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**Panel on Economic Services and
Panel on Security**

**Minutes of joint meeting
held on Monday, 28 April 2003 at 11:20 am
in the Chamber of the Legislative Council Building**

Members present : Members of Panel on Economic Services

- Hon James TIEN Pei-chun, GBS, JP (Chairman)
- * Dr Hon LUI Ming-wah, JP (Deputy Chairman)
- Hon Kenneth TING Woo-shou, JP
- Hon Eric LI Ka-cheung, JP
- Hon Fred LI Wah-ming, JP
- * Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
- * Hon CHEUNG Man-kwong
- Hon HUI Cheung-ching, JP
- Hon SIN Chung-kai
- * Hon Howard YOUNG, JP
- Hon CHOY So-yuk
- Hon Abraham SHEK Lai-him, JP
- Hon Henry WU King-cheong, BBS, JP
- Hon LEUNG Fu-wah, MH, JP

Members of the Panel on Security

- Hon LAU Kong-wah (Chairman)
- Hon James TO Kun-sun (Deputy Chairman)
- Hon Albert HO Chun-yan
- Hon Ambrose LAU Hon-chuen, GBS, JP
- Hon IP Kwok-him, JP
- Hon Audrey EU Yuet-mee, SC, JP

(* Also a member of the Panel on Security)

Non-Panel Members : Dr Hon David CHU Yu-lin, JP
attending Hon LAU Ping-cheung

Members absent : Member of Panel on Economic Services

Dr Hon David LI Kwok-po, GBS, JP
Hon CHAN Kam-lam, JP
Dr Hon Philip WONG Yu-hong
Hon Jasper TSANG Yok-sing, GBS, JP
Hon LAU Chin-shek, JP
Hon Miriam LAU Kin-yea, JP

Members of Panel on Security

Hon Margaret NG
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
Hon Michael MAK Kwok-fung

Public officers : **Agenda Item II**
attending

Economic Development and Labour Bureau

Ms Eva CHENG
Commissioner for Tourism

Mrs Erika HUI
Assistant Commissioner for Tourism

Leisure and Cultural Services Department

Dr Louis NG
Executive Secretary (Antiquities and Monuments)
Leisure and Cultural Services Department

Security Bureau

Mrs Jennie CHOK
Deputy Secretary for Security

Mr David WONG
Principal Assistant Secretary for Security (B)

Miss Eliza YAU
Principal Assistant Secretary for Security (E)

Hong Kong Police Force

Mr Arthur NG
Director of Finance, Administration and Planning
Hong Kong Police Force

Ms Barbara WILLISON
Chief Superintendent, Planning and Development
Hong Kong Police Force

Mr LEE Wai-lam
District Commander (Central), Hong Kong Police Force

Correctional Services Department

Mr CHAN Chun-yan
Assistant Commissioner (Operation)
Correctional Services Department

Mr HUNG Wai-cheung
Atg. Chief Superintendent (Planning and Development)
Correctional Services Department

Architectural Services Department

Mrs Marigold LAU
Project Director, Architectural Services Department

Clerk in attendance : Mr Andy LAU
Chief Assistant Secretary (1)2

Staff in attendance : Ms Debbie YAU
Senior Assistant Secretary (1)1

Miss Winnie CHENG
Legislative Assistant 5

I Election of Chairman

1. Mr James TIEN was elected Chairman of the joint meeting.

II Development of the Central Police Station, Victoria Prison and the former Central Magistracy compound into a tourism-themed development and the reprovisioning arrangement for existing users at the compound

(LC Paper No. CB(1)1495/02-3(01) - Information paper provided by the Economic Development and Labour Bureau;

LC Paper No. CB(1)1495/02-03(02) - Information paper provided by the Security Bureau; and

LC Paper No. CB(1)1551/02-03 - PowerPoint presentation material
(*Tabled and subsequently circulated to members on 29 April 2003*) provided by the Administration)

2. With the aid of PowerPoint presentation, the Commissioner for Tourism (C for Tourism) briefed members on the project involving the private sector to preserve, restore and develop the Central Police Station, Victoria Prison and the former Central Magistracy compound (the Compound) for tourism related uses (the Project). She outlined the implementation framework of the Project and constraints on the development of the Compound.

3. The Deputy Secretary for Security (DS for S) briefed members on the proposed reprovisioning arrangements for the existing users of the Compound to facilitate the redevelopment of the Compound into a heritage tourism attraction. To meet the target of vacating the Compound by 2005, the Police units in the Compound would first be reprovisioned on a temporary basis, to be followed by long-term reprovisioning arrangements. The cost of temporary reprovisioning was estimated at less than \$10 million. The cost of the long-term reprovisioning plan was estimated at around \$676 million. Regarding the reprovisioning of Victoria Prison, the Administration planned to convert the existing old staff married quarters at the Lai Chi Kok Reception Centre (LCKRC) into a minimum/medium security female prison by 2005, pending the completion of the proposed prison complex at Hei Ling Chau scheduled for 2013. The proposed female prison would provide 650 penal places at an estimated capital cost of \$250 million at September 2002 price. The Victoria Immigration Centre and the Removal Sub-division in the Compound would be relocated to the Perowne Immigration Centre in Tuen Mun which was being constructed.

Development potential of the site

4. As a past member of the Antiquities Advisory Board, Mr Abraham SHEK indicated his support to the proposed development which could help promote heritage preservation in the territory. He however was disappointed that the Administration had made no conscious effort to explore how the existing site of the Compound could be put to more beneficial use to generate more revenue for the Government. As a result, the Project would only allow for the development of around 20,500 m² of commercial gross floor area (GFA) within existing buildings. In his opinion, the private sector should be given a free hand to propose for new development in the Compound within the constraint of the preservation requirements. This could help maximize the value of the development for the benefit of the general public.

5. Mrs Selina CHOW declared her interest as the Chairman of the Hong Kong Tourism Board (HKTB). She said that HKTB had urged for early implementation of the Project as Hong Kong had already lagged behind in the promotion and development of heritage tourism. On preservation requirements, she opined that the Administration should keep the mandatory preservation requirements to the minimum and give the future Project proponent greater flexibility in taking forward the Project, including the commercial GFA that would be allowed for development.

6. C for Tourism replied that the mandatory preservation requirements had already been kept to the minimum required to reflect and preserve the heritage value of the site, leaving as much flexibility as possible to the future Project proponent to take forward the development concept. She pointed out that there was a need to strike a balance between creativity and preservation of heritage assets. Of the 28 buildings in the Compound, the future Project proponent would be required to preserve only four buildings that were considered to be of historic significance, with flexibility to preserve the facades only for another 15 buildings. There would also be flexibility to remove nine non-historic structures. She pointed out that the commercial GFA of some 20,500 m² allowed for the Project was only an estimation made according to a plot ratio of 1.4 assumed by the financial consultant. In light of the experience of the development of the former Marine Police Headquarters (MPHQ) into a tourism project by the private sector, she was confident that the present development should be well received by the private sector.

7. The Executive Secretary (Antiquities and Monuments) of Leisure and Cultural Services Department (ES(A&M)/LCSD) added that new developments in the open courtyards and underground development would be allowed so long as the structures and safety of other buildings would not be affected.

8. On the flexibility to demolish the non-historic structures for redevelopment, the Chairman enquired about the permitted height of the new developments.

9. ES(A&M)/LCSD pointed out that whilst the future Project proponent would be given the flexibility to remove non-historic structures for redevelopment, any such development should blend in with the surrounding environment. As such, high-rise buildings should not be built on the site. Notwithstanding the above, the Project proponent could alter the internal fittings of the buildings as appropriate except those which were classified as historic significance.

10. Mr Abraham SHEK did not subscribe fully to the Government's approach for the development of MPHQ. He opined that the restrictions imposed by the Government had undermined the development potential and value of the MPHQ site. To avoid a recurrence, he urged the Administration to allow more flexibility for the private sector to come up with creative ideas for redevelopment which would maximize the benefits and value of the Project on one hand whilst preserving and restoring the Compound, and developing it as a heritage tourism facility on the other. Mr SHEK also proposed to hold an international design competition for the development of the Compound. Mr LAU Ping-cheung also indicated his support to the proposed international design competition.

11. Mr LAU Ping-cheung declared interest that his firm might be involved in the development of the Project. He welcomed the initiative to engage private sector resources in projects with commercial potential with a view to developing them as heritage tourism facilities. However, he pointed out that the development potential of the Compound must be specified in the tender document so as to enable a fair assessment on proposals put forward by potential bidders. He also sought information on the assessment of the financial and technical viability of the Project.

12. Mr LAU Kong-wah also supported the idea of engaging private sector resources in projects with commercial potential for heritage preservation and tourism purposes. Citing the example of Shanghai, he suggested that the Administration could enhance the financial viability of the Project by allowing the successful proponent to develop high-rise buildings next to the site. He sought information on the assessment criteria of the proposals.

13. Mr CHEUNG Man-kwong expressed support for the development of the Compound into a heritage tourism facility. He shared with Mr Abraham SHEK's view and pointed out that the limit on the potential floor area of around 20,5000 m² GFA would restrict the development, creativity and hence viability of the Project.

14. C for Tourism reiterated that there was no limit on the potential floor area which might be developed for commercial purposes. Underground development could be proposed for consideration by the Administration. According to the assessment of the financial consultant engaged by the Government, the Project

would be financially viable. It could achieve the dual objective of preserving and restoring the site, and developing it as a heritage tourism facility. On the assessment of proposals, they would be assessed in accordance with four main categories of criteria, namely heritage preservation; technical, environmental and traffic issues; economic and tourism benefits; and payment to Government in the form of land premium. A higher weighting would be attached to the non-premium aspects of proposals than to land premium which were 60% and 40% respectively. C for Tourism added that the proposed implementation framework with the system of open tender should be conducive to identifying good quality proposals.

15. Referring to the terms of the tender document, Mrs Selina CHOW said that, as far as she understood, the commercial GFA of about 20,500 m² estimated by the financial consultant would not be specified in the tender document, and hence, the future Project proponent could come up with any kind of development proposals within the constraint of the preservation requirements. C for Tourism confirmed Mrs CHOW's understanding.

16. Mr Abraham SHEK was unconvinced of the Administration's reply. In the absence of a limit on the potential floor area which might be allowed for commercial purpose, he queried how potential bidders could put forward their proposals under such circumstances. Members urged the Administration to take note of Mr SHEK's view. The Administration undertook to consider including the permissible plot ratio of the development in the tender document as suggested by the Chairman.

Implementation timetable

17. Noting that it took 4 years to complete the Project after the whole site was vacated by the end of 2005, Mrs Selina CHOW considered the delivery timetable too long and urged the Administration to speed up the related process.

18. C for Tourism explained that since the existing users had plans to re-provision their facilities and vacate the Site in phases by 2005, the Administration would award the Project on the basis of a phased possession of the Site. The Administration's target was to invite tender proposals in early 2004 and identify the successful proponent by the end of 2004 after completing the statutory procedures on land-related matter. The site would be handed over in phases in 2005. This would enable the successful proponent to start the necessary statutory procedures under relevant legislation before vacant possession of the whole site at the end of 2005. It took about 36 to 48 months to complete the development work for the Project. On this basis, it was estimated that the Project would be completed in 2009 or earlier. In reply to the Chairman's enquiry, the Project Director, Architectural Services Department advised that the Project was subject to the same sets of legislation as other similar projects.

Proposed reprovisioning arrangements

19. Mr SIN Chung-kai expressed the support of the Democratic Party for the development of the Project. As the proposed temporary reprovisioning arrangements for existing users of the Compound was a pre-requisite in taking forward the Project, they should be expedited to ensure the early completion of the Project.

20. Despite his support to the development of the Compound, Mr Abraham SHEK expressed concern that the Administration should not take advantage of the development plan to propose reprovisioning arrangements that normally would not be approved by the Finance Committee if they were presented as a single and separate item for consideration by members.

21. Mr LAU Kong-wah recalled the Administration's claim that using multi-storey blocks as prison was prone to higher security risk than low-rise structures when it briefed members on its Prison Development Plan. As such, he was concerned about the security problem that might arise from the present proposal of converting six existing blocks of the old staff married quarters of LCKRC into a temporary female prison, in particular Block 5 (11 storeys) and Block 6 (12 storeys) of LCKRC which would be used as dormitory accommodation for the female inmates.

22. DS for S said that the Administration shared the same concern raised by Mr LAU and would deploy extra resources to step up necessary security measures and adopt appropriate technologies to ensure that the converted prison would meet the security requirement of a minimum/medium custodial facility. Whilst structural constraints in terms of size and partition of individual penal cells might be encountered, the proposed reprovisioning arrangement would allow prompt delivery of the necessary facilities within a shorter period of time and at reasonable cost.

23. Noting that \$250 million would be spent to provide 650 penal places (i.e. \$400,000 per inmate), Mr Kenneth TING sought information on the expected life span of the facilities and their future use.

24. DS for S said that the temporary facilities would be open for use between 2005 and 2013, pending the completion of the proposed prison complex at Hei Ling Chau scheduled for 2013. The use of LCKRC after the opening of the prison complex at Hei Ling Chau had yet to be finalized.

25. Whilst indicating his support to the present Project, Mr CHEUNG Man-
kwong said that he had to consider further on the funding proposal for the prison complex at Hei Ling Chau which was a separate issue. Mr HUI Cheung-ching enquired whether the temporary female custodial facility in LCKRC would

continue to operate if the funding request for Hei Ling Chau prison complex were not approved in the end.

26. DS for S advised that the funding proposal on the feasibility study and preliminary site investigation for land formation and infrastructure works of the Prison Development Plan at Hei Ling Chau had been considered by the Public Works Subcommittee and would be forwarded to the Finance Committee for approval soon. Subject to the outcomes of the feasibility study and site investigation to be available in two years' time, the Administration would submit the funding request for the proposed Hei Ling Chau prison complex to the Finance Committee accordingly. She stressed that the proposal was made in anticipation of the continual serious problem of prison overcrowding since the last decade and in view of the outdated and non-purpose built design of some of the existing penal institutions. DS for S confirmed that in case the proposed Hei Ling Chau prison complex could not proceed as planned, the converted female custodial facility at LCKRC would continue to operate.

27. Noting that the Administration planned to put forward funding proposals for the reprovisioning arrangement of existing facilities in the Compound, Mr LAU Kong-wah was concerned that in case the project to convert the Compound into a heritage and tourism attraction facility was not well received by the private sector, the funds allocated for the reprovisioning arrangement would become abortive. He enquired whether the funding proposals should be deferred, pending the result of the selection exercise for the Project proponent.

28. C for Tourism pointed out that to facilitate the planning of the future Project proponent, it was necessary to include in the tender document the estimated time for handing over the site to the selected proponent. To avoid any slippage, the Administration needed to put forward the related funding proposal to the Finance Committee for early consideration, failing which the site could not be handed over to the Project proponent in accordance with the proposed timetable.

29. In reply to the Chairman, the Director of Finance, Administration and Planning, Hong Kong Police Force said that the proposed reprovisioning arrangement for police at Central Police Station was a preliminary proposal. The relevant funding proposal for the long term reprovisioning plan would be considered at a later stage.

30. Summing up, the Chairman concluded that members generally supported the development of the Project but advised the Administration to consider members' concerns in taking forward the proposal and reprovisioning arrangements.

III. Any other business

31. There being no other business, the meeting adjourned at 12:30 pm.

Council Business Division 1
Legislative Council Secretariat
2 July 2003