

LC Paper No. PWSC43/99-00

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

**Minutes of the 5th meeting
held at the Legislative Council Chamber
on Wednesday, 8 December 1999, at 8:30 am**

Members present:

Hon HO Sai-chu, SBS, JP (Chairman)
Ir Dr Hon Raymond HO Chung-tai, JP (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Hon James TIEN Pei-chun, JP
Hon Edward HO Sing-tin, SBS, JP
Hon LEE Wing-tat
Hon Eric LI Ka-cheung, JP
Hon Fred LI Wah-ming, JP
Prof Hon NG Ching-fai
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon Christine LOH
Hon CHAN Yuen-han
Hon CHAN Kam-lam
Dr Hon LEONG Che-hung, JP
Hon Gary CHENG Kai-nam, JP
Hon SIN Chung-kai
Hon WONG Yung-kan
Hon LAU Kong-wah
Hon Mrs Miriam LAU Kin-yee, JP
Hon Emily LAU Wai-hing, JP
Hon Andrew CHENG Kar-foo
Hon LAW Chi-kwong, JP
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP

Members attending:

Hon Ambrose CHEUNG Wing-sum, JP
Hon Andrew WONG Wang-fat, JP

Members absent:

Hon Cyd HO Sau-lan

Public officers attending:

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| Miss Elizabeth TSE | Deputy Secretary for the Treasury |
| Mr James HERD | Principal Assistant Secretary for the Treasury (Works) |
| Mr Hugh PHILLIPSON, JP | Secretary for Works |
| Mr Patrick LAU, JP | Secretary for Planning, Environment and Lands |
| Mr Rob LAW, JP | Director of Environmental Protection |
| Mr M J T ROWSE | Commissioner for Tourism |
| Mr C C CHAN, JP | Director of Civil Engineering |
| Mr W K TAM | Deputy Director of Civil Engineering (Special Duties) |
| Mrs Lily YAM | Head, Task Force on Re-organization of Municipal Services |
| Mrs Maureen CHAN | Deputy Head, Task Force on Re-organization of Municipal Services |
| Mr P T CHEUNG | Deputy Secretary for Home Affairs |
| Mr K K LAM | Deputy Director (Administration), Regional Services Department |
| Miss Janet WONG | Deputy Director (Administration), Urban Services Department |
| Mr Y T LAM | Assistant Director (Planning and Development), Urban Services Department |
| Mr S H PAU, JP | Director of Architectural Services |
| Mr John COLLIER, JP | Director of Drainage Services |
| Mr C G KO, JP | Director of Territory Development |
| Mr C L NG | Chief Engineer/Tai Po & North Territory Development Department |
| Mr TSUI WAI | Chief Engineer/Shia Tin & Sai Kung Territory Development Department |
| Mr H W TIN | Principal Assistant Secretary for Housing (Project Management) |

Clerk in attendance:

Miss Polly YEUNG

Chief Assistant Secretary (1)3

Staff in attendance:

Ms Pauline NG

Assistant Secretary General 1

Ms Anita SIT

Senior Assistant Secretary (1)8

PUBLIC WORKS PROGRAMME

Upgrading of projects to Category A

Head 705 - Civil Engineering

PWSC(1999-2000)74

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Site formation, construction of associated infrastructures and provision of Government, institution and community facilities for an international theme park on Lantau Island

Noting that the Administration intended to enter into binding contracts with the Walt Disney Company (WD) on the Hong Kong Disneyland (HKD) project on 10 December 1999, Miss Emily LAU questioned why the Administration would not await the approval of the present proposal by the Finance Committee (FC) before signing the contracts. The Commissioner for Tourism (CT) in response said that the Administration would enter into binding contracts with WD on the basis of FC's approval given on 26 November 1999 for all the financial commitments the Government would undertake for those contracts. The commitments included the staffing implications as endorsed by the Establishment Subcommittee, the financial implications for the land formation and supporting infrastructure facilities as endorsed in principle by the Public Works Subcommittee (PWSC), the Government's equity injection into Hong Kong International Theme Parks Limited (HKITP), the loan to HKITP and an investment by way of subordinated equity representing the land premium for the HKD Phase I site. The present proposal sought to take forward part of the land formation and infrastructure works for which approval in principle had been given by PWSC and FC.

2. As regards the implications on the binding contracts signed with WD in the case the present proposal was not approved by FC, CT remarked that it would be unusual for FC to reject the present proposal after giving its approval in principle earlier on. Nevertheless, CT said that members were at liberty to raise

queries and seek clarification on particular work items or details of the project estimates. In the hypothetical case that the present proposal was rejected by PWSC or disapproved by FC, the proposed project works would not be proceeded with. As such, the contracts signed with WD would be aborted.

3. Miss Emily LAU queried whether the Administration was in breach of the prescribed funding procedure by entering into binding contracts with WD without having obtained all the necessary funding approval from FC. The Deputy Secretary for the Treasury (DS/Tsy) explained that FC had already given approval in principle for the Government to commit funding for the land formation and supporting infrastructure facilities for the HKD. With this approval from FC, the Government was already authorised to enter into a formal contract with WD before the end of the year.. However, the various components within the project have yet to be formally upgraded to Category A of the Public Works Programme (PWP). Thus, if Members had views on the details or scope of these works components, the Administration would still consider them seriously. She confirmed that the project works for the HKD development would not be contracted out until formal approval had been obtained for their upgrading to Category A.

4. Elaborating on the "further EIA study for the HKD development" mentioned in paragraph 19 of the paper, the Deputy Director of Civil Engineering (Special Duties) (DDCE) advised that some Environmental Impact Assessment (EIA) studies had been conducted earlier on in connection with the previous plan to build a container port development at Penny's Bay. An environmental review of the reclamation works at Penny's Bay for the HKD development had also been completed recently. Notwithstanding these studies, the Administration would carry out another EIA specifically for the HKD development to confirm previous findings and to address any alterations as a result of the change in land use.

5. On fill material, Miss Emily LAU enquired about the feasibility of using a greater volume of public fill for the Penny's Bay Stage 1 reclamation works and sought clarification on the disposal of uncontaminated and contaminated mud generated by the reclamation works. The Director of Civil Engineering (DCE) explained that in order to meet the target schedule for the Stage 1 reclamation works, 2 million cubic metres of public fill would be placed at the reclamation site, at most. Apart from the reasons mentioned at the previous meeting on 17 November 1999 (i.e. in using public fill as fill material, the filling process and the rate of soil settlement would be much slower), the unstable supply of public fill and the lack of road access for transportation to the reclamation site also posed constraints on the use of public fill for the Stage 1 reclamation works. However, he re-affirmed that more public fill would be used for the Stage 2 reclamation works which were not subject to such a tight schedule as Stage 1.

6. As regards the 5000 cubic metres of construction and demolition (C&D) waste to be disposed of at landfills, DDCE advised that this said amount would be generated from hill leveling for the construction of a temporary road linking Yam O and Penny's Bay. Some of these materials would be sorted and used as fill for reclamation.

7. On the environmental impact of the removal of seabed mud at the reclamation site and the subsequent disposal of the mud, DDCE said that to meet the tight schedule for the Stage 1 reclamation, it was necessary to remove the seabed mud before placing fill at the reclamation site. Removal of seabed mud would generate some 30 million cubic metres of uncontaminated mud and 10 000 cubic metres of Class C contaminated mud. The Director of Environmental Protection supplemented that while the overall environmental impact of the HKD development was yet to be fully addressed in the EIA for the project, the amount of contaminated mud generated by the proposed reclamation works would be relatively small when compared with other reclamation projects in Hong Kong. The disposal area for contaminated mud at East Sha Chau had been specially designed for this purpose and had been in use for years. This disposal area and the three disposal sites for uncontaminated mud had been subject to very vigorous EIA studies and on-going monitoring. He assured members that disposal of the seabed mud removed from the Stage 1 reclamation site would not have a significant environmental impact.

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8. At the request of Miss Emily LAU, the Administration agreed to provide information on the respective capacity of the disposal areas for contaminated mud and uncontaminated mud and the remaining capacity upon disposal of the seabed mud produced by the proposed works.

9. Regarding the proposed water recreation centre (WRC), CT confirmed that the site for the WRC had been designated for a public facility in the relevant outline zoning plan. The WRC would not form part of the Disney Theme Park. It would be built by the Government and the land in question would remain Government land. HKITP would manage the facility at the company's own expense, and would pay license fees to the Government.

10. Miss Emily LAU asked whether the operational arrangements for the WRC formed part of the contractual agreements between the Government and WD, and whether the arrangements were in line with relevant Government policies. In reply, CT said that the WRC would run at a loss as entry to the centre would be free and fees would be charged only for the use of equipment. Therefore, it would not be viable to tender out the management and operation of the WRC. He nevertheless confirmed that the operation of the WRC had been a subject of negotiation with WD on the HKD project. WD on behalf of HKITP required certain management standards for the facilities in the vicinity of the Disney Theme Park. These were higher than the management standards required by the Government. The Government thus agreed to let the management of the

WRC to HKITP on the condition inter alia that the company would manage the facility at its own expense and pay relevant fees to the Government.

11. In reply to Mr Edward HO's enquiry about the number of contracts that would be awarded for the proposed project works, DDCE advised that the proposed land formation works would be awarded in one reclamation contract, while the investigation and design of the proposed infrastructure facilities would be awarded in another consultancy contract. Mr HO recalled that members of this Subcommittee had expressed the view on earlier occasions that large scale public works projects should be suitably divided into contracts of smaller scale so that local small and medium sized consultancy firms and construction companies would have a fair opportunity to compete for the contracts. He further urged that where practicable, the contracts for works under the present proposal be split into smaller contracts. DDCE acknowledged members' concern last raised at the PWSC meeting on 17 November 1999. While the reclamation contract and the consultancy contract under the present proposal could not be further amortized due to the tight project schedule and potential interface problems, he agreed to consider splitting into smaller contracts the construction works for the infrastructure facilities currently retained in Category B of the Public Works Programme.

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12. On the cost of the investigation and design for the decommissioning works for an existing shipyard to be acquired for the roads works and the proposed WRC, DDCE advised that the estimated cost for this item was about \$78 million.

(Post-meeting note: DDCE subsequently clarified that the \$78 million referred to the cost of the proposed WRC, subject to further investigation and design, whereas the cost of the investigation and design for the decommissioning works for an existing shipyard to be acquired for the roads works and the proposed WRC amounted to \$5 million.)

13. Regarding the funding arrangement for the detailed design work and preparation of contract documents for the Penny's Bay Reclamation Stage 1, DS/Tsy explained that FC had delegated the authority to Secretary for Treasury (S for Tsy) to approve expenditure for projects not exceeding \$15 million under the Public Works Programme (except for projects under Head 708 and Head 710). Under delegated authority, S for Tsy had approved the creation of a Category D item of the Public Works Programme at a sum of \$14.4 million in November 1999 after the Chief Executive announced the decision to proceed with the Disney project.

14. Mr Edward HO pointed out that as previously agreed at PWSC meetings, the Administration should provide separate estimates for site investigation works and consultants' fees for design, instead of combining them into one cost item as per paragraph 7(b)(iii) and 7(c)(i) of the present proposal. At Mr HO's request, the Administration agreed to provide the respective estimates for the

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site investigation works and the consultants' fees for the design work set out in paragraph 7(b)(iii) and 7(c)(i). The Chairman requested and the Administration agreed to follow the agreed practice in future submissions.

15. In reply to Mr Edward HO, DDCE and the Director of Architectural Services (DArchS) confirmed that it was a standard arrangement to include provisions for inflation adjustment for consultancy agreements with a contract duration exceeding 12 months. This arrangement applied to both engineering projects and building projects.

16. Mr LEE Wing-tat referred to the existing power station adjacent to the WRC site and enquired whether any works for the purpose of mitigating/removing the visual impact of the chimneys of the power station on the Disney Theme Park had been included in the present proposal. In reply, CT confirmed that there would be no alteration works at the power station for such purpose. However, there would be screening both inside the Disney Theme Park and on Government land nearby through the provision of landscaping berms. The layout and the sight lines of the park would be arranged such that the chimneys would not be visible from within the park. DDCE supplemented that the present proposal did not include the construction of the landscaping berms.

17. The item was put to vote. 19 members voted for, 2 members voted against and none abstained.

For:

Mr Kenneth TING Woo-shou
Mr Edward HO Sing-tin
Mr LEE Wing-tat
Prof NG Ching-fai
Mr CHEUNG Man-kwong
Mr CHAN Kam-lam
Mr SIN Chung-kai
Mr LAU Kong-wah
Mr Andrew CHENG Kar-foo
Dr TANG Siu-tong
(19 members)

Mr James TIEN Pei-chun
Dr Raymond HO Chung-tai
Mr Fred LI Wah-ming
Mr James TO Kun-sun
Miss CHAN Yuen-han
Mr Gary CHENG Kai-nam
Mr WONG Yung-kan
Mrs Miriam LAU Kin-yee
Mr LAW Chi-kwong

Against:

Miss Christine LOH
Miss Emily LAU Wai-hing
(2 members)

18. The item was endorsed by the Subcommittee.

Head 703 - Buildings

PWSC(1999-2000)76 New Items Committed projects of the two Provisional Municipal Councils

19. The Chairman said that subsequent to the special FC briefing on the arrangements for the outstanding capital works projects of the two Provisional Municipal Councils (PMCs) on 3 December 1999, the Administration had provided an information note FCRI(99-00)17 to address members' concerns raised at the briefing. As the information note was only issued to members on 7 December 1999 (vide LegCo Paper No. FC30/99-00), he invited the Administration to brief members on the contents.

20. The Head, Task Force on Re-organization of Municipal Services (H,TFRMS) highlighted the following points-

- (a) The present proposal PWSC(1999-2000)76 was concerned with 149 capital works projects and 3 098 minor works items for which the Provisional Urban Council (PUC) and Provisional Regional Council (ProRC) had entered into contractual commitments. Following the passage of the Re-organization of the Municipal Services Bill on 2 December 1999, the Government had the responsibility to honour the contractual obligations incurred by the PMCs. The Subcommittee was thus requested to recommend to FC the inclusion of the aforesaid 149 projects and 3 098 minor items into Category A and Category D respectively of the Public Works Programme (PWP) for funding under the Capital Works Reserve Fund.
- (b) Having considered the views expressed by members at the special FC briefing on 3 December 1999, the Administration had reviewed the project status of the other outstanding capital works projects of the PMCs and decided to set aside funds for 12 projects (8 for PUC and 4 for ProRC) which had received policy and funding approval from the relevant PMC, but which had not been contracted out. The relevant Policy Secretaries would brief the relevant LegCo Panel(s) and seek their views on these projects with a view to completing the funding process within the current financial year as far as practical.
- (c) The remaining 169 outstanding projects (52 PUC and 117 ProRC) were at various stages of planning and had not yet received all the necessary approvals, including funding approval from the PMCs. Nevertheless, the relevant Policy Bureaux would actively follow up these projects and consult the relevant LegCo Panel(s) before the end of the financial year on their inclusion into the PWP.

H,TFRMS remarked that while the projects in (a) and (b) above would require a provision of some \$5.4 billion and \$2.36 billion (in money-of-the-day prices) respectively, a rough estimate of the total cost of the 169 projects in (c) above was in the order of at least \$23.31 billion (in constant prices). While assuring members that the Administration would actively follow up all outstanding projects of the PMCs, H,TFRMS urged members to endorse the proposal in PWSC(1999-2000)76 to enable the Government to fulfill the legal/contractual obligations incurred by the PMCs.

21. Mr LEE Wing-tat was concerned about the implementation of the 12 projects and whether there would be any delay in the original schedule. In response, H,TFRMS pointed out that although the 12 projects had received funding approval from the PMCs, the project works had yet to be tendered out. The Administration would consult the relevant LegCo Panel(s) on these projects, as soon as practicable..

22. Mr Andrew WONG commented that as the 12 projects had received full policy and funding approval by the PMCs, there was no reason why they should not be included into the present proposal. In reply, H,TFRMS reiterated that while the Administration would set aside funds for these projects, it considered it more appropriate to first seek the views of the relevant Panel(s) on these projects before seeking to upgrade them to Category A of the PWP.

23. Mr James TIEN said that he supported the Administration's proposed approach for handling the projects under Stages I and II of PUC and Category I of ProRC. He however urged the Administration to vigorously scrutinize the 169 projects which, according to the Administration, would involved a huge financial commitment. He said that there might be a possibility that some of these 169 projects were not justified and the Administration should refrain from making a blanket commitment to implement all of them at this stage. He also questioned whether the Administration had been able to ascertain all the contractual obligations incurred by the PMCs.

24. In response, H,TFRMS said that the Administration believed that it had obtained all relevant information in respect of the contractual obligations incurred by the PMCs. She clarified that the 169 projects would be included into the PWP as Category C items only and assured members that the Administration would examine each of the projects in detail and consult the relevant LegCo Panel(s) on whether and how these projects should be taken forward. She also informed members that the average annual expenditure on capital works projects of the two PMCs was about \$1.9 billion. On this basis, the 169 projects which were estimated to cost about \$23.31 billion (at constant prices), if implemented, would take the PMCs about 12 years to complete.

25. Dr TANG Siu-tong expressed support for the present proposal and welcomed the Administration's commitment to set aside funds for the 12 projects. He however urged the Administration to consider also setting aside funds for the 24 projects under PUC Stage III and the 10 and 27 projects under Categories II and III respectively of ProRC, as these projects had also been scrutinized thoroughly by the PMCs.

26. Mr Fred LI also expressed concern about the Administration's stance on the 24 projects under PUC Stage III on which the relevant Provisional District Boards (PDBs) had been consulted and extensive discussion had been carried out between PUC and the Architectural Services Department (ArchSD). He therefore considered that placing all these projects into Category C of the PWP would render the previous efforts of PUC, PDBs and ArchSD abortive.

27. In response, H,TFRMS referred to the categorization systems of the PMCs as set out in paper FCRI(1999-2000)17 and pointed out that for the PUC's Stage III projects and the ProRC's Category II and III projects, further assessment and planning had yet to be carried out. Upon dissolution of the PMCs, it would be the responsibility of the Policy Secretaries concerned to bid funds through the Government's resource allocation exercise to carry out projects which the bureaux considered worth pursuing. She also reiterated that the Policy Secretaries would seek the views of the relevant LegCo Panel(s) on the way forward for these projects.

28. Mr LEE Wing-tat said that while he welcomed the Administration's commitment to the 12 projects approved by the PMCs, he considered that there was a prima facie case for the Administration to take forward all the remaining 169 projects, which the PMCs had pledged to deliver to the public. If upon further study and consultation, the Administration considered that some of these projects should not be pursued, it should then explain to LegCo Members with justifications for not pursuing those projects.

29. In response, H,TFRMS said that she had heard diverse views from members on the handling of the 169 projects. On one hand, the Administration had been asked to proceed, but on the other hand, it had been urged to exercise caution. The Administration therefore considered that it must adopt a prudent approach on the 169 projects. She reiterated that even under the existing funding systems of the PMCs, these projects would require further assessment of project scope and project estimates by relevant Government departments before funding approval could be sought from the PMCs for the projects to be contracted out.

30. Mr Fred LI and Mr LEE Wing-tat questioned whether any consensus views reached by the relevant Panel(s) on the 169 projects would be heeded by the Administration. In reply, H,TFRMS re-affirmed that the views of the Panel(s) would be taken into consideration and that the Policy Secretaries concerned would do their utmost in securing funds for projects considered worthwhile.

31. Mr Andrew WONG referred to the categorization systems of the PMCs and queried the basis on which the Administration had decided to set aside funds for the projects under PUC Stage II but not for the projects under ProRC Category II. He also opined that the Administration should further prioritize the 169 projects, bearing in mind that they were already prioritized under the categorization systems of the PMCs.

32. Mr LAU Kong-wah also expressed concern on the handling of the 10 projects under ProRC Category II. He considered that as the relevant sketch design and rough indication of costs had been approved by ProRC, these projects should be treated in the same manner as the projects under PUC Stage II, and be admitted into Category A of PWP within the current financial year.

33. In response, H,TFRMS said that in preparing FCRI(1999-2000)17, the Administration had attempted to compare the categorization systems of the PMCs but found that they were not strictly comparable. On the criterion used for setting aside funds and seeking to upgrade the projects into Category A of PWP within the current financial year, H,TFRMS pointed out that all 12 projects had received policy and funding approval from the PMCs to proceed to the tendering and construction stages. The Deputy Director (Administration), Regional Services Department further clarified that although projects under ProRC Category II had received ProRC's approval in respect of sketch design and rough indication of costs, they had not received funding approval by the Finance and Administration Select Committee of ProRC, which was a requisite before submission of the project to the whole council of ProRC for approval.

34. Mr LAU Kong-wah still expressed doubt on the Administration's interpretation of the different stages/categories of PUC and ProRC projects and said that he would seek clarification from the PMCs at an appropriate forum.

35. Mr Ambrose CHEUNG informed members that PUC had formulated its views regarding the outstanding projects of PUC at its meeting on 7 December 1999. He indicated that PUC would make a formal request for an opportunity to exchange views with Legislative Council Members on the outstanding projects before its dissolution. He commented that the Administration's interpretation of the status of the PMCs' outstanding capital works projects was misleading in that it only made reference to the technical progress and overlooked the importance and maturity of individual projects at the policy level. He cited for illustration that the technical planning for the Hong Kong Disneyland project was currently at the preliminary stage but at the policy level, it was already a mature project and would definitely be implemented. He expressed disagreement with the Administration's stance on the 169 projects as there was no guarantee that due regard would be given to the commitment made by the PMCs to these projects. He suggested that the Administration should carry out formal consultation with the PMCs and LegCo Members on the 169 projects

with a view to formulating a clearer implementation plan.

36. In response, H,TFRMS said that she was aware that under the PMCs' funding systems, policy approval from the relevant PMC was required for a project to proceed through the various planning stages, and in the course of planning, whether a project should be further pursued would depend on the results/assessments made at each stage of the process. Similarly, the Administration had a responsibility to examine thoroughly the technical and other details of a project before making a decision on how it should be taken forward. H,TFRMS acknowledged the importance of consultation and stated that due to time constraints, the Administration would not be able to decide on the way forward for each of the 169 projects before the dissolution of the PMCs.

37. Miss Emily LAU considered that apart from the legal duty to fulfill the contractual obligations incurred by the PMCs, the Government also had the moral responsibility to honour the pledges made by the PMCs to the public. She enquired whether the Administration had accordingly consulted the PMCs on their views on whether and how to take forward the outstanding capital works projects before this meeting.

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38. In response, H,TFRMS remarked that while members of PMCs were accountable to their constituencies, the Administration had the responsibility to be prudent in using public funds. She said that due to the time constraint, the Administration had not been able to consult the PMCs on the subject subsequent to the special FC briefing on 3 December 1999. She nevertheless agreed to consult the PMCs on the subject before their dissolution. The Chairman advised that information on the consultation should be provided before the FC meeting on 17 December 1999 at which the present proposal would be considered. In this connection, Miss Emily LAU suggested that if possible, it would be useful if members could hear the views of the two PMCs on the outstanding projects before the relevant FC meeting.

39. Mr Gary CHENG suggested that the 169 projects should be prioritized with particular regard to the results of consultations with PDBs and the discussions within the PMCs. Miss CHAN Yuen-han also said that apparently, some of the 169 projects, such as Kai Tak Park and Ngau Chi Wan Recreation Ground, had been widely and thoroughly discussed at the district level. She therefore requested the Administration to provide, before the FC meeting on 17 December 1999, information on the views expressed at the district level on the outstanding projects of the PMCs.

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40. Noting members' concerns, H,TFRMS undertook to suggest to the relevant Policy Secretaries that in providing information on the 12 projects and the 169 projects to the relevant LegCo Panel(s), they should also include the views of the relevant PDBs and other relevant details on the consultations at the district level. As regards Miss CHAN's request, H,TFRMS said that due to time

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constraint, the Administration would not be able to provide detailed information on past consultations with PDBs on all outstanding projects of the PMCs before 17 December 1999. She however agreed that the Administration would provide information on the general views of the PMCs on the outstanding projects before 17 December 1999, and would provide information on the views of PDBs as soon as practicable. She added that as far as she understood, while PUC had consulted relevant PDBs on their capital works projects during the planning stages, ProRC did not have such a practice. The Deputy Director (Administration), Urban Services Department supplemented that all along, PUC had accorded much weight to the views of PDBs in planning capital works projects. She assured members that records of the consultation with PDBs would be handed over to the responsible Government departments upon dissolution of the PMCs.

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41. Mr Fred LI urged the Administration to consult the relevant District Councils on the outstanding capital works projects apart from seeking views of the relevant LegCo Panel(s). In response, H,TFRMS assured members that the relevant policy bureaux and Government departments would actively solicit views from District Councils on capital works projects related to municipal services.

42. Mr Fred LI expressed concern about the overall co-ordination of the outstanding capital works projects, including the setting of priority, as these projects would be overseen by two policy bureaux, namely, the Home Affairs Bureau and the Environmental and Food Bureau to be set up. H,TFRMS acknowledged that there were two types of outstanding projects, namely projects related to environmental hygiene and projects related to leisure and culture, and each type would be overseen by the respective policy bureau. However, the Finance Bureau would be responsible for the overall co-ordination and funding for these projects as in the case of all other public works projects.

43. In reply to Dr Raymond HO's enquiry, DArchS confirmed that ArchSD had all along been responsible for overseeing the consultancy and works contracts for the capital works projects of the PMCs. This arrangement would continue upon dissolution of the PMCs.

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44. At the request of Mr Kenneth TING, the Administration agreed to provide a breakdown of the 149 projects proposed for inclusion into Category A of PWP under the present proposal in terms of their project status/progress.

45. In reply to Mr James TIEN's enquiry about the future arrangement for the revenue from Rates apportioned annually to the PMCs, DS/Tsy said that according to her understanding, upon dissolution of the PMCs, implementation of the outstanding capital works projects of the PMCs would be funded under the Capital Works Reserve Fund. She also confirmed that the assets of the PMCs upon dissolution would be transferred to relevant Government accounts.

46. The item was put to vote. 16 members voted for, no member voted against and 5 members abstained.

For:

Mr Kenneth TING Woo-shou
Mr Edward HO Sing-tin
Mr Eric LI Ka-cheung
Miss Christine LOH
Mr CHAN Kam-lam
Mr Gary CHENG Kai-nam
Mr LAU Kong-wah
Mr TAM Yiu-chung
(16 members)

Mr James TIEN Pei-chun
Dr Raymond HO Chung-tai
Prof NG Ching-fai
Miss CHAN Yuen-han
Dr LEONG Che-hung
Mr WONG Yung-kan
Mrs Miriam LAU Kin-yee
Dr TANG Siu-tong

Abstention:

Mr LEE Wing-tat
Mr SIN Chung-kai
Mr LAW Chi-kwong
(5 members)

Mr Fred LI Wah-ming
Miss Emily LAU Wai-hing

47. The item was endorsed by the Subcommittee.

Head 704 - Drainage

PWSC(1999-2000)75 64CD Rural Drainage Rehabilitation Scheme

48. Miss Emily LAU welcomed the various measures to reduce the generation of construction and demolition material as set out in paragraph 17 of the paper and enquired whether these measures would incur additional costs. She also sought elaboration on the environmental mitigation works which was estimated to cost about \$1.7 million.

49. In reply, the Director of Drainage Services (DDS) advised that any possible additional cost to implement the measures had already been taken into account in the estimate for environmental mitigation works during the construction stage. These works would be included in the construction contract to be awarded and their costs had therefore been reflected in the project estimates. He undertook to provide a breakdown of the estimated costs of relevant works items. The Administration also agreed to report to the relevant LegCo Panel the implementation of waste reduction strategies in public works projects after the relevant procedures had been implemented for about six months.

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50. Regarding the long-term environmental impact of the project and the corresponding mitigation measures, DDS advised that in order to minimize the long term environmental impact of the box culvert to the surrounding area, the box culvert had been designed to be located underneath an access road to minimize land-take. The Administration took note of Miss LAU's suggestion that the respective long-term and short-term environmental mitigation measures recommended in the relevant EIA studies should be set out in future proposals.

51. In reply to Mr LEE Wing-tat's enquiry on how far the proposed drainage improvement works could address the flooding problem in Nam Hang area, DDS advised that as the area was not within the tidal zone, the box culvert was designed to accommodate a 50-year return period rainstorm. The box culvert would collect rainwater in the area and discharge the rainwater into Yuen Long Main Nullah. The design width of 3.5 metres for the box culvert was necessary to provide sufficient capacity to carry and discharge surface runoff quickly in such a low-lying area during heavy rainstorms. As to how the proposed one-way access road on top of the box culvert would facilitate routine maintenance, DDS explained that along the proposed culvert, there were a number of access points with ramps for entering into the culvert to carry out de-silting and other maintenance works. The access road would be open for public use.

52. Dr TANG Siu-tong enquired whether any objection to the land acquisition for the proposed works had been received. In response, DDS said that as far as he understood, the relevant land issues had been resolved and rehousing for affected families was being arranged. Of the 14 families (56 persons) affected, five families (20 persons) were eligible for public housing and eight families (32 persons) were eligible for interim housing, while the eligibility for public housing of the remaining family of four persons was being ascertained.

53. The item was voted on and endorsed.

54. The Subcommittee was adjourned at 10:45 am.