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**Public Works Subcommittee of the Finance Committee
of the Legislative Council**

**Minutes of the 15th meeting
held in the Chamber of Legislative Council Building
on Wednesday, 8 May 2002, at 10:45 am**

Members present :

Ir Dr Hon Raymond HO Chung-tai, JP (Chairman)

Hon Albert CHAN Wai-yip (Deputy Chairman)

Hon Kenneth TING Woo-shou, JP

Hon Cyd HO Sau-lan

Hon Eric LI Ka-cheung, JP

Hon Fred LI Wah-ming, JP

Hon James TO Kun-sun

Hon CHAN Yuen-han, JP

Hon CHAN Kam-lam

Hon SIN Chung-kai

Hon LAU Kong-wah

Hon Miriam LAU Kin-yea, JP

Hon Emily LAU Wai-hing, JP

Hon Andrew CHENG Kar-foo

Hon LAW Chi-kwong, JP

Hon TAM Yiu-chung, GBS, JP

Dr Hon TANG Siu-tong, JP

Hon Abraham SHEK Lai-him, JP

Hon Henry WU King-cheong, BBS

Hon WONG Sing-chi

Hon IP Kwok-him, JP

Hon LAU Ping-cheung

Hon MA Fung-kwok

Members absent:

Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan

Public officers attending:

Miss Elizabeth TSE, JP	Deputy Secretary for the Treasury (3)
Mr S S LEE, JP	Secretary for Works
Mr John TSANG, JP	Secretary for Planning and Lands
Mr Rob LAW, JP	Director of Environmental Protection
Miss Janice TSE	Principal Assistant Secretary for the Treasury (Works)
Mr Daniel CHENG	Principal Assistant Secretary for Planning and Lands (Planning)
Mr H K WONG, JP	Director of Territory Development
Mrs Joanna KWOK	Chief Engineer (Tseung Kwan O & Sai Kung) Territory Development Department
Mr H W CHEUNG	Deputy Project Manager Territory Development Department
Ms Shirley LAM	Principal Assistant Secretary for Transport (5)
Mr H L CHENG	Chief Traffic Engineer/New Territories East Transport Department
Ms Carolina YIP	Principal Assistant Secretary for Transport (2)
Mr L T MA	Government Engineer/Railway Development (2) Highways Department
Mr Carey WONG	Principal Transport Officer (Bus & Railway) (2) Transport Department
Mr Alex YEUNG	Chief Engineer/Priority Railway Transport Department
Dr C K LAU, JP	Director of Civil Engineer
Mr Y S CHOW, JP	Deputy Director (Special Duties) Civil Engineering Department
Mr P D MORGAN	Chief Engineer/Special Duties (Works) Civil Engineering Department
Mr K K CHAN	Chief Engineer/Special Duties (Co-ordination) Civil Engineering Department
Mr Y M LEE	Chief Traffic Engineer/New Territories West Transport Department
Mrs Rebecca LAI	Commissioner for Tourism
Miss Winnie HO	Assistant Commissioner for Tourism

Mr John LEUNG	Principal Assistant Secretary for Education and Manpower (9)
Mr S H PAU, JP	Director of Architectural Services
Mr S L MA	Principal Education Officer (Infrastructure) Education Department

Clerk in attendance:

Miss Salumi CHAN	Chief Assistant Secretary (1)5
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Staff in attendance:

Ms Pauline NG	Assistant Secretary General 1
Ms Rosalind MA	Senior Assistant Secretary (1)9

HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT

PWSC(2002-03)15 683CL Feasibility study for further development of Tseung Kwan O

Members noted that the item had been discussed at the meeting of the Panel on Planning, Lands and Works on 12 December 2001.

Transport network of Tseung Kwan O (TKO)

2. Mr LAU Kong-wah considered it important to strengthen the external transport linkages of TKO to cope with the increase in traffic demand and to facilitate its further development. Given the Administration's revised assessment that TKO might accommodate 560 000 people, instead of 490 000, upon full development of the district, Mr LAU was concerned whether the construction of the Western Coast Road (WCR) could meet the increase in traffic demand due to population growth in TKO. In this connection, he asked whether the Administration had any plans for the provision of additional external linkages for TKO.

3. The Director of Territory Development (DTD) advised that the development of TKO to accommodate 560 000 people was only a preliminary assessment made by the Administration. The proposed feasibility study for further development of TKO (the Study) would consider the preliminary assessment and recommend an optimum population level for TKO. He assured members that adequate transport infrastructure would be planned to cater for the increase in transport needs of the residents. It was expected that with the commissioning of Mass Transit Railway

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(MTR) TKO Extension Line in August 2002 and the completion of WCR by 2011, TKO's external transport linkages would be strengthened. The Administration had no plans for the provision of additional external linkages for TKO.

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4. Quoting Shatin as an example, Mr LAU Kong-wah pointed out that the district had a population of over 500 000 and the traffic demand could not be met by its existing transport network comprising East Rail, three road tunnels and a road. As such, the Shatin to Central Link was being planned to address the problem. Mr LAU therefore considered it inadequate to provide TKO, which had a target population of over 500 000, with a transport network comprising only MTR, WCR, a road tunnel and a road. He reiterated his view that additional external linkages should be provided for TKO. At the request of Mr LAU, DTD agreed to consider his view when developing various options under the Study.

5. Responding to Ms Miriam LAU, the Principal Assistant Secretary for Planning and Lands (Planning) ((PAS(PL)P) advised that the Study would also review the transport network and other supporting infrastructure for the industrial development in Area 137.

Form and design of Western Coast Road and Cross Bay Link

6. The Chairman stressed the need for long-term planning for transport infrastructure. To cope with the long-term traffic demand, he considered that dual 4-lane should be planned for WCR. In response, DTD pointed out that WCR, Road T2 and Central Kowloon Route (CKR) form part of the proposed Route 11 project. Under this project, CKR would connect the West Kowloon reclamation and the future South East Kowloon Development and on to TKO via Road T2 and WCR. It was expected that CKR would be the busiest route among the three. While dual 3-lane was proposed for CKR, dual 2-lane might be adequate for Road T2 and WCR. Nevertheless, the preferred alignment, form and feasibility of WCR would be considered under the Study.

7. Referring to Route 7 which was a dual 2-lane carriageway constructed years ago, the Chairman pointed out that it could not meet the existing traffic demand. He urged the Administration to take into consideration the anticipated population growth and traffic demand in planning for the form and design of roads and routes to be constructed as they could hardly be upgraded after completion of the construction works.

8. Ms Miriam LAU shared the Chairman's concern. Having regard to the anticipated population growth and industrial development in TKO, Ms LAU considered a dual 2-lane WCR unacceptable. She strongly urged the Administration to plan for a dual 4-lane, or at least dual 3-lane, WCR. Mr LAU Kong-wah supported her view.

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9. DTD assured members that the need for a dual 4-lane or dual 3-lane WCR would be considered under the Study. PAS(PL)P added that the Study would provide the basis for a long-term planning of TKO in the next 15 years. The long-term traffic demand would be taken account of in the study of the preferred alignment, form and feasibility of WCR and the Cross Bay Link (CBL). Responding to the Chairman, DTD said that with the proposed further reclamation in Junk Bay, there would be more options on the form of CBL. For instance, it could be constructed in the form of a tunnel or a bridge.

10. Noting that both the coastal and the tunnel options of WCR would be considered under the Study, Miss CHAN Yuen-han expressed strong objection to the coastal option which would seriously affect the residents and traders in Lei Yue Mun. As the issue had been repeatedly discussed at meetings of the Kwun Tong District Council (KTDC) in the past few years, Miss CHAN urged the Administration to duly consider the grave concern expressed by KTDC members. DTD advised that the cost-effectiveness of the possible options and the views expressed by Legislative Council (LegCo) Members and District Council members would be duly considered. Miss CHAN considered that while the coastal option might be less costly, it would hinder the development of Lei Yue Mun, a famous tourist attraction in Hong Kong. The long-term economic benefit foregone could not be neglected.

11. Mr CHAN Kam-lam shared Miss CHAN Yuen-han's view. He requested the Administration to consult LegCo and KTDC on the preliminary findings of the Study. DTD advised that during the course of the Study and upon its completion, the Administration would consult LegCo, Sai Kung District Council, professional bodies and local communities. It would also consult KTDC on the findings of the Study relating to the alignment of WCR in East Kowloon.

12. The Chairman pointed out that after the Administration had consulted LegCo and the District Councils concerned on the proposed alignment of Route 7, the alignment was subsequently changed without further consultation. He urged the Administration not to repeat this undesirable practice for WCR.

Impact of reclamation works on marine environment

13. Referring to the proposed reclamation in Junk Bay, Miss CHAN Yuen-han expressed grave concern about the impact of the reclamation works on the environment, in particular, the impact on marine lives and natural habitat in the surrounding waters, as well as the coastal scenery of Fat Tong Chau. DTD assured members that an environmental impact assessment (EIA) of the proposed works under the Study would be conducted.

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Provision of water sports facilities and more open spaces

14. Mr Albert CHAN suggested the use of the water channels in TKO for water sports activities, such as rowing. He considered that the existing curved water channels should be straightened to facilitate the conduct of these activities in accordance with international standard. To enhance the quality of the living environment, Mr CHAN also suggested the use of waterfront areas for recreational and leisure activities. Miss CHAN Yuen-han shared his view. She stressed that the planning design for TKO should be people-oriented to meet the demand for recreational and communal facilities.

15. DTD responded that further development of TKO, in particular further reclamation in Junk Bay and the Pak Sing Kok (PSK) development, would provide additional land to expand the town centre area and the opportunities to promote a more balanced mix of land uses. This would improve the urban design and enhance the quality of living environment in the new town. The Study would also examine the feasibility of the provision of water sports facilities and more open spaces, including the possible use of the western and eastern channels for water recreation uses, new waterfront promenades, a waterfront park and other recreational facilities. The suggestion of using the water channels for rowing activities would also be considered under the Study.

Commissioning of consultants

16. Mr CHAN Kam-lam considered that opportunities should be provided for local consultants to participate in large-scale consultancy studies commissioned by the Government, such as the Study. DTD said that while there were a number of consultants with their origins outside Hong Kong, their senior management comprised mainly local consultants.

17. The item was voted on and endorsed.

PWSC(2002-03)14 73CD Main drainage channels and poldered village protection schemes for San Tin, NWNT phase 3, part 1 - eastern main drainage channel for San Tin

18. Members noted that the flooding incidents occurred in the New Territories in June 2001 had been discussed at the meeting of the Panel on Planning, Lands and Works on 13 June 2001 and supplementary information papers had been provided to the Panel in August and September 2001.

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19. Noting the current arrangement under which flood water would be discharged into Shenzhen River during heavy rainstorms, Miss CHAN Yuen-han was concerned about the impact of such an arrangement on Shenzhen. DTD advised that as Shenzhen River was the boundary river between Hong Kong and Shenzhen, the regulation of the River was a joint task between the governments of both sides. With the completion of Stages I and II regulation works, the River downstream of Lo Wu had attained the required capacity of a 50-year return period which was sufficient to cater for the flood water discharged from Hong Kong.

20. The item was voted on and endorsed.

PWSC(2002-03)16 53CD River training works for the Upper River Indus

21. Members noted that the item had been discussed at the meeting of the Panel on Planning, Lands and Works on 12 April 2002 and a supplementary information paper had been provided to the Panel on 23 April 2002.

Measures to tighten control on public works contractors

22. Members noted that the river training works for Upper River Indus started in August 1999 was originally scheduled for completion in mid-2002. The serious delay in the works had not only resulted in the deferral of the completion date for about one year but also the substantial increase in the approved project estimate (APE) by \$168.7 million. Mr WONG Sing-chi, Mr Andrew CHENG and Miss CHAN Yuen-han considered that the incident had put Members in a dilemma. While Members might consider the substantial increase in the APE unjustified, they had no choice but to support the Administration's proposal as further delay in the completion of the river training works would have adverse impact on the livelihood of the residents along River Indus. To avoid recurrence of similar incidents in future, they urged the Administration to put in place concrete improvement measures to ensure smooth and timely implementation of public works contracts. The Chairman shared their concern and pointed out that when the issue was discussed at the meeting of the Panel on Planning, Lands and Works on 12 April 2002, members of the Panel had requested the Administration to take more effective measures to monitor the performance of contractors.

23. DTD responded that following a comprehensive review aiming at tightening up the administrative control of public works contractors, the Administration had implemented a series of improvement measures. The financial criteria for admission and retention on the List of Approved Contractors for Public Works (the Approved List) and tendering public works contracts had been tightened to ensure that the contractors were financially capable to undertake the contracts. For large-scale

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contracts, additional security such as performance bond could be imposed. On the other hand, a marking scheme would be introduced later this year to improve the current tendering system by systematically giving weight to both the tender price and the quality of tender in the evaluation. It aimed to establish that a tenderer's past performance was an important attribute in assessing the quality of tender and that a good performer would have a better chance of winning a contract. Moreover, contractors would be suspended from tendering public works contracts when they had received two, instead of the previous three, consecutive adverse reports on performance under the same contract.

24. Mr WONG Sing-chi considered that the improvement measures mentioned above could not fully address the problem. He urged the Administration to put in place more concrete measures to monitor and supervise the performance of contractors during the contract period to enable the early rectification of any irregularities. Mr Andrew CHENG supported his view. The Chairman also pointed out that constant alertness to any signs of delay was of paramount importance in the monitoring of works contracts.

25. DTD pointed out that staff of the Territory Development Department (TDD) had regular meetings with contractors and consultants to review progress of public works contracts. In the event of any signs of delay, the senior management of the companies concerned would be required to rectify the situation. Regarding the delay of the river training works for Upper River Indus, it was mainly caused by the fact that the contractor, Guangdong Water Conservancy and Hydro-power Engineering Development Company Limited (GWCH-PRC), had run into financial difficulties and therefore could not complete the contract. The change in the contractor's financial status was unexpected and beyond the control of the Administration.

26. Mr Andrew CHENG maintained his view that more concrete measures should be put in place to ensure timely completion of public works contracts. DTD advised that site staff would increase their general vigilance to ensure that the works were being properly conducted. DTD assured members that he himself would also conduct site inspections for the remaining works of the Upper River Indus project. Responding to Mr CHENG, DTD advised that liquidated damages provisions were included in all public works contracts for delay in completion of the projects.

27. Responding to Mr TAM Yiu-chung, the Secretary for Works (S for W) advised that taking into account the large number of public works contracts, the number of contracts re-entered by the Government was relatively small. He also pointed out that the delay in the Upper River Indus project was only one of the few isolated incidents which should not be generalized to mean that the service standard of the construction industry in Hong Kong was unsatisfactory. In fact, the industry had over the years produced numerous examples of outstanding architecture and made a lot of contributions to the development of Hong Kong. To improve its

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overall performance, however, the Chief Executive had appointed in April 2000 the Construction Industry Review Committee (CIRC) to comprehensively review the state of the industry and to recommend improvement measures. In September 2001, the Provisional Construction Industry Co-ordination Board (PCICB) chaired by Hon Henry TANG was established to make a quick start on the implementation of CIRC's recommendations and to pave way for the early formation of a statutory Construction Industry Co-ordination Board. It was expected that improvements would be made after the implementation of the recommendations.

28. Mr Abraham SHEK shared S for W's views and appreciated the contributions made by the construction industry to the development of Hong Kong.

29. To reduce the risk involved in entrusting large-scale public works contracts to a single contractor, Mr TAM Yiu-chung suggested that consideration be given to splitting a contract into several smaller contracts to be undertaken by different contractors. DTD pointed out that in determining the best strategy for each contract, the Administration would consider a number of factors, such as the time available, cost implications and interface problems. Past experience had revealed that too many interfaces for a large-scale project with a tight schedule would easily lead to disputes and contractual claims.

30. Mr Albert CHAN pointed out that subcontractors' business viability depended very much on cashflow. As far as he knew, many subcontractors at the lower tiers in a multi-layered subcontracting chain did not receive any payments from the main contractor after completing their work. He therefore urged the Administration to review the existing subcontracting system and put in place measures to improve the security of payment to subcontractors. S for W advised that the Working Group on Management of Subcontracting had been formed under PCICB to consider improvement measures on subcontracting.

Legal action to recover from GWCH-PRC the additional costs arising from re-entry of the contract

31. Referring to the Administration's previous advice that it would take legal action to recover from GWCH-PRC the additional costs arising from the re-entry of the contract, Mr Albert CHAN requested the Administration to state clearly the actions taken and the progress made. DTD advised that GWCH-PRC had authorized Guangdong Water Conservancy and Hydro-power Engineering Development Company Limited (GWCH-HK) as its agent to enter into contract with the Government for Contract No. FL23/99 - Main Drainage Channels for Fanling, Sheung Shui and Hinterland River Training Works for Upper River Indus. Similar authorization was also applicable to other public works contracts and was legally acceptable. The Administration had tried to approach both GWCH-PRC and

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GWCH-HK for recovering the loss. As GWCH-HK was under the process of liquidation, it was hoped that the Administration could recover part of the loss.

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32. Mr Albert CHAN requested the Administration to provide, before submitting this item to the Finance Committee, detailed information in writing on the progress of the case, and the actions taken and to be taken by the Administration, in particular, whether the Administration was able to locate the person-in-charge of GWCH-PRC, and actions to be taken if the loss could not be recovered from GWCH-PRC. DTD undertook to provide the information which could be disclosed at this stage. Mr CHAN considered that the reasons for not disclosing any part of the information should also be provided.

33. The item was voted on and endorsed.

**PWSC(2002-03)17 583TH Tseung Kwan O development, phase III –
dualling of Hang Hau Road**

34. Members noted that an information paper on the item had been circulated to the Panel on Transport for its meeting on 26 April 2002 and the item had been discussed at the meeting of the Panel on 6 May 2002.

35. Mr LAU Kong-wah supported the construction of a footbridge at the junction of Hang Hau Road and Po Ning Road to provide a better pedestrian crossing to TKO Hospital from Boon Kin Tsuen, Tin Ha Wan Village and Ming Tak Estate. In response to Mr LAU's enquiry, the Chief Engineer (Tseung Kwan O & Sai Kung) of TDD (CE/TKO&SK, TDD) advised that the need for and the layout of the footbridge would be further reviewed during the detailed design stage. At Mr LAU's suggestion, CE/TKO&SK, TDD undertook to consider the provision of escalators in the design of the footbridge to facilitate pedestrians to use the footbridge.

36. The item was voted on and endorsed.

HEAD 706 – HIGHWAYS

**PWSC(2002-03)18 47TR East Rail Extension – essential public
infrastructure works for Ma On Shan to Tai
Wai Rail Link – public transport
interchanges at Tai Wai Station and Wu Kai
Sha Station**

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37. Members noted that an information paper on the item had been circulated to the Panel on Transport for its meeting on 26 April 2002 and the item had been discussed at the meeting of the Panel on 6 May 2002.

38. Referring to the proposed installation of closed circuit television (CCTV) at the two proposed public transport interchanges (PTIs) at Tai Wai Station and Wu Kai Sha Station, Mr Albert CHAN stated that the Democratic Party would only support the installation of CCTV at PTIs for the purpose of monitoring traffic flow and would object to the installation of any system which might infringe the privacy of passengers. He therefore requested the Administration to confirm whether the face of individual passengers would be recorded through the system.

39. The Principal Transport Officer (Bus & Railway)(2), Transport Department (PTO(B&R)(2),TD) responded that the level of resolution of the CCTV at PTIs would be basically the same as that of the CCTV at management offices of residential/commercial buildings. As the CCTV at PTIs would be installed at a position above 4 metres in height from ground level, it was expected that only the head, but not the face, of individual passengers might be seen. Moreover, only designated staff would be allowed to operate the CCTV. They would be reminded to adhere strictly to the internal guidelines to ensure that the system would only be used for the purpose of monitoring traffic flow, but not for other purposes.

40. Mr Albert CHAN pointed out that the face of individuals could be identified through the CCTV at management offices of residential/commercial buildings. He reiterated his concern about the need to protect the privacy of individual passengers. In response, the Government Engineer/Railway Development(2), Highways Department advised that Transport Department would entrust the design of the CCTV system to the Electrical and Mechanical Services Department (EMSD) and would require them to use CCTV camera with low level of resolution to ensure that only the number of passengers and vehicles, but not the face of individual passengers, would be seen. At Mr James TO's request, the Principal Assistant Secretary for Transport (2) undertook to provide the tender specifications on the CCTV system for members' information in due course.

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41. Mr LAU Kong-wah supported the proposed provision of 330 bicycle parking spaces next to the Tai Wai Station. Responding to Mr LAU, the Chief Engineer/Priority Railway, Transport Department (CE/PR, TD) advised that the bicycle parking spaces in Tai Wai PTI would be managed by the future management contractor of the Tai Wai Station PTI.

42. Noting that the number of public parking spaces at the property development above the Tai Wai Station would be increased from 170 to over 250, Mr CHAN Kam-lam considered that sufficient public parking spaces should also be provided in the vicinity of the Wu Kai Sha Station. CE/PR,TD advised that

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135 parking spaces for the public and another 300 to 400 parking spaces for the residents would be provided at the property development of Wu Kai Sha Station.

Admin 43. Mr Albert CHAN considered that public toilets should be included as a standard requirement for the planning design of public transport interchanges (PTIs). He requested the Administration to take account of his view.

44. The item was voted on and endorsed.

HEAD 705 – CIVIL ENGINEERING

PWSC(2002-03)19 739TH Chok Ko Wan Link Road in North Lantau

45. Members noted that an information paper on the item had been circulated to the Panel on Transport for its meeting on 26 April 2002 and the item had been discussed at the meeting of the Panel on 6 May 2002.

46. The item was voted on and endorsed.

PWSC(2002-03)20 660CL Site formation, construction of associated infrastructure and provision of government, institution and community facilities for an international theme park on Lantau Island

47. Members noted that the proposed works under this item had been discussed at the meeting of the Panel on Planning, Lands and Works on 12 April 2002. Members also noted that the environmental impact of the decommissioning of the former Cheoy Lee Shipyard (CLS) had been discussed at meetings of the Panel on Environmental Affairs (EA Panel) on 12 March, 19 March, 10 April and 19 April 2002, and the financial implications of the decommissioning works discussed at the meeting of the Panel on Economic Services (ES Panel) on 20 March 2002.

48. The Chairman reminded members that as the environmental impact and financial implications of the decommissioning of CLS had been discussed at a number of meetings of the relevant Panels, members should avoid repeating issues addressed at those meetings.

Progress of settlement of the mariculturists' claims against fish loss

49. Mr TAM Yiu-chung expressed concern about the progress of settlement of the mariculturists' claims against fish loss caused by the reclamation works during Penny's Bay Reclamation Stage 1. He pointed out that as the report by the Independent Review Panel (IRP) had confirmed that fish kills at the Ma Wan and Cheung Sha Wan fish culture zones were attributable to the reclamation works, the

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Administration should expedite action in negotiating with the mariculturists concerned on compensation issues. Mr Albert CHAN held the same view and urged the Administration to settle all the compensation claims before submitting this item to FC.

50. In reply, the Director of Civil Engineering (DCE) said that the Administration would endeavour to achieve the early settlement of the mariculturists' claims against fish loss. Nevertheless, given the complexity of the issues involved in the calculation of compensation, the negotiation process was not straightforward. It involved a number of parties, including the IRP, mariculturists, the Agriculture, Fisheries and Conservation Department and the Civil Engineering Department (CED). He advised that CED would assume the role of a facilitator and co-ordinator in the negotiation.

51. Mr Albert CHAN commented that the Administration should review its procedures in the implementation of priority projects, such as the Hong Kong Disneyland (HKD) project, and should not put public interest at risk by implementing large-scale reclamation or infrastructure works before the completion of comprehensive EIA studies.

Environmental impact of the decommissioning of CLS

52. Given that a consensus had yet to be reached on the treatment of dioxin-contaminated soil at the CLS site, Mr Albert CHAN queried whether it was the right time for the Administration to seek funds from the Finance Committee (FC) for the decommissioning of CLS. Miss Emily LAU shared his view.

53. DCE responded that the EIA consultants had conducted a thorough comparative analysis of all feasible technologies, or combination of these technologies, for the treatment of dioxin-contaminated soil during the EIA study. These technologies included in-situ capping, direct incineration, thermal desorption, chemical de-chlorination and other technologies. The consultants finally recommended in the EIA report that the 30 000 cubic metres of dioxin-contaminated soil be excavated and treated off-site in a thermal desorption plant to be set up at To Kau Wan (TKW) in North Lantau. About 600 cubic metres of organic oily residue would be generated from the process over a period of one or two years. These would be collected and despatched in batches for incineration at the Chemical Waste Treatment Centre (CWTC) in Tsing Yi. The soil after thermal desorption would be solidified by adding cement to immobilize the remaining metals in the soil. Nevertheless, the Administration was prepared to consider other alternative treatment methods as might be proposed by the tenderers. In this connection, flexibility had been provided in the tender document issued on 30 April 2002 to allow the tenderers to propose alternative treatment methods which were proven to

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be more cost-effective, conformed to the technical and programming requirements of the project, and complied with the statutory requirements under the EIA Ordinance.

54. Miss Emily LAU asked whether the Administration had considered the objection raised by Tsing Yi residents on the incineration of the oily residue at CWTC at Tsing Yi. DCE explained that CWTC was designed for the purpose of treating chemical wastes, including dioxin, and it fulfilled the requirements and standards for safe treatment of these waste materials.

55. In reply to Miss Emily LAU's enquiry on the time required for the treatment of the dioxin-contaminated soil and whether this might cause delay to the opening of HKD Phase 1, DCE said that the on site treatment and removal of contaminated materials to TKW were expected to be completed within two years, i.e. well before the opening of HKD scheduled for 2005. He further explained that if an alternative treatment method proposed by the successful tenderer was adopted, there would still be sufficient time for the completion of the treatment. It would take about 9 months to complete the necessary procedures before commencing the treatment, including the conduction of EIA study, seeking the endorsement of the Advisory Council on the Environment, and obtaining an environmental permit for the treatment work.

Financial implications of the decommissioning of CLS

56. Miss Emily LAU, Mr Albert CHAN and Mr LAW Chi-kwong expressed grave concern about the substantial rise in the decommissioning cost from \$22 million quoted in November 1999 to \$450 million under the current funding proposal. They considered that the situation could have been avoided if the Administration had conducted an EIA study on the decommissioning at an earlier stage. In the absence of the EIA study on the decommissioning, the Administration should have made arrangements to assess the extent of the contamination and the required clearance cost before effecting the huge sum of \$1.5 billion payment to CLS for acquisition of the site. Miss LAU regretted the way in which the Government had handled the incident and stated that she would not support the current funding proposal.

57. In response, DCE explained that the substantial rise in the decommissioning cost was mainly attributed to the presence of dioxins in the soil, the effective and thorough treatment of which was very expensive. Whilst other contaminants were commonly found in shipyards during the decommissioning process, the Administration had not encountered dioxins in previous shipyard decommissioning projects. The limited contamination assessments carried out also did not reveal the extent of the contamination problem in CLS. The advice of international experts sought by the Administration had confirmed that the present situation at CLS was very unusual as dioxins would not be produced in the normal operation of shipyards. In light of the available site investigation information and past experience in the

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decommissioning of shipyards, the Administration prepared the cost estimate on the decommissioning of CLS.

58. The Commissioner for Tourism (C/T,ESB) also pointed out that as the Director of Lands had explained to the ES Panel at its meeting on 20 March 2002, CLS had been granted a sum of \$22.7 million as land compensation and \$1.48 billion as an ex-gratia payment. The sum of land compensation and ex-gratia payment had been calculated in accordance with the relevant governing provisions.

59. Mr Albert CHAN considered that CLS, not tax payers, should be responsible for the additional decommissioning cost. He therefore urged the Administration to seek legal remedy from CLS. Miss Emily LAU held the same view. She pointed out that in accordance with the polluters-pay principle, the additional cost should be borne by CLS.

60. In response, C/T,ESB advised that the Department of Justice was examining the options available for the Government to seek legal remedies from CLS. In view of the complexity of the considerations involved, it might take some time for the Administration to decide on the legal actions to be taken. The Administration had undertaken to brief the ES Panel on the possible litigation against CLS in due course.

61. Responding to Miss Emily LAU's enquiry about the application of the polluters-pay principle in the litigation against CLS, the Director of Environmental Protection advised that he was not in a position to comment on the liability in this particular case. In general, the polluters-pay principle was enshrined in some of the existing legislation. However, the issue could be complex. For example, until recent years, it was not an offence in Hong Kong to engage in burning activities. If burning activities took place during the early years and generated dioxins as a result, the polluters-pay principle would not be applicable in the context of the air pollution control legislation.

Government's liability in case of delay in the completion of works related to the development of HKD Phase 1

62. Mr Henry WU was concerned whether the works related to the development of HKD Phase 1 could be completed in time for the opening of HKD in 2005 as scheduled. He asked whether the contractors concerned would be subject to any penalty for delay in the works. C/T,ESB advised that penalty provisions were normally included in public works contracts to safeguard the interest of the Government.

63. Miss Emily LAU was concerned whether the Government would be subject to any penalty if the delay in works resulted in the deferral of the opening of HKD Phase 1. C/T,ESB said that it was not appropriate for her to disclose details of the

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Master Project Agreement between the Government and The Walt Disney Company (TWDC) and Hongkong International Theme Parks Limited (HKITP), which was a commercial document. However, if the delay in works was caused by the contractors, the Government's liability towards TWDC and HKITP could be off-set by the Government's claim for liquidated damages from its contractors. C/T,ESB also pointed out that the anticipated economic loss arising from the deferral of the opening of HKD would be a more significant consideration than any contractual liability. Responding to Mr Henry WU, C/T,ESB advised that the economic benefits to be derived from the operation of HKD were estimated to be around \$7 billion per year.

64. In view of the possible development of other Disney Theme Parks in Mainland cities, Miss Emily LAU doubted whether the estimated economic benefits of around \$7 billion per year deriving from the operation of HKD could be realized. C/T,ESB explained that the figure had been worked out on an estimate of 5 million visitors per year. This was a very conservative estimate, having regard to the fact that there was a local demand for tourists attractions and leisure facilities, e.g. Ocean Park attracted over 3 million visitors per year, and the trend that there were more and more people from the Mainland or from other countries visiting Hong Kong.

Other concerns

65. Responding to Mr Henry WU's concern about the possible environmental impact of the Penny's Bay Reclamation Stage 2 on the operation of the HKD Phase 1 Theme Park, DCE explained that careful consideration had been given to this issue in the planning stage. He pointed out that the actual distance between the reclamation site and the Theme Park was not so close as shown on the map at Enclosure 1 to the paper provided by the Administration. Moreover, the HKD Phase 1 would be enclosed by berms at a height of 9 metres. The main entrance of the Theme Park would be away from the reclamation site and park visitors would not be affected by the reclamation works. Moreover, construction materials would be sent to the reclamation site by sea transport. Thus, no traffic burden or environmental nuisance would be effected on the future Chok Ko Wan Link Road.

66. Referring to the proposed construction of a police post and a fire station in the vicinity of the HKD Phase 1, Mr CHAN Kam-lam considered that the design for these facilities and other facilities in the area should be compatible with that of the Theme Park. As there was no hospital in the Lantau Island, Mr CHAN also requested the Administration to consider the provision of facilities to allow for the use of helicopters for rescue purpose or transportation of the injured in case of emergency. DCE undertook to explore the feasibility of the provision of the suggested facilities.

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67. Mr LAW Chi-kwong stated that the Democratic Party (DP) considered it inappropriate to support the funding proposal because the substantial increase in the decommissioning cost was caused by the Administration's failure in assessing the environmental impact of the decommissioning and taking necessary precautionary measures to safeguard public interest during the process of land acquisition. Moreover, as dioxin-contamination at CLS site might have been caused by illegal burning activities undertaken by CLS, staff of the Environmental Protection Department might have to be held accountable. In DP's view, the in-situ treatment method of the dioxin-contaminated soil should be adopted. On the other hand, DP noted that if the funding proposal was turned down, it might result in the delay in the HKD project and considerable economic loss. In the circumstances, DP would abstain from voting.

68. The item was put to vote. As the division bell did not function, the Chairman informed members that in accordance with Rule 49(8) of the Rules of Procedures, he would order the Clerk to arrange for members within the precincts of the Chamber to be notified of the division and that the division would be held six minutes after the order had been made.

69. The division was held after six minutes. 5 Members voted for the item, 2 voted against and 3 abstained.

For:

Mr Eric LI Ka-cheung
Mr CHAN Kam-lam
Mr TAM Yiu-chung
Mr IP Kwok-him
Mr MA Fung-kwok
(5 members)

Against:

Miss Cyd HO Sau-lan
Miss Emily LAU Wai-hing
(2 members)

Abstained:

Mr Albert CHAN Wai-yip
Mr SIN Chung-kai
Mr LAW Chi-kwong
(3 members)

70. The item was endorsed by the Subcommittee.

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71. Miss Emily LAU requested that this item be voted on separately from other items at the relevant FC meeting.

HEAD 703 – BUILDINGS

PWSC(2002-03)21	249ES	Secondary school at Lai Hong Street, Sham Shui Po
	253ES	Secondary school at Hing Wah Street West, Sham Shui Po

72. Responding to Mr MA Fung-kwok, the Principal Education Officer (Infrastructure), Education Department (PEO(I),ED) explained that as the two proposed schools were separated by Lai Hong Street, it would not be feasible to provide common school facilities for their shared use. He nevertheless agreed that the feasibility of shared facilities for adjacent schools should be explored in future projects for the optimum utilization of resources.

73. Mr MA Fung-kwok suggested that the site marked "future open space" adjacent to the proposed secondary school at Lai Hong Street be used for constructing the other proposed school so that the two schools would be located on the same side of Lai Hong Street and therefore could share common facilities. PEO(I),ED replied that the choice of school sites had been made on the advice of the Planning Department on the planned land use of available sites. As the planning for the two schools was in its advanced stage, it might not be feasible to change the land use of the sites concerned. He undertook to take members' views into consideration in future planning for new schools.

Admin

74. Mr CHAN Kam-lam suggested that the location of the vehicular egress/ingress for the two schools should be suitably adjusted to ensure pedestrian safety. PEO(I),ED undertook to consider this suggestion.

Admin

75. The item was voted on and endorsed.

PWSC(2002-03)22	94ET	Special school for physically handicapped children at Fung Shing Street, Ngau Chi Wan
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76. The Chairman declared interest that he was involved in the supervision of special schools for physically handicapped (PH) children managed by the Red Cross.

77. Referring to the proposed reprovisioning of the Margaret Trench Red Cross School (MTRC School) from Sandy Bay Road to Ngau Chi Wan, Mr CHAN Kam-

Action

lam enquired about the Administration's plan for the school premises at the original site. PEO(I),ED advised that it might continue to be used for providing education to PH children subject to further consideration. He pointed out that as the existing accommodation and facilities of the school fell short of the standard provision for a special school for PH children and given the lack of space at the existing premises for expansion, the Administration considered that the school should be reprovisioned elsewhere and upgraded to current standards to facilitate the provision of quality education. He explained that there was at the moment a shortfall of places for PH students in the Kowloon region and a slight surplus in the Hong Kong Island region. Subsequent to the reprovisioning of the school, the demand in the Hong Kong Island region could still be fully met by an existing PH school in the same region whereas the shortfall in Kowloon region would be greatly reduced to 30 places.

78. In response to Mr CHAN Kam-lam's concern about the impact of the reprovisioning on affected students, PEO(I),ED advised that consultation with parents had been conducted and 87.5% of the parents supported the reprovisioning of the school to the new site. As regards Miss Cyd HO's concern about the provision of transport services to affected students, PEO(I),ED said that necessary transport services would be provided to students in need. Moreover, parents had been informed that their children could continue with their studies in the new school in Ngau Chi Wan, or could be transferred to an adjacent school for PH children, John F. Kennedy Centre (Kennedy Centre), if they wished.

79. Miss Emily LAU expressed concern about the standard of accommodation and facilities of other existing special schools for PH children, in particular, the standard of those of the Kennedy Centre. She sought information from the Administration on the plans for upgrading those sub-standard schools and the relevant target completion dates. PEO(I),ED responded that the Administration planned to conduct studies on the feasibility of upgrading all sub-standard special schools within their existing premises by 2005-06 school year. Necessary upgrading works would be carried out subject to the findings of the feasibility studies and reprovisioning would be arranged for schools which could not be upgraded within the existing premises because of site constraints. He advised that the upgrading works for the Kennedy Centre would start in mid 2003 and it would take around 18 months for completion.

Admin 80. At the Chairman's request, PEO(I),ED undertook to provide information on the total number of special schools for PH children in Hong Kong.

81. The item was voted on and endorsed.

82. The meeting ended at 1:25 pm.

Action

Legislative Council Secretariat
23 May 2002