

**立法會**  
**Legislative Council**

LC Paper No. CB(1)2487/03-04  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/PLW/1

**Panel on Planning, Lands and Works**

**Minutes of meeting**  
**held on Tuesday, 29 June 2004 at 2:30 pm**  
**in Conference Room A of the Legislative Council Building**

**Members present** : Dr Hon TANG Siu-tong, JP (Chairman)  
Hon LAU Ping-cheung (Deputy Chairman)  
Hon James TIEN Pei-chun, GBS, JP  
Ir Dr Hon Raymond HO Chung-tai, JP  
Hon James TO Kun-sun  
Hon Abraham SHEK Lai-him, JP  
Hon WONG Sing-chi  
Hon IP Kwok-him, JP

**Members absent** : Dr Hon David CHU Yu-lin, JP  
Hon WONG Yung-kan  
Hon LAU Wong-fat, GBS, JP  
Hon Timothy FOK Tsun-ting, SBS, JP  
Hon TAM Yiu-chung, GBS, JP  
Hon Albert CHAN Wai-yip

**Public officers attending** : **Agenda item IV**

Mr KWOK Ka-keung  
Deputy Secretary for the Environment, Transport and  
Works (Works) 1

Mr Edwin K H TONG  
Chief Assistant Secretary for the Environment, Transport  
and Works (Works) 3

Mr Raymond T K CHEUNG  
Director of Drainage Services

Mr CHUI Wing-wah  
Chief Engineer/Harbour Area Treatment Scheme  
Drainage Services Department

**Agenda item V**

Mr Augustine NG  
Assistant Director of Planning  
(Territorial)

Miss Christine CHOW  
Principal Assistant Secretary for Housing, Planning and  
Lands (Planning and Lands) 2

Mr Andy YAU  
Chief Engineer (Pedestrian Facilities)  
Transport Department

**Agenda item VI**

Ms Olivia NIP  
Deputy Secretary for Housing, Planning and Lands  
(Planning and Lands) 2

Ms Ivy LAW  
Principal Assistant Secretary for Housing, Planning and  
Lands (Planning and Lands) 4

Mr Billy LAM  
Managing Director  
Urban Renewal Authority

Mr Andy LEE  
Executive Director (Finance)  
Urban Renewal Authority

Mr Ian WONG  
General Manager (Property & Land)  
Urban Renewal Authority

**Clerk in attendance :** Miss Odelia LEUNG  
Chief Council Secretary (1)4

**Staff in attendance :** Ms Sarah YUEN  
Senior Council Secretary (1)6

Ms Christina SHIU  
Legislative Assistant

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Action

**I. Confirmation of minutes and endorsement of the report of the Panel for submission to the Legislative Council**

(LC Paper No. CB(1)2211/03-04 -- Minutes of meeting on 27 April 2004

LC Paper No. CB(1)2222/03-04 -- Draft report of the Panel for submission to the Legislative Council)

The minutes of the meeting held on 27 April 2004 were confirmed.

2. Members endorsed the draft report of the Panel for the current legislative session for presentation to the Council on 7 July 2004.

**II. Information papers issued since last meeting**

3. Members noted the following information papers issued since the last monthly regular meeting of the Panel on 18 May 2004 -

(LC Paper Nos. CB(1)1895/03-04(01) and (02) -- Concerns about the processing of small house applications and review on small house policy raised by Heung Yee Kuk Councillors at the meeting with Legislative Council Members on 2 March 2004 and the Administration's response thereto

LC Paper Nos. CB(1)1932/03-04(01) and (02) -- Concerns raised by Heung Yee Kuk Councillors at the meeting with Legislative Council Members on 2 March 2004 and the Administration's response

- LC Paper Nos. CB(1)2144/03-04(01)-(03) -- thereto  
-- Issues referred to the Panel raised by Sai Kung District Council (DC) members, Central and Western DC members and the Association for the Rights of Industrial Accident Victims
- LC Paper No. CB(1)2231/03-04(01) -- Progress report from the Administration on development of the West Kowloon Cultural District)

**III. Items for discussion at the next meeting**

- (LC Paper No. CB(1)2221/03-04(01) -- List of outstanding items for discussion  
LC Paper No. CB(1)2221/03-04(02) -- List of follow-up actions)

4. As the Chief Executive had specified that the second term of the Legislative Council should be prorogued on 21 July 2004, members agreed to advance the regular Panel meeting for July 2004 to Wednesday, 14 July 2004, at 2:30 pm to discuss the development of the West Kowloon Cultural District. They also agreed to invite members of the Home Affairs Panel to join the meeting.

**IV. Review of project implementation issues of the Harbour Area Treatment Scheme Stage I**

- (LC Paper No. CB(1)2221/03-04(03) -- Information paper provided by the Administration)

5. The Deputy Secretary for the Environment, Transport and Works (Works)1 (DSETW(W)1) briefed members on the Administration's information paper on "Review of Project Implementation Issues of Harbour Area Treatment Scheme Stage I" (the Review).

6. With the aid of powerpoint, the Chief Assistant Secretary for the Environment, Transport and Works (Works)3 briefed members on details of the Review.

*(Post-meeting note: The hard copy of the above powerpoint presentation was circulated to members vide LC Paper No. CB(1)2294/03-04(01) on 2 July 2004.)*

7. The Chairman commented that the Review was necessary because the Harbour Area Treatment Scheme (HATS) (formerly called the Strategic Sewage Disposal Scheme) had been plagued with problems leading to contractual claims and significant financial loss.

Improvement measures

8. Ir Dr Raymond HO Chung-tai drew the Administration's attention to the following important points -

- (a) Local experience in similar projects should be included as a criterion for selecting contractors for HATS projects. This was because HATS works involved excavation of tunnels much deeper than similar projects overseas, sometimes even up to 150m deep, and the ground conditions in Hong Kong were very special;
- (b) There was a need to split HATS contracts into smaller ones so that more contractors could be involved to achieve better risk allocation and minimize financial impacts in the event of default. This was especially important because of the difficulties in claiming full damages from the defaulting contractor. The division of contracts into smaller ones could also enable more contractors to secure HATS contracts and improve the employment situation in the relevant trades; and
- (c) Tenderers for HATS contracts should be required to state in the tenders the types of machinery and equipment they were going to use. As shown in the two contracts to construct six deep tunnels that formed the sewage transfer system in HATS Stage I (the original tunnel contracts), the selection of unsuitable construction plant had led to forfeiture of the contracts at the end. The types of machinery and equipment used were therefore crucial to the satisfactory implementation of HATS projects. The above requirement would help ensure that the most suitable equipment would be used.

9. In response, DSETW(W)1 thanked Ir Dr HO for his valuable suggestions which were generally in line with the findings of the Review. He said that the two original tunnel contracts were repackaged and tendered under three tunnel completion contracts and awarded to three different contractors to minimize risks. In future, special attention would be paid to the tenderers' proposals on how to overcome difficult ground conditions such as the equipment proposed, methods of tackling water inflows, etc.

10. Ir Dr Raymond HO further remarked that in excavating deep tunnels, it was also important to record and monitor groundwater inflows and the amount of water pumped out, and to ensure that the pumps used were of sufficient capacity.

11. Mr WONG Sing-chi referred to the recommended improvement measures elaborated in paragraph 17 of the Administration's paper, and questioned why such measures, which in his opinion were common quality control measures, had not been taken in the original tunnel contracts to ensure works quality. In response, DSETW(W)1 explained that a number of quality control measures had been taken in the original tunnel contracts. However, as new techniques were developed, there was a need to make use of such new techniques in future projects. Moreover, it was necessary to devise new measures to deal with risks first exposed in the original tunnel contracts. For elaboration, he supplemented the following points -

- (a) 150 boreholes had been drilled in the planning and design stage of the original tunnel contracts. While such level of ground investigation was in general adequate and within the normal range reasonably expected at that time of large tunnelling projects such as HATS Stage I, in reality the boreholes could not reveal the actual ground conditions in the contract area because they varied greatly. As a result, in planning ground investigation programmes for future tunnelling projects, consideration would be given to taking advantage of new ground investigation techniques developed in the last decade to enhance the investigation of local geological features along the tunnels. It was believed that with the adoption of the new techniques and experience gained from the original tunnel contracts, more meaningful ground investigation could be conducted in future.
- (b) Where risk management of underground works was concerned, the old practice was to require the contractor concerned to bear most risks in terms of estimating the ground conditions, the works complexity and costs of the contract. Such an approach could minimize risks to the Government and enable it to ascertain the costs involved. However, in the case of unforeseen ground conditions, additional ground treatment might be required. If these additional works and costs had not been allowed for in the tender price and the contractor could not bear them, he might default the contract, resulting in loss to both sides. To avoid similar recurrence, Government would consider adopting in future projects a new policy in allocation of risks due to ground conditions. Under the new policy, Government would share the risks with contractors, and suitable contract terms would be introduced to the effect that the contractors would be recompensed for additional expenses and time spent if ground conditions encountered were worse than expected. Such an approach should benefit both sides and help avoid works delays and cost overruns.
- (c) Along the same line as item (b) above, Government would also adopt, where appropriate, the re-measurement form of contract under which works would be paid based on the actual quantities of work done. However, it did not mean that lump sum contracts as used in

the past were undesirable. It was only that in projects involving uncertain ground conditions, the adoption of the re-measurement form of contract might be more appropriate.

Accountability and claims

12. Mr WONG Sing-chi was unconvinced by the Administration's reply in paragraph 11 above, and enquired about the reasons for failing to take more effective quality control measures in the first place. He also considered that the officials responsible for the original tunnel contracts should be held accountable, and asked whether the Administration had reviewed and followed up HATS Stage I in this direction. In his view, there would not be real improvement in contract management in future if the Review had not covered this aspect. In response, DSETW(W)1 confirmed that the Review mainly focussed on the planning, design and construction of tunnelling works and the project implementation of HATS Stage I. Mr WONG was unhappy with the response and said the Administration should not cover up for the officials concerned.

13. In this regard, the Chairman asked whether the consultants engaged to oversee HATS Stage I were to be held responsible for the failure of the original tunnel contracts. In response, DSETW(W)1 and the Director of Drainage Services (D of DS) advised that the Government found the consultants' performance deficient in some aspects and had already commenced the process of seeking compensation from them.

14. Mr WONG Sing-chi sought details of the major claims in the contracts referred to in paragraph 9(a) of the Administration's paper, in particular the amounts of claims involved. In response, DSETW(W)1 reported that as a result of claims and counter-claims, the Government received \$750 million as compensation after reaching a settlement with the contractor responsible for the original tunnel contracts (the original tunnel contractor). However, \$1,293 million in excess of the original project estimate had been incurred because of the forfeiture of the original tunnel contracts and re-tendering of the outstanding tunnelling works involved. Taking into account the above compensation amount and cost overruns, and the legal fees involved in the claims concerned, the loss to the Government was \$675 million.

15. Noting the above, Mr WONG Sing-chi pointed out that the amount of compensation could hardly make up for the extra costs incurred as a result of unsatisfactory contract implementation. He reiterated the importance of good contract management.

### Lessons learnt

16. Mr IP Kwok-him recalled that when the HATS was first commissioned, the then Secretary for Works was confident that the Scheme could run well having regard that Hong Kong had many years of experience in tunnelling works. The original tunnel contracts however were plagued with problems. At the end, the problem of groundwater inflows had led to the suspension of works. He asked whether the Review had sought to find out whether the expertise available at the time in question could support implementation of such a large-scale and complexed project as the HATS, and whether the Administration had over-estimated its capability. He considered such a direction of review important because there were many large-scale Government projects in the pipeline, and assessment of capability was essential.

17. In response, D of DS stressed that there were adequate expertise and capability. It was only that the Administration had under-estimated the difficulty of the HATS at the beginning. Although the tunnels concerned had been completed satisfactorily and were operating smoothly, many problems had emerged during the contract period, leading to works delays and cost overruns. He explained that the delays had also been caused by the original tunnel contractor abandoning the works, and under-estimation of the need for extensive grouting to control water inflows, and hence the length of the contract period. The Review had therefore focused on examining and documenting the experience gained in the delivery of HATS Stage I with a view to utilizing such experience in a beneficial way in future implementation of public works projects of a similar nature. Such information would also be made available to the profession and the public through the publicly accessible library of the Civil Engineering Department. D of DS further pointed out that as revealed in the execution of the tunnel contracts, risk management was very important. The Review therefore also directed at identifying lessons that could be learnt from HATS Stage I in the identification, allocation and management of risks so that improvement in these regards could be made as well.

18. Ir Dr Raymond HO echoed the Administration's views, and pointed out that the extensive presence of faults in Hong Kong, in particular Kwai Chung, where some of the HATS tunnelling works were implemented, meant that notwithstanding the amount of ground investigation done, there might still be unforeseen ground conditions that had to be overcome. As such, in HATS projects, risk allocation was more important than the selection of consultants and contractors and contract management.

19. Mr IP Kwok-him enquired whether with hindsight, HATS Stage I could be implemented with shorter time and lower costs if the problems encountered in the original tunnel contracts could be obviated. In reply, D of DS said that the time required for the tunnel construction would not be shorter than three and a half years. The total estimated cost of HATS Stage I would also be more than the original project estimate of \$6.8 billion after taking into account the



under-estimation of the difficulty and hence time required for the project. As to the amount of cost overruns directly resulting from the above problems, D of DS explained that there was difficulty in ascertaining the amount because the final cost of around \$8.2 billion covered costs of the sewage treatment works and other works items. Costs of the tunnelling works only made up \$3.33 billion.

Preventive measures

20. Mr James TIEN Pei-chun expressed concern about the adequacy of the recommended improvement measures in the selection of contractors highlighted in paragraphs 11(c) and 14 of the Administration's paper. He opined that the Government should engage the service of world-class contract lawyers overseas to ensure the contracts drafted could serve the best interests of Hong Kong. He also urged the Administration to consider requiring tenderers to provide performance bonds guaranteed by banks. This was because banks would only provide performance bonds to companies with strong background. The above requirement could therefore help screen out contractors not up to par.

21. In response, DSETW(W)1 assured members that the Environment, Transport and Works Bureau (ETWB) already had very strong support in ensuring the terms of the contracts could protect Hong Kong's interests. Outside support would also be sought where necessary. In fact, the engagement of world-class expert service had played an important role in enabling Government to successfully claim compensation of \$750 million from the original tunnel contractor. Performance bonds were already a requirement of HATS contracts and the percentage thereof had been increased drastically from 1% to 10% when awarding the tunnel completion contracts. In addition, much greater emphasis had also been placed on the tenderers' proposals on construction methods, machinery, works programme and plans for dealing with difficult ground conditions.

22. On engaging the service of overseas experts, Ir Dr Raymond HO pointed out that experienced practitioners in Hong Kong were mostly well versed in contract law. He opined that advice from overseas legal experts was necessary for reference only.

23. While glad to note the Administration's reply regarding performance bonds, Mr James TIEN was keen to know whether the performance bonds were guaranteed by banks. DSETW(W)1 replied in the affirmative. D of DS supplemented that since the provision of performance bonds incurred extra costs which might be reflected in the tender price, the Administration would require 10% performance bonds for high-risk projects only.

24. Mr James TIEN emphasized that despite the likely increase in contract price, the requirement of 10% performance bonds should be extended to every HATS contract to insure the Government against loss and to ensure only qualified contractors could bid for the contracts. Ir Dr Raymond HO however supported

D of DS's views above and cautioned that Mr TIEN's proposal might affect local contractors' chance of clinching HATS contracts.

**V. Pedestrian plan for Causeway Bay**

(LC Paper No. CB(1)2221/03-04(04) -- Information paper provided by the Administration)

25. With the aid of powerpoint, the Assistant Director of Planning (AD of Plan) briefed members on the proposed pedestrian plan for Causeway Bay (the Plan).

*(Post-meeting note: The hard copy of the above powerpoint presentation was circulated to members vide LC Paper No. CB(1)2294/03-04(02) on 2 July 2004).*

General

26. Mr WONG Sing-chi highlighted the support of the members of the Democratic Party for pedestrianization in consideration of its benefits to tourism, air quality, the environment and traffic flow. He was however concerned about the impact of the Plan on the traffic flow and parking capacity in Causeway Bay, and enquired whether the Administration had mapped out any mitigation measures to minimize opposition to the Plan. In reply, AD of Plan undertook to provide the Panel with the traffic impact assessment of the Plan.

Admin

27. In reply to Mr WONG Sing-chi on the estimated costs and economic gains of the Plan, AD of Plan advised that the Plan would mainly be implemented by using the annual provisions for improvements to the pedestrian environment and street improvement schemes. As for the economic gains, he explained that it was difficult to quantify. He however said that a sustainability assessment had been conducted on the Plan and it had been found that many aspects would be able to benefit from the Plan.

Full-time pedestrianization of Kai Chiu Road and closure of Hennessy Centre carpark, and relocation of the loading/unloading bay at Hennessy Centre

28. While welcoming the Plan for its innovativeness, Mr IP Kwok-him enquired whether public money and issues of private property rights would be involved in the proposed conversion of Hennessy Centre carpark (the carpark) for commercial use (the proposed conversion) to compensate the owner of Hennessy Centre (the Owner) for closure of the carpark to facilitate the full-time pedestrianization of Kai Chiu Road. He was also concerned about the time required for conducting the proposed conversion, the impacts of the works on the public and the business of neighbouring shops, and hence the possibility of securing public support for the proposed conversion. Mr LAU Ping-cheung echoed Mr IP's concern about issues of private property rights although he also

welcomed the Plan for its innovativeness and the anticipated enhancements it could bring to pedestrian safety and comfort in Causeway Bay. He enquired how the issues would be handled, and whether there was need for lease modification involving changes to the plot ratio and hence payment of additional premium.

29. In response, AD of Plan made the following points -

- (a) The proposed conversion would take time because it would necessitate resolving a number of technical problems, in particular the demolition and reconstruction of the carpark into fewer floors to increase the height of each floor. However, it was understood that Hennessy Centre was under major renovation. If the proposed conversion could integrate with the renovation works, the time it would take and its impacts could be minimised;
- (b) Where financial implications were concerned, initial contact with the Owner had already been made to understand his views on the proposed conversion. The Owner's view was that the closure of the car park and conversion works would involve significant costs. Notwithstanding, the Administration believed that the offer to allow conversion of the carpark for commercial uses was attractive because this could enhance the value of Hennessy Centre. Nevertheless, the extent of conversion allowed to mitigate the financial impact of closure of the carpark would have to be worked out with the Owner in detail;
- (c) Any possible implications on the existing lease by the proposed conversion would have to be discussed with the Owner after the proposal had been decided upon. There might also be a need to ensure that the plot ratio after conversion would be in compliance with the Buildings Ordinance (Cap. 123). As at present, the initial plan was to tackle the issue of plot ratio by revising the method of calculating the size of the site concerned; and
- (d) As for the concern about public support for the proposed conversion, this was the whole purpose of the public consultation. If the proposed pedestrianisation of Kai Chiu Road was supported by the public, the Government wished to achieve a win-win-win situation whereby the public would benefit through the pedestrianisation scheme, the Owner could recover the cost involved in the closure of the car park and associated conversion works and the Government could make use of the pedestrianisation scheme as a catalyst to further implement the Pedestrian Plan.

30. Mr LAU Ping-cheung cautioned that the proposed conversion might set a precedent so that owners of other buildings might put forward similar requests for conversion. AD of Plan agreed with Mr LAU on the need to exercise care in

allowing the proposed conversion. He however pointed out that the pedestrianization of Kai Chiu Road was necessitated by the Plan, which was the product of overall pedestrian planning. Moreover, public consultation on the Plan and the pedestrianization of Kai Chiu Road would be conducted only if there was strong public support. If there was no public support for the latter, the proposed conversion would not be justified. Many conditions had to be satisfied before conversion requests from owners could be entertained.

#### Turning Hennessy Road/Yee Wo Street into a bus and tram only corridor

31. Mr IP Kwok-him was concerned about the impact of turning Hennessy Road/Yee Wo Street (the Area) into a bus and tram only corridor (the Corridor) on mini-bus service and the livelihood of the operators concerned. AD of Plan advised that according to estimates, through traffic could be diverted from Causeway Bay with the completion of the proposed Central-Wanchai Bypass. The volume of traffic in Causeway Bay could thus be significantly reduced to enable the turning of the Area into a landscaped corridor to improve the environment. Notwithstanding, the Administration had not yet decided whether mini-buses would be allowed to run in the Area, and would consider public views in this regard.

#### Construction of an underground pedestrian-cum-retail link across Hennessy Road

32. As to Mr WONG Sing-chi's question on the estimated cost of constructing an underground pedestrian-cum-retail link across Hennessy Road (the Link), AD of Plan explained that the initial plan was to harness private resources to construct the Link so as to minimize public expenditure. How it would proceed had not yet been finalized. Although Mr WONG found the idea creative, he was concerned about the issue of private property rights involved in the Link, and whether the proposed procurement method was feasible in terms of policy and planning. To address his concerns, the Administration agreed to provide details of the proposed construction of the Link to the Panel.

Admin

#### Development of public transport interchanges at fringe locations

33. Mr IP Kwok-him noted the Administration's proposal to develop public transport interchanges (PTIs) at Caroline Hill Road, under Victoria Park and near Bowrington Road Market. He asked whether the Administration planned to demolish the buildings located in the area. In reply, AD of Plan elaborated that the existing Electrical and Mechanical Services Department workshops and adjoining Government sites at Caroline Hill Road would be redeveloped. Hence the development of a PTI there for use by taxis, mini-buses and certain bus routes to Causeway Bay. As to plans to develop a PTI under Victoria Park for tunnel buses and a PTI at Bowrington Road Market for buses running from Southern District, they were long-term plans and the latter would be implemented only when Bowrington Road Market was reprovisioned. In response to the enquiry of Mr IP Kwok-him on the Bowrington Road Market PTI location shown in the Public

Consultation Digest, the Chief Engineer (Pedestrian Facilities), Transport Department said that the location was indicative only.

Need to ensure support

34. Noting the Administration's replies to his questions on the proposed conversion and the Corridor, Mr IP Kwok-him pointed out that the Plan seemed to be at a very early stage. He urged the Administration to sort out all problems involved before taking the Plan forward so that it could achieve its intended purpose without any adverse implications on the public. In this regard, Mr WONG Sing-chi also urged the Administration to ensure all stakeholders, such as local shop-owners and residents, would be thoroughly consulted to obviate objection to the Plan.

35. In response, AD of Plan assured members that all concerned parties would be consulted. In particular, the trade unions of mini-bus operators would be consulted through Transport Department's regular meetings with the trade. Their support would be secured before proposals affecting them would proceed.

**VI. Work of the Urban Renewal Authority**

(LC Paper No. CB(1)2221/03-04(05) -- Information paper provided by the Administration)

36. The Deputy Secretary for Housing, Planning and Lands (Planning and Lands)2 (DSHPL(P&L)2) briefed members on the Administration's paper on the progress of the work of the Urban Renewal Authority (URA) and the URA's future work plans. The Managing Director of URA (MD/URA) then briefed members on Annex B to the Administration's paper, which was a report on the work of the URA since April 2003 and its business plan for 2004-05.

Revitalization projects

37. Mr WONG Sing-chi thanked the Administration and the URA for briefing members on the work of the URA. He was also glad to note the development of revitalization projects by the URA to improve and revive the socio-economic and environmental fabric of areas to preserve collective memories of the past. In this regard, he enquired if there was any long-term plan to extend revitalization projects to other districts of Hong Kong so that Hong Kong's history, culture and values could be preserved more integrally.

38. In response, MD/URA elaborated on how the URA had come up with new concepts of '4R's' (Redevelopment, Rehabilitation, Revitalisation and Preservation) for urban renewal and hence the revitalization projects. He said that apart from the preservation of individual buildings according to the Antiquities and Monuments Ordinance (AMO) (Cap 53), the URA also sought to preserve buildings characteristic of the old lifestyles of Hong Kong although they might not

be old enough to qualify for preservation under the AMO. For example, a row of four buildings including the Woo Cheong Pawn Shop in Wanchai and featuring the Guangzhou building style, and the shop-house building at 18, Ship Street, which was of a classic architectural style of the 1960's in Hong Kong. Apart from redevelopment, the URA, where feasible, also attempted to revitalise old areas that once featured prominently in the history of Hong Kong. In so doing, the URA would aim to ensure the buildings preserved could continue to function with economic value, for example, the Western Market. To achieve maximum impact, revitalization projects were usually located close to existing redevelopment or preservation projects. For example, the URA's preservation project at Western Market served as an anchor for the revitalization activities in Sheung Wan, where early commercial centres such as Jervois Street were located. Along this line, there was the proposed Cultural Terrace to be developed on the slope opposite Man Mo Temple. Further west, the URA was also discussing with the relevant District Council (DC) on plans to revitalize the neighbourhood by repaving the sidewalks and upgrading the environment in the vicinity of the old Chiu Chow Food Lane which had become today's Clinical Herbalist Garden, and repaving Bonham Strand East and Bonham Strand West, where shops that sold medical herbs and dried seafood lined both sides.

39. Mr WONG Sing-chi noted the good work of the URA in revitalization. He called for extension of such efforts to the New Territories such as Luen Wo Hui in Fanling and Shek Wu Hui in Sheung Shui. In response, MD/URA reported that the concept of revitalization was presently being planned for Tai Yuen Street, Lee Tung Street, Johnston Road and Queen's Road East in Wanchai as part of URA's 4R strategy, where some dilapidated buildings would be redeveloped, rehabilitated and the streetscapes improved and better maintained as feasible. There were also revitalization projects planned for Mongkok and Yau Ma Tei. As to whether such projects would be extended to the NT, such would hinge on the outcome of the consultation on the review of the Urban Renewal Strategy because current urban renewal work only covered nine Target Areas in the Urban Area.

40. To ensure revitalization projects could be better planned and co-ordinated, Mr WONG Sing-chi called for a long term strategy in this regard and involvement of the Home Affairs Bureau (HAB), which played an important role in preserving Hong Kong's culture and history. In reply, MD/URA pointed out that apart from the HAB and other relevant government departments, the support and co-operation of other parties such as the DCs, local community and trade organizations and the commercial sector were also necessary for the successful implementation of revitalization projects.

#### Purview of the Urban Renewal Authority

41. In reply to the Chairman on whether the purview of the URA covered revitalization, MD/URA clarified that according to the provisions of the Urban Renewal Authority Ordinance (Cap.563) and the Urban Renewal Strategy, the URA only had the statutory responsibility to undertake redevelopment, and

preservation, as well as to promote and encourage rehabilitation. However, to optimize the benefits to be brought about by redevelopment projects to the community and to adopt a more holistic approach to a particular locality, the URA had taken the initiative to include revitalization as an integral part of urban renewal. In this regard, DSHPL(P&L)2 supplemented that Housing, Planning and Lands Bureau was supportive of the development of the revitalization concept by the URA.

42. Regarding the Chairman's question on whether the purview of the URA covered the NT, DSHPL(P&L)2 and MD/URA advised that since older urban areas required regeneration more than the rural areas in NT, at present the URA carried out projects in urban districts only. As to whether the URA's work would be extended to the rural areas in NT in the long run, views expressed by the public during the consultation on the review of the Urban Renewal Strategy, including how limited resources should be put to best use, would be taken into account in working out the future direction.

**VII. Any other business**

43. There being no other business, the meeting ended at 4:45 pm.

Council Business Division 1  
Legislative Council Secretariat  
24 August 2004