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Public Works Subcommittee of the Finance Committee

Minutes of the 8th meeting
held in the Chamber of Legislative Council Building
on Wednesday, 12 February 2003, at 9:30 am

Members present :

Ir Dr Hon Raymond HO Chung-tai, JP (Chairman)
Hon Kenneth TING Woo-shou, JP
Dr Hon David CHU Yu-lin, JP
Hon Cyd HO Sau-lan
Hon James TO Kun-sun
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 Andrew CHENG Kar-foo
Dr 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, JP
Hon WONG Sing-chi
Hon IP Kwok-him, JP
Hon LAU Ping-cheung

Members absent:

Hon Albert CHAN Wai-yip (Deputy Chairman)
Hon Eric LI Ka-cheung, JP
Hon Fred LI Wah-ming, JP
Hon WONG Yung-kan
Hon CHOY So-yuk

Public officers attending:

Mr Keith K K KWOK, JP	Deputy Secretary for the Environment, Transport and Works (Transport and Works) W1
Mr W S CHAN, JP	Deputy Secretary for the Environment, Transport and Works (Transport and Works) W2
Mr Thomas TSO, JP	Deputy Secretary for Housing, Planning and Lands (Planning and Lands) 1
Miss Elizabeth TSE, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)3
Miss Janice TSE	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mr C H YUE, JP	Director of Architectural Services
Mr C M CHAN	Chief Technical Adviser (Subvented Projects) Architectural Services Department
Mr David Y T CHEUNG	Chief Engineer/Consultants Management Drainage Services Department
Dr Ellen CHAN Ying-lung	Assistant Director of Environmental Protection (Waste Facilities)
Mr Eddie ROBLIN, JP	Deputy Project Manager/Major Works (1) Highways Departments

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

I Overview of potential submission to the Public Works Subcommittee in the 2002-03 legislative session

(PWSCI(2002-03)36

— Information paper on “Forecast of submissions for the 2002-03 Legislative Council Session” provided by the Administration

LC Paper No. PWSC67/02-03(01)

— Supplementary information on the 87 items proposed for submission to the Public Works Subcommittee within the 2002-03 legislative session)

Process of consultation on financial proposals for capital works projects

The Chairman drew members' attention to the purpose of this special meeting, which was one of the new arrangements to improve the process of consultation on financial proposals for capital works projects. According to the new arrangements, the Administration should provide a forecast of submissions to the Public Works Subcommittee (PWSC) at the beginning of each legislative session and a special PWSC meeting would be held to enable members, including non-PWSC Members, to enquire about the projects contained in the list of potential submissions. The purpose of the special meeting was to provide PWSC members and other Members with an overview of the capital works items scheduled for implementation in the legislative session and to enable them to understand whether policy implications were involved.

2. The Assistant Secretary General 1 drew members' attention that after the special meeting, the list of potential submissions to PWSC would be circulated to all Panels which would be requested to indicate which projects would likely require discussion at the Panels.

3. At the Chairman's invitation, the Deputy Secretary for Financial Services and the Treasury (Treasury)³ (DS(Tsy)³) said that to provide members an overview of funding proposals for capital works projects for the relevant legislative session, the Administration had started the practice of providing a list of potential submissions to PWSC in the 2001-02 legislative session. Referring to the list provided under PWSCI (2002-03)36, she informed members that among the 87 capital works project items scheduled for submission to PWSC in the remainder of the 2002-03 session, 8 had been endorsed by PWSC at its meetings on 22 and 29 January 2003 and about 50% of the remaining 79 items were expected to be presented to relevant Panels prior to deliberation by PWSC. The rest, comprising mainly school projects, would be submitted directly to PWSC as these projects did not involve new or controversial policy issues and thus prior discussion at Panel meetings was considered not necessary. She assured members that the Administration would adhere to the principle of consulting Panels on

project proposals which were large scale and/or involved controversial or new policies. She welcomed members' views on the need for prior consultation with relevant Panels for individual projects.

4. The Chairman pointed out that in the past, quite a number of additional PWSC meetings had to be arranged towards the end of the legislative session in order to ensure timely consideration of all the project proposals planned for submission within the session. This had added burden to the pressing commitments of PWSC members during the last few months of the sessions. He urged the Administration to have better advance planning so that additional meetings if necessary could be evenly distributed during the session. In response, DS(Tsy)3 assured members that the Administration would always make every effort to plan early and to achieve optimum scheduling of submissions to PWSC. She however appealed for members' appreciation that unforeseeable circumstances often arose in the course of project planning and public consultation, and thus the schedule of PWSC submissions was subject to constant adjustments during the year.

5. Mr TAM Yiu-chung asked whether certain capital works items had been withheld by proponent departments due to the recent requirement on these departments to absorb the recurrent consequences arising from capital works projects within their current level of resource provision. In response, DS(Tsy)3 explained that the recurrent expenditure of capital works projects had all along been taken into consideration by proponent bureaux/departments in working out the financial implications of the projects. Given known fiscal constraints, bureaux and departments had in fact exercised greater caution in considering the affordability of projects they proposed. For Government as a whole, however, resources would still be made available for essential and well-justified capital works projects. In reply to Mr TAM's further enquiry on how far the consideration of economic benefits had affected the implementation of projects on the provision of leisure and recreational facilities to residents of new towns, DS(Tsy)3 said that all bureaux/departments were required to prioritize the capital works projects under their purview to achieve the best use of public resources in meeting the demands for public facilities. She affirmed that the Administration noted the views of Legislative Council (LegCo) Members made at the motion debate on 4 December 2002 on the Government's commitment to infrastructural investments and the possibility of private sector participation in delivering some of the projects. She said that the option of private sector participation would be explored in planning for projects, such as those on leisure and cultural facilities.

6. Mr Kenneth TING and Mr IP Kwok-him opined that the provision of the list of potential submissions to PWSC was a good move for improving the consultation process of capital works projects. The Chairman added that in providing the list, the Administration should include, as far as possible, details about the project proposals to facilitate fruitful discussion at the special PWSC meeting and Members' consideration of the need for prior discussion at Panel meetings before submission to PWSC. In response, DS(Tsy)3 said that the Administration would endeavor to make improvements to the process of

consultation with LegCo Panels for capital works projects. She pointed out that apart from the list of potential submissions to PWSC, individual bureaux had also provided the respective Panels with their proposed discussion items for the legislative session at the beginning of the session. These proposed discussion items included the PWSC items on which the Administration intended to consult the Panels in advance.

7. Responding to Mr IP's enquiry, DS(Tsy)3 said that the sequence of the potential submissions in the list was arranged mainly according to the target contract start dates of the project items. The list of potential submissions and the supplementary information on individual items were prepared to the Administration's best knowledge at the time of preparation. The actual timing of submission would depend on various factors, such as the consultation with Panels and the public. She also advised that the Administration had already earmarked funds for implementation of the capital works projects included in the list. Hence, changes in the timing of submission to PWSC would not affect the availability of funds required for the projects.

8. Mr WONG Sing-chi asked apart from the need to address issues arising from the consultation with Panels, what other factors would contribute to delay in the submission of the potential items to PWSC. In reply, DS(Tsy)3 stressed that the Administration intended to submit all the items included in the list within the current legislative session. Subsequent revision in the timing of submission would be caused by unforeseeable circumstances. Flexibility in the timing of submission should therefore be allowed to cater for these circumstances. The Deputy Secretary for Environment, Transport and Works (Transport and Works) W1 (DS(TW)W1) added that where the project design was required to be revised in response to comments received during public consultation, more time might be required to prepare the revised design for submission to PWSC.

9. Mr Abraham SHEK urged the Administration to expedite the administrative and planning procedures for implementation of capital works projects so that more job opportunities could be provided in the near future for workers in the construction industry. DS(TW)W1 explained that following the implementation of measures to accelerate the delivery of capital works projects in 2001, the lead time from inception to commencement of construction of a typical engineering or building project had been shortened from six years to less than four years. He advised that to further expedite the delivery of public works projects, the Administration had gazetted the Foreshore, Sea-bed and Roads (Amendment) Bill 2003 on 7 February 2003. The Administration proposed to reduce the period available to the public to raise objections under the existing legislation from two months to one month and the resolution of objections from a maximum period of nine months to four months. The proposed legislative amendments would shorten the pre-construction lead time of public works projects. He assured members that the Administration was trying its best to reduce the lead time required for the administrative and planning procedures through different measures including taking parallel actions for the environment impact assessments and the gazetting of proposed works. The Chairman commented that the proposed legislative

amendments for shortening the objection period were controversial, and the expected effect on accelerating the delivery of capital works projects was limited.

Discussion on the potential submissions to PWSC for the 2002-03 session

9323WF - Provision of water supply to Ngong Ping

10. Ms Emily LAU referred to item "*9323WF - Provision of water supply to Ngong Ping*" and recent press reports about the high cost involved in the provision of water supply to remote villages with a small number of residents, and asked whether the Administration had re-examined this type of projects with regard to the cost-effectiveness of the proposed mode(s) of water supply. She also expressed concern about the visual impact of some above-ground water mains on the countryside environment, and opined that the Administration should try to minimize the visual impact of water mains on the countryside environment in designing the water supply facilities.

11. In response, the Deputy Secretary for Environment, Transport and Works (Transport and Works)W2 (DS(TW)W2) said that the proposed water supply facilities for Ngong Ping was necessary to cope with the anticipated increase in demand resulting from the tourist-related and recreation developments in Ngong Ping, such as the cable car terminal. He recalled that when the project proposal was considered by PWSC on 22 January 2003, the Administration had undertaken to provide information on the existing and forecast demand for fresh water in Ngong Ping. He affirmed that the cost-effectiveness of other approved projects for provision of fresh water to remote villages had been assessed and considered in order. A review on the provision of water supply to remaining remote villages would be completed in two to three months. The Administration had undertaken to report the findings of the review to the Panel on Planning, Lands and Works. Among the potential items scheduled for submission to PWSC in the 2002-03 legislative session, there was no other item on water supply to remote villages.

3151TB - Installation of air-conditioning at Lo Wu Footbridge

12. On the item "*3151TB - Installation of air-conditioning at Lo Wu Footbridge*", Mr LAU Kong-wah opined that the Administration should submit the project proposal to PWSC as soon as possible so that the installation works could be completed before the summer of 2004. In reply, the Director of Architectural Services (D Arch S) said that the Architectural Services Department (Arch SD) was undertaking the design of the project in co-operation with the Shenzhen authorities and in consultation with the Advisory Committee on Appearance of Bridges and Associated Structures. While the design work could be completed around March 2003, the timing for consultation with the Panel on Security and submission to PWSC would be determined by the Security Bureau.

7465CL - South East Kowloon development - waterfront facilities and Kai Tak Nullah/Kwun Tong typhoon shelter reclamation

13. Miss CHAN Yuen-han was concerned about the progress of the item "*7465CL - South East Kowloon development - waterfront facilities and Kai Tak Nullah/Kwun Tong typhoon shelter reclamation*". She recalled that the Finance Committee had adjourned the discussion on the funding proposal for the project on 15 July 2002, and enquired about the Administration's latest plan for the development of South East Kowloon. The Deputy Secretary for Housing, Planning and Lands (Planning and Lands) (DS(PL)) advised that the Administration's plan had always been to develop South East Kowloon in stages. Current priority was to enable the early commissioning of the proposed Cruise Terminal. As the discussion on the funding proposal of the project was adjourned by the Finance Committee in July 2002, the Administration planned to re-submit the project proposal to PWSC in May 2003. In response to Miss CHAN's further enquiry, DS(PL) said that the Administration had not shelved the development plan for South East Kowloon. However, as development would proceed in stages, temporary use of the land already available for promotion of economic activities within the Pearl River Delta region could be further considered. He also pointed out that in the development process, there would always be scope for refinement to meet changing circumstances.

New item — Construction of boundary-crossing facilities at Huanggang under the "co-location" arrangement

New item — Construction of boundary-crossing facilities at Shenzhen Western Corridor under the "co-location" arrangement

14. In response to Mr LAU Kong-wah's enquiry about the feasibility of advancing the submission of item "*New item — Construction of boundary-crossing facilities at Huanggang under the "co-location" arrangement*", D Arch S said that the timing for commencement of construction works would hinge on the progress of discussion with the Mainland authorities and the project was currently at the initial design stage. Ms Miriam LAU shared Mr LAU Kong-wah's concern about the timing for commencement of construction works for the boundary-crossing facilities (BCF) at Huanggang. Noting the information provided by the Administration that the broad understanding reached with the Mainland was to implement the co-location arrangement at Huanggang before its implementation at the Shenzhen Western Corridor (SWC), for which there was a separate item "*New item — Construction of boundary-crossing facilities at Shenzhen Western Corridor under the "co-location" arrangement*", Ms LAU sought information on the implementation schedules of the two items.

15. While stressing that the respective schedules of implementation of BCF at Huanggang and SWC would hinge on the policy consideration of the Security Bureau, D Arch S advised that Arch SD was undertaking project design work to prepare for the implementation. As far as technical aspects for the construction

works were concerned, the tentative schedule was to commence works in September 2004 for the BCF at SWC, with expected completion in April 2006. For the BCF at Huanggang, the tentative schedule was to commence works in late 2003.

3063KA - Central Government Complex, Legislative Council Complex, Exhibition Gallery and Civic Place at Tamar, Central

16. Ms Emily LAU commented that the design-and-build approach adopted for the project "*3063KA - Central Government Complex, Legislative Council Complex, Exhibition Gallery and Civic Place at Tamar, Central*" would possibly result in compromising the design for cost control of the project as a whole by the contractor. Mr LAU Ping-cheung echoed and added that some LegCo Members had suggested to get the best design for the project through an international competition but to their disappointment, the Administration insisted on using the design-and-build approach. Mr Abraham SHEK shared the concern of Ms Emily LAU and Mr LAU Ping-cheung. Pointing out that the future development on the Tamar site was intended to become the prime civic core in Hong Kong and would be a prominent landmark at the Harbour waterfront, Mr SHEK commented that the public should be given the opportunity to comment on the proposed designs for the project. He suggested that instead of relying only on the Special Selection Board to choose among the designs proposed by the five pre-qualified tenderers, the design proposals should be made available for public comments before a decision was made. Ms Emily LAU and Miss CHAN Yuen-han concurred with Mr SHEK's view. They emphasized the need to involve the public in delivering such an important public project, and considered that the spirit of open and transparent government would not be realized if the public were not provided any opportunity to express views on the design proposals for the project throughout the project implementation process.

17. In response, DS(Tsy)3 said that evaluation would be conducted in a fair manner and the evaluation panel comprised two members from LegCo, i.e. the incumbent President and the President's Deputy. She stressed that the Administration had to exercise extra care with regard to the release or otherwise of information relating to the pre-qualification submissions of the pre-qualified tenderers and/or their subsequent proposals for the design-and-build tender to ensure fairness of the tendering process. D Arch S explained that the Administration was coordinating users' returns on the detailed user requirements for the Tamar site development for inclusion in the tender document, which was scheduled for publication in May 2003. He pointed out that as the concept designs provided by potential tenderers during the pre-qualification exercise could be modified having regard to the detailed user requirements in the tender document, the concept designs might be different from the subsequent designs submitted by pre-qualified tenderers for the design-and-build tender.

18. Ms Emily LAU maintained her view that the Administration should involve members of the public in the selection of the design for the Tamar site project. She urged the Administration to explore feasible arrangements to solicit

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public views on the design proposals for the project without compromising the fairness of the tendering process, so that the Special Selection Board could take into consideration views from different sectors of the community in the process of selection. In this connection, she requested the Administration to provide an information paper to the Panel on Planning, Lands and Works on the possible arrangements for releasing information on the proposed project designs for public comments. DS(Tsy)3 said that she noted Members' sentiments and would liaise with the Director of Administration to consider the way forward.

New item — Planning and Infrastructure Exhibition Gallery - exhibits design and fabrication

19. Ms Emily LAU pointed out that some LegCo Members had expressed reservation over the inclusion of the Exhibition Gallery at the Tamar site in view of the limited site area for accommodating all the proposed building structures, namely, the Central Government Complex, the LegCo Complex and the Exhibition Gallery. Responding to Ms LAU's enquiry about the scope of works under the item "*New item — Planning and Infrastructure Exhibition Gallery - exhibits design and fabrication*", D Arch S clarified that the scope of the project comprised a consultancy study on detailed exhibit design, contract administration and site supervision for exhibition works, and internal fitting-out, facilities installation, exhibits fabrication/installation and other related works for the Exhibition Gallery. The design and construction of the Exhibition Gallery would be covered by project 3063KA and undertaken together with the other structures on the Tamar site so that the overall design of the buildings and facilities to be constructed on the site would be in harmony and compatible with one another. He added that all the five designs selected by the Special Selection Board during the pre-qualification exercise could well accommodate the Exhibition Gallery as part of the Tamar site development.

20. In reply to Ms Emily LAU's further enquiry on the nature of the exhibits to be provided in the Exhibition Gallery, D Arch S referred to the "Hong Kong Infrastructure Experience" exhibition being staged at the Hong Kong Planning and Infrastructure Exhibition Gallery at Edinburgh Place, Central, where exhibits on the existing and planned major infrastructure projects in Hong Kong were being displayed. He said that the proposed exhibits for the Exhibition Gallery at the Tamar site would be of similar nature but much larger in scale and richer in content. Ms LAU doubted whether the general public and tourists would be interested in exhibits on planning and infrastructure projects in Hong Kong. In response to Ms LAU's enquiry about the number of visitors for the existing exhibition gallery, D Arch S said that despite the small size of the existing gallery at Edinburgh Place, it was frequented by different groups of visitors including schools and community groups. The Chairman commented that while the existing exhibition gallery was rather small, the exhibits therein were interesting and informative.

21. Mr Abraham SHEK expressed support for the Exhibition Gallery at the Tamar site and opined that this could provide both Hong Kong citizens and tourists valuable information about the development of infrastructure in Hong Kong as

well as the tremendous achievements made in this respect. He pointed out that similar exhibitions were successful and popular in other cities, such as Shanghai.

3073LC - Reprovisioning of Victoria Prison at Lai Chi Kok old staff married quarters site

5072LC - Prison development plan at Hei Ling Chau - feasibility study and preliminary site investigation for land formation and infrastructure works

22. Mr LAU Ping-cheung referred to the item "*3073LC - Reprovisioning of Victoria Prison at Lai Chi Kok old staff married quarters site*". Noting that the project was for the temporary reprovisioning of Victoria Prison to release the existing site for tourism development, Mr LAU enquired about the expected duration for this temporary arrangement and the long-term plan for the usage of the converted facilities at Lai Chi Kok when the Victoria Prison was subsequently reprovisioned to the Hei Ling Chau prison complex. He doubted whether this arrangement was cost-effective. In reply, the Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works) (PAS(Tsy)) referred members to the item "*5072LC - Prison development plan at Hei Ling Chau - feasibility study and preliminary site investigation for land formation and infrastructure works*", and advised that the proposed prison complex at Hei Ling Chau was scheduled for completion in 2016 tentatively. The proposed temporary reprovisioning of the Victoria Prison to the Lai Chi Kok site would provide 212 additional female penal places to alleviate the prison overcrowding problem. The temporary facilities would be used at least up to 2016 until the proposed prison complex at Hei Ling Chau was completed and put into use. As regards the future planned usage of the temporary prison facilities at Lai Chi Kok, D Arch S undertook to relay the message to the Security Bureau for a reply to members after the meeting.

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3031NM - General improvement works to Ngau Chi Wan Market

23. Referring to the item "*3031NM - General improvement works to Ngau Chi Wan Market*", Miss CHAN Yuen-han pointed out that the "Subcommittee to follow-up the outstanding capital works projects of the former municipal councils" (the Subcommittee) had considered the Administration's proposals for the retro-fitting of air-conditioning (A/C retro-fitting) and general improvement works to markets and/or cooked food centres (CFC), including the Ngau Chi Wan Market. Whilst members of the Subcommittee had urged the Administration to actively consider A/C retro-fitting to markets and CFCs, Miss CHAN doubted why the Administration had decided to carry out general improvement works to Ngau Chi Wan market instead of A/C retro-fitting before an agreement was made at the Subcommittee meeting.

24. D Arch S informed members that the Administration would brief the Subcommittee on the latest position for A/C retro-fitting and general improvement works to 19 existing markets and/or CFCs at its meeting scheduled for 19 February 2003. He advised that the improvement works for the Ngau Chi Wan Market was

considered as part of the package of similar works proposed for markets and/or CFCs. PAS(Tsy) supplemented that A/C retro-fitting would only be carried out for markets with a support rate of 85% or above of all the stall lessees. She explained that a reasonably high support rate was crucial to the smooth implementation of A/C retro-fitting works as the operation of some of the stalls would be affected during the works. Moreover, the Administration had to ascertain that the vast majority of stall lessees would be willing to shoulder the A/C recurrent costs before the works were embarked upon. For those markets and CFCs which had a support rate of less than 85%, the Administration proposed to undertake essential improvement works in compliance with the latest statutory requirements (including works to comply with fire safety requirements) and/or other general improvement works, such as upgrading of existing ventilation systems.

25. Noting that a number of items in the list of potential submissions were for the provision of headquarters for government departments, Mr LAU Kong-wah asked whether these items were necessary under the present financial position. In response, DS(Tsy)3 said that the projects included in the list were considered justified on operational grounds after examining all the factors including the recurrent consequences of the projects. The Administration would consult the relevant Panels on the project proposals before submission to PWSC.

26. Noting that a large number of the capital works projects in the list of potential submissions involved improvement or construction of schools, Mr Henry WU urged the Administration to ensure the inclusion of green corners and to examine the application of renewable energy in the project design. In response, D Arch S said that the Electrical and Mechanical Services Department had commissioned a study on the viability of using renewable energy resources in Hong Kong. The overall approach for the application of renewable energy in capital works projects would be determined based on the outcome of the study. In the meantime, D Arch S assured members that Arch SD would consider the feasibility of applying renewable energy, in particular the use of solar energy, in the design of individual projects.

27. In response to Mr LAU Ping-cheung's query on the propriety of providing three broad categories for the indicative cost of proposed projects, DS(Tsy)3 said that while a precise estimate for each project would be worked out nearer the time of submission to PWSC, the Administration attempted to provide simple indication on the estimated cost of the projects to give members a rough idea on their respective scale.

28. The meeting ended at 10:55am.