

**立法會**  
***Legislative Council***

LC Paper No. CB(1)2105/02-03

(These minutes have been seen  
by the Administration)

Ref : CB1/PL/PLW/1

**Panel on Planning, Lands and Works**

**Minutes of meeting**  
**held on Friday, 6 June 2003 at 8:30 am**  
**in the Chamber of the Legislative Council Building**

**Members present** : Dr Hon TANG Siu-tong, JP (Chairman)  
Hon James TIEN Pei-chun, GBS, JP  
Ir Dr Hon Raymond HO Chung-tai, JP  
Hon CHOY So-yuk  
Hon Timothy FOK Tsun-ting, SBS, JP  
Hon TAM Yiu-chung, GBS, JP  
Hon Abraham SHEK Lai-him, JP  
Hon Albert CHAN Wai-yip  
Hon WONG Sing-chi  
Hon IP Kwok-him, JP

**Members attending** : Dr Hon David CHU Yu-lin, JP  
Hon Cyd HO Sau-lan  
Hon Emily LAU Wai-hing, JP

**Members absent** : Hon LAU Ping-cheung (Deputy Chairman)  
Hon James TO Kun-sun  
Hon WONG Yung-kan  
Hon LAU Wong-fat, GBS, JP

**Public officers attending : Agenda Item IV**

Mr Daniel CHENG  
Principal Assistant Secretary for Housing, Planning and  
Lands (Planning and Lands)

Miss Ophelia WONG  
Assistant Director (Board)  
Planning Department

**Agenda Item V**

Mr Andrew WONG  
Director of Administration

Ms CHANG King-yiu  
Deputy Director of Administration

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

**Staff in attendance :** Ms Pauline NG  
Assistant Secretary General 1

Ms Sarah YUEN  
Senior Assistant Secretary (1)6

Ms May LEUNG  
Legislative Assistant

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**I. Confirmation of minutes of meetings**

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| (LC Paper No. CB(1)1791/02-03 | — Minutes of the joint meeting of the Panel on Planning, Lands and Works and Panel on Housing held on 26 February 2003 |
| LC Paper No. CB(1)1832/02-03  | — Minutes of the meeting held on 2 May 2003)   |

The minutes of the two meetings held on 26 February 2003 and 2 May 2003 respectively were confirmed.

## **II. Information papers issued since last meeting**

2. Members noted the following information papers issued since the last meeting -

- (a) Information notes on management scheme for display of roadside non-commercial publicity materials raised by the Chairman of Wan Chai District Council (LC Paper Nos. CB(1)1803/02-03(01), (02) and (03));
- (b) Information paper on provision of electronic imaging, storage and retrieval service of building plans and documents (LC Paper No. CB(1)1829/02-03(01));
- (c) Information paper on remaining engineering infrastructure works for Pak Shek Kok Development — Stage 2A (LC Paper No. CB(1)1830/02-03(01)); and
- (d) Information notes on issues raised by Tuen Mun District Council members at the meeting with LegCo Members on 28 November 2002 (LC Paper Nos. CB(1)1748/02-03(01), (02) and (03)).

3. On the two information papers mentioned in paragraph 2(b) and 2(c) above, the Chairman pointed out that the Administration would submit the relevant proposals to the Finance Committee (FC) and the Public Works Subcommittee (PWSC) for consideration before the end of the current session and in June 2003 respectively.

## **III. Date of next meeting and items for discussion**

(LC Paper No. CB(1)1831/02-03(01) — List of outstanding items for discussion

LC Paper No. CB(1)1831/02-03(02) — List of follow-up actions)

### Joint meeting for June 2003

4. The Chairman reminded members that a joint meeting with the Panel on Housing had been scheduled for Wednesday, 18 June 2003, at 8:30 am to discuss the “System for pre-sale of uncompleted residential properties”.

### Regular meeting for July 2003

5. Members agreed that the subject of “West Kowloon Cultural District” be discussed at the next regular meeting scheduled for Friday, 4 July 2003, at 8:30 am.

(*Post-meeting note:* Under Agenda IV of this meeting, members agreed that the subject of “Town Planning Board - statutory powers, composition and criteria for appointment of members” should be further discussed at the next regular meeting scheduled for 4 July 2003.)

**IV. Town Planning Board — statutory powers, composition and criteria for appointment of members**

(LC Paper No. CB(1)1831/02-03(03) — Paper provided by the Administration)

6. The Principal Assistant Secretary for Housing, Planning and Lands (Planning and Lands) (PASHPL(P&L)) drew members’ attention to the paper provided by the Administration. He highlighted the Administration’s plan to put forward amendments to the Town Planning Ordinance (TPO) (Cap. 131) in stages, and called upon members to support the Stage One Amendments, which had already been introduced into LegCo in May 2003 under the Town Planning (Amendment) Bill 2003. The Administration aimed to introduce, after passage of the Bill, the Stage Two Amendments including the amendments relating to the operation of the Town Planning Board (TPB).

Proposed amendments to Town Planning Ordinance

7. Mr Albert CHAN Wai-yip pointed out that TPO, first enacted in 1939, was obsolete. He urged the Administration to put forward comprehensive instead of piecemeal amendments to have an overhaul of the statutory planning system and to plug the loopholes of the existing ordinance. Ms Cyd HO Sau-lan and Ms Emily LAU Wai-hing also considered a phased approach to amend TPO undesirable. In response, PASHPL(P&L) recapped that in February 2000, the Administration had introduced a comprehensive Town Planning Bill into LegCo. However, due to the complexity of the issues involved, the relevant Bills Committee was not able to complete consideration of the Bill before the term ended in July 2000 and was dissolved after nine meetings. Having critically examined the views of the public and the Bills Committee, the Administration concluded that it would be more desirable to amend TPO in stages, giving priority to those amendments which had general consensus and would produce more immediate benefits to the community.

8. Responding to Ms Cyd HO, PASHPL(P&L) advised that the Stage One Amendments covered the following -

- (a) Expediting the plan-making process by standardizing the publication period for new and amendment plans to one month and by condensing the objection handling process;
- (b) Streamlining the planning approval process;

- (c) Enhancing the transparency of the planning system by, among others, requiring TPB to publish all applications for planning permission and for amendment to plan for public comments; and
- (d) Strengthening enforcement control against unauthorized developments in the rural areas by addressing the current technical deficiencies in TPO.

9. Ms Emily LAU cast doubt on the effect of the Stage One Amendments on the planning process. In her view, measures to minimize conflicts of interests in the planning process and issues relating to TPB, such as its composition, the criteria for appointment of its members, conduct of open meetings and declaration of interests by its Chairman, Vice-chairman and members, should be dealt with as soon as possible to improve the planning process. In response, PASHPL(P&L) pointed out that the Stage One Amendments sought to further improve the transparency of the planning process and the Stage Two Amendments would cover the operation of TPB.

10. Mr Albert CHAN enquired when legislative amendments to effect the conduct of open meetings by TPB and changes to the composition of TPB would be introduced. In reply, PASHPL(P&L) said that they would be considered in the Stage Two Amendments. In response to Ms Cyd HO's enquiry on the timetable for introducing the Stage Two Amendments, PASHPL(P&L) advised that the Stage One Amendments, if passed, were anticipated to take effect in 2004. The Stage Two Amendments would be finalized as soon as practicable thereafter. Mr CHAN was disappointed with the above legislative timetable. Pointing out that the amendments to widen the representativeness of TPB and to effect the conduct of open meetings by TPB were long overdue, he urged the Administration to introduce them as soon as practicable.

Admin

### Planning mishaps

11. Members in general considered that the existing planning system was far from satisfactory and was the cause of a number of planning mishaps. Referring to the poor planning of Tseung Kwan O (TKO), Ms Emily LAU queried the role played by TPB in the planning process and whether the problem could have been avoided. As regards the Castle Peak Road improvement project to widen the road, Ms LAU expressed grave concern about the impact of the project on the surrounding environment and landscape. As far as she knew, some members of TPB did not support the project but the Administration still pursued it. She urged the Administration to learn lessons from these cases. Ir Dr Raymond HO Chung-tai shared Ms LAU's views, and highlighted cases of unsatisfactory planning in Kowloon which had led to the blockage of views of the ridgeline of Lion Rock. Mr Albert CHAN, on the other hand, quoted the example of Tung Chung where the "screen-type" housing developments had blocked the sea view.

Admin

12. On the Castle Peak Road improvement project, PASHPL(P&L) pointed out that the need to better cater for the development of transport infrastructure in the town planning process would be addressed under the Stage Two Amendments. As for TKO, the Administration, having learnt lessons from the case, was conducting the Feasibility Study for Further Development of TKO with a view to improving the situation. When planning for the further development of TKO, the Administration would take into consideration the outcome of the Study as well as the views expressed by Members when the issue was discussed at the Panel meeting on 2 May 2003. Ms Emily LAU requested the Administration to provide a paper on the lessons learnt from the unsatisfactory planning of TKO, and on the measures taken to avoid recurrence of such and to rectify the situation there. PASHPL(P&L) undertook to try to provide the information.

13. As for ridgelines, the Assistant Director (Board)/Planning Department (AD(B)/Plan D) advised that the issue was being addressed under the consultancy study on “Urban Design Guidelines for Hong Kong”. Ir Dr Raymond HO and Ms Cyd HO considered the introduction of the Guidelines overdue. They pointed out that some important ridgelines and peaks such as the Lion Rock had already been breached by recent developments, and that committed developments would pose serious constraints to the implementation of the Guidelines. AD(B)/Plan D stressed that even without the Guidelines, TPB was fully aware of the need to preserve views to ridgelines. She quoted some instances where TPB had amended the plans for ridgeline preservation. She further explained that since the preservation of views to ridgelines would inevitably lead to imposition of height restrictions on developments, there was a need to seek the views of the public through consultation to reach a general consensus. In this connection, the Administration was examining how the Guidelines could be reflected in the Outline Zoning Plan so that affected persons would have a statutory channel to lodge their objections to TPB.

### Planning process

#### *Statutory timeframes*

14. Mr James TIEN Pei-chun was concerned about the long time taken by TPB to consider applications for permission in respect of plans and applications for review under sections 16 and 17 of TPO respectively, and the adverse impact of such on the business environment. AD(B)/Plan D explained that under section 16 of TPO, TPB was required to consider an application for permission in respect of plans within two months of the receipt of the application. The two-month period was needed because of the substantial work involved, including examination of technical documents, vetting of various impact assessment reports by the Government departments concerned, and conduct of public consultation through the District Offices. AD(B)/Plan D further explained that under section 17 of TPO, where an applicant was aggrieved by a decision of TPB under section 16, the applicant might, within 21 days

of being notified of the decision of TPB, apply in writing for a review of the decision. The time for the review should be a day not more than three months of the receipt of the application. The three-month period was needed to allow time for the applicant to, on the basis of the reasons given for refusal to grant the permission, revise his application and conduct additional assessments. Mr TIEN however opined that with a slackening property market and hence fewer number of applications, the two-month and three-month time limits should be shortened. Ms Cyd HO also pointed out that there was no time limit for the making of a decision on a review under section 17.

Admin

15. Mr James TIEN noted that an applicant who was aggrieved by a decision of TPB on a review under section 17 of TPO might appeal under section 17B. Responding to Mr TIEN, AD(B)/Plan D advised that no statutory timeframe had been set for fixing a date for the hearing of an appeal. According to past experience, the hearing was normally scheduled three to six months of the receipt of an appeal and the number of hearings required for each appeal case depended on the complexity of the case concerned. Mr TIEN considered it unfair to the applicant if he was required to wait for three to six months for the hearing. He considered that there should be a statutory timeframe in this regard, e.g. the date for hearing should be a day not more than two months of the receipt of an application. In response, PASHPL(P&L) explained that owing to the number of parties involved, it took time to line up appeal hearings. He agreed to consider addressing this issue in the context of the Stage Two Amendments.

Admin

16. Mr IP Kwok-him enquired whether the Stage One Amendments could enable greater participation of DCs in the planning process. In reply, PASHPL(P&L) highlighted that under the Stage One Amendments, TPB would be required to publish all applications for amendment of plan and for planning permissions for public comments. DCs should then be able to comment on the applications where necessary. Moreover, as an established practice, the Administration consulted DCs on major planning studies and amendments to plans. Mr IP considered such consultation cosmetic and pointed out that on many occasions, unless formally submitted in writing, DCs' views were not given due regard by TPB in its decision-making process. There was a need to amend TPO to enhance the role and participation of DCs in the planning process, e.g. to make it a statutory requirement to consult DCs in the planning process. PASHPL(P&L) agreed to consider addressing this issue in the context of the Stage Two Amendments.

## Membership of TPB

### *Composition of TPB*

Admin

17. Noting that only one of the 32 non-official members of TPB came from the heritage conservation field, Mr IP Kwok-him asked for the plans to strengthen the representation of this field in TPB. In response, PASHPL(P&L) pointed out that apart from the member concerned, some members from other fields also had knowledge in heritage conservation. Moreover, one of the official members, i.e. the representative of the Home Affairs Department, was responsible for heritage conservation policies. In response to Mr IP's call to appoint more TPB members from the heritage conservation field, PASHPL(P&L) agreed to consider this issue in the context of the Stage Two Amendments.

### *Criteria for appointment*

18. Referring to the membership list of TPB, Mr WONG Sing-chi asked for the criteria for the appointment of TPB members. PASHPL(P&L) advised that there was no specific guiding principle. The non-official members were appointed on the basis of their personal expertise, experience, integrity, commitment to public service and the relevance of their background to town planning. DC members were also appointed as non-official members.

Admin

19. Mr WONG Sing-chi was concerned that in the absence of guiding principles, the appointment of TPB members was haphazard, and had resulted in the current undesirably high proportion of members from the business/industry sector. To ensure that TPB represented the interests of the community, Mr WONG considered that it should have a balanced membership representing all sectors concerned. Ms Cyd HO, Ms Emily LAU and Mr Abraham SHEK Lai-him shared his views. Mr SHEK proposed that the Chairman of TPB should be a non-official member and Ms HO proposed that the number of members from each sector should be capped. Pointing out that only two of the six TPB members who came from the engineering field were experienced in large-scale works, Ir Dr Raymond HO emphasized the need to ensure that a member who came from a particular field should have the relevant experience. PASHPL(P&L) agreed to consider Members' views in the context of the Stage Two Amendments.

### *Duration of membership*

20. Referring to the current practice of appointing members of Government advisory boards for not more than six years so as to minimize conflict of interests arising from any person holding membership for a long period of time, Mr James TIEN enquired whether any of the TPB members had been appointed for more than six years. In reply, AD(B)/Plan D confirmed that there were seven such members.



Mr TIEN and Ir Dr Raymond HO were concerned that this contravened the current practice and asked for the reasons for retaining the seven members on TPB. PASHPL(P&L) explained that the number of TPB members had been substantially increased a few years before. To ensure stability and continuity, a number of more experienced members had been retained to lead the new ones but their membership would be reviewed upon expiry. Responding to Ir Dr HO's further question, AD(B)/Plan D advised that the longest serving member of TPB had been appointed since 1 April 1996.

### *Training*

21. Ir Dr Raymond HO pointed out the need to provide training or briefing for TPB members to ensure that they were well aware of the principles of planning and the difference between metro planning and rural and new town planning, and to keep them abreast of new policies and new planning concepts. In response, AD(B)/Plan D advised that in performing its duties, TPB was assisted by its executive arm, Plan D, which was responsible for formulating, monitoring and reviewing town plans, planning policies and associated programs for the physical development of Hong Kong, and for dealing with all types of planning at the territorial, sub-regional and district levels. Apart from the above technical support, local and overseas site visits, and briefings on new planning and development concepts, major Government policies that affected planning and major Government infrastructure projects were arranged. Moreover, TPB was consulted on all territorial and regional studies which formed the basis for the preparation of statutory plans at district level.

### Membership of Appeal Board

22. In response to Mr James TIEN's enquiry, PASHPL(P&L) and AD(B)/Plan D advised that the Appeal Board panel appointed by the Chief Executive under section 17A of TPO was independent from TPB. Under section 17A(2), CE should not appoint a member of TPB to the Appeal Board panel. The question of overlap of membership would not arise. AD(B)/Plan D further advised that the Chairman of the Appeal Board panel was required to be a senior member from the legal profession. On receipt of a notice of appeal, the secretary to the Appeal Board panel should notify the Chairman of the panel who should nominate an Appeal Board. Normally, the Chairman or a Deputy Chairman and four other members of the Appeal Board panel should constitute an Appeal Board. At members' request, PASHPL(P&L) agreed to provide the names of the persons on the Appeal Board panel.

## Conduct of TPB meetings

### *Open meetings*

23. Given the significant statutory powers of TPB and the wide and far-reaching implications of its decisions on the development of Hong Kong as well as the well being of the community, Mr Albert CHAN, Ms Emily LAU, Ms Cyd HO, Mr Abraham SHEK and Ir Dr Raymond HO pointed out the need to enhance the transparency of TPB through conduct of open meetings. Pending the legislative amendments to effect this change, Ir Dr HO proposed that arrangement be made for LegCo Members to attend TPB meetings as observers. Ms HO however opined that the conduct of open meetings should be arranged through administrative measures as soon as possible.

### *Quorum*

Admin

24. Mr James TIEN was concerned that the quorum required for holding TPB meetings, presently at five, was too small and hence not conducive to ensuring an attendance large enough to enable meaningful deliberation. In his view, at least one-third of the membership should form the quorum. AD(B)/Plan D advised that despite the small quorum required, over 80% of TPB members had achieved an attendance rate of over 50%. In the circumstance, Mr TIEN considered it not necessary to keep the quorum at five. PASHPL(P&L) advised that as the quorum of TPB was specified in TPO, the issue would be reviewed in the context of the Stage Two Amendments.

### *Declaration of interests*

Admin

25. Ms Cyd HO and Ms Emily LAU stressed the need for TPB to have a mechanism for declaration of interests so as to minimize conflict of interests. PASHPL(P&L) pointed out that a mechanism was in place for TPB members to declare their interests. Ms HO and Ms LAU called for clearer and more stringent requirements on declaration of interests of the Chairman, Vice-chairman and members of TPB. PASHPL(P&L) agreed to consider this issue in the context of the Stage Two Amendments.

### Other concerns

26. Mr TAM Yiu-chung and Mr IP Kwok-him were concerned whether the non-official members, who were not full-time members, were able to cope with the heavy workload of TPB. PASHPL(P&L) called upon members to support the Stage One Amendments, which would reduce TPB's workload through streamlining the planning approval process, exempting certain minor amendments to planning permission from further application, and further delegation of powers from TPB to its committees.

27. Ms Cyd HO opined that computer simulation techniques which could assess the impact of a planning proposal on the environment should be employed to facilitate TPB's consideration of the proposal. In response, AD(B)/Plan D pointed out that applicants were already required to conduct impact assessments and submit the reports together with models, photomontage and the like in support of their application. The same would also be prepared for large-scale planning studies. Responding to Ms HO's concern that the photos, models and impact assessments presented by the applicants might not represent the true picture, AD(B)/Plan D advised that Plan D and TPB would exercise their judgement in vetting these assessments, and form their own views. TPB could refuse the applications if the impact assessments were considered not acceptable.

#### Way forward

28. Noting that most of the points of concerns expressed at the meeting would only be considered by the Administration in the context of the Stage Two Amendments to TPO to be introduced after 2004, members and non-Panel Members expressed their dissatisfaction and urged for the early resolution of the problems identified. The Panel decided that the same subject should be further discussed at its next meeting on 4 July 2003, and that the Secretary for Housing, Planning and Lands should be invited to attend the meeting.

#### **V. Tamar Development Project**

- (LC Paper No. CB(1)1831/02-03(04) — Paper provided by the Administration
- LC Paper No. CB(1)1831/02-03(05) — Extract from the minutes of the Panel meeting on 4 April 2003
- LC Paper No. CB(1)1831/02-03(06) — Extract from the minutes of the Public Works Subcommittee meeting on 7 May 2003
- PWSC(2003-04)16 — Discussion paper for the Public Works Subcommittee meeting on 7 May 2003)

29. The Chairman advised that the item was initiated by the Panel for the Administration to explain its abrupt decision (the decision) announced on 26 May 2003 to temporarily put on hold the Tamar Development Project (the Project) which included, among others, the development of the Central Government Complex (the CGC) and the LegCo Complex at the Tamar site.

30. The Director of Administration (D of Adm) drew members' attention to the paper provided by the Administration. He highlighted that the Government had

decided to temporarily put on hold the Project in order to review its spending priorities and that the review would be completed within six months.

Administration's way of handling the Project

31. Ir Dr Raymond HO, Mr WONG Sing-chi, Ms Emily LAU, Mr Albert CHAN and Dr David CHU Yu-lin criticized the Administration for its way of handling the Project. Ir Dr HO, Chairman of PWSC, expressed his strong dissatisfaction that the Government decided to put the Project temporarily on hold after seeking PWSC's endorsement of the relevant financial proposal on 7 May 2003. He opined that the Administration should have considered the financial implications of the Project before submitting it to PWSC. If the Project was considered financially not viable, the Administration should have withdrawn the proposal before the PWSC meeting. Ir Dr HO and Mr WONG considered it a waste of PWSC members' time in deliberating and endorsing the proposal, and a sign of disrespect for LegCo Members. Ir Dr HO also found the paper provided by the Administration for this meeting too short to serve any purpose. In response, D of Adm confirmed that the decision was made only after the PWSC meeting on 7 May 2003. There was no disrespect to LegCo.

32. Ms Emily LAU, Mr Albert CHAN and Dr David CHU expressed their dissatisfaction about the Government's fickle manner in handling the Project. They were surprised to note the Government's abrupt decision to put the Project temporarily on hold, which was made only a few days before the consideration of the Project by FC on 30 May 2003. They considered that such an abrupt decision would leave a very bad impression on the general public, the business sector and the international community. Mr CHAN also considered that the way that the Administration had handled the Project violated the established procedure for vetting and approving public works projects. D of Adm reiterated that the Government decided to put the Project temporarily on hold so as to review its spending priorities; it would decide on the way forward after the completion of the review within six months.

33. Mr IP Kwok-him considered that the review on "spending priorities" seemed to imply that the Government would proceed with the Project and other projects covered by the review but the timing for implementation would depend on the priorities set. D of Adm clarified that the Administration would decide, after the completion of the review, whether to proceed with the Project. Mr IP then considered it inaccurate for the Government to claim that it had decided to put the Project temporarily on hold in order to review its "spending priorities".

### Justification for the decision

34. Referring to paragraph 3 of the paper, Mr WONG Sing-chi pointed out that the reason given for the Government's decision to temporarily put the Project on hold was that given the significant impact of the Severe Acute Respiratory Syndrome (SARS) outbreak on Hong Kong's economy, the Government needed to review its spending priorities. As the SARS outbreak in Hong Kong was already under control and the economy gradually improving, Mr WONG was not convinced of the reason given and requested the Administration to disclose the real reason behind the decision. In response, D of Adm pointed out that the World Health Organization lifted the travel advice against Hong Kong only recently, and the Government considered it high time to review its spending priorities.

35. Mr TAM Yiu-chung enquired whether the review would cover other major projects, such as the proposed prison complex at Hei Ling Chau (HLC), the reprovisioning of Radio Television Hong Kong and the Headquarters for the Independent Commission Against Corruption. D of Adm advised that approved projects and essential infrastructural projects would not be affected. He noted that the proposed prison complex at HLC was seeking funding approval from FC for the conduct of the relevant feasibility study only.

### Impact of the decision

#### *Impact on the faith in the Government*

36. Dr David CHU and Mr Albert CHAN were concerned that the Government's decision would affect public confidence. In response to Dr CHU's question on the assessment of the resulting loss of faith in the Government, D of Adm pointed out that it would be difficult to gauge public confidence. However, as gathered from relevant press reports, some sectors of the community found the decision agreeable.

#### *Impact on local economy and construction industry*

37. Mr WONG Sing-chi was concerned about the impact of the decision on the local economy. Mr Albert CHAN and Mr Abraham SHEK were concerned that the decision would aggravate the unemployment situation in the construction industry. Instead of shelving projects, Mr SHEK opined that the Government should implement more infrastructural projects through private-sector participation. In response, D of Adm pointed out that putting the Project temporarily on hold pending the review would not have significant impact on the local economy and unemployment situation in the construction industry.

*Impact on the prequalified applicants of the Project*

38. In reply to the Chairman, D of Adm advised that although five applicants had been prequalified in December 2002 for bidding for the Project, tenders had not yet been invited. He also pointed out that it was expressly stated in the Document for Prequalification of Tenderers (the Prequalification Document) that the Government had the right not to conduct the Design and Build tender for any reason.

39. Responding to Ir Dr Raymond HO, D of Adm advised that the Prequalification Document contained no clause on the validity period of the results of the prequalification exercise. Any change in the corporate structure of prequalified applicants could affect their eligibility as prequalified applicants.

40. Ir Dr Raymond HO asked whether the Government was required to compensate the five prequalified applicants for their loss. Given that the five prequalified applicants had invested a lot of money in the Project, Mr Abraham SHEK opined that the Government should compensate them if it finally decided not to pursue the Project. D of Adm pointed out that it was expressly stated in the Prequalification Document that the Government should not in any circumstances be liable for any costs, expenses and damages incurred or suffered by the applicants in connection with the preparation and submission of their applications for prequalification, and/or the Design and Build tender, in the event that any or all of these exercise(s) was/were cancelled.

*Impact on LegCo*

41. Stressing the need for a new LegCo Complex, Ms Emily LAU urged the Administration to proceed with that part of the Project separately. She pointed out that in the view of green groups and the public, low-rise buildings, open space and green belts should be provided on the waterfront of the Tamar site. As such, the construction of the new LegCo Complex, which would be a low-rise building, on the Tamar site should be acceptable. D of Adm advised that the Government was fully aware of the concern of LegCo Members about the need for a new LegCo Complex by the 3<sup>rd</sup> quarter of 2008 and would decide on the way forward after the completion of the review on spending priorities.

42. Mr Abraham SHEK supported the provision of open space and green belts on the waterfront of the Tamar site. To ensure that the general public would be benefited from the development of the site, he urged the Administration to address the issue under the current review.

*Impact on Shatin to Central Link*

Admin

Admin

43. Mr Albert CHAN was concerned that although the Government had decided to put the Project temporarily on hold, the impact of the Project on the alignment and progress of the Shatin to Central Link (SCL) might still remain. Responding to Mr CHAN, D of Adm advised that the decision would not have any impact on SCL's progress and cost. As agreed at the PWSC meeting on 7 May 2003, the Administration would brief the Panel on Transport and the Panel on Security at a joint meeting of the two Panels on the impact of the development of the Tamar site on SCL and the public transport plan to facilitate public access to the Tamar site. Mr CHAN was unconvinced and said that according to the Kowloon-Canton Railway Corporation (KCRC), the change in SCL's alignment necessitated by the security arrangements of the Project had led to a delay of one year and additional expenses. At Mr CHAN's request, D of Adm agreed to also brief the aforesaid joint meeting on the details. Mr CHAN requested the Administration to provide for the joint meeting a comparison of the original commissioning timetable of SCL at the tendering stage with the latest commissioning timetable.

44. The Chairman asked whether there would still be a need to change the alignment of SCL if the Government finally decided not to pursue the Project. D of Adm advised that KCRC had been informed in October 2002 of the Administration's decision to require the SCL and its interchange station to bypass the Tamar site. Hence the SCL should remain at the location to the east of the existing Admiralty Station. Since then, KCRC had been planning for the SCL on this basis and was finalizing its schematic design accordingly.

Way forward

45. Ir Dr Raymond HO enquired about the funding approval procedures to be taken should a final decision be made to press ahead with the Project. D of Adm advised that if the Government finally decided to pursue the Project without any significant change, it would brief the Panel on Transport and Panel on Security as mentioned in paragraph 43 above and then submit the relevant proposal to FC for approval. If however there was any change to the Project scope, it would submit the revised proposal to PWSC before seeking approval from FC.

**VI. Any other business**

46. There being no other business, the meeting ended at 10:40 am.