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

**Minutes of the 16th meeting
held in the Conference Room A of Legislative Council Building
on Monday, 15 June 2009, at 8:30 am**

Members present:

Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP (Chairman)
Hon Alan LEONG Kah-kit, SC (Deputy Chairman)
Hon James TO Kun-sun
Hon Miriam LAU Kin-yee, GBS, JP
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Hon Albert CHAN Wai-yip
Hon WONG Kwok-hing, MH
Hon CHEUNG Hok-ming, SBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon KAM Nai-wai, MH
Hon CHAN Hak-kan
Hon Paul CHAN Mo-po, MH, JP
Hon Tanya CHAN
Hon WONG Kwok-kin, BBS
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Dr Hon Samson TAM Wai-ho, JP

Members absent:

Hon Fred LI Wah-ming, JP
Hon CHAN Kam-lam, SBS, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP

Hon Abraham SHEK Lai-him, SBS, JP
Hon LEE Wing-tat
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king
Dr Hon LEUNG Ka-lau
Hon WONG Yuk-man

Public officers attending:

Miss Helen TANG	Deputy Secretary for Financial Services and the Treasury (Treasury) ³
Mr MAK Chai-kwong, JP	Permanent Secretary for Development (Works)
Mr Raymond YOUNG, JP	Permanent Secretary for Development (Planning and Lands)
Ms Anissa WONG, JP	Permanent Secretary for the Environment
Miss Sandra LAM	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mr John CHAI Sung-veng, JP	Director of Civil Engineering and Development
Mr CHAN Yiu-ming	Chief Engineer (New Territories North and West) (New Territories) ¹ , Civil Engineering and Development Department
Mr CHAN Yu-yuen	Chief Engineer (Drainage Projects) (Acting), Drainage Services Department
Mr David LAU Kam-kuen	Principal Assistant Secretary for Security (A)
Mr YUE Chi-hang, JP	Director of Architectural Services
Mr LEUNG Koon-wah, CDSM, CMSM	Assistant Commissioner (Administration and Human Resource Development), Customs and Excise Department
Mr HO Sang-lee	Senior Staff Officer (Service Administration), Customs and Excise Department
Ms Mable CHAN	Deputy Secretary for Education (2)
Mr Raymond SY Kim-cheung	Principal Assistant Secretary for Education (Infrastructure and Research Support)
Mr Kenneth CHEN Wei-on, JP	Under Secretary for Education
Ms Amy WONG Pui-man	Principal Assistant Secretary for Education (Higher Education)
Mrs Dorothy MA CHOW Pui-fun	Deputy Secretary-General (1), University Grants Committee Secretariat
Mr CHAN Wing-tak	Chief Technical Adviser (Subvented Projects), Architectural Services Department
Ir Professor KO Jan-ming	Vice President (Academic Staffing and Resources), The Hong Kong Polytechnic University
Mr CHAN Shu-keung	Director of Campus Development, The Hong Kong Polytechnic University

Mr Daniel SUEN Chung-keung	Deputy Director of Campus Development, The Hong Kong Polytechnic University
Ms Esther CHOW Yuen-sai	Director, P&T Architects and Engineers Ltd.
Ms Amelia FOK Ching-yin	Deputy Director, Beria Consultants Limited
Mr LAU Ka-keung, JP	Director of Drainage Services
Mr CHAU Kwok-ming	Chief Engineer (Harbour Area Treatment Scheme), Drainage Services Department
Mr Elvis AU Wai-kwong, JP	Assistant Director (Water Policy), Environmental Protection Department
Mr IP Wing-cheung	Chief Engineer (Project Management), Drainage Services Department
Professor Gabriel M LEUNG, JP	Under Secretary for Food and Health
Miss Ivy CHAN Ah-wing	Principal Assistant Secretary for Food and Health (Food) ² (Acting)
Ms Rhonda LO Yuet-ye, JP	Assistant Director (Operations) ² , Food and Environmental Hygiene Department
Miss Gloria LO Kit-wai	Principal Assistant Secretary for Food and Health (Health) ²
Dr CHEUNG Wai-lun	Director (Cluster Services), Hospital Authority
Dr K L CHUNG	Hospital Chief Executive, Castle Peak Hospital and Siu Lam Hospital, Hospital Authority
Ms Margaret TAY	Chief Manager (Integrated Care Programs), Hospital Authority
Mr Donald LI	Deputising Chief Manager (Capital Planning), Hospital Authority
Mr Richard WONG Tat-ming	Assistant Director (Leisure Services) ¹ (Acting), Leisure and Cultural Services Department
Mr Harry TSANG Chin-kwong	Chief Executive Officer (Planning) ¹ , Leisure and Cultural Services Department
Mr Jack CHAN Jick-chi	Commissioner for Heritage, Development Bureau
Mr HUI Chiu-kin	Chief Property Services Manager (2), Architectural Services Department
Mr Raymond CHAN Wai-kin	Technical Advisor, Development Bureau
Mr Tom MING Kay-chuen	Executive Secretary (Antiquities and Monuments), Leisure and Cultural Services Department
Mr Daryl NG	Executive Director, Hong Kong Heritage Conservation Foundation Limited
Mr Patrick SIU	Project Manager, Hong Kong Heritage Conservation Foundation Limited
Ms Una LAU	Assistant General Manager (Marketing and Corporate Communications), Hong Kong Heritage Conservation Foundation Limited

Clerk in attendance:

Ms Debbie YAU

Chief Council Secretary (1)6

Staff in attendance:

Mrs Constance LI

Assistant Secretary General 1

Ms Angel SHEK

Senior Council Secretary (1)1

Ms Alice CHEUNG

Senior Legislative Assistant (1)1

Mr Frankie WOO

Legislative Assistant (1)2

Action

The Chairman reported that a total of 126 capital works projects of an amount of \$120.355 billion had been endorsed by the Public Works Subcommittee (PWSC) in the 2008-2009 session so far. If all the proposals to be considered at the meeting were endorsed, the total number of projects recommended for approval in the current session would be 140 with a total amount of \$127.038 billion.

Head 707 – New Towns and Urban Area Development

PWSC(2009-10)65 705CL Hang Hau Tsuen Channel at Lau Fau Shan

2. The Chairman advised that the proposal was to upgrade 705CL to Category A at an estimated cost of \$91.2 million in money-of-the-day (MOD) prices for the drainage improvement works in Hang Hau Tsuen, Lau Fau Shan. An information paper on the proposal had been circulated to the Panel on Development on 15 May 2009.

3. In reply to Mr IP Kwok-him, the Director of Civil and Engineering Development (DCED) explained that the proposed works included clearance of residual structures of previous squatters within the project site to make way for the construction of the proposed drainage channel. Desilting of river beds would be carried out to alleviate flooding problems, and some of the uncontaminated mud excavated would be re-used on site. Referring to the typical cross section of the proposed drainage channel as shown in Enclosure 1 to PWSC(2009-10)65, DCED explained that the river banks of the drainage channel would be raised to enhance its capacity to withstand flooding of one in 50 years storm. Mr IP requested the Administration to ensure the scope of excavation and demolition works would be adequate to bring about genuine drainage improvement for the Hang Hau Tsuen stream.

4. Mr WONG Kwok-hing suggested that the Administration should incorporate more greening works and plant more trees at the proposed drainage channel to improve the environment in the area, and strengthen the slopes nearby. DCED said that apart from landscaping works on the roadside slope at the drainage

channel, the Administration planned to plant 114 trees and 14 260 shrubs under the project.

5. The item was voted on and endorsed.

PWSC(2009-10)66 70CD Yuen Long bypass floodway

6. The Chairman advised that the proposal sought to increase the approved project estimate (APE) of 70CD from \$476.2 million by \$40.8 million to \$517.0 million in MOD prices. An information paper on the proposal had been circulated to the Panel on Development on 20 May 2009.

7. The Permanent Secretary for Development (Works), Development Bureau (PS(W), DEVB) said that the Finance Committee (FC) approved the upgrading of 70CD to Category A in June 2002, and the related works had been substantially completed in November 2006. The current proposal was to seek an increase in the APE of the project to cover additional cost due to unforeseen circumstances and site conditions. Mr WONG Kwok-hing suggested the Administration to carry out more landscaping works at the drainage channel. In response, DCED referred members to Enclosure 2 to PWSC(2009-10)66 and highlighted that grasscrete had been adopted to improve aesthetics of the drainage channel. Mr WONG suggested that grasscrete should also be adopted for similar projects including project 705CL just discussed.

8. The item was voted on and endorsed.

Head 703 – Buildings

PWSC(2009-10)64 61JA Redevelopment of departmental quarters for Customs and Excise Department at Tsing Chau Street and Lee Kung Street, Hung Hom

9. The Chairman advised that the proposal was to upgrade 61JA to Category A at an estimated cost of \$275 million in MOD prices for the redevelopment of departmental quarters for Customs and Excise Department at Tsing Chau Street and Lee Kung Street, Hung Hom. The Panel on Security had been consulted on the proposal at the meeting on 5 May 2009 and Panel members had not raised any queries.

10. Ms Miriam LAU enquired about the energy efficiency measures and the extent of energy savings for this project. The Director of Architectural Services (D Arch S) advised that usually, other government buildings with full central air-conditioning would have more potential to achieve higher energy savings by adopting energy efficient features. For this government quarters project, as air-conditioning would be provided for some common areas only, it was estimated that about 3.5% energy savings could be achieved after implementing the energy efficient measures. He explained that the energy in the exhaust air from

air-conditioned spaces would be reclaimed through the heat recovery fresh air pre-conditioners to pre-cool the fresh air supply of the air-conditioning system for the purpose of energy savings.

11. Ms Miriam LAU enquired about the feasibility to enlarge the scale of the solar photovoltaic system to maximize utilization of renewable energy for uses other than corridor lightings. D Arch S advised that as the building consisted of just one block, only a small scale solar photovoltaic system would be installed at the rooftop for corridor lightings.

12. The item was voted on and endorsed.

PWSC(2009-10)40 263ES Second secondary school at development near Choi Wan Road and Jordan Valley, Kwun Tong

13. The Chairman advised that the proposal was to upgrade 263ES to Category A at an estimated cost of \$248 million in MOD prices for the construction of a new secondary school premises at development near Choi Wan Road and Jordan Valley, Kwun Tong to reprovise an existing aided secondary school. The Administration had consulted the Panel on Education on 24 October 2005 on the review of the School Building Programme. Panel members noted the Administration's plan to proceed with reprovise and redevelopment projects to upgrade sub-standard facilities in existing schools.

14. In response to Mr IP Kwok-him's enquiry, the Deputy Secretary for Education (2) (DS(2), EDB) said that the school sponsoring body would handover the existing premises to the Government upon taking up the new building. Subject to the conditions of the to-be-vacated premises, it might be refurbished for educational use in the district where appropriate.

15. Mr IP Kwok-him expressed concern about the relatively high construction costs of the proposed school, i.e. \$248 million, as compared to similar projects under the School Building Programme.

16. The Permanent Secretary for the Environment explained that as set out in the 2008-2009 Policy Agenda, the Government would demonstrate state-of-the-art energy efficient designs and technologies by means of a government building and an educational building as energy efficiency demonstration projects. The proposed project had been chosen as one of the demonstration projects. It was hoped that the projects would set a good example in promoting the use of energy efficient designs and technologies by the private sector. D Arch S added that the total estimated additional cost for adoption of the environmental and energy conservation measures for the school project was around \$17.8 million, and the energy efficient features aimed at achieving a higher target of 27.3% energy savings in the annual energy consumption with a payback period of about 18.4 years.

17. Mr IP Kwok-him doubted the cost-effectiveness of the additional energy efficient features in view of a higher initial investment and a much longer payback period. Ms Miriam LAU also queried why the proposed energy efficient features would require such a long payback period if they could bring about significantly higher energy savings.

18. D Arch S explained that the payback period for different energy efficient features would vary and the estimated 18.4 years represented only an average figure for all the energy efficient features under the proposed project. As some of the additional energy efficient features were to be adopted on a trial basis, the target energy savings and the payback period would have to be evaluated. The Administration would provide information on the actual performance of energy savings of the project in future for members' reference. In response to Ms Miriam LAU's further enquiry, D Arch S said that the proposed environmental initiatives would bring about an estimated annual savings of \$315,145 in energy consumption.

19. While supporting the implementation of more environmental protection measures in government buildings, Mr Albert CHAN expressed concern about the significant increase in the capital cost for the construction of school premises. He urged the Administration to seriously explore ways to lower the cost for similar projects, including adjusting the design of school premises.

20. Referring to Enclosure 4 to PWSC(2009-10)40, D Arch S said that the construction unit cost of the current project was broadly comparable to the reference cost of a 30-classroom secondary school project in September 2008 prices. PS(W), DEVB advised that the high level of September 2008 prices was caused by the escalating costs of construction materials and labour during the reference period. However, a trend of lower costs was observed from the tender prices returned recently. The Administration would continue to explore ways to reduce the costs of public works projects.

21. The item was voted on and endorsed.

PWSC(2009-10)41 344EP A 30-classroom primary school at development near Choi Wan Road and Jordan Valley, Kwun Tong

22. The Chairman advised that the proposal was to upgrade 344EP to Category A at an estimated cost of \$189.9 million in MOD prices for the construction of a 30-classroom primary school at development near Choi Wan Road and Jordan Valley, Kwun Tong. The Administration had consulted the Panel on Education on 24 October 2005 on the review of the School Building Programme. Panel members noted the Administration's plan to proceed with re-provisioning and redevelopment projects to upgrade sub-standard facilities in existing schools.

23. Ms Miriam LAU enquired about the reasons for the significant difference in the estimated costs between the previous school project 263ES (i.e. \$248 million) and the current proposal 344EP (i.e. \$189.8 million) which were both 30-classroom school premises. DS(2), EDB explained that the previous project 263ES was a secondary school with 16 special rooms whereas the present project 344EP was a primary school with 6 special rooms. Apart from the difference in the planning standard for secondary and primary school premises, the project site area for the current project (6 330 m²) was smaller than that the previous one i.e. 8 630 m². DS(2), EDB added that the previous item was an energy efficiency demonstration project and the adoption of the environmental and energy efficient features had contributed to the higher cost.

24. Mr IP Kwok-him noted that the energy efficient features for the previous project 263ES would achieve 27.3% energy savings in the annual energy consumption, but the current one could only achieve 7.2 % savings in energy consumption. He asked whether new energy efficient technologies should be more widely adopted in future projects to enhance their environmental performance. D Arch S said that the new energy efficient features for the previous project 263ES were adopted on a trial basis, and their cost-effectiveness would be evaluated in the light of actual implementation. Based on the outcome of assessment, the Administration would identify suitable energy efficient features for wider adoption in future. He added that the target energy savings for the current project 344EP was comparable to other schools incorporating energy efficient features commonly adopted for government projects.

25. Mr IP Kwok-him expressed concern that the school premises in question required substantial reprovioning after 26 years. Mr IP asked whether the reprovioning was based on safety reasons or for enhancing the environmental and energy efficiency. DS(2), EDB explained that in determining the need for school reprovioning, the Administration would consider a basket of factors including the age of school buildings, the site areas and standard of existing facilities. She pointed out that the 26-year-old school premises in question was built on a site smaller than 3 000 m², which fell short of the current standard. There was also a need for frequent repairs including spalling concrete and extensive waterpipe leakage. Having regard to a relatively high annual repair and maintenance cost for the existing premises, the constraints for in-situ redevelopment and the fact that by the time the new school premises was completed in 2011, the existing school premises would have been around 30 years old, the Administration considered that reprovioning was the most effective way to upgrade the teaching and learning environment of the school concerned.

26. The item was voted on and endorsed.

PWSC(2009-10)42 330EP A 24-classroom primary school at the junction of Victoria Road and Pok Fu Lam Road, Pok Fu Lam

27. The Chairman advised that the proposal was to upgrade 330EP to Category A at an estimated cost of \$255.6 million in MOD prices for the construction of a 24-classroom primary school at the junction of Victoria Road and Pok Fu Lam Road, Po Fu Lam. The Administration had consulted the Panel on Education on 24 October 2005 on the review of the School Building Programme. Panel members supported the recommendation to proceed with school projects for converting existing bi-sessional primary schools to whole-day operation in general, as well as reprovisioning and redevelopment of sub-standard school premises.

28. Prof Patrick LAU declared that he was a member of St. Paul's College Council.

29. Mr KAM Nai-wai expressed concern about the relatively high cost (\$255.6 million) for the proposed project. He asked whether further provision would be necessary as in the case of project 265ES which sought an increase in APE due to higher-than-expected tender rates. D Arch S explained that in addition to piling, the current project involved extensive site formation and slope works. The total estimated cost for these works was \$60 million.

30. As regards Mr KAM Nai-wai's concern about the noise impact of the piling works, DS(2), EDB said that percussive piling system would not be used because of high bedrock level under the classroom block and to avoid excessive vibrations and noise caused to nearby residents. Instead, rock socketted H-piles in pre-bored hole at an average depth of 18 m would be used.

31. Regarding the various forms of energy efficient features to be adopted for the project, Mr KAM Nai-wai asked if these facilities would be open to the public for educational purposes. DS(2), EDB said that schools were generally open-minded to opening their facilities for public use if these would not disrupt the school operation. She would relay Mr KAM's suggestion to the management of the school.

Admin

32. Mr KAM Nai-wai noted that the project would generate about 20 100 tonnes of construction waste, but only 4 200 tonnes (20.9%) of inert construction waste could be reused on site. As the re-use rates for the previous two school projects were 45.8% and 56.3% respectively, he asked why a lower reuse rate was estimated for this project. D Arch S explained that the amount of construction waste generated would vary with the scale of excavation and demolition works pertaining to individual projects, while the re-use rate of construction waste would depend on the nature of the construction waste (i.e. inert or non-inert) and the need to use the excavated materials for the site. For the current project, the proportion of construction waste that would be used for filling purposes was relatively low.

33. In response to Mr KAM Nai-wai's concern about the removal of trees, DS(2), EDB explained that after assessment of the health conditions of the trees within the project site, 92 trees would be removed, of which 48 trees would be felled and 44 trees would be replanted within the project site. The Administration would also incorporate planting proposals as part of the project, including estimated quantities of 22 trees and 1 800 shrubs.

Admin

34. Referring to the Artist's Impression of the view of the school premises from south-western direction (Enclosure 3 to PWSC(2009-10)42), Mr KAM Nai-wai suggested that trees should be planted in front of the school premises along Victoria Road. DS(2), EDB advised that the Administration had consulted the design architects and the school in coming up with the current greening and planting proposals. Having regard to traffic concerns, such as the need to retain vehicular access for routine and emergency purposes, it was considered not appropriate to plant trees on the roadside at the front of the school premises. She highlighted that landscaping works would be incorporated on each floor of the school building to enhance the greening effect. At the request of Mr KAM, the Administration agreed to explore with the design architects and the school the feasibility of planting trees at the front of the school premises as far as practicable.

35. The item was voted on and endorsed.

PWSC(2009-10)43 265ES Extension of Lai Chack Middle School at Scout Path, Kowloon

36. The Chairman advised that the proposal sought to increase the APE for 265ES from \$80.7 million by \$19.3 million to \$100 million in MOD prices for the construction of an extension block to Lai Chack Middle School. An information paper on the proposal had been circulated to the Panel on Education on 4 May 2009.

37. The item was voted on and endorsed.

**Head 708 – Capital Subventions and Major Systems and Equipment
PWSC(2009-10)62 28EK Student hostel, phase 3, The Hong Kong Polytechnic University**

38. The Chairman advised that the proposal was to upgrade 28EK to Category A at an estimated cost of \$522.1 million in MOD prices for the construction of student hostel, phase 3 by the Hong Kong Polytechnic University in Homantin. The Panel on Education had been consulted on the proposal at the meeting on 11 May 2009. Panel members generally supported the project.

39. The item was voted on and endorsed.

Head 704 – Drainage

PWSC(2009-10)59 329DS Upgrading of Pillar Point sewage treatment works

40. The Chairman advised that the proposal was to upgrade 329DS to Category A at an estimated cost of \$1,360.9 million in MOD prices for the upgrading of Pillar Point sewage treatment works. The Panel on Environmental Affairs (the EA Panel) had been consulted on the proposal at the meeting on 27 October 2008 and had not raised objection to the proposal.

41. The item was voted on and endorsed.

PWSC(2009-10)60 346DS Upgrading of Tuen Mun sewerage, phase 1

42. The Chairman advised that the proposal was to upgrade part of 346DS to Category A at an estimated cost of \$1,340 million in MOD prices for expanding the sewerage in western Tuen Mun area. The EA Panel had been consulted on the proposal at the meeting on 25 May 2009 and Panel members raised no objection to the proposal. At the request of some Panel members, the Administration had provided on 2 June 2009 further information on the programme and costs of the remaining sewerage works under 346DS together with its respective site plan.

43. The item was voted on and endorsed.

Head 703 – Buildings

PWSC(2009-10)56 17NB Provision of a columbarium and garden of remembrance at Kiu Tau Road, Wo Hop Shek

44. The Chairman advised that the proposal was to upgrade 17NB to Category A at an estimated cost of \$629.5 million in MOD prices for the provision of a columbarium and garden of remembrance (GoR) at Kiu Tau Road, Wo Hop Shek. The Panel on Food Safety and Environmental Hygiene (FSEH Panel) had been consulted on the proposal on 12 May 2009 and Panel members supported the proposal.

Provision of additional floors and more niches at the columbarium building

45. Ms Miriam LAU expressed support for the proposed project. Noting that the proposed columbarium building would provide about 30 000 public niches, she was concerned whether the provision could meet the needs of an increasing demand for cremation service and the supply of niches as the number of cremations in 2008 was already 36 410. The Under Secretary for Food and Health (USFH) advised that the annual supply of niches provided at columbarium facilities run by government and non-government organizations (e.g. the Board of Management of Chinese Permanent Cemeteries) was around 60% of the number of cremations (around 22 000 each year). To meet the shortfall, the Administration

had been building additional niches at existing public columbaria managed by the Food and Environmental Hygiene Department (FEHD), and identifying suitable sites for the construction of new columbaria. At the same time, FEHD had been promoting alternative and more environmental-friendly ways of handling cremains, such as scattering of ashes at GoRs. Hence, the proposed project had incorporated the development of a GoR to help relieve the demand for public niches. He added that the proposed project had been planned for a long time and gained the support of the relevant District Council, the local community and the FSEH Panel.

46. Ms Miriam LAU noted that adding more floors on top of the five-storey columbarium building might not be feasible as there was a need to minimize its visual impact on villagers living in the vicinity. Referring to the Artist's Impression of the view of the proposed columbarium and GoR (Enclosure 2 to PWSC(2009-10)56), she suggested that the Administration should consider optimizing the use of the open space in the remaining part of the project site to meet the increasing demand.

47. Mr Andrew CHENG expressed support for the proposal. As it was difficult to secure local support for the development of columbarium, members of FSEH Panel had strongly urged the Administration to construct additional floors in the basement of the columbarium building with a view to providing about 6 000 niches in each floor. However, the Administration had not positively responded to the suggestion. While understanding that the families of the deceased might not wish to place the ashes of their loved ones in a basement, Mr CHENG opined that the basement could be designed in such a way as to give a more pleasant atmosphere, and the niches to be provided at underground floors could be set at lower prices as an incentive. He urged the Administration to seriously consider the suggestion.

48. While supporting the current proposal, Mr WONG Kwok-hing shared Mr Andrew CHENG's views and urged the Administration to consider building a basement to accommodate more niches and help shorten the waiting time for niches.

49. USFH advised that the design of the proposed five-storey columbarium building, including its height and width, had taken into account the need to keep the building below the ridge line of the terrain to minimize its visual impact. It was after lengthy consultation that the North District Council, village representatives and other relevant parties had come to accept the proposed design.

50. D Arch S explained that expansion of the proposed columbarium building would involve more extensive and costly slope works, and it was considered not cost-effective to proceed with the suggestion. In response to the enquiry of Ms Miriam LAU, D Arch S advised that the design of the columbarium building had taken into account the concern of the local community about its height. Extra loading capacity for building additional floors was not reserved for the proposed columbarium building.

51. Mr Andrew CHENG stressed that he did not object to the proposal but considered that there was room to improve the design. He was disappointed that the Administration did not consider members' suggestion of providing for additional floors. He warned that it would be difficult to gain support from the local communities for the development of columbarium facilities in other districts. Since the local community had not objected to the proposed facilities at Wo Hop Shek, Mr CHENG considered that the Administration should take the opportunity to provide more niches with the construction of additional floors at the proposed columbarium. He believed that there would be greater acceptability among the community for placing the ashes of the deceased at the basement and pay respect to the deceased thereat.

52. Mr WONG Kwok-kin considered that the Administration had not provided sound reasons for rejecting the suggestion of building additional floors in the proposed columbarium building. Given the long history and the acceptability of the local community in the provision of columbarium facilities at Wo Hop Shek, Mr WONG considered that the Administration should optimize the use of the proposed site to provide more niches. Mr WONG Kwok-hing expressed similar views.

53. USFH said that the Administration had taken note of members' suggestions and acknowledged the urgency to provide more niches to address the shortfall. He stressed that the current design had already balanced the views of the local community and cost-effectiveness in land use. He hoped members could understand that in considering the expansion of the proposed columbarium and provision of more niches, the Administration had to take into account the traffic impact associated with the consequent increase in the number of visitors near the columbarium during Ching Ming and Chung Yeung Festivals. USFH added that FEHD would continue to promote alternative ways of handling cremains, such as scattering of cremains at designated sea waters and scattering of ashes at GoRs.

54. Mr WONG Kwok-hing suggested that flexibility be built into the design of the proposed columbarium so that a basement could be built in future. D Arch S advised that it would be technically difficult to carry out excavation works for the construction of a basement after the commissioning of the columbarium building and related facilities. The suggestion was therefore not recommended.

Design and facilities of garden of remembrance

55. Ms Miriam LAU asked about the design of GoR and suggested that the Administration should make reference to similar facilities overseas to come up with more pleasant designs. Referring to similar facilities at Diamond Hill, D Arch S said that the Administration had endeavoured to improve the design of these facilities with enhanced greening (including vertical greening) and landscaping. The standard was comparable to overseas counterparts.

Admin

56. In reply to Mr Albert CHAN, the Assistant Director (Operations)2, FEHD advised that memorial stones/pillars would be erected in the GoR, where the names and birth/death dates of the deceased would be permanently inscribed. Due to limited space and the desirability to accommodate more inscriptions, the photos of the deceased would not be included on the memorial stones/pillars. Nevertheless, the Administration would set up an e-memorial book to allow other personal particulars of the deceased, including photos, to be stored in a dedicated memorial page. The family/relatives/friends of the deceased could browse through the page or pay respect through simulation in the memorial page. At the request of Mr CHAN, the Administration agreed to provide, before the relevant FC meeting, information on the estimated number of deceased whose names and birth/death dates would be inscribed on the memorial stones/pillars to be erected at the proposed GoR.

Religious rituals

57. Mr Albert CHAN suggested that the Administration should designate different floors or areas of the columbarium for different religious rituals, to facilitate families of the deceased to carry out their worships in different religious forms. USFH responded that columbarium facilities run by the government were provided for the deceased regardless of their religions. Nevertheless, there were designated incense-free areas/floors at public columbaria.

58. The item was voted on and endorsed.

Head 708 – Capital Subventions and Major Systems and Equipment PWSC(2009-10)61 69MM Relocation of Siu Lam Hospital to Block B of Castle Peak Hospital

59. The Chairman advised that the proposal was to upgrade 69MM to Category A at an estimated cost of \$320.3 million in MOD prices for the relocation of Siu Lam Hospital (SLH) to Block B of Castle Peak Hospital. The Administration had consulted the Panel on Health Services on the proposal at the meeting on 11 May 2009 and Panel members supported the proposal.

60. In reply to Mr WONG Kwok-hing, USFH and the Hospital Chief Executive, Castle Peak Hospital and Siu Lam Hospital, Hospital Authority confirmed that the relocation proposal would not pose any adverse impact on the services provided by SLH or affect its staffing arrangements.

61. Mr WONG Kwok-hing requested the Administration to consult LegCo on the future land use of the existing site of SLH upon its relocation. He considered that the site should be retained for the provision of hospital and health services and not to be used for property developments. USFH said that the Food and Health Bureau (FHB) had requested the Hospital Authority to work out a proposal on possible alternative uses of the SLH premises for consideration. FHB would consult the relevant LegCo Panel on the proposal in due course.

62. The item was voted on and endorsed.

Head 703 – Buildings

PWSC(2009-10)57 51RG Redevelopment of Kwun Tong Swimming Pool Complex and Kwun Tong Recreation Ground

63. The Chairman advised that the proposal was to upgrade 51RG to Category A at an estimated cost of \$1,323.8 million in MOD prices for the redevelopment of the Kwun Tong Swimming Pool Complex and Kwun Tong Recreation Ground. An information paper on the proposal had been circulated to the Panel on Home Affairs on 6 May 2009.

64. In view of the possible noise and environmental impact of the proposed construction works on the neighbourhood, Mr Alan LEONG enquired about the consultation with the local residents, in particular residents of Tsui Ping Estate nearby.

65. The Assistant Director (Leisure Services)1(Acting), Leisure and Cultural Services Department (AD(LS)1 Ag., LCSD) advised that the Administration had consulted the Kwun Tong District Council (KTDC) and its Culture, Recreation and Sports Committee on 16 November 2006 and 21 November 2006 respectively on the proposed scope of development. The District Facilities Management Committee of KTDC had endorsed the design on 22 January 2009. Mr Alan LEONG suggested that the departments concerned should maintain direct dialogue with the representatives of Tsui Ping Estate and keep them informed of the project arrangements and mitigation measures to be taken. The Administration took note of the suggestion.

66. In response to Mr Alan LEONG's further enquiry, AD(LS)1 Ag., LCSD said that the Administration would provide a temporary soccer pitch near Wai Yip Street, Kwun Tong to meet the need of local residents for such facilities during the redevelopment of the Kwun Tong Recreation Ground.

67. The item was voted on and endorsed.

68. The Chairman thanked Mr YUE Chi-hang, D Arch S for his attendance at and contribution to PWSC meetings in the past years. The Chairman wished Mr YUE a rewarding retirement life.

Head 708 – Capital Subventions and Major Systems and Equipment

PWSC(2009-10)63 1QW Revitalisation Scheme—Conversion of Old Tai O Police Station into Tai O Heritage Hotel

69. The Chairman advised that the proposal was to upgrade 1QW to Category A at an estimated cost of \$66.7 million in MOD prices for the main construction

works of the conversion of Old Tai O Police Station into Tai O Heritage Hotel. The Panel on Development had been consulted on the proposal at the meeting on 28 April 2009 and Panel members were supportive of the project.

Project viability and control mechanism

70. Mr WONG Kwok-hing expressed support for the proposal. He noted from a booklet entitled "Tai O Heritage Hotel", issued by the Hong Kong Heritage Conservation Foundation Limited (HCF), which was the non-profit-making organization selected to take up the project, that the profits generated from the proposed hotel would be reinvested into the Tai O community in several ways. The uses of profits would include preservation and ongoing maintenance of the proposed boutique hotel (building of the Old Tai O Police Station after conversion); promotion and preservation of Tai O's cultural heritage and natural environment; promotion of existing heritage eco-tours and workshops run by the local community; and the fostering of local business and tourism. While supporting the use of profits for these purposes, he enquired about the financial management and monitoring of the future operation of the heritage hotel.

71. The Commissioner for Heritage, Development Bureau, (C for H, DEVB) advised that HCF would operate the heritage hotel under a tenancy and a service agreement basis. HCF's performance would be closely monitored through the terms of the tenancy and the service agreements. HCF had to submit regular progress and financial reports to the Administration, and the Administration would carry out site inspections and hold progress review meetings with HCF as necessary during construction and operation of the heritage hotel. In case the level of service stated in the agreements were not complied with, the Government might consider resuming the property. In reply to Mr WONG's further enquiry, he said that the Commissioner for Heritage's Office under the Development Bureau would be responsible for overseeing the implementation of the Project as well as other projects under the Revitalizing Historic Buildings Through Partnership Scheme.

72. Noting that the project agent should be a charitable body registered under Section 88 of the Inland Revenue Ordinance (Cap. 112) (IRO), Mr Paul CHAN asked whether HCF's NPO status would meet the requirement.

73. Ms Miriam LAU expressed the concern about the financial viability of the project. She considered that a diversified source of revenue should be developed apart from the income generated from hiring of hotel accommodation.

74. C for H, DEVB advised that agents selected to carry out the conversion works for Government-owned historic buildings and operate there in the form of social enterprise were required to be NPOs with charitable status under Section 88 of IRO. As HCF was a non-profit-making institution, profits derived from the project would be ploughed back to it and expended solely on non-profit-making purposes within the approved project scope and objectives. To maintain financial viability of the project, HCF would open up sources of revenue, such as operation of a café/restaurant and selling of arts and crafts.

75. Mr WONG Kwok-hing enquired about the measures to be taken should the heritage hotel fail to attract sufficient business and suffer financial loss, and whether HCF would inject further funding to cover the loss. While supporting heritage conservation, Mr Paul CHAN also had doubts about the financial viability of the project as the location of the proposed hotel was in remote areas.

76. C for H, DEVB advised that the Administration had examined very carefully the financial proposal submitted by HCF and considered it viable. It was projected that the project would break even and start having some modest surplus by the end of the first year of operation. Generally speaking, the Administration would reserve up to a maximum of \$5 million to cover any operating deficit in the first two years of a social enterprise operation. However, HCF did not ask for such funding support, as it might make use of its charity funds, where appropriate, to subsidize the project. In reply to Mr WONG Kwok-hing, C for H, DEVB advised that the tenancy and service agreements would be signed on a "3+3 years" basis, i.e. the agreements would be renewable for another three years after the first three years of satisfactory operation subject to performance review.

77. Mr Daryl NG, Executive Director of HCF said that HCF had looked into the financial viability of the project in detail. The project was considered viable as the costs of the pre-contract works (i.e. site survey and preparation of detailed design) and the main conversion works were to be borne by Government, while expenditure pertaining to land premium, which was at nominal rent and refurbishment on top of the main conversion works to be borne by HCF were minimal. Under HCF's financial analysis, the project would run on an annual income of approximately \$5 million vis-à-vis an expenditure of around \$4 million a year including around \$0.2 million for repairs and maintenance. There would be an annual surplus of around \$0.8 million. The projection was based on an assumption of 35% occupancy rate (low seasons) of the hotel rooms at a room charge of \$1,500 to \$2,000 per room night for each of the nine suites.

78. Mr WONG Kwok-hing enquired about the plan to attract patronage given that the room charge was relatively high. Mr Daryl NG of HCF advised that in considering the room rate level, reference had been made to local and overseas hotels (e.g. in Japan, Singapore and Europe) of comparable standard in suburb areas. If the room occupancy was not satisfactory, the hotel would consider ways to cut down expenditure, such as by adjusting the number of staff.

79. Mr IP Kwok-him expressed support for the proposal and pointed out that the project had the support of the Islands District Council. Mr TAM Yiu-chung also expressed support for the proposal as it would help create job opportunities for residents in Tai O. He believed that the proposed hotel would be attractive to tourists and the public, and the assumption of a 35% occupancy rate was a conservative estimate. To enhance patronage to the hotel, he urged the Administration/HCF to step up publicity to promote the project to the public and tourists.

Admin 80. At the request of Mr Paul CHAN, the Administration agreed to provide, before the relevant FC meeting, information on the financial analysis of the project, including the estimated recurrent income and expenditure for members' consideration.

Transport arrangements

81. Referring to Enclosure 1 to PWSC(2009-10)63, Ms Miriam LAU enquired about the transport arrangements to improve accessibility to the hotel as it was located some distance away from Tai O village. Referring to the landslip incident in Tai O as a result of the torrential rain in June 2008, Ms LAU suggested that the Administration should put in place long-term measures to enhance the accessibility of Tai O, and minimize the inconvenience caused to the public and hotel visitors. Mr TAM Yiu-chung shared similar view and urged the Administration to improve the transport and road infrastructures for Tai O.

82. C for H, DEVB said that the Administration was aware of the importance of ancillary facilities and transport arrangements to complement the project. While the hotel would arrange shuttle services to its guests to Tai O from Hong Kong International Airport, other visitors could arrive Tai O by bus or coach and take a 15-minute walk to the hotel. It was also possible to access the hotel by taking walawala from the pier near the Tai O Bus Station. He added that road improvement and slope stabilization works had been carried out to improve the transport arrangements for Tai O. Mr Patrick SIU, Project Manager of HCF added that there was daily ferry service between Tuen Mun and Tai O via Sha Lo Wan for in/outward transportation of Tai O. Besides, HCF would also cooperate with local boatmen for inter-transportation between the pier near the Tai O Bus Station and the hotel, which would not only help enhance the transport services for visitors of the hotel, but also achieve the aim of fostering employment and local business in the community.

Other issues

83. As HCF might contract out some of the services to other parties, Miss Tanya CHAN suggested that the Administration should put in place a monitoring mechanism to ensure a fair process in the selection of sub-contractors, and also to ensure quality of contracted-out services and proper use of public resources. C for H, DEVB highlighted the requirements of the service agreement and the proposed mechanism of financial control in monitoring the project. He assured members that the Administration would exercise due diligence in determining whether the request of contracting out services was justified.

84. Referring to the heritage tourism development project for the former Marine Police Headquarters in Tsim Sha Tsui, Mr Albert CHAN urged the Administration and HCF to minimize unnecessary felling of trees during the conversion works. C for H, DEVB highlighted that the selected NPOs would act as "agents of heritage conservation" for Government operating on the Government-owned historic buildings under a tenancy and a service agreement

basis. He said that the project would involve removal of ten trees, including one dead tree to be felled, eight trees to be transplanted elsewhere and one tree to be replanted within the project site. The tree removal was required mainly for the provision of essential building services facilities at the back of the building. He stressed that all trees to be removed were not "important trees". The Administration would also incorporate planting of ten trees at the project site.

85. C for H, DEVB advised that HCF would arrange three guided tours daily in different languages (Chinese, English and Putonghua) for the heritage hotel. Apart from the areas accessible for guided tours (including unoccupied suites), many outdoor areas of the hotel, the library, exhibition area and gift shop would be open to the public (Enclosures 4 and 5 to PWSC(2009-10)63). Mr Albert CHAN suggested that a greater number of guided tours should be arranged, in particular during weekends and holidays to meet the demand. C for H, DEVB said that HCF would consider increasing the number of guided tours as and when necessary. In reply to Mr IP Kwok-him, C for H, DEVB confirmed that the guided tours would be free of charge and the area accessible for public visits would be for free admission.

86. The item was voted on and endorsed.

87. The meeting ended at 10:40 am.

Council Business Division 1
Legislative Council Secretariat
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