objections to the proposed closure of the road. In view of the objections, the Administration had proposed revision to the project design and the revised design was endorsed by Kwun Tong DC. The Administration was now working on the revised design and planned to upgrade this project to Category A of PWP before the end of 2001.

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(b) *Hammer Hill Road District Park*

Chi Lin Nunnery had commissioned a preliminary feasibility study for the development of the project. It was estimated that the proposed project would probably exceed the original estimate of \$170 million. The Administration was now considering the report and discussing with Chi Lin, and would further report the progress to the Subcommittee.

(c) *Stanley Complex*

The Administration had reviewed the scope of leisure, cultural and community facilities to be included in the project, in the light of its previous recommendation not to provide market facilities in the Stanley Complex. The Administration was now studying the feasibility of providing a library and community hall in the Stanley Complex and the Southern DC would be consulted on the revised project design.

29. Regarding the Kowloon Bay Recreation Ground, Mr CHAN Kam-lam said that Kwun Tong DC had expressed support for the revised project design and asked whether the implementation time-table for the project could be advanced.

30. PD3/ArchSD advised that as the project scope had been revised, the detailed design of the project would have to be revised accordingly. Allowing time for the preparation of drawings and tender documents, the earliest possible time for upgrading the project to Category A of PWP would be the end of 2001, and tendering would be arranged around early 2002.

(c) **Retro-fitting of the air-conditioning to existing markets and cooked food stalls**

[LC Paper Nos. CB(2) 964/00-01(04) and (05)]

31. Mr LAU Wong-fat said that as existing public markets were facing very keen competition from private superstores, it was necessary to enhance the competitiveness of public markets by improving their conditions. He said that retro-fitting of air-conditioning to public markets was necessary, and stall lessees would be willing to bear the additional electricity charges in return for higher customer patronage.

32. DS(EF) said that while the Administration agreed that there was need to improve the environment in public markets and cooked food centres, the co-operation of stall lessees was essential before such improvement works could be carried out. The Administration would have to explain to the stall lessees concerned the cost implications of the retro-fitting works. He further said that it was Government's

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intention that only the recurrent cost of the air-conditioning would be recovered from stall lessees.

33. Mr CHAN Kam-lam sought clarification on the consultation procedures for the proposal to retro-fit air-conditioning to 19 existing markets and cooked food centres. He was of the view that the Administration should first consult the respective DCs on the priorities of these projects and the affected stall lessees before making recommendations to the Subcommittee.

34. DS(EF) clarified that the Administration had already consulted the relevant DCs on the proposed retro-fitting of air-conditioning to 19 existing public markets and cooked food centres. The purpose of further consultation with the DCs was only to prioritise these projects, especially for those districts with more than one retro-fitting project. He said that the stall lessees concerned would have to be consulted on the additional recurrent charges for the air-conditioning system and the interruption to market operation when the retro-fitting works were in progress. The Administration did not envisage much problem with the projects in the previous Regional Council (RC) area as the former RC had already adopted the practice of recovering the recurrent cost of air-conditioning expenses from stall leasees. DS(EF) added that the Administration would need to ascertain that a majority of the stall lessees concerned would agree to the proposed retro-fitting of air-conditioning and the resultant recurrent charges, before taking these projects forward.

35. DD/FEHD(A&D) supplemented that the relevant DCs had been briefed on the ex-PMC projects involving food and environmental hygiene facilities in June and July 2000. The DCs had generally expressed agreement to the implementation of air-conditioning retro-fitting projects. She said that the Administration intended to recommend including the 19 projects in Category C of PWP, and would draw up a list of priorities of these projects based on those criteria proposed in its paper to the Subcommittee in December 2000. The Administration would recommend to the Subcommittee the relative priorities of the 19 projects in April 2001. Subject to the views of the Subcommittee, the Administration would then consult the relevant DCs on the details. DD/FEHD(A&D) stressed that the Administration would have to provide detailed information to the stall lessees, such as the financial implications of the retro-fitting works and the operational arrangements when the works were in progress. The stall lessees would also be informed of the estimated recurrent charges payable and be invited to give a written undertaking to pay such charges when the air-conditioning system was eventually in place. If only a small number of lessees objected to the proposal, the Administration would consider re-locating these stalls to other markets without air-conditioning, subject to the availability of vacant stalls in other markets.

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36. Mr CHAN Kam-lam was of the view that the Administration did not have any contractual obligation to re-locate those stalls which did not want to bear the additional electricity charges for the retro-fitting projects. He considered that the Administration might simply not renew the tenancies with these lessees if they did not want to stay in these markets. DD/FEHD(A&D) responded that it was the Administration's intention that the additional recurrent cost would only be collected upon renewal of the stall tenancies. This was to provide ample time for lessees to decide whether they would like to continue business in the air-conditioned market or move to another market without air-conditioning. For those who did not wish to stay in business, they could choose to terminate the tenancy.

37. Mr CHAN Kam-lam said that the retro-fitting works of air-conditioning had long been demanded by stall lessees and customers and the improvement works should be carried out as soon as possible. He also requested the Administration to take the opportunity to review its policy on provision of public markets and the feasibility of contracting out the management of public markets with a view to improving their viability in view of competition from the private sector.

38. DS(EF) replied that the Administration was conducting a study on the management and construction of markets. The possibility of contracting out the management of existing markets was one of the areas under study. For the provision of new markets, the Administration would first assess their need and then the mode of their management. He said that the Administration would be prudent in taking a decision on the matter.

IV. Any other business

39. The Chairman invited members' views as to whether the 18 DCs should be invited to attend meetings of the Subcommittee to express views on the relative priorities of the outstanding ex-PMC projects in their districts, as suggested by Miss CHAN Yuen-han.

40. Mr CHAN Kam-lam said that the Subcommittee might need to consider whether the proposed invitation would help the Subcommittee determine the priorities of projects in the 18 districts. He envisaged that all DCs would press for implementation of projects in their own districts and it would be difficult for the Subcommittee to take all these projects forward at one time. He suggested that the Administration should be asked to explain to the DCs the present status of the ex-PMC projects in their districts and the reasons for not proceeding with these projects at the present stage.

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41. DD/LCSD said that the Administration was now consulting the 18 DCs on the relative priorities of ex-PMC projects involving leisure and cultural facilities. The DCs were briefed on the recommended priorities of the projects in their districts, and most DCs had expressed support for the Administration's recommendations. The Administration would be able to consolidate the views of the 18 DCs and report to the Subcommittee in April 2001 together with the recommendations of the priority projects. She suggested that the Subcommittee might wish to defer consideration of the proposal of inviting DCs to the Subcommittee's meetings after studying the Administration's consultation report.

Admin 42. The Chairman said that as the Administration would complete its consultation with the 18 DCs by the end of March 2001, the Subcommittee would further consider Miss CHAN's proposal after studying the Administration's report. Members agreed. The Chairman requested the Administration to provide the consultation report to members as early as practicable.

43. The Chairman informed members that the next meeting would be held on 4 April 2001 at 10:45 am.

44. There being no other business, the meeting ended at 10:20 am.

Legislative Council Secretariat
26 April 2001