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**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 at the Legislative Council Chamber  
on Wednesday, 12 April 2000, at 10:45 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 Cyd HO Sau-lan  
Hon Edward HO Sing-tin, SBS, JP  
Hon LEE Wing-tat  
Hon Fred LI Wah-ming, JP  
Hon CHEUNG Man-kwong  
Hon CHAN Yuen-han  
Hon CHAN Kam-lam  
Hon Gary CHENG Kai-nam, JP  
Hon WONG Yung-kan  
Hon LAU Kong-wah  
Hon Emily LAU Wai-hing, JP  
Hon Andrew CHENG Kar-foo  
Hon TAM Yiu-chung, GBS, JP

**Members absent:**

Hon Eric LI Ka-cheung, JP  
Prof Hon NG Ching-fai  
Hon James TO Kun-sun  
Hon Christine LOH

Dr Hon LEONG Che-hung, JP  
Hon SIN Chung-kai  
Hon Mrs Miriam LAU Kin-yea, JP  
Hon LAW Chi-kwong, JP  
Dr Hon TANG Siu-tong, JP

**Public officers attending:**

Miss Elizabeth TSE	Deputy Secretary for the Treasury
Mr H K WONG, JP	Secretary for Works
Mr Gordon SIU, JP	Secretary for Planning and Lands
Mr Rob LAW, JP	Director of Environmental Protection
Mr D C CHEUNG	Principal Assistant Secretary of the Treasury (Works)
Mr LEUNG Kwok-sun, JP	Director of Highways
Ms Shirley LAM	Principal Assistant Secretary for Transport
Mr LAU Wing-lai	Chief Engineer/Major Works 1-2, Highways Department
Mr LEE Yan-ming	Chief Traffic Engineer (New Territories West), Transport Department
Mr C H YUE, JP	Director of Territory Development
Mr T Y CHEUNG, JP	Project Manager, Hong Kong Island and Islands Development Office, Territory Development Department
Mr H H YEUNG	Chief Engineer (Hong Kong (1)), Hong Kong Island and Islands Development Office, Territory Development Department
Mr Hugh PHILLIPSON, JP	Director of Water Supplies
Mr LEUNG Mang-chiu	Assistant Director (New Works), Water Supplies Department
Mr H W TIN	Principal Assistant Secretary for Housing (Project Management)
Mr K S CHAN	Regional Highways Engineer/Hong Kong, Highways Department
Mr C W KWAN	Chief Traffic Engineer (Hong Kong) Transport Department
Mr John COLLIER, JP	Director of Drainage Services
Mrs Philomena LEUNG	Principal Assistant Secretary for Environment and Food (B)
Mr C K HON	Chief Engineer/Strategic Sewage Disposal Scheme, Drainage Services Department

**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

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**PUBLIC WORKS PROGRAMME****Upgrading of projects to Category A****HEAD 706 - HIGHWAYS****PWSC(2000-01)4      721TH      Widening of Yuen Long Highway between  
Lam Tei and Shap Pat Heung Interchange  
- detailed design**

Noting from Enclosure 1 to the discussion paper that there would be an interchange at Lam Tei to connect Yuen Long Highway (YLH) with Route 10 and Deep Bay Link currently under planning, Mr LEE Wing-tat enquired whether altering the location of the interchange would affect the widening project in question, as he understood that Tsuen Wan District Council and Tuen Mun District Council did not entirely agree with the alignment of Route 10 proposed by the Administration.

2. In reply, the Director of Highways (D of Hy) advised that as Route 10 and Deep Bay Link were still under planning, the exact location of the said interchange had not yet been confirmed. Since the proposed widening of YLH from dual 2-lane to dual 3-lane would be carried out along the original alignment of YLH, altering the location of the interchange would require some simple interface arrangements with minimal effect on the widening project. The Chief Engineer/Major Works 1-2, Highways Department (CE/MW 1-2, HyD) further explained that the widening of YLH had been planned separately from the Route 10 and Deep Bay Link projects. Irrespective of the construction of Route 10 and Deep Bay Link, the widening of YLH was necessary to cope with the growth in traffic demand arising from the developments in North West New Territories (NWNT). He added that the Lam Tei Interchange would form part of the Route 10 project.

3. Mr TAM Yiu-chung expressed support for the proposal on account of the urgent need for the proposed widening to cope with increasing traffic demand. He expressed concern on the noise impact of the widened YLH on nearby

developments and sought clarification on the criteria for the provision of noise barriers and other noise mitigation measures.

4. In reply, D of Hy advised that the noise impact of the future traffic on the widened YLH had been assessed as part of the preliminary studies for the project and would be examined in greater detail in the environmental impact assessment (EIA) for the project. Where necessary, appropriate noise mitigation measures would be recommended in the EIA. As regards the criteria for the provision of noise mitigation measures, D of Hy advised that where practicable, direct mitigation measures such as noise barriers would be provided at those road sections where the noise impact at the receiving end was estimated to exceed the prescribed limit. The noise impact would be calculated by applying the formula prescribed by the Environmental Protection Department, which took into account the projected traffic volume and the distance and angle of the noise path between the road and the noise receiving end. If the provision of noise barriers was found not practicable or not effective in mitigating excessive noise impact, provision of air-conditioning and insulated windows at the receiving end would be considered.

5. Miss Emily LAU expressed concern about the adverse impact on air quality arising from increased traffic on the widened YLH. As the present proposal did not contain any information in this regard, she asked whether the Administration had taken into account the factor of air quality in the planning process. In view of the deteriorating air pollution problem in Hong Kong, Miss LAU opined that air quality should receive priority consideration in planning for all infrastructural projects. She also remarked that the policy secretary in charge of environmental protection should also be in attendance at meetings of this Subcommittee as environmental issues were often brought up when considering public works proposal. In this connection, the Chairman commented that implementation of major infrastructural projects would inevitably give rise to certain environmental impact and it was necessary to strike a reasonable balance between the need for development and environmental concerns.

6. The Director of Environmental Protection (DEP) acknowledged members' concerns about the impact of road projects on air quality raised on past occasions and clarified that as the present project had not yet proceeded to the detailed design stage, the EIA for the project had not yet been completed and submitted to the Environmental Protection Department (EPD) for consideration. On the feasibility of assessing the impact of road projects on air quality, he advised that whilst it was feasible to predict the extent of pollutant emissions from vehicles based on the projected traffic volume on a specific road, it was difficult to predict precisely the accumulative impact of constructing new roads in the territory on air quality. As regards mitigation measures, he pointed out that unlike noise impact where noise barriers could be provided to mitigate the impact, it was practically difficult, if not impossible, to set up devices on a road to mitigate the impact of traffic on air quality because emissions from vehicles would disperse to a much wider area. He however remarked that the impact of road projects on air quality

had been taken into consideration in the formulation of transport strategies, as exemplified in the recently completed Third Comprehensive Transport Study (CTS-III).

Admin 7. CE/MW 1-2, HyD supplemented that in the preliminary assessment studies for the project, the air quality impact of the widened YLH had been assessed with reference to the parameters of suspended particles, nitrogen dioxide and carbon monoxide. The findings revealed that the impact on air quality of the future traffic flow on the widened YLH would not exceed the prescribed limits. At the request of Miss Emily LAU, the Administration agreed to provide further information on the impact of the project on air quality for members' reference.

Admin 8. In view of members' concern, the Chairman suggested and the Administration agreed to consider including information on the impact of a proposed works project on air quality and the recommended mitigation measures in future proposals.

9. In this connection, the Chairman enquired whether a through traffic condition in the absence of road congestion would generate less air pollution than a stop-and-go traffic condition. In reply, DEP said that generally speaking, whilst a vehicle would generate more air pollution if it had to halt and accelerate engine frequently while moving, a large number of vehicles flowing freely on a road would generate more air pollution than stationary vehicles in a traffic jam at a given period of time.

10. Noting that funds were requested under the present proposal to proceed with the detailed design for the project pending completion of the relevant EIA study, Mr Edward HO was concerned that work undertaken for the detailed design might become abortive if the findings of the EIA confirmed that the proposed project was not viable in environmental terms. In this connection, he sought clarification on the prescribed timing for EIA studies and how the relevant findings would be catered for in the course of a project. Mr CHAN Kam-lam shared similar concern.

11. In response, the Secretary for Planning and Lands (SPL) advised that the environmental studies and the design for a project were closely related. At the strategic planning stage when the alignment options for a highway were considered, a preliminary environmental assessment would be undertaken, as in the case of the present project, to establish the feasibility of the alignment option(s) having regard to possible impacts on the developments nearby and the natural environment. At the detailed design stage, a detailed EIA would be carried out if the project was a designated project under Schedule 2 of the EIA Ordinance. The EIA would examine in detail the environmental impacts of the construction and the future operation of the facility concerned and include recommendations on appropriate mitigation measures. As such, part of the EIA would need to be based on the detailed design which would in turn be subject to alteration or

refinement in the light of the findings of the EIA. SPL confirmed that in the light of past experience with major public works projects, the aforesaid arrangements were appropriate and the risk of abortive efforts was low.

12. Noting that the population in NWNT was forecast to increase substantially from 960 000 to 1 510 000 between the years 2001 to 2016, Mr Kenneth TING enquired about the basis of the forecast and whether the forecast had taken into account the potential trend of Hong Kong residents taking up residence in Shenzhen. In reply, D of Hy advised that the population forecast was made in the Planning and Development Study on NWNT commissioned in 1998. He understood that the potential trend of Hong Kong people taking up residence in Hong Kong had not been highlighted in the said study. Mr Kenneth TING suggested that this potential development should be given due consideration in future territory and regional planning as it had important implications on the demand for infrastructure facilities.

13. Mr Edward HO enquired whether the development plans for NWNT could tie in with the availability and creation of employment opportunities with a view to minimising traffic between home and workplace. Miss Cyd HO shared Mr Edward HO's concern and pointed out that the increase in traffic would inevitably aggravate the air pollution problem.

14. In reply, SPL confirmed that as in the case of other strategic growth areas, the development strategies for NWNT up to year 2016 were formulated by applying the traditional planning models of the Planning Department. Under these planning models, population growth and distribution was considered vis a vis the availability and creation of employment opportunities within the region. Indeed, this planning approach could be evidenced in the recent planning study for the priority development areas of Kwu Tung North, Fanling North and Hung Shui Kiu. The Chairman suggested that policy issues on development planning should be further pursued at the relevant Panel if members so wished.

15. Mr CHAN Kam-lam opined that in planning for new roads or road improvements, the major considerations should include, inter alia, the compatibility of the project with the overall transport network and the developments in the region concerned, and whether the project would help shorten inter-region journeys. He therefore enquired how the proposed widening of YLH would tie in with the overall transport network development for NWNT.

16. In reply, the Principal Assistant Secretary for Transport (PAS/T) advised that there were plans to develop both railway and road networks in NWNT to cope with the increasing traffic demand. The West Rail was under construction and was scheduled for completion in 2003 while other strategic highways like Route 10 and Deep Bay Link were also being planned. The Chief Transport Engineer (New Territories West), Transport Department added that the traffic impact assessment for the proposed YLH widening had confirmed the

compatibility of the project with the overall transport network for NWNT. Meanwhile, the Transport Department and the Planning Department were working closely on the development plans for NWNT having regard to the findings and recommendations in CTS-III.

17. Pointing out that railways were an environmental friendly transportation mode, Miss Cyd HO enquired whether in planning for the YLH widening, the alternative of developing a railway network had been explored. In reply, PAS/T advised that in projecting the volume to capacity ratios for YLH, the planned railway development, including the scheduled completion of the West Rail in 2003, had been taken into account. She confirmed that the Administration regarded railways as the backbone of Hong Kong's transport system in formulating future transport strategies. The Second Railway Development Study was being conducted to examine various railway development options. She however pointed out that building new roads and road improvements were necessary in some circumstances and the proposed YLH widening was necessary to cope with the increasing cross-boundary traffic as well as the developments in NWNT.

18. The item was voted on and endorsed. Miss Emily LAU requested that her reservation on the proposal be recorded.

## **HEAD 707 - NEW TOWNS AND URBAN AREA DEVELOPMENT**

### **PWSC(2000-01)1      343CL      Central and Wan Chai reclamation - engineering works (remainder)**

19. Referring to the statement in the discussion paper that the Panel on Planning, Lands and Works (PLW Panel) was consulted on the revised proposal for the CRIII on 10 June 1999 and Members warmly received the revised proposal, Mr Edward HO, Chairman of the PLW Panel, clarified that at the said Panel meeting, members at large were agreeable to the revised scale of reclamation but the proposed land uses and other details of the project had not been discussed in detail at the meeting.

20. In reply to Miss CHAN Yuen-han's enquiry on whether the relevant District Councils (DCs) had been consulted on the proposal, the Chief Engineer (Hong Kong(1)), Hong Kong Island and Islands Development Office, Territory Development Department (CE(HK), HKI&IDO, TDD) reported that the Wanchai District Council and the Central and Western District Council had been consulted on the amended draft Central District Outline Zoning Plan (OZP) (Extension) as per Enclosure 1 to the present proposal. The two DCs had also been briefed on the proposed road network for the proposed Central reclamation phase III (CRIII) and DC members supported in principle the amended draft OZP and the proposed road network.

21. Mr James TIEN confirmed that the CRIII project as currently proposed had been discussed at a committee of the Central and Western District Council on 2 March 2000. He however recalled that DC members had expressed some views which were not totally in concordance with those of the Administration. One major concern was whether the scale of reclamation, which had been reduced to 18 hectares under the present proposal, was still excessive for the purpose of accommodating essential infrastructural facilities. Whilst the Administration had cited the intention to also provide a world-class waterfront promenade on CRIII, it had not provided sufficient information on this facility to DC members. As such, Mr TIEN sought further explanation for the proposed reclamation.

22. Miss Emily LAU recalled that when previous proposals for CRIII were discussed on past occasions, most Members held the view that the extent of reclamation should be restricted to what was necessary to accommodate essential infrastructural facilities. She thus queried whether the proposed extent of reclamation was justified for serving the original purpose.

23. In response, CE(HK), HKI&IDO, TDD explained that the proposed reclamation under CRIII was required to provide land for the construction of the transport infrastructure facilities as detailed in the discussion paper. The scale of reclamation in the draft OZP gazetted in May 1998 was considerably reduced as the amount of land designated for commercial uses had been reduced. He confirmed that the Administration planned to develop a world-class waterfront promenade on CRIII comparable to the promenade along the Sydney Harbour and the Fishermen's Pier at San Francisco. Details of the waterfront promenade had not been worked out at this stage and the Administration's intention was to hold an open design competition for the promenade.

24. In reply to Mr James TIEN's enquiry about the justification for the reclamation area north of the site boundary of the Central-Wanchai Bypass, CE(HK), HKI&IDO, TDD advised that the width of this reclamation area was about 60 metres, which was considered the appropriate width for a world-class promenade development. He confirmed that the various infrastructure facilities and services to be provided at CRIII would require a reclamation of about 40 metres in width and most of these facilities and services would be located underground. The Project Manager, Hong Kong Island and Islands Development Office, Territory Development Department (PM, HKI&IDO, TDD) supplemented that both the Town Planning Board and the Administration held the view that to achieve world-class standard, the promenade should have sufficient space to accommodate various leisure facilities and attractions and a width of 60 metres was considered appropriate for these purposes. SPL supplemented that for a waterfront promenade to accommodate safe and smooth pedestrian traffic during major public events such as firework displays and to provide sufficient space for related leisure and commercial facilities, the promenade must have a minimum width of some 50 metres.

25. Miss Emily LAU queried whether there was wide public support for the proposed world-class waterfront promenade. In reply, SPL explained that the Administration had received a wide range of views from the public on CRIII. Whilst the mainstream opinion was that the extent of reclamation should be confined to what was necessary, there were also strong calls to take the opportunity to provide the public with a waterfront promenade for enjoyment of the sceneries of the harbour. The Administration noted the public's concerns and was actively examining the feasibility of providing a waterfront promenade spanning from Causeway Bay to Western District and another one from Tsim Sha Tsui to Kowloon Bay. He added that if members so wished, he was prepared to provide relevant submissions received from the public expressing support for a waterfront promenade on CRIII.

26. Dr Raymond HO said that as far as he could recall, LegCo Members had received quite a number of deputations in support of a waterfront promenade for use by the general public. He expressed support for the facility as there was currently none in the Central District and agreed that the promenade should be of sufficient width to ensure public safety at times of large public events. In this regard, members noted that a large section of the existing waterfront promenade along Tsim Sha Tsui East was 20 metres wide.

27. Miss CHAN Yuen-han pointed out that safety of crowd control should be an important consideration in the design of the waterfront promenade. She also urged the Administration to ensure that the waterfront promenade was conveniently accessible by the public by means like direct walkways.

28. Mr Edward HO expressed concern that the future detailed design for CRIII would be unduly constrained by the proposed road network. He therefore enquired whether urban design concepts had been applied in the proposed CRIII and whether consideration had been given to minimise at-grade traffic within CRIII.

Admin 29. PM, HKI&IDO, TDD confirmed that urban design concepts had been applied in planning for the CRIII and he undertook to provide relevant information for Mr HO's reference. He also confirmed that the detailed design for the road network for CRIII would be based on the scheme shown in the layout plan in Enclosure 2 to the discussion paper. CE(HK), HKI&IDO, TDD supplemented that an EIA based on the approved OZP had been undertaken and the findings revealed that the environmental impacts of the proposed transport infrastructure facilities including the proposed road network on CRIII would not exceed the prescribed standards and criteria. However, the EIA findings would be reviewed in light of the future detailed design for the project.

30. Expressing grave concern about the deteriorating air quality of Hong Kong and in particular that of Central, Miss Emily LAU sought information on the

Admin impact of the project on air quality. PM, HKI&IDO, TDD confirmed that according to the said EIA, the impact of the future facilities on air quality would be acceptable with reference to the current prescribed standards and parameters. Considering that the air quality in Central at present was already unacceptable, Miss LAU expressed reservation on the Administration's assessment. At her request, the Administration agreed to provide further information on air quality impact assessment for members' reference.

31. Mr Edward HO enquired about the reason(s) for excluding the area to the west of the Hong Kong Convention and Exhibition Centre from the scope of CRIII and how the future development of this area would tie in with CRIII. CE(HK), HKI&IDO, TDD explained that this area was covered under the Wanchai Development phase II (WDII) project, which is under comprehensive feasibility study. He informed members that it might be necessary to construct a temporary seawall at the eastern boundary of CRIII because under the current schedule, the works for CRIII would commence in mid-2002, while the works for WDII could only commence in mid-2003 the earliest.

Admin 32. Mr Edward HO queried the need for constructing the temporary seawall and urged the Administration to critically review the interface between the CRIII and WDII projects so as to minimise abortive work. SPL concurred with Mr HO's view and assured members that the works for CRIII would be programmed in such a way as to obviate the need for a temporary seawall.

33. In reply to Miss CHAN Yuen-han's enquiry about the proposed openable causeway in the aforesaid area covered by the WDII project, CE(HK), HKI&IDO, TDD advised that on account of the need to ensure safety of the existing MTR cross harbour tunnel, this area would not be formed by reclamation but would be constructed in the form of an elevated podium. Due to engineering constraints, the podium could not be extended to the northern reach of the CRIII. However, as there was a need to cater for smooth pedestrian flow on the future waterfront promenade from Central to Causeway Bay, an openable causeway as shown on the layout plan was proposed. The openable causeway and the enclosed marine basin would be subject to detailed design.

34. Concurring with the historical significance and importance of the Star Ferry Pier, Miss CHAN Yuen-han enquired about the relocation plan for the pier. In reply, CE(HK), HKI&IDO, TDD advised that the Administration was discussing the relocation plan with the ferry company. The current intention was to re-provision the Star Ferry Pier to the existing Pier 7 to the west of CRIII and to part of a new Pier 8 to be built at a location within the circled area (as marked on the layout plan at Enclosure 2 to the paper) on the western side of CRIII. The clock tower would be re-provisioned and the piers would be decorated so that they would resemble the existing piers as much as possible. A covered walkway between the piers would also be built. The details would be worked out in the proposed detailed design for CRIII.

35. Mr Edward HO queried why the location of Pier 8 could not be fixed at this stage as a decision on the location was necessary for proceeding with the detailed design. In reply, CE(HK), HKI&IDO, TDD advised that details of the Star Ferry Pier relocation plan were yet to be agreed between the Administration and the ferry company. However, as the new Pier 8 would be located within the said circled area, variance of the relocation plan would have little effect on the detailed design for the CRIII.

36. Miss Cyd HO enquired whether pedestrian traffic between CRIII and the inland commercial areas would be catered for by an elevated walkway system resembling the existing one along Connaught Road Central. In reply, CE(HK), HKI&IDO, TDD advised that the current design of CRIII had taken into account the need to facilitate through pedestrian traffic within CRIII and between CRIII and the existing major buildings and facilities in the inland areas. For example, through pedestrian traffic from the Statue Square via the Comprehensive Development Area to the future waterfront promenade would be facilitated by an elevated podium, and an elevated walkway would connect the Central Government Complex with the existing Citic Tower, which was in turn connected to the Admiralty MTR station by an existing elevated walkway. An elevated walkway across Harcourt Road was also proposed to connect the Central Government Complex with the inland commercial areas.

37. Miss Cyd HO commented that greater emphasis should be given to pedestrian traffic in planning for the CRIII and reiterated that the Administration should consider an elevated walkway scheme along Harcourt Road to provide convenient pedestrian links between CRIII and the inland commercial areas. Miss HO also opined that the "civic square" outside the future Central Government Complex should adopt an open access design to facilitate the hosting of a wide variety of public activities in this area.

38. Mr TAM Yiu-chung enquired whether the design of the future seawall along the new waterfront would take into account the need to reduce wave force. In reply, the Director of Territory Development confirmed in the affirmative and advised that there would be a 50% reduction in wave force. He also advised that both the perpendicular design and the slanting design for the proposed seawall could incorporate features to reduce wave force.

39. Mr Kenneth TING said that he was in support of the project. He however pointed out that the congestion of the east bound traffic between Happy Valley and Causeway Bay and the west bound traffic from Harcourt Road to Cotton Tree Drive during peak hours should also be addressed in planning the road network on CRIII. In response, DTD advised that the road network on CRIII would address the traffic congestion problem at the junction of Cotton Tree Road and Harcourt Road. Upon completion of the proposed road works, the reserve capacity at this junction would increase from the present -11% and -20% by mid 2000 to -3%.

As regards the traffic congestion between Happy Valley and Causeway Bay, appropriate improvement measures would be considered under the WDII project.

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40. Miss Emily LAU commented that the font size of the titles of various facilities shown on the layout plans was too small to be easily readable. She called for improvement in future presentations. Miss CHAN Yuen-han considered that the information given in the discussion paper was too broadbrush and issues of public concern, such as relocation of the Star Ferry Pier, had not been adequately accounted for. She also said that some of the concerns raised by members about the design and land uses of CRIII were yet to be addressed.

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41. The Chairman suggested that in view of members' concerns about the project, the Administration should further consult the relevant Panel(s) on the detailed design in due course. In response, PM, HKI&IDO, TDD confirmed that it was the Administration's intention to consult the relevant Panel(s) at appropriate intervals in the course of the project.

42. The item was voted on and endorsed. Miss Emily LAU requested that her reservation on the proposal be recorded.

#### **Head 704 - DRAINAGE**

##### **PWSC(2000-01)8      199DS      North and South Kowloon sewerage, stage I, phase II**

43. The Chairman advised that the Administration had requested this Subcommittee to advance the consideration of Item PWSC(2000-01)8 which sought the Subcommittee's support for increasing the approved project estimate to meet Government's legal liabilities. There was an urgency to consider this item to enable timely disbursement of funds, in particular to avoid interest payments which might accrue from further delay in making payment of the outstanding balance of the arbitration award in question. Since there would not be sufficient time for the Subcommittee to consider all the remaining agenda items scheduled for this meeting, the Chairman suggested to discuss this paper in advance of the remaining items. Members agreed.

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44. Miss CHAN Yuen-han enquired whether the Administration had updated the relevant District Councils on the project as she understood that the District Councils had certain concerns about the project during the construction period. In reply, the Chief Engineer/Strategic Sewage Disposal Scheme, Drainage Services Department (CE/SSDS) confirmed that the Administration had briefed the former District Boards concerned on the progress of the project and consulted them on proposed traffic diversion measures from time to time in the course of the project. At Miss CHAN's request, he undertook to provide further information on past consultation for members' reference.

45. Noting that the delay of the project and the additional works required were mainly attributed to the inaccuracy of the record drawings on underground utilities provided by utility undertakers, Miss Emily LAU queried whether the utility undertakers had the obligation to provide accurate records on their facilities, and if so, whether the Government could recover any part of the cost overrun from those utility undertakers which had failed to provide accurate records. She also enquired about the measures to rectify and improve the situation.

46. In response, the Director of Drainage Services (DDS) advised that many underground utilities in the urban areas were laid decades ago and it was difficult to attribute accountability for those record drawings prepared more than 20 years ago. Thus, although it was feasible to identify those utility undertakers that had provided inaccurate drawings, it was unlikely that the Government could recover the cost overrun from the utility undertakers concerned.

47. Miss Cyd HO questioned why the Government could not recover the cost overrun from those utility undertakers which had provided inaccurate record drawings and enquired whether legal advice had been obtained in this regard. In response, DDS said that as a general practice, legal advice would be sought on whether the indemnity payable by the Government to contractors could be recovered from third parties. In this particular case, the possibility of recovering cost overrun from third parties had been looked into and the conclusion was in the negative.

48. Mr Edward HO referred to the long-standing problem of unreliable record drawings on aged underground utilities which the Administration was fully aware of. He commented that a provision should be included in the works contract to safeguard the Government against the liability to indemnify the contractor as a result of project prolongation due to inaccurate utilities drawings supplied by utility undertakers.

49. In response, DDS advised that there was a standard provision in Government's engineering works contracts that the contractor was responsible for dealing with underground conditions except utilities. Pursuant to the said provision, if contractors needed to take longer time to resolve utility problems not of his own making, the Government was obliged to pay for the extension of time. He further pointed out that the movement of utilities was the responsibility of utility undertakers and thus, the contractor should not be held responsible for the delay and additional works caused by underground utilities problems.

50. As regards improvement measures, DDS advised that under the co-ordination of the Works Bureau, a Joint Utilities Working Group comprising all utility undertakers in Hong Kong had been set up to examine ways to improve the availability and accuracy of records on underground utilities. DDS further highlighted the following measures to deal with underground utilities-

- a) more site investigation works were carried out before awarding the main works contract;
- b) more time was provided for in the works contract for handling underground utilities; and
- c) where appropriate, advanced technologies for laying sewers and mains such as pipe jacking were adopted to minimise interference with underground utilities.

51. On recent improvement, DDS advised that for the eight contracts on sewerage or drainage works in the urban areas awarded between 1991 to 1996, the delay due to underground utilities was 88% on average and the average cost overrun was 26%. In comparison, for the six contracts of the same type awarded since 1998, the extent of delay due to underground utilities was 5% on average and the cost overrun in individual projects was minimal. To a large extent, these figures indicated that the problems with underground utilities had been effectively addressed for projects awarded since 1998.

52. Members however expressed reservation on the effectiveness of the aforesaid measures cited by DDS in addressing the critical issue relating to the Government's liability arising from problems with underground utilities, notwithstanding that they might be caused by inaccurate records provided by utility undertakers. Mr LEE Wing-tat recalled that the Administration had provided an undertaking to the former Legislative Council to set up a computer system for the storage and retrieval of rectified records on underground utilities and enquired about the latest progress. In reply, DDS advised that the Highways Department had recently commissioned a consultancy study with a view to setting up a computerised system for speedy retrieval and circulation of utility records. The assistance of five utility undertakers had been enlisted for the study. Mr LEE Wing-tat expressed disappointment at the slow progress of the exercise.

53. Regarding the arbitration on the contractor's claim for remeasurement payment for general site clearance, DDS explained that the Administration disagreed with the claim and having taken legal advice, decided to refer the dispute to arbitration. The Arbitrator had ruled in favour of the contractor in February 2000. As the contract documents under dispute were prepared by the consultant engineer for the project, the Administration would take action to seek indemnity from the consultant engineer for failure to spell out the original intention on the extent of site clearance required under the contract.

54. Mr CHEUNG Man-kwong stressed that apart from the responsibility of utility undertakers and the consultant engineer, the Administration's supervisory

role should be critically examined to see if it had duly scrutinised the contract documents to ensure that they had been properly prepared. Mr CHEUNG considered that if the Administration had not duly performed its role, the chance that it could recover the cost overrun from the utility undertakers or obtain indemnity from the consultant engineer would be slim.

55. In response, DDS pointed out that the preparation of contract documents, detailed checking of their accuracy, and the preparation of tender conditions were the responsibilities of the consultant engineer. The Administration was of the view that the consultant engineer should be accountable for the mistake of not clearly spelling out the original intention in the contract. According to the legal advice given to the Administration, the Government should stand a good chance in seeking indemnity from the consultant engineer. As regards the Administration's role in scrutinising contract documents prepared by consultants, CE/SSDS advised that according to the Administration's internal guidelines, contracts that were worth \$100 million or above would also be cleared with the Department of Justice. Whilst departmental staff would check the major contents of the contract documents, they would not be able to scrutinise every detail contained therein, given the volume of the documents and the specialisation required in vetting some of the details for which consultants had to be engaged.

56. To safeguard the Government's interests, Mr CHEUNG Man-kwong opined that the Administration should have at least scrutinised those contract terms and conditions which were susceptible to dispute, in particular those relating to liabilities for project delay and additional works. He was gravely concerned that given its lax scrutiny, the Administration might have entered into contracts containing faulty provisions and similar claims would likely arise in respect of other contracts in future.

57. In response, DDS clarified that the arbitration in question had arisen from a dispute on a clause in the contract relating to the amount of site clearance the contractor was required to undertake and was not related to the delay in project works. The additional expenditure arising from project delay and additional works was related to how the risks associated with underground utilities were apportioned in the contract. DDS reiterated that the issue of risk apportionment had been addressed in later contracts by adopting the improvement measures mentioned earlier on.

58. Miss Cyd HO considered that to avoid recurrence of similar problems surrounding the project in question, a working group should be set up to conduct an in-depth inquiry with a view to identifying the causes and rectifying the relevant procedures.

59. In view of members' grave concerns, the Chairman advised that it would be appropriate for the Panel on Planning, Lands and Works to examine the

Admin background and policy issues arising from the present proposal. He also suggested that the Administration should provide its written response to members' concerns and queries well in advance of the Panel meeting at which this subject would be discussed. DDS agreed to provide a comprehensive paper in about 10 days covering, inter alia, how the Administration was tackling the problem of underground utilities in public works projects and the work being done to put in place a proper record system on underground utilities.

Admin 60. Mr CHEUNG Man-kwong specifically asked the Administration to provide information on the number and value of the Government's works contracts which contained comparable provisions so that he could better assess the extent of financial risk that the Government might be subject to under these contracts.

61. The item was put to vote. Miss Emily LAU and Miss Cyd HO said that they had reservation on the proposal. Mr LEE Wing-tat and Mr CHEUNG Man-kwong said that they voted against the proposal because the Administration had not satisfactorily responded to concerns about the Government's role and the responsibilities of various parties on the problems with underground utilities and the contract documents under dispute.

62. The item was negated.

63. As there was insufficient time to consider agenda items PWSC(2000-01)2, 6, 7 and 9, the Chairman instructed that the consideration of these items be deferred to the next meeting or a special meeting to be arranged.

*(Post meeting note: A special meeting was scheduled for 19 April 2000 starting at 10:45 am.)*

64. The meeting ended at 1:05 pm.