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Public Works Subcommittee of the Finance Committee

Minutes of the 7th meeting
held in the Chamber of Legislative Council Building
on Wednesday, 29 January 2003, at 8:30 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 CHAN Yuen-han, JP

Hon CHAN Kam-lam, JP

Hon SIN Chung-kai

Hon Andrew WONG Wang-fat, JP

Hon YEUNG Yiu-chung, BBS

Hon LAU Kong-wah

Hon Miriam LAU Kin-yee, JP

Hon Emily LAU Wai-hing, JP

Hon CHOY So-yuk

Hon Andrew CHENG Kar-foo

Hon TAM Yiu-chung, GBS, JP

Dr Hon TANG Siu-tong, JP

Hon Abraham SHEK Lai-him, JP

Hon Henry WU King-cheong, BBS, JP

Hon WONG Sing-chi

Hon IP Kwok-him, JP

Hon LAU Ping-cheung

Non-Subcommittee Member attending:

Hon Albert HO Chun-yan

Members absent:

Dr Hon David CHU Yu-lin, JP
Hon Fred LI Wah-ming, JP
Hon James TO Kun-sun
Hon WONG Yung-kan
Dr Hon LAW Chi-kwong, JP

Public officers attending:

Miss Elizabeth TSE, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) ³
Mr Y C LO, JP	Permanent Secretary for the Environment, Transport and Works (Transport and Works)
Mr Thomas TSO, JP	Acting Permanent Secretary for Housing, Planning and Lands (Planning and Lands)
Mr Rob LAW, JP	Director of Environmental Protection
Miss Janice TSE	Principal Assistant Secretary for Financial Services and the Treasury (Treasury)
Mr WOO Sai-cheong	Chief Estate Surveyor/Acquisition Lands Department
Mr C H YUE, JP	Director of Architectural Services
Mr S W FONG	Acting Assistant Director of Architectural Services (Property Services)
Mr Keith R MURRELLS, JP	Assistant Director of Drainage Services (Projects & Development)
Mr Raymond CHAN, JP	Deputy Director of Civil Engineering (Geotechnical)
Dr Ellen CHAN Ying-lung	Assistant Director of Environmental Protection (Waste Facilities)
Mr MAK Chai-kwong, JP	Director of Highways
Mrs Agnes LEUNG	Acting Assistant Director of Home Affairs (2)
Mr H K WONG	Director of Territory Development
Mr Jeff LEUNG	Deputy Secretary-General (1) University Grants Committee
Miss Joanna CHOI	Principal Assistant Secretary for Health, Welfare and Food (Health) 2
Dr CHENG Man-yung	Deputy Director of Hospital Authority (Professional Services & Facilities Management)
Mr MA Siu-leung	Principal Assistant Secretary for Education and Manpower (School Development)
Mr Gary AU	Acting Principal Assistant Secretary for Education and Manpower (Manpower Planning & Training)
Mr LEUNG Mang-chui	Assistant Director of Water Supplies (New Works)
Mr Simon YAN	Assistant Director of Information Technology Services (E-government Projects Development)

Mr Martin CHEUNG	Chief Civil Engineer Housing, Planning and Lands Bureau
Dr Sarah LIAO, JP	Secretary for the Environment, Transport and Works
Mrs Rita LAU, JP	Permanent Secretary for the Environment, Transport and Works (Environment)
Mr Paul TANG, JP	Deputy Secretary for the Environment, Transport and Works (Transport and Works) T1
Mr NG Kwok-kee	Deputy Project Manager/Major Works (3) Highways Department
Mr SO Yam-tat	Chief Engineer/Strategic Roads Transport Department
Mr Elvis AU	Assistant Director of Environmental Protection (Environmental Assessment & Noise)
Mr Arthur HO, JP	Deputy Secretary for the Environment, Transport and Works (Transport and Works) T2
Mr MA Lee-tak	Government Engineer/Railway Development Highways Department
Mr LEE Yan-ming	Chief Engineer/New Territories West Transport Department
Mr Raistlin LAU	Principal Assistant Secretary for the Environment, Transport and Works(Environment) 1
Mr TSAO Tak-kiang, JP	Director of Civil Engineering
Mr LOO Khim-chung	Chief Engineer/Technical Services Civil Engineering Department
Mr WONG Wai-hong	Principal Environmental Protection Officer (Territory North) Environmental Protection Department
Ms Lolly CHIU	Deputy Secretary for Home Affairs (3)
Mr NGAI Wing-chit	Principal Assistant Secretary for Home Affairs (Culture) 1
Mr Tony K L MA, JP	Assistant Director of Leisure and Cultural Services (Heritage and Museums)
Mr C M CHAN	Chief Technical Adviser (Subvented Projects) Architectural Services Department
Mr Jack CHENG	Chief Property Manager (Property Management) Government Property Agency
Mr Eddy YAU, JP	Assistant Director of Leisure and Cultural Services (Leisure Services) 3
Mr David WONG	Principal Assistant Secretary for Security (B)
Mr Edward LAW	Principal Assistant Secretary for Health, Welfare and Food (Food and Environmental Hygiene) 2
Mr W T CHOW	Chief Fire Officer (Headquarters) Fire Services Department

Mr K P MAK, JP	Chief Ambulance Officer Fire Services Department
Ms Rhonda LO	Assistant Director of Food and Environmental Hygiene (Operations) 3
Ms Mona WOO	Chief Property Manager (Site Utilisation) Government Property Agency

Clerk in attendance:

Ms Anita SIT	Chief Assistant Secretary (1)6
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Staff in attendance:

Ms Pauline NG	Assistant Secretary General 1
Ms Rosalind MA	Senior Assistant Secretary (1)9
Ms Caris CHAN	Senior Legislative Assistant 1
Mr Frankie WOO	Legislative Assistant 2

CAPITAL WORKS RESERVE FUND BLOCK ALLOCATION

PWSC(2002-03)86

**Block Allocations for Heads 701 to 711
under the Capital Works Reserve Fund**

Members noted that the proposed block allocation under *Head 710 - Computerization* had been discussed by the Panel on Information Technology and Broadcasting on 9 December 2002 and a paper covering all the proposed block allocations had been circulated to the Panel on Planning, Lands and Works on 3 January 2003.

2. Noting that the Administration was not seeking any funding in 2003-04 under *Head 702 - Port and Airport Development*, Ms Miriam LAU sought confirmation on whether there was any plan for port and airport projects in 2003-04. In response, the Deputy Secretary for Financial Services and the Treasury (Treasury)³ (DS/Tsy) explained that the block allocations under Head 702 mainly provided funds for the Administration to engage consultants to conduct technical feasibility investigations and prepare the detailed design and tender documents for port and airport-related capital works projects to be funded under the Capital Works Reserve Fund (CWRF). She advised that no funding requirement was anticipated in 2003-04 for such consultancy services. DS/Tsy further advised that funding requirements for port and airport development studies in relation to strategic planning issues or to projects to be funded outside the CWRF would be covered by the non-recurrent expenditure of the relevant bureau or the Civil Engineering Department.

3. On *Head 701 - Land Acquisition and Head 703 - Buildings*, Mr TAM Yiu-chung sought information on the reasons for the reduction in the proposed block allocations for 2003-04 compared with the approved allocations for 2002-03. On *Head 701 - Land Acquisition*, the Chief Estate Surveyor/Acquisition, Lands Department (CES/A, LD) explained that the decrease was mainly due to the near completion of the land resumption for some major projects, such as the development of the Hong Kong Disneyland and the associated infrastructure works and facilities.

4. As regards *Head 703 - Buildings*, the Director of Architectural Services (D Arch S) advised that for *Subhead 3004GX "Refurbishment of government buildings for items in Category D of the Public Works Programme"*, the decrease was mainly attributed to the implementation of preventive maintenance in 2002-03 and the drop in demand for refurbishment works in 2003-04. D Arch S said that for *Subhead 3101GX "Minor building works for items in Category D of the Public Works Programme"*, a decrease of 25.1% as compared to the 2002-03 allocation was estimated for the reason that there had been a drop in the demand for minor building works and fitting-out works etc. in 2002-03 and only 80% of the approved allocation had been spent for the year.

5. Mr Abraham SHEK expressed concern about the arrangement for the Administration to shoulder the payment of compensation for acquisition of land and property for the Urban Improvement Programmes (UIP) of the Hong Kong Housing Society (HKHS) and doubted whether this was appropriate in view of the present stringent financial position. Noting that there were two on-going UIP projects, i.e. items 5 and 9, under *Head 701 Subhead 1004CA - Compensation for surrenders and resumptions: miscellaneous*, Mr SHEK sought information on whether the Government would be reimbursed by HKHS for the compensation payments for land acquisition relating to these two projects. In reply, CES/A, LD said that land acquisition for these two projects had been completed but part of the compensation payments was still outstanding for cases of more complicated nature. He undertook to confirm, before the Finance Committee meeting on 21 February 2003, whether HKHS would reimburse the Government for the compensation payments for land/property acquisition for the two projects.

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6. Referring to paragraph 12 of the paper that works-related block allocations in 2003-04 would create some 13 900 jobs, Mr Abraham SHEK enquired whether the number of jobs created would be fewer than that in 2002-03. In reply, the Permanent Secretary for the Environment, Transport and Works (Transport and Works) (PS/TW) pointed out that as there was about 10% decrease in the proposed works-related block allocations in 2003-04 compared with the approved block allocations for 2002-03, there might be reduction in the number of jobs created. However, given the downward trend of contract prices for capital works projects, the Administration could implement more projects with the same amount of funds and thus the extent of reduction in jobs created in 2003-04 might be less than 10% compared to 2002-03.

7. Ms Miriam LAU referred to the project "Retrofitting of direct noise mitigation measures on Cheung Pei Shan Road and Ma On Shan Road - consultants' fee and site investigation" under *Head 707 Subhead 7100CX - New towns and urban area works, studies and investigations for items in Category D of the Public Works Programme* and enquired about details of the direct noise mitigation measures. In response, the Director of Territory Development (DTD) explained that direct noise mitigation measures included installation of noise barriers or treating road surface with noise-absorbing materials. DTD said that as the proposed estimate for the above item would cover the consultants' fees, site investigation and detailed design, separate submission for construction of the noise mitigation measures would be made at a later stage. Responding to Ms LAU's further enquiry, DTD advised that indirect noise mitigation measures included provision of insulated windows and air-conditioning for noise sensitive developments affected by excessive traffic noise.

8. Ms Emily LAU recalled that the Administration had undertaken to retrofit noise barriers for a number of existing roads generating excessive noise impact. She was concerned that only two such roads were included in the block allocations for 2003-04 and enquired about the progress of the work for retrofitting noise barriers for other existing roads.

9. In response, DTD explained that priority had been accorded to the construction of noise barriers or provisions of other direct mitigation measures for Cheung Pei Shan Road and Ma On Shan Road. These items would be submitted to PWSC for consideration when the site investigation and design work were completed. As to the retrofitting plan for other existing roads, the Director of Highways (D Hy) advised that the Administration planned to implement the retrofitting works for existing roads in five stages. The Administration was conducting an overall review on the priority and implementation schedule for all existing roads generating excessive traffic noise and detailed studies for over 10 existing roads. Noting Ms LAU's concern, D Hy undertook to provide, upon completion of the overall review, a paper setting out the implementation programme for the retrofitting of noise mitigation measures for existing roads.

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10. The item was voted on and endorsed.

HEAD 706 – HIGHWAYS

PWSC(2002-03)80	759TH	Shenzhen Western Corridor
	736TH	Deep Bay Link

11. Members noted that this item had been discussed at the meeting of the Panel on Transport on 20 December 2002.

12. Ms Miriam LAU, Chairman of the Panel on Transport, reported on the concerns raised by members at the said Panel meeting as follows:

- (a) possible overloading of Tuen Mun Road (TMR) upon the commissioning of Shenzhen Western Corridor (SWC) and Deep Bay Link (DBL) and the effectiveness of Administration's proposed measures to cope with the anticipated increase in traffic;
- (b) the overall planning for the transport infrastructure in North West New Territories (NWNT), including the implementation schedules for the related projects of Hong Kong - Pearl River West Link (HK-PRWL), the Tuen Mun Western Bypass (TMWB) and Tuen Mun - Chek Lap Kok Link (TM - CLKL);
- (c) ways to attract traffic to use Route 3; and
- (d) effectiveness and availability of a suitable alignment for an Easterly Link Road (ELR) as an additional access road connecting SWC/DBL to the existing road system to facilitate traffic heading east from DBL after landing at Ngau Hom Shek.

13. Ms Miriam LAU further reported that the Administration had provided a supplementary information note to the Panel after the meeting, but she considered that the supplementary information could not adequately address Panel members' concerns.

14. Ms Miriam LAU pointed out that as SWC and DBL would be completed in 2005, there was an urgent need to devise concrete measures to avoid traffic overloading of TMR. Referring to the 13 possible alignments initially identified by the Administration for the ELR, Ms LAU considered that alignment option 4 provided the most direct link from DBL to Route 3. She understood that the Administration was concerned about the possible environmental and planning implications alignment option 4 might have on the proposed Hung Shui Kiu New Development Area (Hung Shui Kiu NDA), but considered that as the planning of the NDA had yet to be finalized, the Administration should further explore the suitability of this alignment. She then asked whether the Administration would further examine alignment option 4, and if so, when the study would be completed. Ms Miriam LAU also asked the Administration to address the concern of the Hong Kong Container Tractor Owner Association Limited set out in its submission to the Public Works Subcommittee (PWSC) that traffic diversion to Route 3 would not be effective without the provision of a direct ELR to connect SWC/DBL with Route 3.

15. Mr TAM Yiu-chung remarked that members of the Democratic Alliance for Betterment of Hong Kong (DAB) supported the construction of SWC and DBL to cope with the traffic demand arising from increasing cross-boundary activities. Members of the DAB also supported the provision of an ELR as an additional connection between DBL and Route 3. In this connection, Mr TAM shared Ms Miriam LAU's preference for alignment option 4 and urged the Administration to actively consider this option. He also opined that to achieve effective traffic diversion from TMR to Route 3, the Administration should pursue more actively the negotiation with the Route 3 (CPS) Company on toll concessions to attract

motorists to use Route 3. Commenting on the overall infrastructure planning for NWNT, Mr TAM cautioned that sufficient infrastructure should be provided under appropriate implementation schedules to cope with the additional traffic generated by SWC and DBL. He pointed out that if the construction of HK-PRWL was decided on, TMWB and TM-CLKL should be provided as local infrastructure to tally with the cross-boundary link. However, if HK-PRWL would not be pursued, and thus TMWB and TM-CLKL would not be provided, the construction of Route 10 should be re-considered.

16. Mr WONG Sing-chi said that as the additional traffic from SWC/DBL would most certainly overload TMR, without a definite way forward for traffic diversion arrangements and alternative road networks such as Route 10 to connect DBL with the local traffic network, members of the Democratic Party would find it hard to lend their support for the SWC/DBL project. Mr WONG stressed that the interests of residents of Tuen Mun and Yuen Long would be undermined if the SWC/DBL project was proceeded with without proper traffic diversion measures. He thus requested the Administration to withdraw the present proposal and resubmit it for consideration of PWSC when concrete proposals to resolve the traffic congestion problem in Tuen Mun and Yuen Long were available.

17. Ms Emily LAU expressed grave concern about the impact of the additional traffic load on the residents of Tuen Mun and Yuen Long upon the commissioning of SWC/DBL. She requested the Administration to give firm assurance that effective traffic diversion arrangements would be in place and the residents of Tuen Mun and Yuen Long would not suffer from unacceptable traffic congestion. She supported the provision of an ELR and urged the Administration to actively pursue alignment option 4. She remarked that if constructing a surface road on this alignment would have undue environmental impact, the tunnel option should then be considered. In addition, she asked whether the Hong Kong Special Administrative Region (HKSAR) Government would be liable to any penalty or claim in the case of any delay of the SWC project on the Hong Kong side.

18. The Secretary for Environment, Transport and Works (SETW) stressed that it was the stated commitment of both the Shenzhen Government and the HKSAR Government to strive to complete SWC by 2005 in view of its economic significance to both Shenzhen and Hong Kong. There was no penalty term in the relevant agreement between the HKSAR Government and the Shenzhen Government. Nevertheless, as SWC was a major infrastructure to facilitate passenger and cargo flows between Hong Kong and Southern China, the HKSAR Government was committed to achieving its timely completion. DBL was the only link between SWC and the local network and SWC could not operate without DBL. SWC, together with DBL, would enhance the status of Hong Kong as a business-cum-trade-cum-logistics hub in the Pearl River Delta, and would bring substantial economic benefits to Hong Kong. She recognized the concern of the container trucks trade and undertook to meet their representatives in due course. She also acknowledged the concerns of the residents in Tuen Mun and Yuen Long and assured members that the Administration would continue to examine and take forward different measures to address the possible overloading of TMR upon the

commissioning of SWC/DBL. These measures included the provision of an ELR, negotiation with the Route 3 (CPS) Company for possible measures to achieve traffic diversion, and making improvement to the existing local transport infrastructure. Nevertheless, these measures all needed time to be sorted out or implemented and it would be unwise to put on hold the SWC/DBL projects which were of strategic importance until details of local traffic diversion measures had been worked out. She remarked that the HKSAR Government had been giving the Shenzhen Government an impression of having a long decision-making process and further delay in the implementation of the projects would be highly undesirable.

19. The Permanent Secretary for Environment, Transport and Works (Environment) (PS/E) expressed appreciation of the concern of members and local residents about the traffic conditions in NWNT upon the commissioning of SWC/DBL. She advised that the Administration had been actively exploring traffic diversion measures to meet the expected increase in traffic load. The proposed widening of Yuen Long Highway, an item submitted to PWSC for consideration under PWSC(2002-03)81 at this meeting, would serve to divert traffic away from TMR. In addition, the impending commissioning of West Rail in 2003, the planned improvements to TMR and the widening of Castle Peak Road, which was currently underway and would be completed in late 2005, would all help to improve the traffic condition in NWNT. D Hy supplemented that the Castle Peak Road widening project would provide a dual two-lane carriageway, which could facilitate local traffic diversion and alleviate the traffic load of TMR to some extent.

20. PS/E further said that it was the intention of the Administration to proceed with HK-PRWL. Following the meeting on 25 January 2003 with the counterpart authorities in the Mainland, a joint technical study with the State Planning and Development Commission would commence shortly and this was expected to complete in around six months. If it was decided that HK-PRWL was to be constructed with the landing point in Lantau, the construction of TMWB and TM-CLKL might need to be advanced to link up HK-PRWL with the local transport networks. For the Route 10 project, PS/E said that it would provide an additional road link for NWNT to urban areas to cope with the anticipated population and employment growth in the region. It would also meet forecast traffic demand generated by cross-boundary activities and provide an alternative road link for Lantau. Responding to Mr Albert CHAN's enquiry, PS/E advised that the provision of an ELR would not replace the Route 10 or the TMWB projects.

21. Mr Albert CHAN opined that members were put in a difficult position in regard to the funding proposal for SWC/DBL. On the one hand, SWC was a joint project between the HKSAR Government and the Shenzhen Government and any delay in its commissioning would have adverse impact on the economic development of Hong Kong. On the other hand, local residents would suffer from unacceptable traffic congestion, in particular, in the Tuen Mun Town Centre, if Route 10 and effective traffic diversion measures were not implemented timely. He stated his opposition to the provision of an ELR from the overall planning

angle and considered that the planning and development of the Hung Shui Kiu NDA should not be constrained by the provision of an ELR. As regards the negotiation with the Route 3 (CPS) Company, Mr CHAN asked what the Administration was prepared to offer to convince the company to offer sufficient toll concession in return.

22. On the negotiation with the Route 3 (CPS) Company on toll concessions, SETW advised that the Administration aimed at achieving a toll level which could be offset by the savings in fuel cost for motorists switching from TMR to Route 3. Given that Route 3 (CPS) Company was a private company operating on commercial principles, the Administration would need to offer incentives to the company, such as extension of its franchise, in order to obtain the company's agreement to offer toll concessions in return. Hence, the negotiation involved a review of the terms and conditions of the franchise agreement. The Administration aimed at achieving agreement with the company within 2003. In reply to Mr Albert CHAN's further enquiry, SETW advised that under the franchise agreement with the Route 3 (CPS) Company, the Government had no authority to impose additional conditions or give direction to the company unilaterally with regard to toll levels.

23. On the possible alignment for ELR, PS/E advised that alignment option 4 had not been shortlisted for further study as this alignment option would run across the Hung Shui Kiu NDA and would probably impose physical constraints to the planning and development of the NDA in future. Nevertheless, in view of members' views on this alignment option, the Administration would conduct further study on its feasibility in planning and engineering terms. The study would take about six to eight months and would be completed within 2003.

24. D Hy said that while alignment option 4 appeared to be feasible on the surface, some technical complications for the construction of certain sections were anticipated, such as the section beneath the West Rail and the connection to Hung Tin Road. The Highways Department would further explore the feasibility of the alignment in consultation with the Planning Department.

25. In response to Ms Miriam LAU's enquiry about the current status of Hung Shui Kiu NDA, the Acting Permanent Secretary for Housing, Planning and Lands (Planning and Lands) (PS/PL) advised that under the initial planning, the Hung Shui Kiu NDA was planned for development in 2008 but there was flexibility in this schedule. When assessing the feasibility of alignment option 4, the Administration would have to consider the impact of the alignment on the overall planning of the Hung Shui Kiu NDA.

26. Mr LAU Kong-wah opined that the Administration should re-consider the development concept for the Hung Shui Kiu NDA in the light of the increasing cross-boundary people and cargo flows. Given its strategic location close to cross-boundary transport links, the NDA had high potential to be developed into a "gateway town" to facilitate the increasing business and social interactions between Hong Kong and neighbouring Mainland areas. From this perspective, the

ELR would not be simply a link for traffic diversion to Route 3 but could also serve as a strategic trunk road linking the NDA with other transport networks. In this connection, Mr LAU opined that the ELR should be constructed with a slip road leading to the NDA to provide access to and from the DBL. He considered that the ELR and toll concessions of Route 3 were both necessary for effective traffic diversion from TMR and the completion of the ELR should tally with the commissioning of the SWC/DBL. In this connection, he sought information on the schedules for the negotiation with the Route 3 (CPS) Company and the construction of ELR.

27. In response, PS/PL explained that the Administration proposed to adopt the planning vision of creating a high quality living environment in the Hung Shui Kiu NDA by applying modern community and environmental planning principles. While appreciating Mr LAU's view that the provision of an ELR with a slip road connecting the Hung Shui Kiu NDA might enhance the NDA's development potential, PS/PL pointed out that the construction of an ELR across the centre of the NDA from East to West would pose considerable constraints on the development of the area as there were planning restrictions for residential developments in the vicinity of major highways.

28. As regards the schedule for the ELR, D Hy pointed out that as a suitable alignment for the ELR had yet to be identified, it would be unlikely that construction of the ELR would be completed by 2005 to tally with the commissioning of the SWC/DBL. Assuming a smooth process for the design and construction of ELR, the minimum gap between its completion and the commissioning of SWC/DBL would be over one year.

29. Mr Abraham SHEK pointed out that LegCo members wished to achieve a win-win solution in which the economy of Hong Kong could benefit from the enhanced cross-boundary transport infrastructure through the commissioning of SWC/DBL and at the same time, the interests of residents of NWNT would not be compromised. He considered that the provision of an ELR was necessary to achieve effective traffic diversion to Route 3. Mr SHEK commented that in view of the stringent financial position of the Government, the need and timing of the Route 10 project should be further examined to ensure optimum utilization of the public resources.

30. SETW explained that the Administration considered the provision of an ELR could effectively divert traffic to Route 3 only if adequate toll concessions could be achieved through negotiation with the Route 3 (CPS) Company. Hence, the provision of an ELR would be one of the favourable terms the Administration could offer in the course of negotiation. However, the bargaining power of the Administration in its negotiation with the Route 3 (CPS) Company would be affected if the Administration had to commit to the provision of and a certain alignment for the ELR at this stage. She solicited members' support for the SWC/DBL projects and requested members to allow more time for the Administration to work out with Route 3 (CPS) Company possible measures to attract motorists to use Route 3.

31. Dr TANG Siu-tong concurred that the SWC/DBL project could not be delayed given the stated commitment between the HKSAR Government and the Shenzhen Government. Dr TANG suggested that if negotiation with the Route 3 (CPS) Company on toll concessions turned out to be unsuccessful, the Administration should consider advancing the Route 10 project and the TMWB to avoid overloading TMR. In view of the objections raised by the residents at Lam Tei concerning the alignment of the DBL landing at Lam Tei Interchange, Dr TANG suggested that if alignment option 4 was adopted for connecting DBL to Route 3, the alignment of DBL should be revised by deleting the section from Hung Shui Kiu NDA to Lam Tei Interchange.

32. In response, SETW said that the need and timing of Route 10 and the TMWB would be further considered in the light of the updated overall planning for transport infrastructure in NWNT. However, she had reservation over Dr TANG's suggestion of revising the alignment of DBL and commented that the implications of such revision must be carefully considered.

33. Mr Andrew WONG said that he had supported the previous funding proposal for the detailed design of SWC and DBL on the condition that an ELR would be provided in the form of a dual two-lane carriageway. He opined that the Administration should take an overall view on the traffic infrastructure planning for NWNT and linked DBL to the existing roads to the east to optimize utilization of the existing transport infrastructure. He considered that it was inappropriate for the Administration to simply rely on the negotiation with the Route 3 (CPS) Company to achieve effective traffic diversion. Instead, the whole matter should be taken as a traffic management issue and the Administration should offer subsidies to motorists to attract them to use Route 3 should the outcome of the negotiation fell short of the targeted toll concessions.

34. On members' concern about the traffic condition in the NWNT, D Hy referred to the supplementary information provided to the Panel on Transport after its meeting on 20 December 2002 (LC Paper No. CB(1) 632/02-03(01)) on the present and forecast NWNT traffic condition up to 2011. He advised that the strategic roads in the NWNT, including TMR, Castle Peak Road and Route 3, were operating within capacities in 2001. According to the traffic forecast in 2002, the total capacity provided by these three strategic roads would be capable of catering for the peak period traffic demand generated in NWNT as well as those from SWC/DBL until 2011. Notwithstanding the forecast that there would be adequate total capacity in the three strategic roads by 2011, the Administration had planned for both short-term and medium-term measures to improve the traffic condition in NWNT. These included the widening of Yuen Long Highway, diversion of traffic to Route 3 and reconstruction of TMR.

35. The Chief Engineer/Strategic Roads, Transport Department added that the impending opening of West Rail in 2003 and the widening of Castle Peak Road would also help to improve traffic condition in NWNT. The forecast volume to capacity ratio (v/c ratio) in 2011 for TMR Town Centre section would be 1.0 to 1.1,

which was within the acceptable level. In response to Ms Emily LAU's further enquiry, PS/E advised that the information on the present and forecast v/c ratios had been provided to the Tuen Mun District Council (TMDC) and the Yuen Long District Council (YLDC) for reference. Members of TMDC and YLDC had noted the Administration's analysis of the traffic condition in NWNT but still demanded the early construction of Route 10 to relieve the traffic load in the long run.

36. Mr Albert HO commented that the forecast v/c ratios for TMR were made on the assumption that the total traffic load would be shared among the three strategic roads as desired by the Administration. However, as Route 3 was not a toll-free road like the other two strategic roads in NWNT, unless the Administration could work out effective measures to divert traffic to Route 3, TMR and Castle Peak Road would be overloaded even though there would still be spare capacity in Route 3. He sought information on the Administration's contingency plan to achieve traffic diversion if the negotiation with the Route 3 (CPS) Company turned out to be unsuccessful. He also sought information on the implementation plans for Route 10 and TMWB.

37. PS/E reiterated that the Administration was fully aware of the concern of local residents on the traffic impact of SWC and DBL. She pointed out that in addition to the short-term and long-term plans to improve the traffic condition and transport infrastructure in the NWNT, the impending opening of West Rail in 2003 would provide a high capacity passenger transport link to NWNT. On the timing of the Route 10 project, PS/E clarified that it had all along been the Administration's position that Route 10 was required by 2011 to meet the development and projected population growth in NWNT. The Administration had never considered Route 10 as a measure for relieving the traffic load generated from the SWC/DBL in 2005. She further advised that the Administration was conducting an overall review of the transport network in NWNT, and in this context, would examine, inter alia, the need and timing for the TM-CLKL and TMWB as well as Route 10. The review was scheduled for completion in mid 2003.

38. On the Administration's plan for fall-back measures if no favourable outcome could be achieved in the negotiation with the Route 3 (CPS) Company, SETW said that as explained earlier at the meeting, the Administration had other short-term and medium-term measures, including various on-going and planned road improvement projects, to facilitate traffic diversion from TMR. The opening of West Rail in 2003 would definitely improve passenger traffic for NWNT. Apart from these infrastructure projects, the Administration could also resort to traffic management measures to achieve effective traffic diversion.

39. Mr Andrew CHENG opined that it was obvious that quite a number of members held reservation on the SWC/DBL proposal in the absence of concrete measures to resolve the traffic impact of SWC/DBL on the existing road network of NWNT. Pointing out that the overall plan for transport infrastructure in NWNT would hinge on the decision on HK-PRWL, which would be made within the next few months and in turn, would determine the need and timing of TMWB and

TM-CLKL, Mr CHENG said that the Administration should defer the present proposal for a few more months until plans for these major infrastructure projects were confirmed. He said that without a definite way forward for Route 10 or alternative road networks such as TMWB to connect DBL with the local traffic network, members of the Democratic Party would oppose to the funding proposal for the SWC/DBL project. He also commented that provision of an ELR and toll concessions of Route 3 would still not be adequate to resolve the future overloading of TMR. He also doubted if there would still be a strong case to pursue the ELR if it was decided a few months later to proceed with the construction of HK-PRWL, TMWB and TM-CLKL.

40. In reply, SETW advised that the decision on HK-PRWL and its implementation schedule would be subject to further discussion between the parties concerned. As regards the provision of an ELR, she pointed out that it had been under consideration for some time and should not be regarded as a relieve measure in the short-term. She explained that the long-term planning for transport infrastructure was based on the relevant projections of traffic demand, while annual review would be conducted to take into account the latest changes in circumstances. It would not be realistic to defer the present funding proposal on SWC/DBL until other major infrastructures for the NWNT were finalized. PS/E added that SWC was of strategic importance to Hong Kong's development and DBL would provide the necessary link between SWC and the local transport network, and thus the construction of SWC and DBL was essential no matter whether the later decision was to proceed with Route 10 and/or TMWB. She explained that given the extremely tight implementation schedule for SWC and DBL, the present funding proposal could not be deferred for a further few months.

41. Mr LAU Ping-cheung urged the Administration to work out concrete measures to resolve the problem of additional traffic upon the commissioning of the SWC/DBL, including transport management measures and the provision of an ELR. Noting that the estimated cost for erecting noise barriers for DBL would be over \$400 million, he asked whether the Administration would consider packaging the works under a design-and-build sub-contract to allow more room for the aesthetic design and choice of construction materials for the noise barriers. In response, D Hy referred members to footnote 4 under paragraph 14 of the paper and clarified that out of the estimated cost of \$426.1 million for noise barriers and semi-enclosures, provisions for noise barriers for existing and planned developments were estimated to be \$139.1 million and \$287.0 million respectively. Hence, only the noise barriers for existing development would be installed in the first instance. On the proposal of packaging the provision of noise barriers under a sub-contract, D Hy said that this would involve considerable co-ordination problem between the contractors, especially when most of the noise barriers were to be constructed on the elevated sections of DBL. He however advised that the Administration would explore the feasibility of the proposed sub-contract arrangement for the Yuen Long Highway widening project.

42. Referring to paragraph 11 of the paper, Ms Emily LAU requested the Administration to provide information on the transport arrangements for the lane

Admin change-over facilities located within the Shenzhen portion of the SWC near Dongjiaotou and computation of the cost estimate of \$110 million, which was the portion of the estimated cost for the lane change-over facilities to be borne by the HKSAR Government. With reference to paragraph 12 of the paper, Ms LAU also sought information on the estimated cost, and how the cost was arrived at, for the linkage of the traffic control surveillance system included in the SWC project to facilitate the provision of data and communication linkage with the Hong Kong portion of the boundary crossing facilities (BCF) at Dongjiaotou. SETW undertook to provide the requested information as well as to relate to the Secretary for Security the request of Ms LAU that in the future funding proposal for the construction of BCF under the co-location arrangement, details should be provided to demonstrate that the jurisdiction of HKSAR would not be affected.

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43. The item was put to vote. Ms Emily LAU requested a division. The division was held after one minute. 14 members voted for the item, 4 voted against and 3 abstained. The individual votes were as follows:

For:

Mr Kenneth TING
Mr Eric LI
Ms CHAN Yuen-han
Mr CHAN Kam-lam
Mr YEUNG Yiu-chung
Mr LAU Kong-wah
Ms Miriam LAU
Ms CHOY So-yuk
Mr TAM Yiu-chung
Dr TANG Siu-tong
Mr Abraham SHEK
Mr Albert CHAN
Mr IP Kwok-him
Mr LAU Ping-cheung

Against:

Mr SIN Chung-kai
Mr Andrew WONG
Mr Andrew CHENG
Mr WONG Sing-chi

Abstained:

Ms Cyd HO
Ms Emily LAU
Mr Henry WU

Admin & Clerk 44. The item was endorsed by the Subcommittee. Ms Emily LAU requested that this item be voted on separately at the relevant Finance Committee meeting.

PWSC(2002-03)79 46TR East Rail Extension – essential public infrastructure works for the Sheung Shui to Lok Ma Chau Spur Line

45. Members noted that the "Subcommittee on matters relating to railways" of the Transport Panel had considered this proposal at its meeting on 27 November 2002.

46. Ms Miriam LAU, Chairman of the said Subcommittee, reported that the Subcommittee had noted the proposal with reservations and had asked the Administration to review the feasibility of providing suitable facilities at the new Lok Ma Chau (LMC) Terminus to facilitate the operation of other transport modes to the terminus in the interest of cross-boundary passengers. She was pleased to note that the Administration had heeded members' view and agreed to provide a Public Transport Interchange (PTI) at a site of some 3 500 m² adjacent to the LMC Terminus to facilitate the operation of other transport modes, such as franchised buses, taxis and public light buses. Ms LAU hoped that the details regarding the PTI could soon be finalized and put to the said Subcommittee for consideration.

47. Mr Albert Chan opined that Members were generally supportive to modernize cross-boundary facilities for improved services and he therefore welcomed the Administration's decision to build a PTI at the new LMC Terminus. That said, he considered the proposed PTI too small to be commensurate with its significance. This apparently substandard provision would reflect poorly on the status of Hong Kong as a metropolitan city. He urged the Administration to critically review the space provision for the PTI.

48. In response, the Deputy Secretary for the Environment, Transport and Works (DS (TW) T2) advised that the site for the PTI was originally reserved for the future expansion of the LMC Terminus. To enlarge the PTI would pose constraints to the future expansion of the Terminus building and might pose environmental hazard to the surrounding conservation area. He however agreed to examine if there was room in the periphery for enhancing the space provision for the PTI. The current plan was to submit a separate funding proposal for the PTI by end 2003/early 2004.

49. Mr LAU Kong-wah sought information on the capacity of the PTI in terms of the number of franchised buses, taxis, and public light buses that could be accommodated at the PTI and the number of bus routes to be operated by the future franchised bus service. In response, DS (TW) T2 advised that under the current plan, there would be two bays for public transport services each of 60-metre long and a waiting area capable of accommodating about 1 000 passengers at any one time in the PTI. They could accommodate franchised bus services operating at about 5-minute intervals and about 10 taxis and 10 public light buses. DS (TW) T2 stressed that the said arrangements were only the preliminary planning. Details of the PTI would be provided when funding approval was sought, and these would be considered in the light of the experience gained in the existing San Tin PTI.

Admin 50. Mr LAU Kong-wah stressed the need to earmark sufficient land for the PTI at the LMC Terminus in the first instance to enable the smooth operation of different modes of public transport in future. He expressed grave reservation about the adequacy of the space provision of 3 500 m² for the PTI. At his request, the Administration agreed to provide, before the relevant Finance Committee (FC) meeting, information in the form of a map showing the land uses and the zoning of government land and private land in the area concerned, to illustrate the feasibility of providing a larger PTI.

Admin 51. Ms Miriam LAU requested that the proposal for the PTI project be submitted to the "Subcommittee on matters relating to railways" for discussion before the proposal was put to PWSC. She also shared Mr LAU Kong-wah's concern and considered it opportune to seek more land for a larger PTI to facilitate future development of cross-boundary traffic.

52. Echoing the concern of Mr LAU Kong-wah, Mr IP Kwok-him enquired about the capacity of the access road to the LMC Terminus to cope with the future traffic flow. The Government Engineer/Railway Development (GE/RD) advised that the proposed widening of the access road had been modified after it had been decided that a PTI would be provided at the Terminus. Under the current proposal, the access road would be widened to a 7.3 metre wide two-lane carriageway capable for a traffic flow of some 800 vehicles per hour. This capacity was considered acceptable as the primary mode of transport for passenger access to the control point would still be railway.

53. Taking note of members' concern about the provision of transport facilities to facilitate the access of passengers to the LMC Terminus by other modes of transport, SETW explained that as far as the LMC Terminus was concerned, the primary mode of mass transit would be railway, i.e. the LMC Spur Line. As the surrounding area of the Terminus was a Zone 1 conservation area, it would not be practical to provide a full range of facilities for operation of various transport services at this cross-boundary control point. She also pointed out that there were limitations on the Huanggang side of the control point to cater for a substantial volume of traffic flow brought about by passenger vehicles other than railway. She however assured members that the provision of suitable facilities to cater for the access of other modes of transport to other cross-boundary points, such as the Shenzhen Western Corridor, would be actively pursued.

54. Taking note of SETW's comments, Mr IP Kwok-him said that the Administration should adopt a more visionary approach in planning for cross-boundary transport facilities. While he appreciated the environmental concern associated with the conservation area, he would like to point out that given its location, the LMC Terminus might be a "favourable" control point for implementation of 24-hour passenger clearance from the viewpoint of most cross-boundary passengers.

55. Mr LAU Kong-wah clarified his position that he was not calling for the provision of a full range of facilities for operation of all transport modes at the Terminus. He however considered that careful planning should be made to ensure that the problems currently encountered by cross-boundary passengers at the San Tin PTI, due to the lack of space and poor planning, would not recur at the LMC Terminus.

56. Concurring with the need for the proposed LMC Spur Line to ease the Lo Wu boundary crossing, Mr WONG Sing-chi asked whether the design of the proposed LMC Terminus had taken into consideration the planned implementation of the "co-location arrangement" for immigration and customs facilities at Huanggang. In reply, DS (TW) T2 confirmed that due consideration had been given to the co-location arrangement to be implemented at Huanggang for passenger clearance in planning for this project and both the LMC Terminus facilities and the Huanggang facilities would co-exist.

57. Referring to the footnote on page 9 of the paper, Mr Henry WU asked about the justifiability of the on-cost percentage rate payable to the Kowloon Canton Railway Corporation (KCRC) (at 16.5 %) and that to the Shenzhen Municipal People's Government (at 9%). GE/RD explained that the 16.5% on-cost payable to KCRC covered the latter's undertaking of the technical studies, design, construction supervision and project management of the proposed works on the Hong Kong side. As for the Shenzhen Municipal People's Government, the 9% on-cost rate was for construction supervision and project management of the entrusted works on the Shenzhen side. The 9% rate was on par with that payable to KCRC for the same services. GE/RD further advised that as the on-cost was calculated on the basis of the actual cost of the entrusted works, the lower labour costs on the Shenzhen side would be reflected in the subsequent on-cost payment to the Shenzhen Municipal People's Government.

58. In reply to Mr Henry WU's enquiry about the cost-sharing arrangement between Hong Kong and Shenzhen for the maintenance and repair of the proposed facilities, GE/RD advised that each side would be responsible for the routine maintenance and repair of the facilities located within their respective boundaries, while the two sides would discuss the specific funding arrangement for any major maintenance and repair for the facilities as and when such were required.

59. The item was voted and endorsed.

**PWSC(2002-03)81 721TH Widening of Yuen Long Highway
between Lam Tei and Shap Pat Heung
Interchange**

60. Members noted that this proposal had been discussed by the Panel on Transport on 20 December 2002.

61. Ms Miriam LAU, Chairman of the Panel on Transport, reported on the Panel's discussion as follows:-

- (a) There was general concern over the impact of additional traffic load upon the commissioning of SWC and DBL on the future traffic flow in Yuen Long and Tin Shui Wai. Members sought information on the projected traffic demand in the areas and the planned measures to ease the traffic load.
- (b) Some members expressed concern about the effectiveness of the proposed installation of noise barriers and the visual impact of the noise barriers on the rural setting of the area, and in this connection queried whether other alternative noise mitigation measures could be considered such as planting trees and using noise-absorbing materials for road surfacing.
- (c) At the joint Panel meeting held on 23 January 2003 to discuss traffic noise mitigation measures, Members present supported the following five guiding principles in considering the provision of noise barriers:
 - (i) compliance with existing statutory requirements;
 - (ii) timely implementation of mitigation measures, i.e. noise barriers;
 - (iii) setting priority for existing roads in the retrofit programme according to excessive noise levels;
 - (iv) for existing roads, cost-effectiveness of noise barriers; and
 - (v) paying due attention to the aesthetic design of noise barriers.

62. Dr TANG Shiu-tong said that he was in support of the proposed widening project but would like to relate the request of the Shap Pat Heung Rural Committee to construct a slip road from the Shap Pat Heung Interchange connecting YLH and Tai Tong Road to provide convenience to the residents in the Shap Pat Heung South area. He was of the view that as there was already a plan to construct on the south side of the Shap Pat Heung Interchange a flood-prevention duct to be flanked by service roads, providing the said slip road should not involve substantial additional cost but would greatly benefit the several tens of thousands of residents and vehicular traffic in that area.

63. Taking note of Dr TANG's concern, DS (TW) said that he would follow up the request with the Transport Department, although some technical difficulties were anticipated. He also advised that consideration would be given to some improvement works at the Pok Oi Roundabout to relieve the traffic flow in the area.

64. The item was voted on and endorsed.

HEAD 705 – CIVIL ENGINEERING

PWSC(2002-03)85 51DP Environmental improvement of Shing Mun River

65. Members noted that this proposal had been discussed by the Panel on Environmental Affairs on 25 November 2002 and the Administration had provided a summary of the report on a recent survey on the public perception of the environmental improvement of the Shing Mun River.

66. Mr LAU Kong-wah expressed dissatisfaction that his concerns raised at the said Panel meeting had not been addressed in the discussion paper. Specifically, he referred to paragraph 16 of the paper which stated that "upon completion of these sewerage works (i.e. the on-going Tolo Harbour Stage 1 sewerage scheme), the Biochemical Oxygen Demand load in the discharge to the River would be reduced further from the current 550 kilograms (kg) per day to 440 kg per day". He pointed out that in other words, while the proposed Stage 2 environmental improvement works, with which the present proposal was concerned, were undertaken to remove existing pollutants at the riverbed, some 80% of the existing pollution load from unsewered villages in the River catchment would continue to be discharged into the River. Mr LAU opined that the money and efforts spent on the Stages 1 and 2 improvements works would be futile if the water quality of the River could not be upgraded upon completion of the improvement works.

67. In replying, the Principal Assistant Secretary for the Environment, Transport and Works (Environment) 1 (PAS(E)) pointed out that water quality of the River had generally improved over the years with the continuous efforts on various fronts to reduce water pollutants by some 94% in 2001 as compared with the situation in 1987. Completion of the Stage 1 improvements works for the River had brought great relief to the odour problem and improved the quality of sediments at the riverbed. On water quality improvement, he advised that the water quality of the River was "good" at present. Upon completion of the sewerage connection works for the remaining unsewered villages within the River catchment, there would be further improvement in water quality. However, this sewerage connecting process would take some time to complete. He stressed that the progress of the sewerage connection works would not have any negative bearing on the sustainability of the improvement brought about by the Stages 1 and 2 environmental improvements works for the River, as these improvement works were targeted at the odour problem. Hence, the proposed Stage 2 improvement works and the phased sewerage scheme for unsewered villages in the River catchment should be considered as separate issues.

68. Mr LAU Kong-wah did not subscribe to the view that the continued discharge of pollutants from unsewered villages within the River catchment should be viewed as a separate issue from the proposed environmental improvement works. He remained concerned that the efforts and money spent on the improvement works would be futile if the pollution of the River was not tackled at source, i.e. the unsewered villages under the present circumstances. He sought information on the timetable for the sewerage connection works for the unsewered villages.

69. PAS(E) advised that the Tolo Harbour Stage 1 sewerage scheme connecting 33 unsewered villages in the River catchment would soon be completed in 2004. Subject to the outcome of the Stage 1 works and the findings of the Review of North District and Tolo Harbour Sewerage Master Plans, the Administration would finalise the scope and timing for implementation of the Stage 2 sewerage scheme to cater for the remaining unsewered villages within the River catchment. A definite timetable for the Stage 2 sewerage scheme was not available at this stage.

70. While sharing the concern of Mr LAU Kong-wah, Ms Cyd HO enquired about the possible environmental impact of the disposal of the contaminated mud removed from the riverbed at East Sha Chau. The Principal Environmental Protection Officer (Territory North) (PEPO(TN)) advised that the transportation and disposal of contaminated mud was regulated according to prescribed procedures. According to the relevant environmental impact assessment and the subsequent environmental monitoring results, the disposal of contaminated mud at East Sha Chau had not caused undue environmental impact. In reply to a further enquiry from Ms Cyd HO, the Director of Environmental Protection advised that the East Sha Chau disposal pit had been in service for some years. A very detailed environmental impact assessment had been conducted before the site was used for contaminated mud disposal. The site was also subject to regular monitoring in respect of water quality and the conditions of marine lives and organisms. The dumped materials at the pit would be covered up and sealed with a clean and thick layer of mud and regular checks were conducted with reports submitted to the Advisory Council on the Environment. So far, no negative impact on the marine environment had been registered.

71. PEPO(TN) echoed PAS(E) that the improvement works under the present proposal were aimed at tackling the odour problem not directly related to the water quality issue. He also advised that Shing Mun River, being situated in the midst of a populated town area, was subject to pollution from various sources apart from pollutants discharged from unsewered villages. That said, the Administration was determined to tackle the problem on all fronts, including the phased implementation of sewerage connection works and statutory enforcement against illegal discharges to the River. With these sustained efforts, the water quality of the River could be maintained at the "good" level.

72. In reply to Mr Andrew WONG's enquiry about the number of villages covered in Stage 1 and Stage 2 of the Tolo Harbour sewerage scheme, PEPO(TN)

admin advised that Stage 1 would connect 33 unsewered villages in the River catchment and so far 26 of these had been connected and the works for the remaining seven villages were scheduled for completion by 2004. Stage 2 would also cover about 33 villages of which some 10 villages were once considered target villages for sewerage connection. According to past considerations, sewer connection at the 10 villages would commence in 2005-06 to be completed by 2008-09. He also advised that all the unsewered villages were currently served with septic tanks. As the findings of the Review of North District and Tolo Harbour Sewerage Master Plans were not available, the exact time-frame for launching the Stage 2 sewerage scheme was not yet decided. At the request of Mr WONG, the Administration agreed to provide, before the relevant FC meeting, the respective number and names of seweraged and unsewered villages within the catchment of Shing Mun River.

Admin 73. In this relation, Mr LAU Kong-wah opined that the crux of the problem rest with the fact that the sewerage connection programme did not tie in with the environmental improvement works for the River. At his request, the Administration agreed to provide, before the relevant FC meeting, information on the tentative implementation timetable and coverage of the Tolo Harbour Stage 2 sewerage scheme, and on how far the completion of the Stage 2 scheme could improve the water quality of Shing Mun River.

74. The item was voted on and endorsed.

HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

PWSC(2002-03)88 7QJ Conversion of the Bethanie into the second campus for The Hong Kong Academy for Performing Arts

75. Mr Andrew WONG declared interest that he was a member of the Council of the Academy for Performing Arts (APA).

76. Members noted that an information paper on this proposal had been circulated to members of the Home Affairs Panel on 31 December 2002.

77. Ms Cyd HO said that she was in full support of putting historic buildings to good use. She pointed out that historic buildings would require proper maintenance and expectedly such would need to be undertaken at a higher cost in view of the need for services from specialists. In the face of an impending blanket subvention cut-back by the Government on tertiary education, she was concerned whether the maintenance cost for the Bethanie building would pose a financial burden on APA and thus enquired about the relevant funding arrangement. Mr Andrew WONG shared the concern about the funding arrangement for the maintenance cost.

78. In reply, the Principal Assistant Secretary for Home Affairs (Culture) 1 (PAS(C)1) advised that Government's recurrent subvention for APA was in the region of \$190 million per annum. This subvention was allocated as a lump sum by the Home Affairs Bureau (HAB). It was estimated that the additional annual recurrent expenditure arising from this project, upon its scheduled completion in mid-2004, would be \$7.7 million. The Bureau was fully aware of the impact of this additional expenditure on the overall budgetary situation of APA in future. The Bureau would discuss with APA whether this additional expenditure could be absorbed within the current level of subvention.

Admin

79. Noting this, Ms Cyd HO and Mr Andrew WONG were concerned that the need to squeeze out some \$7.7 million from the annual subvention for APA to cover the maintenance cost of the Bethanie building would present an undue financial burden on APA in future. Ms Ho requested the Administration to actively consider setting aside a separate provision for APA or HAB to cover the maintenance expenditure. Mr Andrew WONG supported Ms HO's request and remarked that APA was required to open the Bethanie for public viewing and leisure walking under the tenancy agreement. At Ms HO's request, the Administration agreed to provide, before the relevant Finance Committee meeting, further clarification on the funding arrangement in respect of the additional annual recurrent expenditure arising from the project.

Admin

80. On Ms Cyd HO's concern about the role of the Antiquities and Monuments Office (AMO) in the maintenance of the Bethanie building, AD (H&M) confirmed that AMO's monitoring of the maintenance of the Bethanie building was on a long-term basis to ensure that prescribed standards and rules were complied with and any departure from these would require AMO's prior consent. As to whether this project would create employment opportunities for local artists and craftsmen, the Administration agreed to provide relevant information before the relevant FC meeting.

81. Mr IP Kwok-him asked whether a "glazed tiled pitched roof" referred to in paragraph 10 of the paper would likely allow more sunlight to penetrate into the building and thus result in higher expenses for maintaining a cooling system. CPM(SU) replied that expert advice from specialists had been sought prior to the adoption of the design and the new glass material chosen could reduce the penetration of heat into the building.

82. Mr LAU Ping-cheung enquired about the criteria and mechanism for selection of organizations for allocation of historic buildings for their use and how APA had been selected in this case. The Chief Property Manager, Government Property Agency explained that in normal circumstances, an unoccupied Government building would first be put up for open bidding among Government departments. If no Government departments were interested or their proposed uses were considered not suitable, the building would be put up for sale or for rental in the private sector. If there was a lack of interest from the commercial sector or the relevant building was not suitable for commercial purposes, consideration would be given to allocate the building for rental to non-

governmental organizations (NGOs) after consulting the policy bureau concerned. In this case, some NGOs apart from APA had expressed interest in leasing the Bethanie. Upon consultation with HAB, it was decided that APA should be allocated the building for their proposed uses as APA's proposal was most mature.

83. Noting this, Mr LAU Ping-cheung further enquired whether some objective criteria were in place for the allocation of historic buildings for use by NGOs. In response, the Deputy Secretary for Home Affairs and PAS(C)1 advised that according to the expert advice sought, the Bethanie building was most suitable for activities related to art and culture. Moreover, according to the Planning Department, the Bethanie site was intended for land uses of a relatively passive nature. While HAB and GPA had received some conceptual proposals from some interested NGOs, APA's proposal was the most mature among these proposals and its proposed uses well fitted with the characteristics of the building and the objective of preserving the historic building. PAS(C)1 further advised that APA had undertaken discussions with other interested NGOs and thereafter had incorporated in its proposal some preferred uses as suggested by these organizations, such as using the small chapel for religious functions on Sundays.

84. In reply to Mr Andrew WONG's enquiry, PAS(C)1 advised that basically, the Government would be responsible for the maintenance of the external walls and the structure of the building. Under the tenancy agreement, APA would be responsible for the routine maintenance of the servicing facilities of the building and the slopes within the site and for taking care of the peripheral landscaping areas.

85. The item was voted on and endorsed.

Items PWSC(2002-03)84, 89, and 90

86. As the meeting had overrun, members agreed that the remaining items on the agenda, i.e. Items PWSC(2002-03)84, 89, and 90 would be deferred to the next scheduled meeting on 26 February 2003 or another meeting to be arranged.

87. The meeting ended at 1:25 pm.