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9 May 2006

Our Ref: 0200005469

Clerk to Panel
Legislative Council
Legislative Council Building
8 Jackson Road
Central

By Fax and Post
21210420

Attn : Ms WONG Siu Yee

Dear

Re: Panel on Planning, Lands and Works
Special meeting on 11 May 2006
to discuss "Tamar Development Project"

We refer to your letter dated 4 May 2006 on the captioned subject.

HKCA fully supports the Tamar Development Project and has expressed the views in the special meeting on 17 December 2005. A copy of our previous submission is enclosed again for Members information.

Please be informed that we are not attending the meeting on 11 May 2006.

Thank you for your attention.

Yours faithfully

Patrick Chan
Secretary General

Encl.

AW/mn

LegCo Panel on Planning, Lands and Works, 17 December 2005

HKCA Submission on “Tamar development project and land-use planning for Central Reclamation Phase III”

Introduction

Thank you for giving the Hong Kong Construction Association (HKCA) the opportunity to give views on this matter. First of all, HKCA welcomes Government's decision to revive the Tamar development project which would create an estimate of 2,700 much needed employment opportunities. As the Financial Secretary has acknowledged just last week that the construction industry has the highest unemployment rate among all industry sectors, the announcement to re-launch the Tamar development project did shed some light on the construction industry.

Tamar Development Project

We recall that the Tamar development project has actually gone through all the necessary procedures back in 2002 and 2003, only to be put on hold in late 2003 due to the outbreak of SARS and the difficult financial position at that time. The fact that the Public Works Subcommittee of the Legislative Council has already given its support in May 2003 indicated the general consensus among all parties on this project, including the choice of location, procurement method and the justified need of office space for various government departments and for the Legislative Council.

Location

We understand there are some suggestions lately on the site option. HKCA's view is supportive to have the Central Government Office, Legislative Council Complex and Civic Place to be built at the Tamar site. We consider that these facilities belong to the people of Hong Kong and do command to be situated at a prime location. Extensive consultations and feasibility studies were conducted with the Outline Zoning Plan approved for the proposed development. Preliminary ground investigation and preparatory works had been completed. Existing infrastructures are well developed and are able to support the development.

If we are to consider other site options, the above exercises have to go through once again. The best estimate is will be another 40 months for all these implementation procedures and will have a huge impact on the programme. We may again lose the right opportunity to bring forth the development while we are in a good period of economic recovery.

Procurement Method

We consider the design and build method is the best approach in shortening the pre-construction implementation time required. The period for selection and appointment of consultant will be integrated with the selection of contractor. Much of the detailed design and working drawings can be overlapped with the construction stage. Such overlapping of activities will be able to achieve savings in the lead-time required.

Another benefit of adopting the design and build approach is that it can achieve the similar effect of an open design competition. The Selection Board will be able to assess the submissions and select a world-class design that best fulfils the client's needs and objectives among various competing tenderers.

If possible, we would suggest to compensate the losing tenderers with a pre-set fee for their efforts. Such practice is not uncommon as a design and build tender exercise does require substantial resource and cost commitments. This appreciation for the efforts that tenderers have put in for the submission would be seen a good gesture following the wasted efforts of their last submission which was shelved.

Project Scope

We note that an area of 2 hectares out of the total 4.2 hectares site facing the waterfront will be developed into a Civic Place as a recreational open space for the enjoyment of the public. It will further integrate with the future waterfront promenade extending from Central to Wanchai. We agree that the waterfront should be retained for recreational and leisure use. The public as well as tourists from overseas will be able to enjoy the beautiful harbour along the future waterfront promenade. A Civic Place with no buildings seems to be a logical arrangement.

The proposed Exhibition Gallery is now excised from the development so that the building heights will be reduced. Such arrangement will be able to preserve the prominent ridgeline and in harmony with the surroundings. We concur with the revision but urge the Government that the Exhibition Gallery should still be built. It is a proper venue to showcase our world-class infrastructure developments to tourists and as educational means for our youngsters to understand Hong Kong better.

Land-use Planning for Central Reclamation Phase III

The prime purpose of the Central Reclamation Phase III (CRIII) project is to provide land for essential transport infrastructure developments. While the proposed Central-Wanchai Bypass and extended overrun tunnel of the Airport Railway are underground, the reclaimed land will have different uses and serve other purposes.

Waterfront Promenade

Out of the 18.73 hectares reclaimed land, 47% is zoned as Open Space with a proposed waterfront promenade running from Central to Wanchai. It is with no dispute that a waterfront promenade be developed along the prominent harbourfront for leisure and enjoyment of the public. It will also serve as the pedestrian connection between the 2 districts away from the main traffic.

Comprehensive Development Area

We do not intend to go into the argument on whether the 14% provision for commercial / office use is the appropriate figure. We understand that the Government would need to generate some revenue to recoup the expenses and it is important that a right balance be maintained. Our only opinion is that the building heights must be strictly restricted in

order to preserve the ridgeline and the harbourline. The future development must blend in with the surrounding community in a coherent manner.

Government, Institution or Community

We opine that the proposed Exhibition Gallery excised from the Tamar development mentioned above could be sited in this zoned area. It has the advantage of being in close proximity of the Civic Place and be another attraction to tourists and locals while they enjoy the harbourfront along the promenade.

Central-Wanchai Bypass

We understand that there was a lot of controversial opinions previously about the CRIII project and that have been finally settled. In consideration of the genuine need of a traffic bypass to relief the traffic congestion problem we are facing everyday, we fully support the idea to construct the portion of Central-Wanchai Bypass within the CRIII reclamation area as soon as practical. By doing so, the site could be handed back earlier for the construction of waterfront promenade and for the enjoyment by the public. The Government will not be blamed for leaving the site vacant and wasteful for an unnecessary prolonged period. Most importantly, it will provide relief to the traffic condition in and out of Central, which has been draining precious time and tremendous resources of daily commuters. Our environment will also be benefited by having fewer pollutants emitted by vehicles caught in traffic jam.

Current Construction Industry Situation

Members might be well aware that the volume of work of the construction industry has dwindled substantially over the last few years resulting in the highest unemployment rate among all industry sectors. The value of works decreased drastically from 120 billion in 1999 to 41 billion in 2004, which is only one-third of the peak value. We foresee the volume of works will maintain at around 40 billion for the coming few years if no improvement measures taken. It is therefore imperative for the Government to take the lead in bringing more construction works to the market at a quicker pace. We hope the Tamar development and other large-scale infrastructure projects in the pipeline will inject some new energy into the current difficult business environment of the construction industry and revive the dampened employment opportunities for construction-related professionals and workers.

HKCA/ Dec 2005