

**立法會**  
**Legislative Council**

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**Public Works Subcommittee of the Finance Committee**

**Minutes of the 13<sup>th</sup> meeting**  
**held in the Chamber of Legislative Council Building**  
**on Wednesday, 21 May 2003, at 10:45 am**

**Members present :**

Ir Dr Hon Raymond HO Chung-tai, JP (Chairman)  
Hon Albert CHAN Wai-yip (Deputy Chairman)  
Hon Kenneth TING Woo-shou, JP  
Dr Hon David CHU Yu-lin, JP  
Hon Eric LI Ka-cheung, JP  
Hon CHAN Kam-lam, JP  
Hon Andrew WONG Wang-fat, JP  
Hon WONG Yung-kan  
Hon YEUNG Yiu-chung, BBS  
Hon LAU Kong-wah  
Hon Miriam LAU Kin-yee, JP  
Hon Andrew CHENG Kar-foo  
Dr Hon LAW Chi-kwong, JP  
Hon TAM Yiu-chung, GBS, JP  
Hon Henry WU King-cheong, BBS, JP  
Hon WONG Sing-chi  
Hon IP Kwok-him, JP  
Hon LAU Ping-cheung

**Members absent:**

Hon Cyd HO Sau-lan  
Hon Fred LI Wah-ming, JP  
Hon James TO Kun-sun

Hon CHAN Yuen-han, JP  
Hon SIN Chung-kai  
Hon Emily LAU Wai-hing, JP  
Hon CHOY So-yuk  
Dr Hon TANG Siu-tong, JP  
Hon Abraham SHEK Lai-him, JP

**Public officers attending:**

Miss Elizabeth TSE, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) <sup>3</sup>
Mr Y C LO, JP	Permanent Secretary for the Environment, Transport and Works (Transport and Works) W1
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 Raymond CHEUNG	Director of Drainage Services
Mr K C NG	Chief Engineer/Project Management Drainage Services Department
Mr Ambrose LEE	Commissioner for Independent Commission Against Corruption
Mr Daniel LI	Head of Operations Independent Commission Against Corruption
Mrs Betty CHU	Assistant Director/Administration Independent Commission Against Corruption
Mr C H YUE, JP	Director of Architectural Services
Mr MOK Kam-kwan	Deputy Government Property Administrator Government Property Agency
Mr Patrick LI	Principal Assistant Secretary for Education and Manpower (Infrastructure and Research Support)
Mr Edward LAW	Principal Assistant Secretary for Health, Welfare and Food (Food and Environmental Hygiene) <sup>2</sup>
Mr Donald TONG	Deputy Director of Food and Environmental Hygiene (Administration and Development)
Mr YEUNG Shun-kui	Assistant Director of Food and Environmental Hygiene (Operations) <sup>2</sup>
Mrs Angel CHOI	Chief Executive Officer (Planning) <sup>2</sup> Food and Environmental Hygiene Department

**Clerk in attendance:**

Ms Anita SIT	Chief Assistant Secretary (1) <sup>6</sup>
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**Staff in attendance:**

Ms Pauline NG	Assistant Secretary General 1
Mr Matthew LOO	Senior Assistant Secretary (1)3
Ms Caris CHAN	Senior Legislative Assistant 1
Mr Frankie WOO	Legislative Assistant 2

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**HEAD 704 – DRAINAGE**

**PWSC(2003-04)17            92CD            Yuen Long, Kam Tin, Ngau Tam Mei and Tin Shui Wai drainage improvements, stage 1, phase 2 – Kam Tin and Ngau Tam Mei**

Members noted that an information paper on the proposed drainage improvements in Kam Tin and Ngau Tam Mei had been circulated to the Panel on Planning, Lands and Works (PLW Panel) on 22 April 2003.

2. Mr LAU Ping-cheung enquired whether there would be interim measures to alleviate the flooding problem in Kam Tin and Ngau Tam Mei before completion of the proposed drainage improvements in 2006. Mr Albert CHAN considered that the Administration should pledge that adequate mitigation measures would be in place prior to 2006 to ensure that no flooding incident would occur when the amber rainstorm warning was hoisted.

3. In response, the Director of Drainage Services (DDS) advised that the changes in land use over the years had affected the natural dissipation of rainwater in the region, and various flood control measures had been implemented to remedy the problem. The flooding problem in Kam Tin and Ngau Tam Mei had been substantially alleviated following the completion of the drainage channels for Kam Tin River. The proposed drainage improvements were to mitigate the flooding in some local areas in Kam Tin and Ngau Tam Mei during heavy rainstorms. DDS further advised that the Drainage Services Department (DSD) would inspect and repair drainage channels regularly to ensure that any blockages would be cleared and defects rectified. DSD would also pay special attention to construction sites to avoid flooding due to blockage of drains by rubbish and construction waste.

4. In response to Mr LAU Ping-cheung's enquiry about the emergency operation plan of DSD, DDS advised that an Emergency and Storm Damage Organisation was in place under DSD to handle emergency and flooding problems outside office hours. An Emergency Control Centre overseen by senior professionals would be activated when the situation warranted to coordinate emergency clearance of blocked drains and watercourses throughout the territory, to handle complaints and reports of flooding, and to disseminate information within the Government and to the public. There was also real-time monitoring of water levels by telemetry at locations

most likely subject to flooding. When necessary, the District Office and Fire Services Department would be alerted to prepare for emergency evacuation of residents in these areas. In addition, each drainage project construction site had its own emergency teams to clear blockages and report to the Emergency Control Centre of any major problems during inclement weather.

5. Noting that changes in land use had resulted in flooding in the region, Mr Albert CHAN was of the view that the Town Planning Board (TPB) should have taken into account the impact on the drainage of the area concerned when granting approval for changes in land use. He also commented that developers should be responsible for providing mitigation measures to alleviate the flooding problem arising from their developments. Mr CHAN was also concerned about the drainage impact of the large-scale private developments underway in Pat Heung.

6. In response, DDS advised that private developers were required to submit a drainage impact assessment to TPB to support their applications for changes in land use. The Acting Permanent Secretary for Housing, Planning and Lands (Planning and Lands) and DDS also confirmed that the flood control projects in Kam Tin and Ngau Tam Mei had already taken into account the anticipated drainage impact arising from the new developments in the region, including the Pat Heung area.

7. The item was voted on and endorsed.

## **HEAD 703 – BUILDINGS**

<b>PWSC(2003-04)22</b>	<b>61KA</b>	<b>Independent Corruption North Point</b>	<b>Commission Headquarters</b>	<b>Against building,</b>
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8. Mr LAU Ping-cheung declared interest that the company he worked for might bid for the contract for this project.

9. Members noted that the Panel on Security (Security Panel) had discussed this project on 10 April 2003. Mr LAU Kong-wah, Chairman of Security Panel, reported that at the Panel meeting, all members who had spoken on the project expressed support for the project. Members of the Security Panel noted that the estimated money-of-the-day (MOD) project cost for the Headquarters building would be \$55 million lower than the estimated project cost at September 2002 prices. The net operating floor area (NOFA) of the building was 3 827m<sup>2</sup>. The Headquarters building would provide some special facilities including a multi-purpose theatre with a seating capacity of 200, 30 video interview rooms, a multi-purpose training hall and a shooting range.

10. Mr IP Kwok-him expressed support for the proposal. He recalled that ICAC originally proposed to construct the Headquarters building at Tong Shui Road

in North Point. Noting that the Java Road site under the present proposal was larger than the one at Tong Shui Road, Mr IP enquired whether this would affect the floor area of the proposed building and the project cost. In reply, the Commissioner of the Independent Commission Against Corruption (C, ICAC) said that the change of project site was due to the objections from the Eastern District Council and the residents in the neighbourhood of the Tong Shui Road site. As the floor space requirements of the facilities in the Headquarters building were planned in accordance with Government's accommodation regulations and ICAC's functional needs, the change of project site did not affect the total NOFA of the Headquarters building. However, as the Java Road site was larger than the Tong Shui Road site, the number of floors of the Headquarters building had been reduced from 30 to 24 and no basement floors would need to be built. The estimated project cost had thus been reduced.

11. In response to Mr IP Kowk-him's enquiry about the justification for the proposed indoor shooting range, C, ICAC advised that ICAC was the only local law enforcement agency which was authorized to perform firearms-related duties which did not have its own shooting range. ICAC had to use the facilities of the other disciplined services for armed training. Because of the equally high demand for firearms training of other disciplined services, the unoccupied time slots available for use by ICAC officers had been inadequate to meet ICAC's training needs. While ICAC had a statutory duty to carry arms and ammunition in the discharge of its duties under the Witness Protection Ordinance, only some 60 ICAC officers had received full-scale arms training. With the proposed shooting range, ICAC would intensify the firearms and tactical training for its armed officers and this would ensure that ICAC would have sufficient armed officers for deployment. C, ICAC also confirmed that the indoor shooting range had also been included in the original proposal for the Headquarters building at Tong Shui Road.

12. Ms Miriam LAU said that Members of the Liberal Party supported the proposal. She sought explanation on the significant increase in the area of technical services workshops and chambers from 1 035m<sup>2</sup> in the existing offices to 1 929m<sup>2</sup> in the new Headquarters building. The Head of Operations, ICAC (H(O), ICAC) explained that in view of the technology advancement in the past 10 years, more facilities for the research and development of equipment to enhance ICAC's investigating capability and efficiency in operations were required. These facilities included technical rooms specially designed for testing and repairing different types of equipment. Because of space constraints in the existing Headquarters in the Murray Road Carpark Building (MRCPB), the Operation Department had to test and repair equipment in staff offices and the carpark, which was not a satisfactory arrangement.

13. In response to Ms Miriam LAU's enquiry about the reason for providing safe houses in the new Headquarters building, H(O), ICAC advised that as no safe houses were currently provided in ICAC's offices, ICAC had to deploy officers to provide round-the-clock protection for witnesses in rented premises. With the

provision of safe houses in the new Headquarters building, ICAC officers in charge of witness protection could be deployed in a more effective manner. H(O), ICAC also advised that the area of 130m<sup>2</sup> for safe houses could provide six to eight rooms for witness protection.

14. In reply to Ms Miriam LAU's enquiry about the carparking arrangement for visitors, C, ICAC advised that some visitors' carparks would be provided in the new Headquarters building.

15. Mr Albert CHAN said that he basically supported the construction of a purpose-built Headquarters building for ICAC, but he had reservation about the estimated project cost. He pointed out that based on the NOFA of 23 510.9m<sup>2</sup> of the new Headquarters building, the construction cost per m<sup>2</sup> was up to \$30,000, which according to his understanding was much higher than the construction cost for private office buildings. Pointing out that the trend of tender prices for Government projects and renovation costs were on the decline over the past few years, he considered that the estimated project cost for the Headquarters building should also be adjusted accordingly. In response, the Director of Architectural Services (D Arch S) advised that for building projects, the standard practice was to use the construction floor area (CFA) instead of NOFA for the estimation of construction unit cost. For this project, the construction unit cost, represented by the building and building services costs, was \$10,774 per m<sup>2</sup>. This was comparable to the construction unit cost of similar government building projects such as the construction of the New Territories South Regional Headquarters and Operational Base at Tsuen Wan and the redevelopment of the Police Headquarters in Wan Chai, and was lower than the construction unit cost of the new Central Government Complex at Tamar site which made reference to the design standard of Grade A private office buildings.

16. Mr Albert CHAN enquired whether the option of purchasing a private office building and converting the building into ICAC's Headquarters had been considered. In response, C, ICAC advised that ICAC had examined this option but it was not adopted in view of the substantial conversion works and hence high cost required to cater for ICAC's specific operational and training requirements.

17. Mr Albert CHAN enquired about the design of the Headquarters building and asked if drawings were available to illustrate the external outlook of the building for members' reference. In reply, D Arch S advised that the Headquarters building would be constructed under a design-and-build contract. The contractor would be responsible for the design of the building and no drawings on the design were available at this stage. Mr WONG Sing-chi was of the view that the design of the Headquarters building should project the image of ICAC and should not be lavish. At the request of the Chairman and members, D Arch S agreed to provide information on the major design requirements in respect of the external outlook and the interior design for the proposed ICAC Headquarters building.

18. Mr Kenneth TING declared interest as a member of the Operations Review Committee of ICAC. He expressed support for the proposed Headquarters building. In reply to Mr TING's enquiry about the need for 30 video interview rooms in the new building, H(O), ICAC advised that the existing 23 interview rooms in MRCPB had been heavily utilized and were inadequate where there was a large number of persons to be interviewed during large-scale operations. Additional interview rooms were thus required to meet the operational need of ICAC.

19. The item was voted on and endorsed. Mr Albert CHAN requested to record in the minutes that he abstained from the voting.

**PWSC(2003-04)24                      298EP                      Redevelopment of Shaukiwan Tsung Tsin School, Shau Kei Wan**

20. Mr LAU Ping-cheung declared interest that the company he worked for might bid for the contract for this school project.

21. Mr Henry WU expressed support for the redevelopment of Shaukiwan Tsung Tsin School (STTS). As the existing school premises would be demolished, he was concerned about the transitional arrangement for students and the environmental impacts of the demolition and construction works on the neighbourhood, in particular the existing church nearby.

22. The Principal Assistant Secretary for Education and Manpower (Infrastructure and Research Support) (PAS(I&RS), EMB) replied that the Administration had identified school premises in Wah Ha Street, Chai Wan, for the temporary reprovisioning of STTS during the redevelopment. D Arch S added that the Administration planned to start the demolition works in August 2003 for completion in February 2004, and to start the construction works for the new school building in March 2004 for completion in January 2006. A Preliminary Environmental Review for the redevelopment had concluded that with the implementation of mitigation measures as recommended in the review, the redevelopment would not have adverse environmental impacts on the neighbouring developments including the church nearby. The Administration would specify the required mitigation measures in the works contract for the redevelopment.

23. Referring to the projected decline in student population between now and 2007/08 in the latest population forecast, Mr Albert CHAN enquired why the Administration would still propose to redevelop the school. He also asked whether the alternative of constructing a new school building at another site for reprovisioning of the school had been considered. In response, PAS(I&RS), EMB said that the Administration had reported to the LegCo Panel on Education in January 2003 on the review of the demand and supply of school sites. Taking into account the latest population forecast, the Administration would improve school facilities through School Improvement Programme (SIP), reprovisioning and redevelopment

of schools to achieve quality education. In this case, the STTS was a popular school in the district but its long-term development had been hampered by the limited and substandard facilities in the existing premises. As no suitable site could be identified in the district for reprovisioning and the school management did not prefer relocation, the Administration had decided to redevelop the school.

24. Mr Henry WU enquired about the location of the ingress/egress of the carpark at the lower ground floor of new school building. D Arch S advised that the ingress/egress of the carpark would be located at A Kung Ngam Road, but was not indicated on the site plan (Enclosure 1 to the discussion paper).

25. The item was voted on and endorsed.

**PWSC(2003-04)20                      310EP                      A 36-classroom primary school at  
Cheung Sha Wan Road, Sham Shui Po**

26. Mr LAU Ping-cheung declared interest that the company he worked for might bid for the contract for this school project.

27. Mr YEUNG Yiu-chung expressed support for this proposal. He asked whether the new school would be allocated to an existing bi-sessional school in the district for implementation of whole-day schooling. PAS(I&RS), EMB advised that the bi-sessional schools in the district would be given priority in the allocation of the new school building for implementation of whole-day schooling.

28. In reply to Mr Albert CHAN's enquiry, PAS(I&RS), EMB confirmed that running tracks would be provided in the school, and the Administration would consult the school sponsoring body to confirm the design of the running tracks. He also assured members that where feasible, running tracks would be provided for new primary schools. Mr CHAN opined that running tracks should be recognized as a standard facility for primary schools and he requested the Administration to indicate in all future proposals for new primary schools whether running tracks would be provided.

Admin

29. The item was voted on and endorsed.

**PWSC(2003-04)18                      251ES                      Secondary school at Nam Fung Road,  
Aberdeen**

30. Mr LAU Ping-cheung declared interest that the company he worked for might bid for the contract for this school project.



31. PAS(I&RS), EMB responded to Mr Albert CHAN that running tracks would be provided to the schools under agenda items PWSC(2003-04)18 and 19, and the Administration would consult the school sponsoring bodies concerned to confirm the design of the running tracks.

32. The item was voted on and endorsed.

<b>PWSC(2003-04)19</b>	<b>254ES</b>	<b>Secondary school in Area 16, Yuen Long</b>
	<b>315EP</b>	<b>Primary school in Area 16, Yuen Long</b>

33. Mr LAU Ping-cheung declared interest that the company he worked for might bid for the contract for this school project.

34. The item was voted on and endorsed.

#### **HEAD 708 - CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT**

<b>PWSC(2003-04)21</b>	<b>30EC</b>	<b>Construction works for schools in the final phase of the School Improvement Programme</b>
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35. Mr LAU Ping-cheung declared interest that the company he worked for might bid for the contracts for the proposed school improvement works.

36. Mr Henry WU declared interest as the Honorary Permanent President of the Chinese Gold and Silver Exchange Society. The Gold and Silver Exchange Society School was one of the aided primary schools covered in this proposal.

37. In response to Mr YEUNG Yiu-chung's enquiry about the outstanding school improvement works, PAS(I&RS), EMB advised that the five schools under the current proposal was the sixth batch of schools in the final phase of SIP. The Administration was conducting feasibility studies for the remaining five schools under the final phase of SIP, and would seek funding approval for this final batch of schools in SIP in the 2003-04 legislative session.

38. The item was voted on and endorsed.

**HEAD 703 - BUILDINGS****PWSC(2003-04)23            27NM            Retro-fitting of air-conditioning to Fa Yuen Street Market and Cooked Food Centre, Mong Kok**

39. Members noted that the "Subcommittee to follow up the outstanding capital works projects of the former municipal councils" had discussed the retro-fitting of air-conditioning (A/C) for 19 existing markets and/or cooked food centres at its meeting on 19 February 2003.

40. Mr LAU Ping-cheung declared interest that the company he worked for might bid for the contract for the proposed works.

41. Mr IP Kwok-him said that he supported in principle the retro-fitting of A/C to the Fa Yuen Street Market and Cooked Food Centre (Fa Yuen Street Market CFC) but he was concerned about the high estimated project cost of \$79 million. He said that as there were only some 200 stalls and the total floor area of the Market CFC was about 5 350 m<sup>2</sup>, the estimated cost was up to \$0.4 million per stall or \$15,000 per m<sup>2</sup>.

42. In reply, D Arch S clarified that 5 350 m<sup>2</sup> was the total floor area of the Market CFC to be refurbished. In terms of CFA, the estimated construction unit cost was about \$13,000 per m<sup>2</sup>, which was slightly higher than that of a similar retro-fitting project for Yue Wan Market CFC. The higher project cost for the Fa Yuen Street Market CFC was mainly attributed to the additional improvement works including structural strengthening works and installation of an external glass wall adjacent to the escalators. D Arch S also advised that the estimated cost for the construction of a new market and CFC with A/C and similar to the scale of Fa Yuen Street Market CFC was roughly \$200 million.

43. Mr Albert CHAN said that he did not support the proposal. He reiterated his view expressed during the previous discussions on similar projects that it was not justified to use substantial public money to provide A/C to the outmoded CFCs. He also pointed out that there were already many eateries in the neighbourhood of the Fa Yuen Street Market CFC, and that the estimated cost for the proposed works for each floor of the 3-storey Fa Yuen Street Market CFC was around \$26 million, and the unit cost for each of the 22 food stalls would be up to \$1 million. Mr CHAN urged the Administration to critically review the prospects of these CFCs and encourage the stall lessees to surrender their licences by offering a reasonably attractive buy-back package.

44. Mr Kenneth TING also considered that the estimated cost for the proposed works was on the high side. In reply to his enquiry about the causes of the poor ventilation in the Fa Yuen Street Market CFC, the Principal Assistant Secretary for Health, Welfare and Food (Food and Environmental Hygiene)<sup>2</sup> (PAS(F&EH)<sup>2</sup>, HWFB) advised that the Market and CFC was built in 1988. Its

design and facilities fell short of the rising expectations of the tenants and the public for a more comfortable working and shopping/dining environments. The current proposal was to upgrade the facilities in order to provide a better environment and enhance the viability of the stalls.

45. On Mr Kenneth TING's concern about the adequacy of the ventilation facilities of other existing markets and CFCs managed by Food and Environmental Hygiene Department (FEHD), the Deputy Director of Food and Environmental Hygiene (Administration and Development) (DD(A&D), FEHD) replied that FEHD undertook these projects because the ex-Provisional Municipal Councils (ex-PMCs) had identified 19 markets and/or CFCs for A/C retrofitting works. The Administration would proceed with A/C retro-fitting and other essential improvement works for those markets and CFCs if the works were supported by 85% or more of the stall lessees concerned. For those markets and CFCs which could not attain the 85% support rate, the Administration would arrange general improvement works such as improvement of the ventilation systems, fire services installation, and surface drains. So far, seven of the 19 existing markets and CFCs, including the Fa Yuen Street Market CFC under this proposal, had attained the 85% support rate. In response to Mr Kenneth TING's further enquiry, DD(A&D), FEHD advised that the Administration had no plan to build new CFCs.

46. Mr IP Kwok-him asked whether it was feasible to separately deal with the A/C retro-fitting for market stalls and cooked food stalls in a Market CFC, and if so, he suggested that the Administration should provide separate estimates for the A/C retrofitting for market stalls and CFC. DD(A&D), FEHD advised that in fact, the market stalls and cooked food stalls in a Market cum CFC had been treated as two lessee groups and the Administration would proceed with A/C retro-fitting only for the lessee group with a 85% or higher support rate. For example, in the case of the Bowrington Road Market cum CFC, only the CFC would be provided with A/C as the 85% support rate could not be attained among the market stalls. D Arch S confirmed that it was feasible to provide separate estimates for the A/C retro-fitting and other improvement works for the market stalls and cooked food stalls if this was considered necessary. He pointed out, however, that since there were usually some common facilities such as transformer rooms used jointly by the market stalls and cooked food stalls of a Market CFC, undertaking the improvement works for market stalls and cooked food stalls separately would result in higher cost. At the request of Mr IP Kwok-him, DD(A&D), FEHD agreed to provide separate estimates in future submissions on this type of projects.

Admin

47. In reply to Mr Albert CHAN's enquiry about the vacancy rate of the Fa Yuen Street Market CFC in question, DD(A&D), FEHD advised that out of the 22 cooked food stalls, 15 stalls were rented out and the occupancy rate was 68%. The proposed upgrading of the CFC included enlargement and reconfiguration of the existing layout, and provision of a larger seating area for customers. The capacity of the CFC would be reduced to 15 stalls after the improvement works.

48. Noting the reduced number of cooked food stalls in the Fa Yuen Street Market CFC, Mr Albert CHAN pointed out that the estimated project cost per cooked food stall would amount to \$1.75 million. He reiterated his view that it would be a waste of public money to retrofit A/C for the CFCs under FEHD's management. He remarked that this type of projects warranted a critical audit review by the Director of Audit.

49. Mr Albert CHAN was also concerned about the maintenance costs of the new systems and recurrent A/C electricity costs. DD(A&D), FEHD advised that the maintenance and electricity costs would be shared by lessees. The lessees had been consulted on and had agreed to the arrangement.

50. Mr CHAN Kam-lam asked whether the rental for cooked food stalls would be increased after the reconfiguration of the cooked food stalls. He also enquired whether rental waivers/concessions would be provided to the affected lessees. In response, DD(A&D), FEHD advised that for cooked food stalls, the rental might go up due to the enlarged size of the new stalls. PAS(F&EH)2, HWFB said that around 95% of the market stalls were rented out. As the project would not entail any material change to the overall configuration of the market stalls, there would be minimal disruption to the business operation of the stall lessees concerned. PAS(F&EH)2, HWFB added that the new recurrent air-conditioning charges to be borne by the lessees would be around \$300-\$2,000 per market stall and around \$4,000 per cooked food stall. He also advised that according to established policy, if the improvement works require cessation of operation of a stall for two months or above, no payment of rental would be required during the works period and a two-month rental waiver would be granted after resumption of business.

51. Mr CHAN Kam-lam considered that it might not be cost-effective to implement the A/C retro-fitting to the Market CFC in phases. The Administration should consider vacating the whole Market CFC to facilitate the implementation of the improvement works in one-go to reduce the cost and time required. D Arch S concurred that implementing the works in one-go could possibly reduce the total cost and time required. However, this arrangement would unlikely be supported by the lessees, as they would need to suspend their business for a longer period than under the arrangement currently planned.

52. Mr TAM Yiu-chung said that he supported the A/C retrofitting and general improvement works for existing markets and CFCs to improve their viability and shopping/dining environment for the public. While he also found the project cost of this proposal on the high side, he recognized that if the proposed works were not carried out, the market stalls and cooked food stalls would have difficulty in sustaining their business. He thus urged the Administration to explore ways to reduce the project cost as far as possible.

53. Mr WONG Sing-chi advised that Members of the Democratic Party supported the retro-fitting of A/C to existing markets and CFCs, but he shared other members' view that the project cost should be reduced as far as possible. He pointed out that this type of projects was recommended by ex-PMCs and were generally supported by the public. Funding had also been approved for a few other existing markets and cooked food stalls under FEHD's management. It would be unfair to the lessees of Fa Yuen Street Market CFC if the present proposal was rejected simply on account of a higher project cost involved.

54. Mr WONG Sing-chi enquired whether the Administration had plans to change the use of these markets and CFCs if their business environment turned out to be not viable even after the improvement works. In reply, PAS(F&EH)2, HWFB advised that the Administration's policy on FEHD-run markets/CFCs was broad enough to embrace possible closing down of those markets/CFCs with serious viability problems. He added that according to occupancy data, the majority of the 80-odd markets under FEHD's management was viable. The Administration would of course take into account the viability and value-for-money dimensions before deciding whether to upgrade the physical environment of these facilities.

55. Ms Miriam LAU said that given the location of the Fa Yuen Street Market CFC, there should be good prospect for the market and cooked food stalls after the proposed improvement works. She therefore supported the present proposal. She however also urged the Administration to explore ways to reduce the project cost. She also opined that the new A/C systems should prevent the emission of odour from areas such as poultry-selling stalls. In reply, D Arch S advised that, as a measure to prevent the spread of avian influenza, the poultry-selling area would be segregated from other stalls in the Market CFC after the improvement works. A separate A/C and ventilation system would be provided for the poultry-selling area. Furthermore, water scrubbers would be installed in the A/C systems to remove the bad odour of exhaust air before discharge.

56. In response to Ms Miriam LAU's enquiry about the management of the Fa Yuen Street Market CFC, DD(A&D), FEHD advised that the cleaning services for the Market CFC was contracted out and the market manager of FEHD monitored the quality of the contracted-out cleansing services.

57. Mr Eric LI said that he had reservation about the proposal. He pointed out that under the proposed arrangement, substantial public money was required to subsidize the stalls in the Fa Yuen Street Market CFC to improve their business environment and enhance their competitiveness, but this would in turn adversely affect the business of other eateries in the vicinity. In response, PAS(F&EH)2, HWFB advised that on average, around 700 to 800 people visited the Fa Yuen Street Market per hour. In view of the convenient location and popularity of the Market and CFC, a large number of market/CFC goers were expected to benefit from the proposed A/C retrofitting and general improvement works apart from the incumbent lessees. It might not be appropriate to associate the costs for retro-fitting

A/C to the CFC with the 15 CFC tenants alone. Mr Eric LI said that he might support the A/C retro-fitting for the market stalls but he was not convinced of the A/C retro-fitting for the cooked food stalls.

58. Mr Andrew WONG urged the Administration to consider alternative arrangements which would not require the Government to shoulder all the capital costs for the A/C retro-fitting and improvement works. A possible arrangement to consider was to lease the entire market and CFC to a single operator through competitive bidding and leave it to the operator to carry out the A/C retro-fitting and other necessary improvement works. Mr Eric LI commented that Mr WONG's suggestion and other possible arrangements should be further examined.

59. The Deputy Secretary for Financial Services and the Treasury (Treasury)<sup>3</sup> said that in view of members' concerns, the Administration decided to withdraw this item and would provide additional information in the future re-submission for members' consideration.

60. The item was withdrawn by the Administration.

61. The meeting ended at 12:35 pm.