

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

**Minutes of the 3rd meeting
held in the Chamber of Legislative Council Building
on Wednesday, 12 November 2003, at 10:45 am**

Members present:

Ir Dr Hon Raymond HO Chung-tai, JP (Chairman)
Dr Hon David CHU Yu-lin, JP
Dr Hon Eric LI Ka-cheung, GBS, JP
Hon Fred LI Wah-ming, JP
Hon CHAN Yuen-han, JP
Hon CHAN Kam-lam, JP
Hon SIN Chung-kai
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
Hon YEUNG Yiu-chung, BBS
Hon LAU Kong-wah, JP
Hon Miriam LAU Kin-yee, JP
Hon Emily LAU Wai-hing, JP
Hon CHOY So-yuk
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP
Hon Abraham SHEK Lai-him, JP
Hon Henry WU King-cheong, BBS, JP
Hon WONG Sing-chi
Hon IP Kwok-him, JP
Hon LAU Ping-cheung

Member attending:

Hon CHEUNG Man-kwong

Members absent:

Hon Albert CHAN Wai-yip (Deputy Chairman)

Hon Kenneth TING Woo-shou, JP

Hon Cyd HO Sau-lan

Hon James TO Kun-sun

Dr Hon LAW Chi-kwong, JP

Public officers attending:

Miss Amy TSE	Deputy Secretary for Financial Services and the Treasury (Treasury)3
Mr Y C LO, JP	Permanent Secretary for the Environment, Transport and Works (Works) W1
Mrs Carrie LAM, JP	Permanent Secretary for Housing, Planning and Lands (Planning and Lands) 1
Mr Rob LAW, JP	Director of Environmental Protection
Miss Janice TSE	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mr Keith KWOK, JP	Deputy Secretary for the Environment, Transport and Works (Works)1
Mr W S CHAN, JP	Deputy Secretary for the Environment, Transport and Works (Works)2
Mr C H YUE, JP	Director of Architectural Services
Mr Raymond CHEUNG, JP	Director of Drainage Services
Mr MAK Chai-kwong, JP	Director of Highways
Mr N C TINSLEY	Chief Technical Advisor (Subvented Projects) Architectural Services Department
Mr William C G KO, JP	Director of Water Supplies
Mr LEUNG Mang-chiu, JP	Assistant Director of Water Supplies (New Works)
Ms Miranda YEAP	Assistant Secretary for Home Affairs (Recreation and Sport)
Mr Eddy YAU, JP	Assistant Director of Leisure and Cultural Services (Leisure Services) 3
Mrs Karen YUEN	Chief Executive Officer (Planning)1 Leisure and Cultural Services Department

Clerk in attendance:

Ms Anita SIT

Chief Assistant Secretary (1)6

Staff in attendance:

Ms Pauline NG

Assistant Secretary General 1

Mr Matthew LOO

Senior Assistant Secretary (1)3

Ms Caris CHAN

Senior Legislative Assistant 1

Mr Frankie WOO

Legislative Assistant 2

PWSC(2003-04)28

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**Forecast of submissions for the 2003-04
Legislative Council session**

The Chairman said that according to the arrangements agreed between the Public Works Subcommittee (PWSC) and the Administration in the 2002-03 legislative session to improve the process of consultation on financial proposals for capital works projects, the Administration would provide a forecast of submissions to PWSC at the beginning of each legislative session. A meeting would be held to enable members, including non-PWSC Members, to enquire about the projects contained in the list of potential submissions. The purpose of the arrangement was to provide PWSC members and other Members with an overview of the capital works items scheduled for implementation in the legislative session and to enable them to understand whether policy implications were involved. After the meeting, the list of potential submissions would be circulated to all Panels which would be requested to indicate which projects would likely require discussion at the Panels.

2. The Chairman said that according to the information paper PWSC(2003-04)28, the Administration anticipated that a total of 80 items would be submitted to PWSC in the 2003-04 legislative session. Among these 80 items, 24 items were school building and development projects and only five items were of an indicative cost above \$500 million. The Chairman informed members that in his recent meetings with the Chief Executive and the Financial Secretary, he had expressed concern that as only a small number of Category B and C projects for advance works and feasibility studies were in the pipeline, there would be a significant shrinkage in the Public Works Programme in a few years' time.

3. Mr WONG Sing-chi recapitulated the points he had made at the last PWSC meeting on 29 October 2003 about the possible mismatch between the Administration's school building programme and the future demand for secondary school places. He said that he supported the construction of more primary schools to expedite the implementation of whole-day primary schooling. He was however not convinced of the need to construct new secondary schools in view of the declining

student population, unless the Administration agreed to implement small class education in Hong Kong. He urged the Administration to consult the LegCo Panel on Education (Education Panel) on the school building programme as soon as possible. He also suggested that the Education Panel should be consulted on the 24 school projects before they were considered by PWSC.

4. Mr CHEUNG Man-kwong said that he shared Mr WONG Sing-chi's views. He referred to the information note provided by himself and tabled at the meeting and highlighted that according to the Government's own projection, there would be a significant drop in student population in the years from 2002 to 2010. Declines in student population in some districts, including Tai Po District (-39.9%), Tuen Mun District (-36.9%), Eastern District (-30.6%), Southern District (-28.6%), Wong Tai Sin District (-25%), Northern District (-22.5%), Tsuen Wan District (-22%), Yuen District (-21.8%) and Shatin District (-17.9%), were also projected. He supplemented that according to the information posted on the Government's website, there were 14 867 vacancies in secondary schools and 18 999 vacancies in primary schools as at end of September 2003. Noting that the Director of Audit was conducting an audit examination of the planning and provision of secondary places in Hong Kong, Mr CHEUNG considered that a comprehensive review of the related education policies was required to address the concern about the possible mismatch between the Administration's school building programme and the demand for school places.

5. Ms Emily LAU expressed concern that the Administration had no plan to consult LegCo Panels on some items listed in the forecast of submissions. She suggested that the Administration should consult the relevant LegCo Panel(s) on each public works project prior to the submission of the funding proposal to PWSC. For some projects, the Administration might first provide an information paper to the Panel and it would be up to the Panel Chairmen to decide whether the project in question should be discussed at the Panel or circulation of the paper would suffice. She also opined that the Administration should consult the Education Panel on each school project to be submitted to PWSC.

6. Mr IP Kwok-him said that he shared the view that the Administration should conduct a comprehensive review on the provision of school places and discuss the relevant policy issues with the Education Panel, but he had reservation about the need to consult the Education Panel on each school building project.

7. The Deputy Secretary for Financial Services and the Treasury (Treasury)³ (DS(Tsy)) said that the purpose of the forecast of submissions was to provide members with an overview of the items to be submitted to PWSC in the 2003-04 legislative session. As regards members' concern about the demand and supply of school places in Hong Kong, DS(Tsy) confirmed that the Education and Manpower Bureau (EMB) had undertaken at the last PWSC meeting to consult the Education Panel on this matter. She would convey members' views on the consultation arrangements to EMB for consideration.

8. In this connection, the Chairman requested the Administration to discuss with the Education Panel the relevant policy issues and the planned school projects as soon as possible, so that consideration of the proposed school building projects by PWSC would not be unduly delayed. He also urged the Administration to make better advance planning to avoid the situation of having most of the items submitted in the last few months of the legislative session and hence the need to convene many additional PWSC meetings towards the end of the session.

9. In response, DS(Tsy) advised that the Administration had consulted or planned to consult relevant LegCo Panels on about half the items in the forecast. While the 24 school building projects would be withheld pending further discussion on the related policy issues at the Education Panel, the other remaining items did not involve new or controversial policy issues and thus prior discussion at Panel meetings was considered not necessary. Nevertheless, members' views on the need for prior consultation with relevant LegCo Panels for any individual items were welcome.

10. Ms Emily LAU pointed out that the Complaints Division of the LegCo Secretariat had received some complaints relating to the construction of five interfacing projects of Road T3 in Shatin. A number of case conferences between LegCo Members and the Administration had to be held to deal with the issues arising from the complaints. She considered that the lack of consultation with the Shatin District Council and the affected residents was a major factor causing the problems encountered today.

11. The Permanent Secretary for Environment, Transport and Works (Works) (PSW) assured members that public consultation would be undertaken for all the items to be submitted to PWSC. He explained that it was a standing arrangement for the Administration to consult the public through various local organizations, including Rural Committees and District Councils, on all public works projects. There were internal guidelines requiring the proponent departments to follow the standard public consultation procedure. In some cases, pamphlets to provide information and invite views would also be distributed to the residents of specific housing blocks affected by the proposed works. As regards the problems arising from the Road T3 interfacing projects, PSW advised that he did not have the project information on hand but he would follow up with the departments concerned to see how the problems could be best resolved. PSTW also took note of Ms Emily LAU's request that the Administration should provide more details in future PWSC submissions on the process and results of the public consultation conducted for each project.

Admin

12. Mr Abraham SHEK said that for the past few years, he had advocated greater participation of the private sector in public works projects but found that there had been little progress in this regard. He commented that the Administration should actively pursue private finance initiatives (PFI) and public private partnerships (PPP) for delivery of public works projects. By adopting these options, Government's

investment on some public works projects could be reduced and the public moneys released could be used to deliver additional projects, and as a result, more job opportunities could be provided to alleviate the unemployment situation of the construction industry. Mr SHEK urged the Administration to work out a concrete plan on the use of PFI/PPP options.

13. In response, PSW said that he concurred with Mr SHEK's view that the adoption of PFI or PPP could help release public money for additional public works projects that were justified. He advised that the Administration had already invited private sector to participate in the some cultural and recreational facilities projects, including the construction of an ice sports centre at Tseung Kwan O and a culture and recreational centre at Kwun Tong. The Administration would prudently explore the feasibility to extend this arrangement to some other types of public projects such as water supply and sewage works and the construction of Government offices. In this connection, he affirmed that the Administration was committed to investing some \$147 billion in public infrastructure from 2003-04 to 2008-09. About \$31 billion was the forecasted outturn of expenditure in 2003-04, which would exceed the average annual estimate of \$29 billion on capital works expenditure.

14. In response to the Chairman's enquiry about the position of the new Central Government Complex at the Tamar site, which had been put on hold since end May 2003, PSW advised that the Administration was still reviewing the project and would announce the results in due course.

15. Mr Andrew WONG recalled that some years ago, PWSC conducted a review of the Public Works Programme (PWP) on an annual basis. For that review, the Subcommittee was provided with a full list of public works projects under Category B and Category C of the PWP and hence members were given the chance to express their views on the relative priority among the projects in the PWP. He considered that the annual review mechanism should be resumed and the Administration should provide members with a full list of public works projects in the PWP, instead of only those projects planned to be upgraded to Category A. He also enquired about the justifications for according priority to the 80 items in the forecast.

16. DS(Tsy) responded that many factors such as land resumption would affect the progress of a capital works project. The 80 potential items were included in the 2003-04 forecast mainly on account of the target contract start dates at this point in time. PSW supplemented that the Administration would try to adhere to the target implementation schedules as much as possible but unforeseeable circumstances would often arise during the design, gazettal, and consultation stages, etc. and thus the schedule of PWSC submissions was subject to constant adjustment during the year. Members' views on the priority of capital works projects were welcome.

17. Mr Andrew WONG pointed out that without the annual review mechanism, there was a lack of channel for members to seek information on the progress of certain projects that were not on the potential submission list. For instance, the

planned development in Cheung Shue Tan and Tai Po Mei Tsuen had been withheld for about three years, whilst the owners of the land were prohibited from using the land for other purposes. PSW advised that he would follow up the case with departments concerned. The Permanent Secretary for Housing, Planning and Lands (Planning and Lands) advised that the Administration was facing a large budget deficit and all bureaux/departments were required to critically review the priority of capital works projects under their respective purviews. She concurred that the effects on legitimate stakeholders due to programme changes should be properly addressed. DS(Tsy) added that the PWP was constantly under review and the proponent bureaux/departments would always take into account the financial and other implications when working out the new priorities of public works projects under their respective purviews.

PWSC(2003-04)52

38WS

Extension of North Point low level salt water supply system

18. Ms Emily LAU noted that the Preliminary Environment Review of the proposed project was completed in September 1996 but the construction works could only start in mid 2004 for completion in 2006. She enquired why such a long lead time was required for the delivery of the project. In reply, the Director of Water Supplies (DWS) and the Assistant Director of Water Supplies (New Works) (AD/NW) advised that the Administration had had a long discussion with the Eastern District Council (EDC) on the project. EDC was first consulted on the project in 1997 and the project was originally proposed together with the Woodside Development Project which was withdrawn subsequently. EDC members had raised concern about possible environmental impact of the proposed salt water reservoir and had asked the Administration to identify alternative sites for the project. DWS and AD/NW confirmed that all the concerns of EDC members, including the environmental mitigation measures to be taken during the construction stage, had been fully addressed. Ms LAU said that the above information should have been included in the PWSC paper. She reiterated her request that the Administration should provide more details in future PWSC submissions on the process and results of the public consultation conducted for each project.

19. In reply to Ms Emily LAU's enquiry about the existing arrangement for flushing water supply in the low level areas of North Point and Quarry Bay, AD/NW advised that salt water for flushing in the areas was supplied by the existing North Point salt water service reservoir at Tin Hau Temple Road. The service reservoir, together with other components including the pumping station in Quarry Bay, formed the salt water supply system for the areas. DWS supplemented that the existing service reservoir was unable to cope with the total salt water demand for flushing in the areas and thus a new service reservoir was required. PSW added that as explained in the PWSC paper, the mean daily demand for flushing water in the areas would increase to 30 600 m³ per day in 2010 but the existing North Point salt water service reservoir could only cope with a mean daily demand of 21 000 m³ per day. The

proposed service reservoir was thus required to meet the shortfall of 9 600 m³ per day in the supply system.

20. In reply to Ms Emily LAU's enquiry about the policy on the use of salt water for flushing in Hong Kong, DWS said that it was Government policy to encourage the extensive use of sea water for flushing to help reduce the demand on fresh water. About 80% of the population in Hong Kong was now supplied with sea water for flushing. The use of fresh water for flushing was permitted in some areas where the construction and maintenance of infrastructure for the supply of sea water was considered not feasible and/or not cost-effective. For households in these areas, the first tier of 30 cubic metre per flat per period of 4 months of fresh water supply for flushing (which was equivalent to around 33 times of flushing per day) was free of charge. Furthermore, sea water would not be supplied to areas using recycled treated sewage effluent for flushing.

21. As regards Ms Emily LAU's enquiry about the "Woodside" Grade II historical building adjacent to the proposed service reservoir, DWS advised that the building was declared a monument by the Antiquities and Monuments Office. Mr Henry WU, member of the Board of Trustees of The Lord Wilson Heritage Trust, supplemented that the building shown on the perspective diagram (Enclosure 2 of the PWSC paper) was the garage of the "Woodside".

22. Mr Henry WU noted that the capacity of the proposed service reservoir was only adequate to meet the projected demand for salt water supply up to 2010, and commented that built-in expansion flexibility for the proposed service reservoir should be provided to cope with further increase in demand beyond 2010. Any new construction works to expand the proposed service reservoir after its completion was not advisable in view of the site constraint and the impact of the construction works on users of Mount Parker Road (MPR). In reply, DWS said that the capacity of the proposed service reservoir was adequate to meet the projected increase in demand for salt water in the areas. The Administration would closely monitor the situation. He explained that excessive demand of salt water would result in low water storage in the service reservoir. The water pressure would decrease and thus affecting the reliability of the water supply system. Expanding the service reservoir capacity was not the only solution to the above problem; other options such as upgrading the pumping facilities might also be an effective solution.

23. Mr Henry WU expressed grave concern about the impact on environment and nuisance caused to users of MPR during the construction stage of the project. He requested that the Administration should stipulate in the contract requiring the contractor to provide various mitigation measures including the use of box-type lorries to transport construction and demolition (C&D) materials, and the provision of a 2.5m wide pavement for pedestrians of MPR. AD/NW advised that the Administration had discussed the matters with EDC and undertaken to impose various mitigation measures. In essence, the contractor would be obliged to maintain a pedestrian way with a minimum width of 2.5m at all times. Proper road signs

should be erected and all construction vehicles would be prohibited from entering and leaving the construction site via MPR between 8:00 am to 11:00 am daily. Covered-type lorries should also be used to transport C&D materials. A working group comprising EDC members and representatives from the Administration would be established to monitor the effectiveness of various mitigation measures.

24. On the use of box-type lorries, Mr Henry WU was not satisfied with the Administration's response that only covered-type lorries would be used for the project. He urged that the Administration should stipulate in the contract requiring the contractor to use box-type lorries to transport C&D materials. The Chairman also pointed out that many covered-type lorries were not properly covered and hence the use of box-type lorries to transport C&D materials was preferred. PSW said that he would consult the trade on members' suggestions. AD/NW advised that the Administration had discussed the matter with EDC recently. Noting that consultation with the trade and co-ordination among various departments were required, EDC had agreed that the Administration should closely monitor the situation and try to incorporate the requirement in the contract as appropriate.

25. Miss CHOY So-yuk expressed support for the proposal as it would help alleviate odour nuisance caused by the use of underground water for flushing in some areas in the North Point. She was however concerned about the location of the pumping station for the new service reservoir as she had received some complaints about the noise generated from the existing pumping station. In reply, AD/NW advised that the existing seafront pumping facilities at Hoi Chak Street had been upgraded to meet the new demand and hence no additional pumping station was required.

26. Miss CHOY So-yuk noted that many old buildings in North Point and Quarry Bay would be renovated soon and it was opportune for the Administration to advise property owners concerned to replace the water pipes in their buildings for salt water flushing if necessary. Miss CHOY was also concerned about other mainlaying works required. In response, AD/NW advised that the Administration had commenced the required mainlaying works under "41WS -Mainlaying for extension of North Point low level salt water supply system" in February 2001 to extend salt water supplies to new developments and redevelopments in North Point and Quarry Bay areas. The mainlaying works would be substantially completed in early 2004. DWS supplemented that the laying of salt water trunk mains was underway and each building in the areas might apply for salt water flushing in due course. He understood that water pipes suitable for both salt water and fresh water flushing had been installed in most buildings.

27. As regards the coverage of the low areas of North Point and Quarry Bay, AD/NW advised that the areas covered all buildings between TaiKoo Place in Quarry Bay and Electric Road and Tin Hau Temple Road in North Point.

28. Mr IP Kwok-him expressed support for the project as it helped save fresh water, which was a valuable natural resource in Hong Kong. In addition to the building of the service reservoir, Mr IP enquired whether other construction works were required to meet the salt water flushing demand in the areas. In reply, DWS affirmed that other related works including the pumping station upgrading and mainlaying works had been covered in other approved projects.

29. Ms Emily LAU was concerned about the management of C&D materials for the project as she noted that only 10.1% of the C&D materials would be reused on site and the rest would be disposed of at public filling areas and landfills. AD/NW assured members that the Administration would encourage the contractor to optimize the use of recyclable materials in order to minimize the generation of C&D materials. Nevertheless, the excavation works for the proposed service reservoir would generate a certain amount of excavated materials, which would need to be disposed of. The Director of Civil Engineering had approved the disposal arrangement of the excavated soil.

30. The item was voted on and endorsed.

PWSC(2003-04)53

376RO

Improvement works to Lei Yue Mun Park and Holiday Village

31. Mr Henry WU supported the project to enhance the building safety of the Lei Yue Mun Park and Holiday Village (LYMPHV). In response to Mr WU's enquiry about the estimated cost of improvement works for the children's playground, the Assistant Director of Leisure and Cultural Services (Leisure Services)³ (AD(LS)³) advised that improvement works including resurfacing the playground and reprovisioning the children's play equipment would cost around \$8 million. AD(LS)³ also affirmed that the estimated cost of \$81.3 million covered all improvement works required for LYMPHV to comply with the latest licensing requirements stipulated in the Hotel and Guesthouse Accommodation Ordinance (Cap. 349).

32. Mr Henry WU referred to the computer rendered illustration of the canteen at Enclosure 2 of the discussion paper and enquired about the upgrading plan for the canteen facilities. The Director of Architectural Services (D Arch S) advised that the main improvement works for the canteen at Block 4 of LYMPHV were the provision of fire services (F.S.) installations, including smoke detection systems and sprinkler systems etc. As Block 4 was a graded historical building and in view of various conservation restrictions, the installation works would be more complicated and a higher cost would be required. D Arch S said that the estimated cost for the upgrading works to comply with the licensing requirements for the whole LYMPHV was around \$67 million, and he agreed to provide members with the estimated F.S. installations cost for the canteen after the meeting.

33. Considering the complexity of installation works inside graded historical buildings, Mr Henry WU enquired whether it was feasible to identify another site at LYMPHV to build a new canteen, so that Block 4 of LYMPHV could be vacated for another purpose such as exhibition gallery. In response, AD(LS)3 advised that the canteen at Block 4 was formerly set up by the garrison in the campsite, and was then equipped with cooker units and stainless steel kitchen cabinets adequate for the preparation of meals for 400 persons. The equipment was still in good working condition and would be wasted if the canteen was reprovisioned elsewhere in the campsite. AD(LS)3 also pointed out that no other site could be identified in LYMPHV to erect a new building for a 400-person canteen.

34. Miss CHOY So-yuk expressed support for the project and enquired whether the Administration had plans to upgrade other facilities such as the provision of telephone and television sets in all bedrooms. AD(LS)3 advised that in addition to large-scale renovation undertaken every five years, continuous maintenance works were carried out to maintain the standard of LYMPHV facilities. The last large-scale renovation for NYMPHV was carried out five years ago.

35. Ms Emily LAU recalled that some residents affected by the Severe Acute Respiratory Syndrome had complained about the facilities of LYMPHV when they were serving isolation order in LYMPHV. In response, AD(LS)3 said that the dormitories of LYMPHV inevitably could not meet the demand of some affected residents who had expected that LYMPHV could provide home-like facilities. He said that although the existing dormitory facilities were quite simple and plain, the accommodation was adequate for recreational purpose and it might not be justified to upgrade it to a level comparable to hotels. AD(LS)3 also pointed out that the Administration conducted regular opinion surveys among campers for the four existing holiday villages with a view to improving the camping facilities and services. The majority of campers were satisfied with the facilities of the four holiday villages, although some had criticized about the old façade of the historical buildings in LYMPHV. In response to Ms LAU, AD(LS)3 undertook to provide the results of the opinion surveys among the campers of LYMPHV before the relevant Finance Committee meeting. The information should include campers' views and comments on LYMPHV facilities.

Admin

36. Mr SIN Chung-kai considered the facilities of LYMPHV acceptable and he would support the project to improve building safety of the campsite. He was however concerned about the long lead time to complete the improvement works and enquired whether the Administration had considered closing LYMPHV so that the improvement works could be implemented in one-go. D Arch S concurred that implementing the works in one-go might possibly shorten the construction period. However, the construction time required would not be significantly reduced, as it would still take around 12 to 17 months to complete some improvement works even if LYMPHV was completely closed during construction. These works included the geotechnical works required for provision of new F.S. pump houses, and the

provision of a maintenance access walkway along the proposed F.S. water pipe connecting the proposed F.S. pump house. AD(LS)3 supplemented that LYMPHV was a popular holiday camp and the proposed arrangement to partially close the campsite could minimize the inconvenience to the public. Miss CHOY So-yuk supported that LYMPHV should not be completely closed for improvement works in view of its popularity.

37. In response to Mr SIN Chung-kai's enquiry about the dining arrangement for campers when the canteen was closed for improvement works, AD(LS)3 advised that campers might dine out or arrange their own meals.

38. Miss CHOY So-yuk appreciated that the Administration had included tree felling information and compensatory planting arrangement in PWSC submissions. She had no objection to the proposed arrangement that five trees would be removed for the project as these trees were not important trees, but suggested that the Administration might consider planting more trees in the campsite. In response, AD(LS)3 advised that apart from the compensatory planting under this project, more than 500 trees/plants were planted in the campsite annually.

39. The item was voted on and endorsed.

40. The meeting ended at 12:25 pm.