

**立法會**  
**Legislative Council**

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**Public Works Subcommittee of the Finance Committee  
of the Legislative Council**

**Minutes of the 11<sup>th</sup> meeting  
held in the Conference Room A of Legislative Council Building  
on Wednesday, 8 June 2005, at 8:30 am**

**Members present:**

Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP (Chairman)  
Hon Alan LEONG Kah-kit, SC (Deputy Chairman)  
Hon Fred LI Wah-ming, JP  
Hon Margaret NG  
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP  
Hon James TO Kun-sun  
Hon CHEUNG Man-kwong  
Hon CHAN Kam-lam, JP  
Hon Jasper TSANG Yok-sing, GBS, JP  
Hon LAU Kong-wah, JP  
Hon Miriam LAU Kin-yee, JP  
Hon CHOY So-yuk  
Hon Andrew CHENG Kar-foo  
Hon TAM Yiu-chung, GBS, JP  
Hon Abraham SHEK Lai-him, JP  
Hon Albert CHAN Wai-yip  
Hon LEE Wing-tat  
Hon LEUNG Kwok-hung  
Hon Patrick LAU Sau-shing, SBS, JP  
Hon TAM Heung-man

**Non-subcommittee Member attending:**

Hon WONG Kwok-hing, MH

**Members absent:**

Hon CHAN Yuen-han, JP  
Hon LI Kwok-ying, MH  
Hon CHEUNG Hok-ming, SBS, JP

**Public officers attending:**

Miss Amy 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 (Works)
Mrs Rita LAU, JP	Permanent Secretary for Housing, Planning and Lands (Planning and Lands)
Mr K K KWOK, JP	Permanent Secretary for the Environment, Transport and Works (Environment)
Mr Davey CHUNG	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mrs Teresa WONG	Assistant Director of Environmental Protection (Waste Management Policy)
Mr TSAO Tak-kiang, JP	Director of Civil Engineering and Development
Mr LEUNG Tat-fai	Chief Engineer/Fill Management (Acting) Civil Engineering and Development Department
Dr Sarah LIAO, JP	Secretary for the Environment, Transport and Works
Mr Joshua LAW, JP	Permanent Secretary for the Environment, Transport and Works (Transport)
Mr Thomas CHOW, JP	Deputy Secretary for the Environment, Transport and Works (Transport) <sup>1</sup>
Ms Ava CHIU	Principal Assistant Secretary for the Environment, Transport and Works (Transport) <sup>3</sup>
Mr MAK Chai-kwong, JP	Director of Highways
Mr LAM Chiu-hung, JP	Project Manager/Hong Kong-Zhuhai-Macao Bridge Hong Kong Project Management Office Highways Department
Mr H C TAM	Chief Engineer/Hong Kong-Zhuhai-Macao Bridge Hong Kong Project Management Office Highways Department
Ms YOUNG Bick-kwan	Principal Assistant Secretary for Education and Manpower (Higher Education)
Miss TSANG Fung-yee	Deputy Secretary-General (1) University Grants Committee

Mr S. Gary CROW	Chief Technical Adviser/Subvented Projects Architectural Services Department
Ms Bernadette LINN	Deputy Secretary for Education and Manpower (2)
Ms Maisie CHAN	Principal Assistant Secretary for Education and Manpower (Infrastructure and Research Support)
Ms Eva CHENG, JP	Commissioner for Tourism
Mrs Winifred CHUNG	Assistant Commissioner for Tourism (4)
Mr C H YUE, JP	Director of Architectural Services
Mr K K LAU, JP	Deputy Commissioner for Transport /Planning & Technical Services
Mr J P CHEUNG	Principal Transport Officer/Urban Transport Department

**Clerk in attendance:**

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

Miss Becky YU	Chief Council Secretary (1)1
Mrs Mary TANG	Senior Council Secretary (1)2
Mr Anthony CHU	Council Secretary (1)2
Ms Caris CHAN	Senior Legislative Assistant (1)1
Mr Frankie WOO	Legislative Assistant (1)2

Action

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The Chairman declared interest that his company was involved in the consultancy study for the construction of the public interchange in Tsim Sha Tsui East which was to be discussed under agenda item 6. In this connection, he would not be participating in the discussion or the voting on the item and would instead invite the Deputy Chairman to chair the meeting when the item was discussed.

**HEAD 705 – CIVIL ENGINEERING**

**PWSC(2005-06)19    33CG    Setting up temporary construction waste sorting facilities at Tseung Kwan O Area 137 and Tuen Mun Area 38**

2. The Chairman informed members that the Panel on Environmental Affairs (EA Panel) was consulted on the proposal at its meeting on 30 May 2005. According to the report given to him by the Chairman of the EA Panel, as the proposed temporary construction waste sorting facilities were an integral part of the Construction Waste Disposal Charging Scheme (the Scheme), the proposal

was generally supported by members of the EA Panel. However, some members had reservation about the proposal on grounds that the construction industry had not fully recovered from the economic downturn and as such it might be necessary to review the need for the sorting facilities.

3. While indicating support in principle for the proposal, Mrs Selina CHOW said that she shared the concern of the construction industry about the charges associated with waste disposal and operation of the sorting facilities. She also sought an undertaking from the Administration to accede to the Tuen Mun District Council's request that the proposed provision of waste sorting facilities would not affect the EcoPark Project on the same site.

4. The Assistant Director of Environmental Protection (Waste Management Policy) explained that when scrutinizing the regulations for implementing the Scheme, it had been agreed that the charges for waste disposal at the sorting facilities would be set at \$100 per tonne based on a cost recovery basis. She affirmed that the development of the proposed sorting facilities would not affect the delivery of the EcoPark. The Chief Engineer/Fill Management(Acting), Civil Engineering and Development Department clarified that price adjustment would be allowed in the standard re-measurement contract for the setting up and operation of the sorting facilities. For the sorting charge of \$100 per tonne, it was legislated in the Regulation. Following the passage of the regulations for the implementation of the Scheme, the Administration had held six meetings with the affected trades and they had not raised any objections against the charging arrangements.

5. The item was voted on and endorsed.

## **HEAD 706 – HIGHWAYS**

### **PWSC(2005-06)20 796TH Hong Kong – Zhuhai – Macao Bridge – conceptual design and advance technical studies**

6. The Chairman informed members that the Panel on Transport was consulted on the proposal at its meeting on 27 May 2005.

7. Mr LAU Kong-wah, Chairman of the Panel on Transport, reported on the deliberation of the Panel. He said that members of the Panel were concerned about the financing arrangements for the Hong Kong-Zhuhai-Macao Bridge (HZMB). They did not wish to have recurrence of the Eastern and Western Harbour Crossings situation whereby the operating companies were able to unilaterally adjust the levels of tolls under the “Built-Operate-Transfer” (BOT) arrangement. Panel members also exchanged views on the alignment options for HZMB and North Lantau Highway Connection (NLHC). They had requested that the Island District Council (IDC) be consulted on these options prior to the submission of the funding proposal to the Public Works Subcommittee (PWSC).

They also supported that measures should be adopted to protect the Chinese White Dolphins and that efforts should be made to facilitate the participation of Hong Kong based companies in the project.

#### Alignment options for HZMB

8. Mr TAM Yiu-chung said that the Democratic Alliance for the Betterment and Progress of Hong Kong supported the funding proposal for the conceptual design and advance technical studies as it had all along been in favour of the early delivery of the HZMB project. He however pointed out that although there were three alignment options for HZMB, namely, the Northern Alignment, Southern Alignment and the Extreme Southern Alignment, a decision had already been taken to adopt the Northern Alignment by the three Governments. This had given rise to much dissent from Tai O residents, who were dissatisfied that the proposed alignment would not bring about any transport benefits to Tai O. Mr TAM was of the view that the population growth of Tai O was constrained by the lack of transport links to other areas in Lantau and the needs of the residents should be taken into account in the planning for infrastructure projects.

9. The Deputy Secretary for the Environment, Transport and Works (Transport)<sup>1</sup> said that the transport needs of Tai O residents had been discussed at the meeting with IDC on 2 June 2005. Given that the population of the villages adjacent to Tai O was only about 200 and was not expected to increase significantly in the near future, the provision of a slip road to connect Tai O and the adjacent villages to the transport network of North Lantau was not justified. Owing to the need to conserve its natural environment, Tai O had not been included as one of the development areas under the Concept Plan for Lantau. Furthermore, the preservation of the natural attributes of Tai O was supported by green groups. Notwithstanding this, the Administration would continue to review the local transport needs of Tai O and its adjacent villages in the light of their population growth and economic activities.

10. Mr LAU Kong-wah said that the drawbacks of the Southern Alignment for HZMB had not been discussed by the Panel on Transport. Members were only made aware of the issue vide the supplementary information paper issued under LC Paper No.CB(1)1742/04-05(01). According to the information provided, the Southern alignment was not recommended because it would require a full bridge structure, which would pose constraints on the ports in Guangzhou and the shipyards thereat. In this connection, he requested further elaboration on the impact of the Southern Alignment and whether it should override the interest of Tai O residents, who were in support of the said alignment on grounds that it would provide more room for transport development. The Director of Highways (DH<sub>y</sub>) explained that as the Southern Alignment would impact on the development of ports in Guangzhou, the Expert Panel had unanimously recommended the Northern bridge-cum-tunnel alignment option, taking into account other considerations. While being aware of the concerns of the local residents, Mrs Selina CHOW said that the Liberal Party was in support of the

adoption of the Northern Alignment for HZMB which was a result of a balanced consideration of various factors.

11. Mr LEE Wing-tat enquired if the Government of the Hong Kong Special Administrative Region (HKSAR) would have the autonomy to decide on the alignment of the Hong Kong section of HZMB. The Secretary for the Environment, Transport and Works (SETW) said that there had been public discussions on the alignment and landing points for HZMB over the past two years. As HZMB would provide an important transport linkage between Hong Kong and the Pearl River West, the alignment would need to be agreed upon by the three Governments.

#### Alignment options for NLHC

12. Mr WONG Kwok-hing opined that for a major infrastructure project like HZMB, there was a need to consult all affected parties, including the District Councils. However, it was only upon the request of Panel on Transport at its meeting on 27 May 2005 that the Administration had hastily consulted IDC on 2 June 2005, but it had not set out the views of Lantau residents on the four alignment options for NLHC in its supplementary information paper. He hoped that in future, the Administration should adopt a people-oriented approach in planning for major projects and consult all relevant parties before seeking funding.

13. DHy clarified that alignment options for NLHC was included under 787TH for the “HZMB Hong Kong section and NLHC-investigation and preliminary design”, the funding of which was approved in December 2003. They were separate from the present proposal under 796TH which aimed at seeking funds for the conceptual design and advance technical studies for HZMB as a whole. Consultation on the alignment options for NLHC had just begun and the views of IDC would be taken into account. The Permanent Secretary for Environment, Transport and Works (Transport) added that the pros and cons of the alignment options (a) to (d) for the eastern section of NLHC had been explained to IDC and were set out in the supplementary information paper provided to members.

#### Environmental and transport considerations

14. Noting the different views of Lantau residents and green groups in relation to the proposed landing points for HZMB and alignments for NLHC, Mr Fred LI sought the Administration’s views on how their differences could be resolved. DHy said that the Environmental Impact Assessment (EIA) study on the Hong Kong section of HZMB as well as NLHC would be performed in accordance with EIA requirements in Hong Kong and the outcome of the study would be made available for public reference. He stressed that local traffic concerns should be dealt with separately from the project since HZMB, with a design speed of 100 km per hour, would be a strategic, regional transport infrastructure not designed to meet local transport demand. While the implementation of a project of this scale would inevitably affect the surrounding environment, efforts would be made to

identify a most effective alignment which would have the least impact on the environment.

15. Mr Andrew CHENG noted the numerous submissions recently received from green groups regarding their concerns about the environmental impact associated with the HZMB project. He opined that such impact should not be overlooked and more information on the mitigation measures should be provided. Mr LEE Wing-tat added that, given the environmental concerns expressed, there might be a need to consult the green groups on the chosen alignment. SETW said that the Advisory Council on the Environment and the green groups were consulted on the proposed landing points and alignments of HZMB. She said that while the strategic development of HZMB might not be able to meet local demands, efforts would be made to provide for the sustainability of development and to avoid any irreversible impact on the environment. Although economic activities would impact on the environment, the Administration would have responsibility to ensure that the environmental impact would be kept to the minimum. Responding to Mr James TO on the need to conduct initial feasibility studies on the project before proceeding with the conceptual design as recommended by green groups, SETW confirmed that such initial studies had been performed.

#### Studies on the HZMB project

16. Miss TAM Heung-man referred members to the submission from the Conservancy Association circulated under PWSC74/04-05 which set out its concerns about the lack of information on the outcome of financial/economic feasibility studies on the HZMB project. She enquired about the economic benefits of the project and whether the outcome of these studies could be made available for public reference. SETW advised that the HZMB Advanced Work Co-ordination Group (AWCG) which was set up by HKSAR, Guangdong Province and the Macao Special Administrative Region to oversee the advance work for HZMB had appointed the China Highway Planning and Design Institute (HPDI) to perform a feasibility study on HZMB. As a major part of HZMB was situated in the Mainland, the feasibility study had been conducted in accordance with the established procedures in the Mainland. HPDI had submitted a draft feasibility study report to the three Governments for consideration. Comments were being co-ordinated and compiled by AWCG and the report would be submitted to the State Council for approval in June 2005. Whether the report could be made available for public reference would be subject to the approval of the State Council but HKSAR would try its best to make available such information to the public as far as practicable. Meanwhile, the EIA study to be conducted on the Hong Kong section of HZMB as well as NLHC for connection to the local network would be performed in accordance with local requirements after a decision on the alignment was reached.

17. Mr Alan LEONG shared the concern of the Conservancy Association about the lack of information about the outcome of the financial/economic feasibility studies on the HZMB project. As the conceptual design would be futile

if the outcome of feasibility studies showed that the project was non-viable, he sought the Administration's explanation in this respect. DHy said that for a project of this scale, the funding of about \$26 million for the conceptual design and advance technical studies was considered a small investment. Such investment was most worthwhile given that there was a high degree of flexibility at the initial conceptual stage and that a lot of information could be made available through these studies. The studies would also enable decisions to be made "by choice and not by chance".

18. SETW added that since the HZMB project involved three governments, a lot of ground work had to be performed with a view to identifying an alignment option which was acceptable to all before proceeding with more detailed studies on a wide range of topics covering hydrology, environment, landscape and traffic, etc. She confirmed in response to Mr Alan LEONG that no irreversible decision had been made at this stage.

#### Financing arrangements

19. Mr LAU Kong-wah supported the early delivery of the HZMB project and as such he considered that there was a need to proceed with the early discussion on the financing arrangement so that a consensus should be reached on the way forward. DHy said that a long planning and construction process would be required for a project of such a scale. With the approval from the State Council on the feasibility study and the completion of the conceptual design to be followed by the detailed design, a decision would be reached on the financing mode for the HZMB project which could either be Government-funded or take the form of a public-private-partnership arrangement such as the BOT approach.

20. Responding to Mr LAU on whether the three governments had any initial agreement on the financing arrangements for the HZMB project, SETW said that AWCG would prefer to seek financing from the market. Tenders would be invited for the project and only in the absence of tenders or where none of them were able to meet tender requirements would consideration be given to alternative modes of financing.

21. Mrs Selina CHOW said that, given the bitter experience of the Eastern Harbour Crossing, the public was wary about the BOT approach. Therefore, the Government would need to be cautious about the financing arrangements for the HZMB project which would have far reaching implications. It should also consult members on its options at an early stage before a decision was made. SETW thanked Mrs CHOW for her views and agreed to take them into consideration.

22. Mr Andrew CHENG acknowledged the difficulties associated with the financing of such a large-scale project involving three governments. He shared members' concern about the BOT approach as past experience had shown that such arrangement might not necessarily safeguard public interest. In view of the fact that toll adjustment was governed by the internal rate of return under a franchise agreement, users would again face the risk of high tolls under a BOT

arrangement. He would not be convinced that BOT approach was an acceptable arrangement unless there was evidence that the BOT for HZMB was different from that for Eastern Harbour Crossing or other similar franchise agreements. With the extensive experience of the Mainland in developing projects of this nature, he believed that reference ought to be made to their successful experiences. He also considered it necessary that the Government of HKSAR should explore alternative financing options such as securitization or issuance of bonds and to review critically the experiences of BOT cases, with a view to coming up with an arrangement which would protect the interest of the public at large. He hoped that such information could be provided before the proposal was put to the Finance Committee (FC) for approval.

23. SETW said that the HZMB project was the largest infrastructure project since the handover of sovereignty in 1997. As the project involved three governments and each of which had its own requirements, a lot of preparatory work had to be performed in order to reach consensus on the way forward. The Government of HKSAR could not make decisions on its own without consulting the other two Governments. An alignment had to be identified in order to work out the details with regard to scope of works, cost and financing etc. There were different forms of BOT approach and reference would be made to the successful experience of the Mainland on the application of BOT approach in infrastructure projects, which might involve some degree of Government participation.

24. On Mr Andrew CHENG's request for information on the financing options, DHy indicated that since the project was still at the conceptual stage, it would be more appropriate to consider the financing options after the outcome of the feasibility study by HPDI were endorsed by the State Council. At members' request, he agreed to provide, as far as possible, some basic information on public-private-partnership projects in the Mainland to facilitate members' understanding of the financing options. Members noted from the Clerk that the Legislative Council Secretariat had recently compiled a research report on "Public Private Partnership" for capital works projects.

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#### Detailed discussion on the funding and implementation of the HZMB project

25. Mr CHAN Kam-lam raised a point of order and reminded members that the present proposal was related to the funding for the conceptual design and advance technical studies for HZMB. He considered that details such as options for financing and alignment should be left for the Panel on Transport to follow up. The Chairman concurred that such details should be followed up by the Panel on Transport and/or other relevant Panels, not by PWSC in view of the large number of public works projects to be considered. Ms Margaret NG disagreed and said that it was perfectly in order for PWSC to devote time to the discussion on a project of this scale before funding was approved by FC. She said that members of PWSC who were not members of the Panel on Transport might wish to have more information on the project which involved a huge financial commitment. Citing the unsuccessful experience in the launching of Real Estate Investment Trust by the Housing Authority, Mr Albert CHAN said that members should have the right

to have more information on financial proposals before funding was approved. They should be apprised of the financing arrangements for the HZMB project because if BOT approach was to be adopted, the successful tender should be conducting the studies for conceptual design and as such further public funding might not be needed. The Chairman remarked that under BOT, the Administration should be able to recover the \$26 million funding for the studies from the successful tender.

26. Mr CHAN Kam-lam explained that he was not against detailed discussion of the funding arrangements, but PWSC was not the right forum to go into such details. Should members consider it necessary, a subcommittee to study the HZMB project could be set up. Mr LEE Wing-tat said that as more time was needed to discuss the design, engineering and environmental aspects of the HZMB project, he supported the setting up of a subcommittee for the purpose and the withdrawal of the present funding proposal. The Chairman said that it was the Administration's decision as to whether the proposal should be withdrawn. If members wished to set up a subcommittee to study the HZMB project, they could do so under the relevant Panel or the House Committee, but not under PWSC. Ms Margaret NG said that while members could not request the Administration to withdraw the proposal, they could however express their views on the proposal and leave the decision to the Administration.

27. Mr CHAN Kam-lam clarified that while he supported the setting up of a subcommittee to discuss the details of the HZMB project, he had not requested withdrawal of the proposal. To avoid further delay on the project, he would recommend that the \$26 million funding for the proposed studies be supported, as it was not a huge amount in relation to the scale of the project. Mr Abraham SHEK supported that the funding proposal be approved in order to kick start the HZMB project which would be an important transport linkage contributing to the development of tourism, logistics, finance and trade in the HKSAR.

28. Mr LAU Kong-wah said that when the HZMB project was discussed by the Panel on Transport, attention was focused on the financing options and the need to consult the affected districts. The suggestion of setting up a subcommittee to study the project had not been raised. He shared the Administration's view that in the absence of a conceptual design, it would be difficult to decide on the cost and financing arrangements. As the Administration had agreed to provide the information as requested by members, he did not consider it necessary to set up a subcommittee to study the project at this stage. More information could be made available to members upon completion of the conceptual design and advance technical studies.

29. Mr LEE Wing-tat opined that the approval for the funding of feasibility/conceptual design studies on a project was often perceived as an endorsement of the project. As there were a number of issues which required further elucidation, he would support that more time be devoted to the discussion of the project and that a subcommittee be set up for the purpose. Sharing similar views, Mr Albert CHAN said that he would support the proposal on the condition

that the Administration would provide information on the progress and findings of the studies to the relevant Panel or subcommittee set up to study the HZMB project so that members' suggestions could be taken into account during the course of the studies. Ms Margaret NG concurred on the need for the Administration to share with members the latest findings of the studies on the HZMB project to enable it to be conducted in a transparent and objective manner. While indicating support for funding the conceptual design and advanced technical studies, Mr Patrick LAU also agreed on the need to set up a subcommittee to study the project. Mr LEUNG Kwok-hung suggested that the public should be invited to give views on the HZMB project and representatives from the three governments should be invited to attend.

30. Ms Miriam LAU said that while she shared the concern about the financing arrangement as it would impact on the toll levels as well as the patronage, she did not consider that the issue should be pursued by PWSC but should be followed up by the Panel on Transport or a subcommittee set up for the purpose. She said that as members of the Liberal Party and the transport trades were supportive of the HZMB project and its early delivery, she would not support any actions which would delay the project.

31. DHy advised in response to Ms Miriam LAU that according to the present progress, the construction works for the project would start in 2006 for completion in 2011. He explained that one of the purposes for conducting the studies was to obtain more information on the project. If the studies could not proceed on schedule, the project would be further delayed. He said that the setting up of a subcommittee to study the project would not in any way conflict with the conduct of the conceptual design and advance technical studies. More information could be made available to members in the course of the studies and members' views were welcome. SETW added that the Administration would be actively participating in the discussions with members and interested parties on the HZMB project during the course of these studies and would provide information as appropriate.

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32. The item was voted on and endorsed.

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

### **PWSC(2005-06)22 47EF Stabilization of slopes within the university campus, phase 13**

33. Members noted that the Panel on Education (Education Panel) was consulted on the proposal by way of circulation of the relevant paper in May 2005.

34. The item was voted on and endorsed.

**HEAD 708 — CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT**

**PWSC(2005-06)24 86EB A direct subsidy scheme secondary school at Inverness Road, Kowloon Tong**

35. Members noted that the Administration consulted the Education Panel on 30 May 2005.

36. Mr Abraham SHEK expressed concern on the low consultants' fee of \$3.4 million for the school lest this would affect the quality of both the consultants and the school. The Deputy Secretary for Education and Manpower (2) said that the consultants' fee was not low when compared to that of \$1 million for a standard design public sector school. The higher consultants' fee might be attributed to the use of non-standard design for the school by the school sponsor.

37. In response to Mr Patrick LAU's enquiry on the breakdown of the consultants' fee, the Chief Technical Advisor/Subvented Projects, Architectural Services Department confirmed that the consultants' fee included costs for contract administration and site supervision as well as out-of-pocket expenses, such as lithography and other direct expenses. He added that the consultants' fee, which comprised about 3.4% of the total project sum, was not considered low and was derived by the school sponsor on the basis of competitive tendering.

38. The item was voted on and endorsed.

**HEAD 708 — CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT**

**PWSC(2005-06)25 54EC A private independent school (secondary-cum-primary) in Area 11, Sha Tin**

39. Members noted that the Administration had consulted the Education Panel on 30 May 2005.

40. The item was voted on and endorsed.

**HEAD 703 — BUILDINGS**

**PWSC(2005-06)21 74TI Transport Link in Tsim Sha Tsui East**

41. The Deputy Chairman took the chair at this juncture.

42. Members noted that the Administration consulted the Panel on Economic Services (ES Panel) on 25 April 2005.

43. Mrs Selina CHOW said that Members of the Liberal Party supported the proposal to construct a new public transport interchange (PTI) with a podium garden and two footbridges at Wing On Plaza Garden (WOPG) in Tsim Sha Tsui (TST) East to replace the existing one adjacent to the TST Star Ferry Pier. She was also glad that the Administration had taken on board the ES Panel's view in improving the design of the "Transport Link in TST East" project, including the provision of escalators for the new footbridges. She however stressed the need for the Administration to address members' concern on the new traffic and transport arrangements upon relocation of PTI. Referring to the submission from the Star Ferry, Miss TAM Heung-man noted that the Star Ferry had expressed grave concern about the new traffic and transport arrangements lest the bus diversion to the proposed turnaround outside the Hong Kong Cultural Centre (HKCC) would not only adversely affect the traffic flow at the intersections of the Kowloon Park Drive, Salisbury Road and Nathan Road but also the patronage of the Star Ferry. She enquired about the measures which the Administration would take to address the Star Ferry's concerns.

44. The Commissioner for Tourism (CT) pointed out that the current funding proposal was for the construction of a new transport link in TST East only. The planned open plaza and the new turnaround outside HKCC would be taken forward as a separate project under the next phase.

45. The Deputy Commissioner for Transport/Planning & Technical Services (DCT/P&TS) said that in planning for the "Transport Link in TST East" project, traffic impact assessments had been conducted which revealed, among other things, that the intersections referred to in the preceding paragraph had spare capacity to cope with the anticipated increase in bus throughput upon relocation of PTI. As regards the patronage of the Star Ferry, DCT/P&TS said that TD had recently conducted a survey on all the passengers of the four affected bus routes terminating at the existing TST Star Ferry Pier PTI. The survey revealed that of the 7 300 affected passengers using the four bus routes, only 3 900 interchanged for the Star Ferry. It was anticipated that some of the 3 900 passengers would continue to take the Star Ferry even when the new arrangements took effect and they had to interchange once before arriving at the Star Ferry Pier. As such, only a very small portion of Star Ferry's patronage would be affected under the new arrangements. DCT/P&TS added that according to a survey conducted by TD in 2002, about 67% of the passengers taking the bus routes terminated at the TST Star Ferry Pier PTI also took the Star Ferry. The percentage had reduced to 54% at the recent survey conducted in April 2005. As there had been no drop in the patronage of the Star Ferry during the period, it could be deduced that there had been an increasing number of passengers of the Star Ferry accessing the TST Star Ferry Pier on foot, and it was believed that most of them were tourists.

46. Mr CHAN Kam-lam said that Members of the Democratic Alliance for the Betterment and Progress of Hong Kong were in support of the proposal. He however emphasized the need for the Administration to conduct further studies to ascertain the effect of the new traffic and transport arrangements on the existing traffic flow in TST South and on the patronage of the Star Ferry.

Mrs Selina CHOW also urged the Administration to take into account the views of the Star Ferry as far as practicable in taking forward the “Transport Link in TST East” project with a view to minimizing its impact on the Star Ferry which was a prominent tourist icon in Hong Kong.

47. In reply, CT said that the Administration acknowledged the concerns of the Star Ferry and had held several discussions with the management of the Star Ferry in this respect. Noting that the Star Ferry had commissioned a consultancy study on the effect of the new traffic and transport arrangements, the Administration would carefully examine the findings after release of the consultancy report which was expected to take a few more weeks. She assured members that the Administration would consult all stakeholders, including the Wharf Group and the Star Ferry, before finalizing the layout of the new turnaround and the open plaza project.

48. While supporting the proposal, Ms Miriam LAU reiterated her concern about the design of the new facilities at the turnaround area outside the Hong Kong Cultural Centre and access to the Star Ferry Pier by different transport modes. She was worried that there would not be sufficient space to cope with the demand for bus, taxi and coach operations, and that traffic queue might tail back from the turnaround area and consequently affect the traffic flow of Salisbury Road. She therefore urged the Administration to review the design of the new turnaround.

49. Mr Andrew CHENG said the Members of the Democratic Party were in support of the proposal and the “Transport Link in TST East” project in view of its benefits to the local community and businesses. He however considered it necessary for the Administration to address the concerns raised in the submission from the Star Ferry before the proposal was submitted to the Finance Committee (FC) on 24 June 2005. Consideration should be given for the Panel on Transport to hold a special meeting to discuss the issue before the relevant FC meeting. As the consultant of the Star Ferry had yet to finalize its report which would take a few more weeks, CT said that it might not be possible for the Administration to make any response before the FC meeting. Mrs Selina CHOW considered it appropriate to allow sufficient time for the consultant to complete its report given the far-reaching implications of the project on the traffic in TST.

50. While supporting the proposal, Mr Abraham SHEK shared other members’ concerns about the effect of the new traffic and transport arrangements and urged the Administration to conduct extensive consultation with all affected parties, including the Star Ferry and Yau Tsim Mong District Council, on the new traffic and transport arrangements and to report its findings and solutions to the relevant Panel. He then sought elaboration on the cost of \$25.5 million for essential modification works to the Kowloon-Canton Railway Corporation (KCRC) East TST Station. CT explained that KCRC had undertaken to re-provision WOPG at ground level of the East Rail Extension project. As such reinstatement works would no longer be necessary with the proposed PTI development at the site and the new WOPG to be re-provisioned on the podium deck above PTI, KCRC had agreed to pay the Government the cost of the agreed

reinstatement works, estimated to be \$21.6 million. As to whether outside architects would be engaged for the design of the podium garden, CT answered in the affirmative.

51. In response to Ms Miriam LAU's question on the increase in annual recurrent expenditure from \$775,000 to \$4 million, CT explained that the additional expenses included management costs for the podium garden, the two footbridges as well as the ventilation system of PTI.

52. The item was voted on and endorsed.

53. The meeting ended at 10:50 am.