

立法會
Legislative Council

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seen by the Administration)

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

**Minutes of the 12th meeting
held in Conference Room A of Legislative Council Building
on Wednesday, 21 May 2008, at 8:30 am**

Members present:

Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP (Chairman)
Hon Alan LEONG Kah-kit, SC (Deputy Chairman)
Hon Fred LI Wah-ming, JP
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon James TO Kun-sun
Hon CHAN Yuen-han, SBS, JP
Hon Bernard CHAN, GBS, JP
Hon CHAN Kam-lam, SBS, JP
Hon SIN Chung-kai, SBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon Jasper TSANG Yok-sing, GBS, JP
Hon LAU Kong-wah, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon Andrew CHENG Kar-foo
Hon Abraham SHEK Lai-him, JP
Hon Albert CHAN Wai-yip
Hon LEE Wing-tat
Hon Daniel LAM Wai-keung, SBS, JP
Dr Hon KWOK Ka-ki
Hon CHEUNG Hok-ming, SBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon TAM Heung-man

Members absent:

Hon Howard YOUNG, SBS, JP
Hon CHOY So-yuk, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon LI Kwok-ying, MH, JP

Public officers attending:

Mr Joe C C WONG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) ³
Mr MAK Chai-kwong, JP	Permanent Secretary for Development (Works)
Ms Anissa WONG, JP	Permanent Secretary for the Environment
Mrs Susan MAK, JP	Permanent Secretary for Development (Planning and Lands) (Acting)
Miss Sandra LAM	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mr Philip YUNG Wai-hung, JP	Deputy Secretary for Transport and Housing (Transport) ¹
Ms Ava CHIU Wai-fan	Principal Assistant Secretary (Transport) ³ , Transport and Housing Bureau
Mr WAI Chi-sing, JP	Director of Highways
Mr TAM Hon-choi	Project Manager (Hong Kong-Zhuhai-Macao Bridge HK) (Acting), Highways Department
Mr Peter LAU Ka-keung, JP	Director of Drainage Services
Mr Chris CHAN Yu-yuen	Chief Engineer (Drainage Projects) (Acting), Drainage Services Department
Mr Howard CHAN Wai-kee	Deputy Secretary for Constitutional and Mainland Affairs (2)
Mr Ivan LEE Kwok-bun	Principal Assistant Secretary (7), Constitutional and Mainland Affairs Bureau
Mr YUE Chi-hang, JP	Director of Architectural Services
Mrs Ella TAM LO Nam-wah	Deputy Director of Information Services

Clerk in attendance:

Ms Rosalind MA	Senior Council Secretary (1) ⁸
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Staff in attendance:

Mrs Constance LI	Assistant Secretary General 1
Mr Noel SUNG	Senior Council Secretary (1) ⁴
Ms Angel SHEK	Council Secretary (1) ²

Ms Alice CHEUNG
Mr Frankie WOO

Senior Legislative Assistant (1)1
Legislative Assistant (1)2

Action

Head 706 – Highways

PWSC(2008-09)10 834TH Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities

PWSC(2008-09)11 835TH Hong Kong-Zhuhai-Macao Bridge pre-construction works

The Chairman suggested that discussion of the funding proposals under **PWSC(2008-09)10** and **PWSC(2008-09)11** be held in one-go as they were both related to the Hong Kong-Zhuhai-Macao Bridge (HZMB) project. The two funding proposals would be voted on separately after discussion. Members agreed.

2. The Chairman advised members that the Panel on Transport (Transport Panel) had been consulted on the two proposals on 25 April and 16 May 2008. He also drew members' attention to the supplementary information provided by the Administration on the assessment of the economic benefits of the HZMB tabled at the meeting (LC Paper No. CB(1)1605/07-08(01)).

3. Mr Andrew CHENG, Chairman of the Transport Panel, reported that Panel members whilst supporting the HZMB project, had expressed concern about the financing arrangement and the economic benefits of the project, in particular the split of contribution from the three governments to the funding gap of the project. Members requested the Administration to provide further information on how the split was determined and whether the contribution ratio could serve the interest of Hong Kong. Panel members also expressed concern about the toll level and future adjustment mechanism for the HZMB, if the project would be undertaken by private investors under a "Build-Operate-Transfer" (BOT) franchise as proposed by the Administration. Moreover, members were concerned about the methodology and the accuracy of the traffic volume forecast for HZMB as well as the proposed mode of "separate locations of boundary crossing facilities (BCF)" to serve the HZMB. Some members were of the view that "co-location of BCF" would be preferable in terms of efficiency and convenience.

Boundary crossing facilities and environmental impact assessment

4. Mr Andrew CHENG noted with concern the proposed construction of the Hong Kong BCF (HKBCF) under the mode of "separate locations of BCF" in the funding proposal. He asked whether the Administration would examine further the feasibility of co-location of BCF, which in his view was a more efficient and convenient option. In reply, the Deputy Secretary for Transport and Housing (Transport)1 (DS(T)1) advised that the "separate locations of BCF" arrangement

was the outcome of protracted discussions among the three governments involved.

5. Ms Emily LAU noted that the Administration had received divergent views from the environmental concern groups, fishermen representatives and the Islands District Council (DC) on the possible options for the location of the HKBCF, including objection to reclamation and preference to locating the HKBCF near San Shek Wan. She asked about the Administration's plan of dealing with the public views.

6. Miss CHAN Yuen-han expressed concern about the impact of the proposed location of the HKBCF to the north-east of the Airport on the natural environment and ecology of Lantau Island. She sought information on the timing and arrangements for engaging environmental concern groups on the consultation of the options for the location of the HKBCF. Dr KWOK Ka-ki shared Miss CHAN's concern and enquired whether the Administration had conducted a preliminary environmental impact assessment (EIA) on the proposed HZMB and if so, whether the findings would be provided to the Legislative Council (LegCo).

7. The Director of Highways (DH_y) advised that as the agreement for "separate location of BCF" to be set up by each government within their own respective territory for the HZMB was reached only in 2007, the Administration had only conducted preliminary consultation with stakeholders and environmental concern groups based on limited information on the site options for the HKBCF. Under the proposed investigation and preliminary design (I&PD) for the HKBCF, an EIA study would be carried out according to the EIA Ordinance to identify the environmental impacts and mitigation measures required. DS(T)1 assured members that the Administration would ensure public engagement during the process of the I&PD study, to gauge the views of stakeholders, environmental concern groups and the relevant DC when details on the location and design of the HKBCF would be available.

8. As to Dr KWOK's concern about the EIA study, DH_y replied that the HZMB project comprised three major parts, namely the Main Bridge, the HKBCF and the Hong Kong Link Road. The EIA study for the Main Bridge was conducted according to the statutory requirements of the Mainland given its physical location within the boundary of the Mainland waters. Funding for the EIA study for the HKBCF was sought under the current proposal at **PWSC(2008-09)10**, and the study would commence as soon as possible following approval of the proposal. EIA study for the Hong Kong Link Road had already commenced and would take some time to complete, owing to the latest agreement on the "separate location of BCF" and the consequent change in the location of the HKBCF.

Economic benefits and financing arrangements

9. Mr Andrew CHENG referred to the estimated Economic Net Present Value (ENPV) of the project to be shared among Hong Kong, the Mainland and Macao as set out in paragraph 10 of **PWSC(2008-2009)11**, and sought information on the calculation of the economic benefits and contribution ratios for the three

territories.

10. DS(T)1 responded that in undertaking the feasibility study of the HZMB project, the China Highway Planning and Design Institute (HPDI) had adopted a conservative assumption that the existing quota system for cross-boundary vehicles would remain as it was, and hence arrived at conservative ranges of the two-way traffic projections of 9 200 to 14 000 vehicles per day in 2016 and 35 700 to 49 200 vehicles per day in 2035. DS(T)1 advised that parallel work was on-going to investigate the feasibility of relaxing the current quota system with a view to fostering patronage of the HZMB. DHy supplemented that the economic benefits and financing arrangement for the HZMB project were separate issues. To address similar concerns raised by members of the Transport Panel previously, the Administration had provided the findings of the feasibility study report in a simplified manner. In brief, traffic volume forecast was a key determinant in estimating the magnitude and distribution of the economic benefits among the three governments, and for assessing the financial viability of the HZMB. The traffic volume forecast for the HZMB adopted a four-stage modelling approach and the four stages were, namely, demand projection, distribution pattern analysis, mode choice analysis and route choice assignment.

11. Mr Andrew CHENG remained concerned that the Administration had not provided adequate details on the estimation of economic benefits to justify the split of contribution among the three governments, for example, how it had worked out the proportion of cross-boundary vehicles on the HZMB from the three territories in 2020 to be about 60% from Hong Kong, and only 23% and 17% from the Mainland and Macao respectively. Mr CHENG requested that HPDI's feasibility study report should be made available to Members of the LegCo.

12. Dr Kwok-ka-ki recalled that for previous transport infrastructure projects such as the West Rail, inaccurate traffic volume forecasts had resulted in the construction of infrastructure at high cost and low patronage. Dr KWOK was not convinced of the economic benefits of the HZMB on the basis of the information provided by the Administration.

13. Ms Emily LAU was of the view that the supplementary information provided by the Administration to the Transport Panel on the assessment of the economic benefits of the HZMB (LC Paper No. CB(1)1605/07-08(01)) did not give sufficient details on the figures and information used for computing the traffic volume forecast. She doubted whether the economic benefits of the project would justify the cost in the long run given the low level of traffic volume projected. She asked whether the project would come to a halt if further traffic volume forecast still revealed a low level of traffic volume.

14. DHy responded that the traffic volume forecast in HPDI's feasibility study involved very complicated steps and numerous figures. The direct economic benefits of the HZMB were apportioned to the three territories taking into account the places of origin and destinations of the traffic. The contribution ratio of about 50% to the costs of the HZMB Main Bridge by Hong Kong was considered

reasonable, having regard to the estimated discounted total benefits ratio of 57.8% for Hong Kong based on the traffic volume forecast (for example, as at today, the number of vehicles from Hong Kong was over 30 000 and that from the Mainland was only about 1 000 under the existing cross-boundary vehicles quota system.) and the cost of the connecting road to be funded by Hong Kong. DHy reiterated that the HZMB project was worth pursuing on the basis of the economic benefits estimated from the traffic volume forecast which was rather conservative. The potential economic benefits to be brought about by the HZMB could be more substantial when facilitating measures on the regulation of cross-boundary vehicles were devised.

15. Ms Emily LAU enquired why the map attached to the supplementary information was restricted to LegCo Members only. DS(T)1 responded that the map was from the Mainland source, and there was copyright consideration in publication.

16. Mr LEE Wing-tat questioned the financial viability of the HZMB in view of the low traffic forecast of up to 14 000 vehicles per day in 2016. Mr LEE pointed out that the projected volume represented only about 10% of the daily traffic volume of the Cross Harbour Tunnel. In this connection, Mr LEE doubted the feasibility of the BOT approach as the low traffic volume would unlikely attract private investors to undertake the HZMB project, unless there would be Government subsidy and guaranteed profits. Mr LEE asked whether the three governments would consider relaxing the cross-boundary vehicle quota system to facilitate the increase in traffic flow for the HZMB, and whether the Hong Kong Special Administrative Region (HKSAR) Government would consider subsidizing the operation if there was a deficit.

17. DHy advised that according to the feasibility study report by HPDI, in view of the mega size of the whole HZMB project, it was not financially viable to attract private investment. The report recommended that the three governments should be responsible for their associated link roads and BCF within their own territory, and private investment should be invited to undertake the Main Bridge under a BOT franchise for a period of 50 years. It also recommended that the three governments should contribute to part of the construction cost of the Main Bridge. The exact amount of contribution to the funding gap of the HZMB Main Bridge would depend on the outcome of the tendering exercise and the financing arrangements proposed by the successful bidder. As such, he was unable to confirm at the present stage as to whether contribution by the three governments would be required and if so, the amount of contribution. Further refinement of the design for HZMB, as well as works related to the tendering process for the Main Bridge (such as the arrangements and terms governing the BOT franchise) would be worked out in the coming stage of pre-construction works for the HZMB after approval of the current proposal. If Hong Kong practice was followed, potential bidders from the private sector would be identified through invitation for "expression of interest", and the three governments would negotiate with the bidders on their proposed financing arrangements.

18. Mr LEE Wing-tat remained gravely concerned that the HZMB project would require an unknown substantial amount of contribution from the public purse. He was of the view that Members could hardly give their support to the funding proposals in the absence of details on the financial implications and the basis for calculation of economic benefits for Hong Kong.

19. DHy advised that while assessment on the economic benefits of the HZMB had been made in the feasibility study, the financing arrangements for the HZMB Main Bridge would have to be finalized in negotiation with the successful bidder during the next stage for tendering of the project. Hence, the economic benefits and financing arrangements for the HZMB project had to be considered as separate issues in examining the current funding proposals. DHy pointed out that it was too early to conclude at the present stage that a large amount of government contribution would be required for the HZMB project, as there was still opportunity for the three governments to arrive at a profit sharing arrangement with the successful bidder, if the traffic volume on the HZMB turned out to be higher than the conservative projection made under the feasibility study by HPDI.

20. Ms Miriam LAU opined that the current funding proposal for the HZMB was an important step in taking forward the mega project. While she would not object to the request for supplementary information on the project, Ms LAU called on members to consider the project from the macro-economic perspective and support the funding proposals, as the logistics and freight forwarding industries had longed for expeditious delivery of the HZMB project. She highlighted the strategic value of the HZMB as a road link between Hong Kong and the Mainland, and opined that the project should commence without further delay.

21. Mrs Selina CHOW said that Members belonging to the Liberal Party supported the HZMB project. She called on members to consider this mega size project on the basis of its long term economic benefits, and not only on the basis of the preliminary estimations of traffic volume and economic benefits at the present stage. Mrs CHOW was of the view the HZMB would enhance Hong Kong's competitiveness in freight forwarding and tourism industries as well as its position in the Pan-Pearl River Delta region, in Asia and in the world. The current proposals were necessary steps to prepare for the implementation of this strategic road project, and members' support would enable early delivery of the project. In this connection, Mrs CHOW expressed concern about the schedule for project delivery and the measures to expedite the project.

22. DHy advised that while the preparatory work for HKBCF had commenced at a later stage than that of the Main Bridge, the Administration would make every effort to expedite the I&PD study for the HKBCF, so that the facilities could be provided on time to meet the opening of the HZMB. Responding to Mrs Selina CHOW's enquiry, DHy confirmed that the cost for the pre-construction works of the HZMB would be equally shared by the three governments.

23. Prof Patrick LAU enquired about the estimated construction cost for the HZMB Main Bridge and whether the governments of Guangdong and Macao had

approved the funding for contribution to the construction costs. Noting that Hong Kong would be responsible for the largest portion of contribution to the costs of the Main Bridge, Prof LAU doubted whether Hong Kong would have the biggest share of ownership and a corresponding right in the future operation of the Main Bridge.

24. DHy advised that the cost of the HZMB Main Bridge was about \$31 billion. If the three governments would be required to contribute to the construction cost of the Main Bridge, the HKSAR Government would contribute about 50.2% of the funding gap. The HKSAR Government would continue to discuss with the governments of Guangdong and Macao regarding the shares in ownership of the HZMB after the expiry of the BOT concession period during the upcoming stage of preparatory work. As to the status of funding approval, DHy said that the three governments took necessary steps separately for funding arrangements according to their respective procedural and/or statutory requirements.

25. Mr Albert CHAN was gravely concerned about the financing arrangements under the current proposals. Mr CHAN was of the view that endorsement of the proposals was tantamount to signing a blank cheque to the Administration for subsidizing a private investor, and he could not support such a proposal being a responsible member of the Public Works Subcommittee. He queried why the Administration did not take forward the HZMB project as a public works project funded by the three governments instead, as the proposed BOT approach would involve injecting public funds to finance project construction by private investor(s) and there would be further financial commitment to cover possible losses in the future operation of HZMB. Mr CHAN asked whether there was a ceiling for the contribution from HKSAR Government to the project.

26. DHy responded that the detailed financing arrangements for the HZMB project would be worked out in the next stage of the pre-construction works. The three governments would negotiate with the tenderers on the terms and financing arrangements for the HZMB during the tendering process, including whether contributions from the three governments would be required for the construction of the Main Bridge. The Administration would update the LegCo on the outcome of the negotiations. DS(T)1 added that the pre-construction works included a physical modelling study with recommendations on the further refinement of the design for HZMB and works related to the tendering process. These preparatory works would have to be undertaken for the implementation of the HZMB irrespective of the actual financing arrangement for project delivery in the future. DS(T)1 and DHy advised that more details of the project including the financing arrangements would be provided to LegCo when the Administration submitted funding proposal for construction of the HZMB at a later stage.

27. Mr CHEUNG Hok-ming said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the funding proposals for HZMB. Mr CHEUNG expressed concern about the connectivity of the HZMB to local transport network, and asked whether it would be connected to

the railway network. DHy replied that the possibility of connecting the HZMB to the local railway network would be considered under a separate study.

28. To enhance the viability of the HZMB project, Dr KWOK Ka-ki asked whether consideration would be given to providing mass transportation, e.g. in the form of railway, for the Main Bridge to accommodate larger volume of passenger and freight traffic. DHy advised that the option of providing railway on the Main Bridge had been examined but was considered not cost-effective, as the projected freight volume was not big enough to support the operation of mass transportation in the form of railway.

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29. Mr LAU Kong-wah opined that the HZMB project should be taken forward without delay as it would enhance Hong Kong's strategic importance in the South China region. In this connection, Mr LAU requested the Administration to consider providing a plan to LegCo before the relevant Finance Committee (FC) meeting, to illustrate the role of HZMB as a strategic road link, in a broader regional context, in connecting Hong Kong with other places of the Mainland such as the Pan-Pearl River Delta Region, Guangdong, Guangxi and other provinces. Mr LAU further opined that while the traffic volume forecast was on the low side based on the existing conservative assumption, significant increase in traffic flow as well as economic benefits for the three territories could be achieved if the arrangements under the cross-boundary vehicle quota system would be relaxed. He urged the Government to work on the relaxation of the quota system in collaboration with the Mainland authorities and enquired about the schedule for completion of the consultancy study on the quota system.

30. DHy concurred with Mr LAU that HZMB was a strategic road link connecting Hong Kong with many places in the Pan-Pearl River Delta region and the South-western part of China. HPDI had taken into account relevant factors such as the natural growth of traffic, traffic transferred from other modes of transport and induced traffic volume in working out the traffic volume forecast in the feasibility study. DS(T)1 supplemented that the preliminary findings of the study on the cross-boundary vehicle quota system was expected to be available in late 2008 to early 2009. The Administration would report to the LegCo the findings of the study when it was in a position to do so.

31. Mr LEE Wing-tat and Mr Andrew CHENG said that while Members belonging to the Democratic Party supported in principle the expeditious delivery of the HZMB project, they remained concerned about the financing arrangements and the economic benefits of the project. Mr LEE pointed out that the HKSAR Government should work in collaboration with the Mainland authorities on measures to boost the traffic flow for the HZMB, including relaxing the existing cross-boundary vehicle quota system. Mr CHENG stressed that LegCo Members had made every effort to facilitate the early delivery of the project, and the Transport Panel had arranged for discussion of the project at the earliest possible date when the three governments had reached agreement on major arrangements of the project in February 2008. Mr CHENG requested that the report of HPDI's feasibility study be made available to the LegCo in full, and if not, the

Admin Administration should at least provide to the LegCo, before the relevant FC meeting, the following information:

- (a) figures obtained and used under the four-stage modeling approach adopted for the forecast of traffic volume;
- (b) explanation on how the results of the traffic volume forecast had been used to evaluate the direct and indirect economic benefits of the project for the three territories; and
- (c) explanation on how the split of contribution from the three governments to the funding gap of the project was calculated from the findings of the economic benefits assessment.

32. Ms Emily LAU echoed Mr CHENG's view and opined that the Administration should provide the information requested by members before the relevant FC meeting. She cautioned that given the low traffic volume forecast, the HZMB project might turn out to be a repetition of unsuccessful infrastructure projects such as the Western Harbour Crossing which had low usage with a high toll level.

33. DHy responded that the report of HPDI had yet to be approved by the Central Government and it would not be appropriate to make available the report in full to the public at the present stage. He undertook to provide relevant information from the report to address members' concerns as far as possible. DS(T)1 also undertook to provide, before the relevant FC meeting, further information on the traffic volume forecast and economic benefits of the project in this regard. DS(T)1 added that the toll level for the HZMB and the adjustment mechanism would be sorted out among the three governments in the next stage of work.

Admin 34. Mr LAU Kong-wah noted that members generally supported the HZMB project, and it was necessary to proceed with the pre-construction work for the project before details of the design of the HZMB, the financing arrangement and the mode of operation could be drawn up and submitted to the LegCo for consideration. However, Mr LAU also noted that the Administration's papers for the two proposals had not included all relevant information on the project previously provided to the Transport Panel. To facilitate members' consideration of the proposals, Mr LAU requested and DHy agreed to consolidate the relevant information previously provided to the Transport Panel (including information on traffic volume forecast, economic benefits and cost allocation for the construction of HZMB) and provide such information before the relevant FC meeting.

35. Mr Albert CHAN stated that in the absence of detailed information on the financial commitment and arrangements for the HZMB project, he had no choice but to vote against the two proposals. Mr CHAN reiterated that he supported the construction of the HZMB but considered that the project should be taken forward as a public works project funded by the three governments instead of involving

private investment through a BOT approach.

36. Item PWSC(2008-09)10 was voted on and endorsed.

37. Item PWSC(2008-09)11 was voted on and endorsed.

Head 704 – Drainage

PWSC(2008-09)17 139CD Decking of Staunton Creek nullah in Wong Chuk Hang and Fuk Man Road nullah in Sai Kung

38. The Chairman advised members that an information paper on the project was circulated to the Panel on Development on 16 April 2008.

39. Ms Emily LAU supported the proposal for improving the environment and noted that Fuk Man Road nullah was one of the 16 sections of nullahs announced by the Chief Executive (CE) in his 2005 Policy Address for decking within ten years. She enquired about the progress of the other sections of nullahs and the reason for not taking forward the improvement works of Staunton Creek nullah in Wong Chuk Hang under the current proposal.

40. The Director of Drainage Services (DDS) responded that the decking works were undertaken in three phases. Works for the eight nullahs under the first phase were completed in 2007. For the four nullahs under the second phase, decking works for three were in progress while beautification instead of decking was being considered for the other one. Fuk Man Road nullah was one of the remaining four sections under the final phase. The works for Staunton Creek nullah in Wong Chuk Hang would be deferred pending confirmation of the alignment of the MTR South Island Line. DDS also advised that the Administration was planning to carry out combined beautification / decking works instead of total decking for Kai Tak nullah (which was one of the two remaining sections under the final phase) and would seek funding for the works after consultation with the Wong Tai Sin DC. Responding to Ms Emily LAU's enquiry, the Permanent Secretary for Development (Works) advised that the plan for the decking of 16 nullahs was announced by the then Chief Executive, Mr TUNG Chee-hwa, in his Policy Address delivered in January 2005.

41. Dr KWOK Ka-ki expressed support for the proposal. Noting that greening works would be incorporated in the project, Dr KWOK enquired whether the landscaping area would be managed by the Leisure and Cultural Services Department (LCSD) upon work completion, and whether the public would be allowed to bring pets to the area. DDS responded that the landscaping area under the proposed works would be managed by LCSD. Given the proximity of the landscaping area to Sai Kung town centre which was also a popular tourist spot and having consulted Sai Kung DC, the Administration had no plan to open the area to pets or designating the area as a dogs' garden.

Admin 42. Referring to the landscaping plan for the proposed works, Prof Patrick LAU was of the view that the design of the landscaping area should be improved by providing more lawns. In this connection, Prof LAU called on the Administration to respond to the motion passed at a LegCo meeting for providing more lawns in open spaces for use by the public. Ms Emily LAU, Dr KWOK Ka-ki and Mrs Selina CHOW shared Prof LAU's view. In response, DDS undertook to review the design of the landscaping area in the light of members' suggestion. At the request of Dr KWOK Ka-ki and Mrs Selina CHOW, the Administration agreed to provide information on the finalized design of the landscaping area including the percentage of greened area of the proposed improvement project in due course.

Admin 43. Ms Emily LAU expressed concern about the long duration for the proposed works, as the Administration estimated that it would take about three years to complete. DDS explained that the decking works for the nullah had to take about two years because the works could only be carried out during the dry season. Greening and landscaping works would be carried out in the third year after completion of the decking works. The Chairman advised that the Administration should provide more details on the construction time and project programmes in future proposals.

44. The item was voted on and endorsed.

Head 703 – Buildings

PWSC(2008-09)12 6GA HKSAR's Participation in the World Exposition 2010 Shanghai China – Hong Kong Pavilion

45. The Chairman advised members that the Panel on Commerce and Industry was consulted on this proposal on 18 December 2007 and 15 April 2008. The Panel supported the proposal and the overall funding of \$380 million in principle. Members of the Panel considered the participation in the World Exposition 2010 Shanghai China (Shanghai Expo) an excellent opportunity to publicize Hong Kong's quality city life and position as a creative capital. At the request of Panel members, the Administration had provided a detailed breakdown of the expenditure items. The Administration was also requested to explore the possibility of retaining the exhibits after the Shanghai Expo for exhibition in Hong Kong.

46. Ms Emily LAU said that at the Finance Committee meeting on 9 May 2008, members supported in principle the financial implications of supporting HKSAR's participation in the Shanghai Expo but expressed concern about the variety and attractiveness of exhibits to be displayed. Noting from the Administration's paper that Mainland visitors constituted more than 90% of the estimated 70 million visitors that the Shanghai Expo would attract, Ms LAU

enquired whether previous World Expos held in other places had also attracted mainly local visitors.

47. The Deputy Secretary for Constitutional and Mainland Affairs (2), (DS, CMAB) responded that the organizer of the Shanghai Expo had made reference to the ratio of overseas and local visitors in previous World Expos, such as the World Expo 2005 held in Japan where overseas visitors accounted for some 5% of the total number of visitors. It was therefore estimated that the ratio of overseas visitors for the Shanghai Expo would roughly be in the range of 5% to 10%.

48. Mr CHAN Kam-lam pointed out that 10% of the 70 million visitors attracted to the Shanghai Expo would amount to about 7 million, which was a substantial number exceeding the average annual number of tourists from Europe and the United States to Hong Kong. Hence, he would not agree with Ms Emily LAU that the Shanghai Expo would not be attractive to overseas visitors. Given the significance and scale of the Shanghai Expo, Mr CHAN suggested the Administration to invite more celebrities from Hong Kong to participate in the opening ceremony.

49. Ms Emily LAU pointed out that Mr CHAN had mistaken her view on the attractiveness of the Shanghai Expo to overseas visitors. She clarified that she had not made any statement on the unpopularity of the Shanghai Expo among overseas visitors and requested the LegCo Secretariat to provide a verbatim transcript of the relevant part of the proceedings so that members could have a clear record of what she had said at the meeting. The Chairman consulted members on Ms LAU's request and members present raised no objection.

50. Ms Emily LAU expressed concern about the economic benefit of the Shanghai Expo to Hong Kong. In this connection, she enquired about the calculation of the additional income of \$288 million (main scenario) to \$432 million (high scenario) to be brought about by inbound tourists. DS, CMAB explained that this calculation referred to the amount of additional income to the economy generated from additional inbound tourists who stopped over Hong Kong en route for the Shanghai Expo. The number of overseas visitors to the Shanghai Expo was estimated to be about three to four million, among which about one million was estimated to be making the trip purposely for the Shanghai Expo. According to the prevailing travelling pattern of overseas visitors to the Mainland, some 10% to 15% of them would probably stop over Hong Kong en route for Shanghai, making a number of up to 150 000 additional inbound visitors. The additional economic benefits were calculated based on these figures and the typical expenditure pattern of visitors in Hong Kong. At the request of Ms LAU, the Administration agreed to provide, before the relevant FC meeting, supplementary information on the calculation of economic benefit.

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51. Ms Emily LAU expressed appreciation of the winning design concept for the Hong Kong Pavilion (HK Pavilion) but wondered why the concept design competition was only open to Hong Kong local design and building related professionals. She enquired about details of the designer for the winning design

and involvement of the designer in the upcoming design and construction stages of the pavilion. Ms LAU was of the view that the design competition should be opened to all interested professionals.

52. The Director of Architectural Services (D Arch S) advised that the concept design competition was organized in collaboration with the Hong Kong Institute of Architects. A total of 80 entries were received and assessed by a seven-member jury comprising representatives from the relevant government departments, academics and the design and building professions. The identities of the entrants were not disclosed to the jury in the course of adjudication. The winning design belonged to the entry from a team of two young architects, one working in the public sector and the other from the private sector. In view of the preference for a strong Hong Kong flavour in the design, the competition was only open to local professionals. DS, CMAB added that the competition rules were consistent with local competitions organized by the Hong Kong Institute of Architects. A major consideration to invite local professionals was that the participants were expected to be familiar with the unique characteristics of the city life of Hong Kong in order to come up with a suitable concept design. DS, CMAB pointed out that while the team leader of the participating teams should be practising full/professional/fellow members of the local institution of architects and other relevant professional bodies designated by the organizer, overseas professionals or other interested persons might participate in the competition as team members.

53. Mrs Selina CHOW pointed out that the design competition was quite a success as it had attracted 80 entries. She supported the approach of identifying a creative and high standard design with strong Hong Kong flavour through a competition open to local design and building professionals. Mrs CHOW considered the winning design creative and appealing, and called on the Administration to give an undertaking for retaining as far as practicable the structure of the HK Pavilion and the exhibits therein for future exhibition in Hong Kong. Mr CHAN Kam-lam expressed similar view. Mr CHAN opined that while there might be technical difficulties in reconstructing the structure of the HK Pavilion in Hong Kong, the exhibits should be retained so that people in Hong Kong could have the opportunity to have sight of these items.

54. DS, CMAB took note of members' views and responded that the Administration would make an effort to retain the key components of the exhibits after the Shanghai Expo for exhibition in Hong Kong. D Arch S added that the contractor would be required to undertake demolition and site restoration works. While light and recycled materials would be used for constructing the HK Pavilion as far as practicable, it was not feasible to restore some parts of the structure, such as the foundation and fixtures after demolition.

55. Ms Emily LAU noted with interest the innovative design of the HK Pavilion, which presented a transparent middle section and a seemingly dangling rooftop. She enquired about the technical feasibility of building a structure according to this design. D Arch S explained that the technical issues would be

sorted out in collaboration with the contractor and the designer during the detailed design stage of the project. With the tactful use of light-reflective materials and steel, he advised that it was technically feasible to achieve the effects of the concept design.

56. The item was voted on and endorsed.

57. The meeting ended at 10:52 am.

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