

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

**Minutes of the 23rd meeting
held in Conference Room 1 of the Legislative Council Complex
on Wednesday, 21 June 2017, at 8:30 am**

Members present:

Ir Dr Hon LO Wai-kwok, SBS, MH, JP (Chairman)
Hon Charles Peter MOK, JP (Deputy Chairman)
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon LEUNG Kwok-hung
Hon Claudia MO
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP

Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Dr Hon Elizabeth QUAT, JP
Dr Hon CHIANG Lai-wan, JP
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon Wilson OR Chong-shing, MH
Hon CHAN Chun-ying
Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon LAU Kwok-fan, MH
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho
Hon Nathan LAW Kwun-chung
Dr Hon YIU Chung-yim
Dr Hon LAU Siu-lai

Members absent:

Hon Abraham SHEK Lai-him, GBS, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon SHIU Ka-chun
Hon HUI Chi-fung
Hon Kenneth LAU Ip-keung, MH, JP

[According to the Judgment of the Court of First Instance of the High Court on 14 July 2017, LEUNG Kwok-hung, Nathan LAW Kwun-chung, YIU Chung-yim and LAU Siu-lai have been disqualified from assuming the office of a member of the Legislative Council, and have vacated the same since 12 October 2016, and are not entitled to act as a member of the Legislative Council.]

Public officers attending:

Mr Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)3
Mr HON Chi-keung, JP	Permanent Secretary for Development (Works)
Mr Thomas CHAN Chung-ching, JP	Deputy Secretary for Development (Planning and Lands)1
Mr Donald TONG Chi-keung, JP	Permanent Secretary for the Environment
Ms Margaret HSIA Mai-chi	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mr YAU Shing-mu, JP	Under Secretary for Transport and Housing
Ms Rebecca PUN Ting-ting, JP	Deputy Secretary for Transport and Housing (Transport)1
Ms Judy CHUNG Sui-kei	Principal Assistant Secretary for Transport and Housing (Transport)5
Mr Daniel CHUNG Kum-wah, JP	Director of Highways
Mr Kelvin LO Kwok-wah	Project Manager (Major Works) Highways Department
Mr Chris CHAN Yu-yuen	Assistant Commissioner (Planning) Transport Department
Mr Raymond CHUNG Wah-fan	Chief Engineer (Strategic Roads) Transport Department

Attendance by invitation:

Mr Franki CHIU	Director Ove Arup & Partners Hong Kong Ltd.
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the eastbound traffic lane would be converted to cover both bounds in whole, while having vertical opening on the side fronting Yan Cheung Road farther away from PG.

(Post meeting note: The soft copy of the powerpoint presentation materials ([LC Paper No. PWSC218/16-17\(01\)](#)) (Chinese version only) was circulated to members via email on 22 June 2017.)

Consultation arrangements by the Government on the Compromise Scheme

4. Ms Tanya CHAN pointed out that the Compromise Scheme, which was put forward by the Administration after the Panel on Transport had discussed the project, was never considered at the Panel. She requested the Chairman to allow more speaking time for members of the Subcommittee.

5. The Chairman advised that according to the practice of the Subcommittee, the speaking time for members would be shortened with the increase in the number of times they spoke. However, taking in view members' concern about the proposed project, he would exercise flexibility regarding members' speaking time in the first round.

6. Mr CHAN Chi-chuen opined that the Administration should consult the Panel on Transport on the Compromise Scheme. Given that the Public Complaints Office ("PCO") of LegCo had also handled complaints related to the construction of CKR in the past, Mr CHAN suggested that PCO should convene case conferences for follow-up.

7. Mr YIU Si-wing disagreed with Mr CHAN's suggestion. Mr YIU said that members of the Panel on Transport generally supported the construction of CKR. As such, the Subcommittee should focus on addressing the two concerns of the Panel, namely (a) the transitional arrangement after the demolition of the Yau Ma Tei public car park and the reprovisioning plan; and (b) the demands for extending the full noise enclosure adjacent to Blocks 3 and 4 of PG northwards by 60 metres beyond Yaumati Catholic Primary School ("the Northern Extension") and replacing the semi-enclosure for the section of GRF fronting Blocks 1 and 5 of PG with a full noise enclosure ("the Central Full Enclosure").

8. Mr LEUNG Kwok-hung was disappointed about the Administration's inaction in addressing PG residents' demands for the Northern Extension and the Central Full Enclosure, despite having awared of such demands at an early stage. Mr WU Chi-wai said that both Wong Tai Sin and Kowloon City District Councils ("DCs") supported the proposed project, but Yau Tsim

Mong DC maintained different views. He urged the Administration to garner support from Yau Tsim Mong DC.

9. Mr LAU Kwok-fan and Ms Tanya CHAN were concerned why the Administration had delayed putting forward the Compromise Scheme for so long, thus postponing the early commencement of the proposed project. Mr LAU considered that in implementing the proposed project, the Administration should satisfy the demands of stakeholders as far as practicable apart from ensuring compliance with the requirements of the environmental impact assessment ("EIA"). Ms CHAN enquired whether the established procedures of implementing public works programme ("PWP") projects should be adhered to if the Compromise Scheme was to be taken forward as a separate PWP item. Mr LAU, Ms CHAN, Dr CHIANG Lai-wan, Dr Helena WONG and Mr Nathan LAW requested the Administration to explain whether it had consulted/would consult Yau Tsim Mong DC, PG residents and other affected parties on the Compromise Scheme.

10. USTH said that the Administration noted the public demands in respect of the proposed project through different channels, including the case conferences arranged by PCO of LegCo and the written objections received during the gazettal period of the CKR project pursuant to the Roads (Works, Use and Compensation) Ordinance (Cap. 370). As the Compromise Scheme would be implemented as a separate PWP item, the Administration would follow established procedures of PWP in its implementation (e.g. consultation with relevant DCs, gazettal of the Compromise Scheme pursuant to the aforesaid Ordinance, obtaining authorization, etc.). If necessary, the Administration would explain the Compromise Scheme directly to the affected members of the public.

11. USTH further said that the previous proposal of the Administration could already mitigate the effects of traffic noise on PG residents while complying with the statutory requirements applicable at the time the Environmental Permit was issued by the Environmental Protection Department ("EPD"). Since members of the Panel on Transport generally supported the construction of CKR but requested the Administration to address the public demands for the provision of the Northern Extension and the Central Full Enclosure to further reduce the noise nuisance to the residents, the Administration had conducted an in-depth examination on the proposed project. Although the Administration considered that there was no sufficient ground for acceding to the demands in respect of the CKR project, it eventually came up with the Compromise Scheme after balancing various factors (which included ensuring the proper use of public money, the damage to the community in general if the CKR project was deferred, etc.). USTH

stressed that the Compromise Scheme had addressed the demands of the public and LegCo Members to a large extent.

12. Mr Nathan LAW queried if the Administration could obtain funding for the main works of CKR before taking forward the Compromise Scheme as a separate PWP item, whether PG residents would be forced to accept the Compromise Scheme as the construction of CKR would have been commenced already. In response, USTH said that the Administration had commenced the preparatory work of the Compromise Scheme and would consult the public at an appropriate time.

Implementation of the Compromise Scheme

13. The Chairman noted that the Administration planned to implement the Compromise Scheme as a separate PWP item instead of part of the proposed project. He enquired about the timetable of implementing the Compromise Scheme and whether it would be carried out in tandem with the proposed project.

14. USTH said that while the construction period of the proposed project spanned as long as seven to eight years, the Compromise Scheme took relatively less time to complete. The Administration would strive to implement the Compromise Scheme during the construction period of the proposed project. Director of Highways ("DHy") supplemented that if some of the noise enclosures/barriers under the proposed project were replaced with the noise enclosures under the Compromise Scheme, the cost of the proposed project could be reduced by about \$150 million. However, such a saving could only be achieved provided that the two projects were implemented concurrently.

15. Mr CHAN Chun-ying enquired whether the Administration would take out the aforesaid sum of about \$150 million from the cost estimate of the proposed project. DHy explained that since the Administration intended to implement the Compromise Scheme as a separate PWP item, the saving could be deducted from the cost of the proposed project only after securing funding for the Compromise Scheme.

Cost of works and completion time

16. Mr HO Kai-ming supported the proposed project. He opined that the proposed project would help alleviate traffic congestion in Kowloon, and enquired whether the project could be completed early.

17. DHy said that CKR was a time consuming project given its enormous scale and complicated works. Nonetheless, the Administration would take appropriate measures during construction to expedite the works progress.

18. Dr Fernando CHEUNG opined that the proposed project was too costly. He and Dr KWOK Ka-ki requested the Administration to explain why the cost estimate had escalated from about \$10,000 million as per the 2002 projection to the present level of about \$42,400 million in MOD prices. Dr KWOK also queried why, among the cost estimate of about \$42,400 million, the respective amounts of contingencies and the provision for price adjustment were as high as about \$2,200 million and \$12,700 million.

19. With the aid of powerpoint slide numbered 10 ([LC Paper No. PWSC218/16-17\(01\)](#) (Chinese version only), DHy explained that according to the rough estimation made by the Administration in 2002 on the basis of the early conceptual proposal of the proposed project, the cost of CKR was estimated to be about \$10,000 million in December 2000 prices or about \$15,100 million in September 2016 prices. In 2017, the project cost was estimated to be about \$29,600 million in September 2016 prices or about \$42,400 million in MOD prices. In other words, in September 2016 prices, the project cost as estimated in 2017 was about \$14,500 million higher than the rough estimate in 2002.

20. DHy further said that the additional cost of \$14,500 million mainly arose from a number of new works requirements, such as the need to enhance the engineering design and construction arrangement to safeguard the safety and redevelopment potential of buildings and structures along the alignment, and additional facilities to meet the fire safety requirement. Notwithstanding this, the Administration had made an effort to lower the cost estimate for the proposed project. As for the construction cost of dual one-lane road in similar tunnel works in the urban area, the cost per km for the Central—Wan Chai Bypass under construction was about \$2,600 million in September 2016 prices, while that for the proposed CKR was about \$2,100 million. DHy undertook to provide the information requested by Dr KWOK and Dr CHEUNG in writing after the meeting.

(Post meeting note: The supplementary information provided by the Administration ([LC Paper No. PWSC225/16-17\(01\)](#)) was tabled at the meeting on 24 June 2017.)

21. USTH supplemented that the proposed project could generate economic benefits of some \$3,000 million per year and an economic internal rate of return of up to 7.5%, which was higher than those of the MTR

South Island Line and the Shatin to Central Link. The Administration therefore considered the proposed project worth implementing.

22. Dr Fernando CHEUNG did not accept the Administration's explanation that the increase in cost estimate for the proposed project (discounting the provision for price adjustment factor) was due to the need to meet a number of new works requirements. He opined that the Administration should have included those works requirements in its projected cost estimate in 2002. Dr CHEUNG requested a breakdown on the details of the new works requirements and the additional costs involved.

23. USTH said that the works requirements were all newly-added and hence not included in the rough estimate of 2002. He undertook to provide the information requested by Dr CHEUNG after the meeting.

(Post meeting note: The supplementary information provided by the Administration ([LC Paper No. PWSC225/16-17\(01\)](#)) was tabled at the meeting on 24 June 2017.)

24. Mr Nathan LAW requested the Administration to provide information on how the following projections had been worked out: (a) the proposed project could generate economic benefits of some \$3,000 million per year; and (b) for each year of delay in implementation, about \$2,000 million would be added to the project cost due to inflation.

25. USTH replied that the Administration provided such information as the economic benefits of the proposed project and the cost incurred in delayed implementation, so that members were able to make an informed decision on whether the proposed project should be proceeded with. He undertook to provide the information on the projections of economic benefits and cost after the meeting.

(Post meeting note: The supplementary information provided by the Administration ([LC Paper No. PWSC225/16-17\(01\)](#)) was tabled at the meeting on 24 June 2017.)

26. Mr WU Chi-wai enquired whether the Administration could deploy the funding for provision for price adjustment to cover the expenses of other items under the proposed project. DHy explained that in approving the funding for the proposed project, the Finance Committee would not impose any restrictions to the deployment of funding by the Administration. However, internal mechanisms were in place in the Government to govern the deployment of project funding.

Contracts of works and construction arrangement

27. Mr WU Chi-wai enquired about the most cost-effective contract form (e.g. fixed price contract, target cost contract) to implement the proposed project, and the contract form the Administration intended to adopt for the proposed project.

28. DHy replied that the Administration intended to implement the proposed project through a number of contracts. At least one contract would be awarded based on the New Engineering Contract ("NEC") form. As for the remaining contracts, they would mainly be awarded based on the conventional "re-measurement contract" form. As the proposed project mainly involved tunnel works, the conventional "re-measurement contract" could better reflect the implications of the ground conditions of the tunnel on the amount and cost of the tunneling works than the fixed price contract.

29. Mr CHAN Chun-ying requested the Administration to explain how it decided whether contracts of works should be awarded based on the conventional "re-measurement contract" form or the NEC form.

30. DHy said that the NEC form emphasized cooperation, mutual trust and collaborative risk management between contracting parties. If implementing a project under the NEC form would help reduce the risk involved, the Administration would consider awarding the relevant contract of works based on the NEC form. Otherwise, the contract of works would be awarded based on the conventional "re-measurement contract" form.

31. Mr LEUNG Kwok-hung requested the Administration to provide information setting out PWP projects which had been implemented under the NEC form and their details. The Administration undertook to provide the information requested by Mr LEUNG after the meeting.

(Post meeting note: The supplementary information provided by the Administration ([LC Paper No. PWSC225/16-17\(01\)](#)) was tabled at the meeting on 24 June 2017.)

32. Ms Tanya CHAN was concerned how the Administration would monitor the quality of the proposed works (e.g. how it would test the construction materials to be used). She also requested the Administration to explain: (a) the risk involved in the proposed project; and (b) how the use of the NEC form in implementing the works could reduce the risk. She also requested the Administration to provide information on the details of the ground investigation carried out for the proposed project.

33. Permanent Secretary for Development (Works) said that the use of the NEC form helped reduce the risks of cost overrun and works delay. Given the satisfactory results, the Administration intended to adopt more extensively the "target cost contract" option under the NEC form in major PWP projects. It also planned to brief the Panel on Development on the cost management initiatives for capital works projects and give a detailed account of NEC at the Panel meeting in July 2017.

34. Regarding ground investigation, DHy said that investigation work had been carried out along the alignment of the main tunnels of CKR. The investigation scale was beyond the prescribed standard under the Geoguide compiled by the Geotechnical Engineering Office. DHy undertook to provide the information on the ground investigation carried out for the proposed project in writing after the meeting.

(Post meeting note: The supplementary information provided by the Administration ([LC Paper No. PWSC225/16-17\(01\)](#)) was tabled at the meeting on 24 June 2017.)

Measures to address noise impact

35. Dr CHIANG Lai-wan noted that under the Compromise Scheme submitted by the Administration, the full noise enclosure adjacent to Blocks 3 and 4 of PG would be extended northwards for 40 metres only. Expressing dissatisfaction with this, she urged the Administration to extend the enclosure northwards for 60 metres under the Northern Extension option as requested by concern groups. Dr CHIANG was also dissatisfied that instead of adopting the Central Full Enclosure option put forward by concern groups, the Administration just proposed to build the noise enclosure that covered both traffic bounds for the road section concerned while having vertical opening on the side fronting Yan Cheung Road farther away from PG. She urged the Administration to reduce the width of the vertical opening, so as to further extend the coverage of the enclosure along the road section concerned.

36. In response, DHy said that the Government had to conduct detailed feasibility studies to ascertain whether it was feasible to reduce the width of the vertical opening. He stressed that the additional noise mitigation effect of the Compromise Scheme was broadly similar to the effects that could be achieved under the Northern Extension and Central Full Enclosure options.

37. Dr Helena WONG requested the Administration to provide information on the design details of the vertical opening, and the differences between the Compromise Scheme and the Administration's former proposal

(i.e. covering the whole section of the 145-metre-long carriageway with semi-enclosure) in terms of noise mitigation and air quality improvement. The Administration undertook to provide the information requested by Dr WONG after the meeting.

(Post meeting note: The supplementary information provided by the Administration ([LC Paper No. PWSC225/16-17\(01\)](#)) was tabled at the meeting on 24 June 2017.)

38. Dr Helena WONG opined that even if the Compromise Scheme was adopted and the full noise enclosure was extended northwards for 40 metres accordingly, the full noise enclosure concerned (about 40 metres long) and the some 110-metre-long full noise enclosure covering the section of GRF fronting Blocks 2 and 3 of PG would only be 150 metres long altogether. Even with further extension in length, it would still be unnecessary to provide additional fire services installation and equipment for the sake of meeting fire safety requirements as long as the total length did not exceed 230 metres. Dr WONG requested the Administration to provide information explaining why there was no room for further extending the full enclosure to a total length of 230 metres or below.

39. DHy explained that the Compromise Scheme was a proposal put forward by the Administration after considering public requests and various factors, and confirming the preliminary technical feasibility of the works concerned. If the Compromise Scheme was revised according to Dr WONG's suggestion, the carriageways covered by the extended noise enclosure would resemble a road tunnel to a greater extent. The Highways Department would need additional time to conduct more detailed studies (including the use of computer modelling) to determine its technical feasibility. The Administration was therefore unable to confirm at this stage whether the revision proposed by Dr WONG was technically feasible or not. He undertook to provide the information requested by Dr WONG in writing after the meeting.

(Post meeting note: The supplementary information provided by the Administration ([LC Paper No. PWSC225/16-17\(01\)](#)) was tabled at the meeting on 24 June 2017.)

40. Mr HO Kai-ming said that although he lived near PG, he would not benefit from the noise enclosures to be built near PG under the proposed project. He enquired whether the full noise enclosure could cover the flyover/road section fronting the classrooms of Yaumati Catholic Primary School with the implementation of the Compromise Scheme.

41. DHy replied that the classroom noise level at Yaumati Catholic Primary School had already been reduced to an acceptable level (i.e. not exceeding 65 dB(A)) by provision of acoustic window insulation and air conditioning under the School Insulation Programme of the Education Bureau. He undertook to provide a written response to Mr HO's enquiries after the meeting.

(Post meeting note: The written response provided by the Administration ([LC Paper No. PWSC225/16-17\(01\)](#)) was tabled at the meeting on 24 June 2017.)

Air quality improvement measures

42. Dr Helena WONG enquired how the Administration or the specialists concerned came to the conclusion that air quality for the air sensitive receivers of PG would not be worsened by the Compromise Scheme. Mr YIU Si-wing was concerned whether the air quality impact assessment conducted by the Administration or the specialists concerned for the proposed project received sufficient recognition to convince PG residents of its conclusion.

43. USTH replied that the engineering team within the Government had confirmed that air quality for the air sensitive receivers of PG would not be worsened by the Compromise Scheme. The consultation of specialists outside the Government on the proposal was to have the findings confirmed by third-party specialists, so as to boost the public confidence.

44. DHy added that under the proposed Compromise Scheme, the Administration planned to build the noise enclosure covering both traffic bounds for the whole section of GRF fronting PG, while only having vertical opening on the side fronting Yan Cheung Road farther away from PG. Such a design could mitigate the effects of emissions from vehicles passing along GRF on PG residents. Mr Franki CHIU, Director, Ove Arup & Partners Hong Kong Ltd. ("Director/OAP"), further explained that the EIA results showed that during the operation of CKR, the air quality of the district would comply with the statutory requirements (including the Air Quality Objectives) applicable at the time the Environmental Permit was issued by EPD. The engineering consultant believed that after the implementation of the Compromise Scheme, the air quality in the vicinity of PG would be broadly in line with that of the EIA results. The Administration undertook to provide a written response to Dr WONG's enquiries after the meeting.

(Post meeting note: The written response provided by the Administration ([LC Paper No. PWSC225/16-17\(01\)](#)) was tabled at the meeting on 24 June 2017.)

45. The Chairman enquired how the air purification system of the three ventilation buildings to be built under the proposed project would improve air quality. DHy explained that the Administration would install air purification systems at the three ventilation buildings in Yau Ma Tei, Ho Man Tin and Kai Tak Development Area ("KTDA"). This would reduce at least 80% of the nitrogen dioxide and respirable suspended particulates in the exhaust of the tunnel.

46. Dr LAU Siu-lai said that the levels of emission pollutants coming from the three ventilation buildings were expected to exceed the standards under the updated Air Quality Objectives of 2014. Two of the ventilation buildings, which were located in Ho Man Tin and KTDA respectively, were also in close proximity to residential buildings. She enquired how the Administration would improve the air quality in the vicinity of the three ventilation buildings.

47. DHy replied that the EIA process for CKR was completed in 2013. The air quality impact assessment for CKR was conducted in accordance with the Air Quality Objectives applicable at the time when the EIA report was approved. The updated Air Quality Objectives which came into effect in 2014 were therefore not applicable at the time when the EIA report for CKR was approved in 2013. Moreover, the Administration would implement various measures (e.g. installation of the aforesaid air purification system) to mitigate the impact of the operation of CKR on the air quality in the vicinity. Director/OAP supplemented that in conducting the air quality impact assessment, the engineering consultant had taken into account a number of relevant factors such as the positions of the exhaust vents of the ventilation buildings, the effects of installing the air purification system, and the distances between the ventilation buildings and nearby dwellings.

48. Dr LAU Siu-lai requested the Administration to provide supplementary information on the design details of the three ventilation buildings, including their respective heights and configurations.

(Post meeting note: The supplementary information provided by the Administration ([LC Paper No. PWSC225/16-17\(01\)](#)) was tabled at the meeting on 24 June 2017.)

Public facilities affected by the proposed project

49. Mr YIU Si-wing was concerned about the transitional arrangement and the reprovisioning plan to be implemented by the Administration after demolishing the Yau Ma Tei public car park. Dr Helena WONG expressed similar concern.

50. Mr CHAN Chun-ying enquired about: (a) the respective costs involved in reprovisioning various public facilities (e.g. Yau Ma Tei Public Library, Yau Ma Tei Jade Hawker Bazaar) that were affected by the proposed project; and (b) the reasons for the need to spend \$31 million on furniture and equipment under the proposed project. The Administration undertook to provide a written response to Mr CHAN's enquiries after the meeting.

(Post meeting note: The written response provided by the Administration ([LC Paper No. PWSC225/16-17\(01\)](#)) was tabled at the meeting on 24 June 2017.)

[During the meeting, some observers spoke loudly in the public gallery. The Chairman reminded observers that they were required to behave in an orderly manner and not to clamour.]

51. The Chairman said that the Subcommittee would continue to discuss this item at the next meeting. The meeting ended at 10:29 am.