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Public Works Subcommittee of the Finance Committee of the Legislative Council

Minutes of the 21st meeting held in Conference Room 1 of the Legislative Council Complex on Wednesday, 8 May 2019, at 8:30 am

Members present:

Ir Dr Hon LO Wai-kwok, SBS, MH, JP (Chairman) Hon Abraham SHEK Lai-him, GBS, JP Hon Tommy CHEUNG Yu-yan, GBS, JP Hon Starry LEE Wai-king, SBS, JP Hon CHAN Hak-kan, BBS, JP Dr Hon Priscilla LEUNG Mei-fun, SBS, JP Hon Frankie YICK Chi-ming, SBS, JP Hon WU Chi-wai, MH Hon MA Fung-kwok, SBS, JP Hon CHAN Chi-chuen Hon CHAN Han-pan, BBS, JP Hon LEUNG Che-cheung, SBS, MH, JP Hon Alice MAK Mei-kuen, BBS, JP Dr Hon KWOK Ka-ki Dr Hon Fernando CHEUNG Chiu-hung Dr Hon Helena WONG Pik-wan Hon Alvin YEUNG Hon Andrew WAN Siu-kin Hon CHU Hoi-dick

Dr Hon Junius HO Kwan-yiu, JP Hon HO Kai-ming Hon Holden CHOW Ho-ding Hon Wilson OR Chong-shing, MH Hon CHEUNG Kwok-kwan, JP Hon HUI Chi-fung Hon LAU Kwok-fan, MH Dr Hon CHENG Chung-tai Hon KWONG Chun-yu Hon Jeremy TAM Man-ho Hon Gary FAN Kwok-wai Hon AU Nok-hin Hon AU Nok-hin Hon Vincent CHENG Wing-shun, MH Hon Tony TSE Wai-chuen, BBS Hon CHAN Hoi-yan

Members absent:

Hon Charles Peter MOK, JP (Deputy Chairman) Hon Claudia MO Hon Michael TIEN Puk-sun, BBS, JP Hon Tanya CHAN Hon LUK Chung-hung, JP

Public officers attending:

Mr Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)3
Miss Joey LAM Kam-ping, JP	Deputy Secretary for Development (Works)1
Ms Bernadette LINN, JP	Permanent Secretary for Development (Planning and Lands)
Ms Maisie CHENG Mei-sze	Permanent Secretary for the Environment
Ms Margaret HSIA Mai-chi	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)

Mrs Cherry TSE LING Kit-ching, JP	Permanent Secretary for Home Affairs
Ms Winnie HO Wing-yin, JP	Deputy Director of Architectural Services
Mr Chris LEE Wing-keung	Senior Project Manager 240 Architectural Services Department
Mr Terrance TSANG Wing-hung	Assistant Director of Fire Services (Headquarters)
Mr WONG Ka-wing	Senior Divisional Officer (Planning Group) Fire Services Department
Ms Alice PANG, JP	Project Manager (South) South Development Office Civil Engineering and Development Department
Mr Felix POON Hiu-tung	Senior Engineer (South)4 South Development Office Civil Engineering and Development Department
Attendance by invitation:	
Mr Jeremy STOWE	Chief Projects Officer West Kowloon Cultural District Authority
Clerk in attendance:	
Ms Doris LO	Chief Council Secretary (1)2
Staff in attendance:	
Mr Raymond CHOW Ms Christina SHIU Ms Christy YAU Ms Clara LO	Senior Council Secretary (1)10 Legislative Assistant (1)2 Legislative Assistant (1)8 Legislative Assistant (1)9

<u>The Chairman</u> advised that there were five discussion papers on the agenda for the meeting. All of them were funding proposals carried over from the previous meeting. He reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of the Legislative Council, they should disclose the nature of any direct or indirect pecuniary interests relating to the funding proposals under discussion at the meeting before they spoke on the proposals. He also drew members' attention to Rule 84 of RoP on voting in case of direct pecuniary interest.

Head 703 – Buildings

PWSC(2018-19)46 175BF Relocation of supporting operational facilities of Tsim Sha Tsui Fire Station Complex, Fire Services Club and other Fire Services accommodations to To Wah Road, Kowloon

Head 707 – New Towns and Urban Area Development

- 754CL Infrastructure Works for West Kowloon Cultural District, phase 1
- 763CL Integrated Basement for West Kowloon Cultural District – remaining works

2. <u>The Chairman</u> advised that the proposal, i.e. <u>PWSC(2018-19)46</u>, sought to upgrade 175BF, part of 754CL and 763CL to Category A at the estimated costs of \$981.2 million, \$380 million and \$17,472.3 million in money-of-the-day ("MOD") prices respectively. The Government consulted the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District ("WKCD") Project ("the Joint Subcommittee") on 175BF on 11 June 2018, 754CL on 21 April 2017 and 11 May 2018, and 763CL on 14 January 2019. Members of the Joint Subcommittee had no objection to the submission of the relevant funding proposals to the Public Works Subcommittee ("PWSC") for consideration. A report on the gist of the Joint Subcommittee's discussion was tabled at the meeting.

<u>175BF</u>—Relocation of supporting operational facilities of Tsim Sha Tsui Fire Station Complex, Fire Services Club and other Fire Services accommodations to To Wah Road, Kowloon

Reprovisioning of facilities in Tsim Sha Tsui Fire Station Complex

3. Pointing out that the workshop blocks at the Tsim Sha Tsui Fire Station Complex ("TSTFSC") would be demolished by mid-2020 and the proposed new building at To Wah Road would not be completed until the third quarter of 2022, <u>Mr Tony TSE</u> enquired whether the service of the

fire station would be affected in the meantime and why the Administration did not relocate the operational facilities of TSTFSC.

4. <u>Dr Helena WONG</u> enquired whether the need to ensure the arrival of fire appliances within the target response time to emergency calls was the reason behind the Administration's decision not to relocate the operational facilities of TSTFSC, and what the target response time was. <u>Dr Fernando CHEUNG</u> enquired whether the arrangement of relocating only the supporting operational facilities of TSTFSC to the proposed new building at To Wah Road would affect the emergency services of TSTFSC.

Assistant Director of Fire Services (Headquarters) ("AD(H)/FSD") 5. explained that since TSTFSC was within the boundary of the WKCD Development Plan, the Fire Services Department ("FSD") would first relocate the supporting operational facilities of TSTFSC (e.g. Fire Services Workshop and dangerous goods ("DG") stores) to the proposed new building at To Wah Road in order to release the site for development by the West Kowloon Cultural District Authority ("WKCDA"). Currently, TSTFSC covered some high-risk and built-up areas in Yau Tsim Mong District. Under the performance pledge, fire appliances had to arrive at the scene of the incident within six minutes (including a four-minute travel time) in responding to a fire call. For that reason, the existing operational facilities of TSTFSC should not be removed from the current location until a suitable alternative location could be identified. In the meantime, the emergency fire and ambulance services of TSTFSC would not be affected. Moreover, pending completion of the proposed new building at To Wah Road, FSD would rent private DG stores for temporary storage of DG.

6. <u>Mr AU Nok-hin</u> enquired whether the identification of suitable locations in the district would be made easier should the operational facilities of TSTFSC be divided up and reprovisioned at two fire stations separately, and whether the respective service areas of TSTFSC and Tsim Tung Fire Station would undergo adjustment following the relocation exercise.

7. <u>AD(H)/FSD</u> advised that for the operational facilities of TSTFSC to be divided up and reprovisioned at two fire stations, it was necessary to identify two sites that would accord with the aforesaid target response time so as to maintain the current efficiency of firefighting operations in Tsim Sha Tsui area. As regards the Fire Services accommodations currently planned to be relocated to To Wah Road, no frontline emergency services was involved, so the scope of frontline firefighting and rescue services currently provided by TSTFSC would remain unchanged. 8. <u>Mr CHU Hoi-dick</u> asked when FSD started searching for the location for reprovisioning TSTFSC, whether the Home Affairs Bureau ("HAB") had offered assistance in this regard, and whether the financial position of WKCDA would be affected if it could not take over the existing site of TSTFSC for hotel/office/residential ("HOR") development.

9. <u>AD(H)/FSD</u> responded that FSD had been on an active search for a suitable location in the district for the reprovisioning of TSTFSC since more than 10 years ago when it learned that the TSTFSC site would fall within the boundary of the WKCD Development Plan. Nevertheless, given the future possibility of further rezoning in the district, FSD would keep reviewing the latest situation in its search effort. <u>Permanent Secretary for Home Affairs</u> ("PSHA") supplemented that HAB had been in close liaison with FSD on the identification of a new location for TSTFSC. It would also support FSD on the policy front when necessary. As regards the financial position of WKCDA, an overall consideration should be made.

10. <u>Mr AU Nok-hin</u> noted that the cost estimate of the works at the existing site at Canton Road (including demolition of the workshop blocks of TSTFSC) under 175BF amounted to \$31.1 million. He sought details of the relevant works and asked how the Administration could ensure that the inert construction waste and materials generated from the demolition works would be used for reclamation in compliance with the requirements under the General Specification for Civil Engineering Works.

11. <u>Deputy Director of Architectural Services</u> ("DDArchS") responded that the works at the existing site at Canton Road included, among other things, demolition of the workshop blocks of TSTFSC and some fences, some addition/modification works within TSTFSC, and decontamination of fuel tanks. Of the 21 110 tonnes of construction waste to be generated from 175BF, the inert waste would be reused on site (about 24%) and delivered to public fill reception facilities for subsequent reuse (about 60%). The remaining non-inert waste (about 16%) would be disposed of at landfills.

Reprovisioning of Fire Services Club from Kowloon Bay

12. <u>Mr Tony TSE</u> supported the reprovisioning of the Fire Services Club, currently located in Kowloon Bay, at the proposed new building at To Wah Road to make way for public housing and school development. He sought details of the relevant development. <u>Mr Jeremy TAM</u> enquired about the implications of the demolition works of the Fire Services Club in Kowloon Bay for the residents nearby, the location of the reprovisioned barbecue area within the premises of the proposed new building at To Wah

Road, and whether there would be change in the number of barbecue stoves provided.

13. <u>DDArchS</u> said that the Administration would control the noise and dust generated from the demolition works of the Fire Services Club in Kowloon Bay to an acceptable level in compliance with the requirement of the Environmental Protection Department. Besides, the barbecue area currently located at the Kowloon Bay site would be reprovisioned to the rooftop of the proposed new building at To Wah Road. The rooftop would also be provided with landscaped features and a children play area. <u>AD(H)/FSD</u> supplemented that facilities of the Fire Services Club (including the barbecue area) at the new location at To Wah Road occupied an area similar to that of the existing site in Kowloon Bay.

Proposed new building at To Wah Road

14. <u>Mr WU Chi-wai</u> noted that part of the site for development of the proposed new building at To Wah Road was made a drainage reserve. He enquired how the Administration would utilize the space of the drainage reserve. <u>Mr Tony TSE</u> also urged the Administration to consider putting the land resources to optimal use by building a basement at the aforesaid location to provide space for other uses.

15. <u>Mr Jeremy TAM</u> asked why no parking spaces would be provided within the proposed new building, how many parking spaces could be provided at the To Wah Road site, and how many among them would be equipped with charging facilities for electric vehicles ("EVs").

DDArchS responded that more than about half of the area of the 16. To Wah Road site for the proposed new building was allocated to the drainage reserve and waterworks reserve, where a lot of pipes and drainage facilities had already been laid underground. For a basement to be built, sufficient staircases and ramps for street-level access would also have to be provided. Under such circumstances, the remaining space in the basement would be very limited, making such development inadvisable from the cost-effectiveness point of view. Moreover, it was difficult to make room for parking space provision in the proposed new building at To Wah Road because the development project had reached both the maximum permissible plot ratio and the building height limit of the site and much space in it had also been reserved for maintenance of fire appliances. Parking spaces would be provided in the open-air portion of the site, where 18 private car parking spaces plus one barrier-free parking space (including four equipped with medium chargers for EVs) would be provided.

17. <u>Dr Helena WONG</u> enquired about the storage capacity of the DG stores in the proposed new building at To Wah Road and the risk of providing the DG stores at a location close to residential dwellings and the Centenary Substation of CLP Power Hong Kong Limited ("the substation").

18. <u>AD(H)/FSD</u> replied that with an area of about 230 square metres, the DG stores in the proposed new building at To Wah Road would be used for small-quantity storage of DG that were seized by FSD during law enforcement operations and used as court evidence. Apart from ensuring compliance of the DG stores concerned with the relevant legislation in terms of design, construction and fire services installations and equipment, FSD had also conducted risk assessment for the DG stores to confirm that they were located safely apart from the nearby dwellings, the substation and the temporary To Wah Road Bus Terminus.

19. <u>Mr WU Chi-wai</u> enquired about the future land use of the site of the temporary bus terminus located next to the proposed new building at To Wah Road and the timetable for developing the site, and whether the relevant development could tie in with the construction progress of the proposed new building. <u>Mr WU</u> opined that the Administration should commence the relevant development as soon as possible, lest the site be laid idle. <u>Dr Helena WONG</u> also enquired about the future land use of the aforesaid site.

20. <u>DDArchS</u> replied that under the principle of "single site, multiple use", the Transport Department ("TD") was contemplating the development of public open space and underground public parking facilities at the site of the aforesaid temporary bus terminus. <u>DDArchS</u> said that members' views concerning the site would be relayed to TD.

21. <u>Dr Helena WONG</u> enquired whether the plan of underground car park development at the aforesaid site was at the consultation stage and still pending implementation; whether TD had assessed the demand for underground parking spaces in the district; whether the parking spaces would be provided for use by commercial vehicles or private cars; and whether they would be opened for use by residents in the vicinity to compensate for the parking spaces lost to the demolition of the Yau Ma Tei Multi-storey Carpark Building for development of the Central Kowloon Route. <u>Dr WONG</u> also enquired about the additional traffic flow arising from the commissioning of the proposed new building at To Wah Road and its impact on Jordan Road nearby.

22. <u>DDArchS</u> responded that according to the information of TD, consultation would be conducted on the plan of underground car park

development at To Wah Road. TD was contemplating using the underground car park to compensate for the Yau Ma Tei Multi-storey Carpark Building subject to demolition. The number of parking spaces to be provided was pending confirmation. <u>AD(H)/FSD</u> said that the Administration estimated that the proposed new building at To Wah Road would give rise to only a moderate increase in the traffic flow.

754CL — Infrastructure Works for West Kowloon Cultural District, phase 1

Development of West Kowloon Cultural District

23. <u>Mr MA Fung-kwok</u> expressed support for the funding proposal and urged the Administration and WKCDA to implement the WKCD project under the principle of "Four Nos": No extravagance and waste, no progress delay, no reduction in scale and no compromise on quality. <u>Mr MA</u> also recalled members' doubt about the sufficiency of funding when the Finance Committee ("FC") deliberated in 2008 on approving the one-off upfront endowment of \$21.6 billion for implementation of the WKCD project. <u>Mr MA</u> enquired whether the Administration and WKCDA had thoroughly considered the suggestions he had put forward on improving the WKCD project, such as reducing the volume of excavation works by raising the integrated basement ("IB") of WKCD by half a storey height and raising the plot ratio from 1.81 to 2.5 or above.

24. PSHA and Project Manager (South), South Development Office, Civil Engineering and Development Department ("PM(S)/CEDD"), responded that the idea of developing IB had not yet been conceived when WKCDA was granted the upfront endowment of \$21.6 billion in 2008. As the design of IB was confirmed in 2013 after a three-stage public engagement exercise, there was not much room for major alteration. Moreover, the Administration submitted an application to the Town Planning Board back in 2014 to increase the plot ratio of WKCD by 15% (i.e. to increase the plot ratio from 1.81 to 2.08), which was subsequently approved. Various methods to lower the construction cost had also been considered in the design of IB, such as minimizing the volume of excavation works by raising IB to a higher level, and providing a mezzanine floor between levels B1 and B2 of IB in Zone 2 to optimize the basement space subject to the constraints that the depth of excavation works should not be increased and the floor height requirement should be complied with.

25. <u>Dr KWOK Ka-ki</u> was concerned about the low usage rate of the newly opened Xiqu Centre. <u>PSHA</u> replied that, as clarified by WKCDA, some internal enhancement works had yet to be carried out as planned in the

Xiqu Centre after its opening. Viewed from this angle, its Grand Theatre had actually been fully utilized during the Opening Season.

Proposed Artist Square Bridge

26. <u>Mr Gary FAN</u> noted that the Administration had revised the original design of the proposed Artist Square Bridge ("the proposed footbridge") in the light of the concern raised by members of the Joint Subcommittee about the excessively high construction cost. The more simplistic new design helped reduce the construction cost from originally around \$400 million to about \$280 million. <u>Mr FAN</u> enquired whether the respective construction costs of the proposed footbridge under both the original and new designs had been reviewed by the Project Cost Management Office ("PCMO") of the Development Bureau. He requested the Administration to provide the respective consultant's feasibility reports on both designs to facilitate members' understanding of the reasons behind the cost difference.

27. <u>Mr Holden CHOW</u> welcomed the Administration's effort to reduce the construction cost of the proposed footbridge in response to the concern raised by members of the Joint Subcommittee.

28. <u>PM(S)/CEDD</u> responded that the original and new designs of the proposed footbridge were entirely different. Emphasizing simplicity, the new aesthetic design made it possible to save cost. Both designs had been reviewed by PCMO, whereas the consultant's feasibility studies put more emphasis on the technical aspects. At a meeting of the Joint Subcommittee, the Administration had given a powerpoint presentation (LC Paper No. <u>CB(1)950/17-18(02)</u>) comparing the construction cost breakdowns of the two designs.

29. <u>Mr Alvin YEUNG</u> queried the necessity of the proposed footbridge and enquired if its length could be further reduced to further compress the construction cost. <u>Mr YEUNG</u> also requested the Administration to provide the following supplementary information: (a) a table showing the unit construction cost per square metre of the proposed footbridge and those of other similar footbridges completed by the Government in recent years (characteristics and constraints of the projects could be listed out for reference); and (b) the detailed breakdown of the annual recurrent expenditure of \$3 million arising from the proposed works; how the figures were worked out; and the change in the estimated annual recurrent expenditure for the next 10 years (including whether the expenditure would increase along with the ageing of lifts and escalators).

30. PM(S)/CEDD said that the proposed footbridge could provide a direct and covered linkage for the public to access the Artist Square conveniently. The Administration and WKCDA had reviewed various aspects of the design of the proposed footbridge through a value engineering exercise with a view to reducing the construction cost. After considering a number of factors (e.g. the need of the proposed footbridge to span over Austin Road West and be connected with the Artist Square), the Administration took the view that the length of the proposed footbridge could not be shortened further. She added that a direct comparison of the unit construction cost per square metre could hardly be drawn as each footbridge project had its unique characteristics, as well as varying construction environments and pile depths. In the example of the proposed footbridge, construction was more difficult due to the project's location in the vicinity of the Airport Express Tunnels. At the request of Mr Alvin YEUNG, the Administration would provide the aforesaid information on the unit construction costs of footbridges after the meeting.

31. Regarding the details of the recurrent expenditure, PM(S)/CEDD said that the proposed footbridge was provided with basic electrical and mechanical equipment, such as lamps, lifts and escalators. The Administration would reserve funding to cover its recurrent expenditure, including the expenses for day-to-day inspection and maintenance, cleaning and greening works, etc., and the cost estimate had been agreed with the departments responsible for maintenance. The Administration would provide the above supplementary information requested by Mr YEUNG after the meeting.

(*Post-meeting note:* The Administration tabled its written response (<u>LC Paper No. PWSC208/18-19(01)</u>) at the meeting on 14 May 2019.)

Mr Tony TSE opined that attributing the previously high construction 32. cost to the original design of the proposed footbridge was unfair to the designer team responsible for that design. He also said that both he and members of the architectural, surveying and planning sectors found the new design of the proposed footbridge too simple and crude to match the artistic characteristics of the Artist Square. Mr TSE noted that the Administration had proposed to entrust the construction works of the proposed footbridge to WKCDA and would incorporate enhancement measures into the design to create a fresh artistic environment and an atmosphere with vibrancy. While expressing support for the relevant entrustment arrangement, he enquired about the details of the enhancement measures. He also asked whether the design of the Artist Square would be modified to accommodate those enhancement measures and whether the proposed footbridge would be managed by the Government or WKCDA upon completion.

33. <u>Mr Jeremy STOWE, Chief Projects Officer, West Kowloon</u> <u>Cultural District Authority</u> ("CPO/WKCDA"), replied that the proposed footbridge was an important gateway of the Artist Square. The Administration and WKCDA would install a decorative lighting system and make ancillary provisions for art installations fixing at the proposed footbridge to match the attractive design of the Artist Square. <u>PM(S)/CEDD</u> said that the Administration would undertake the day-to-day management of the proposed footbridge, whereas WKCDA would be responsible for setting up and maintaining its own installations there.

34. <u>Mr Gary FAN</u> noted that the peak pedestrian flow (two-way) of the proposed footbridge was estimated to be about 4 600 pedestrians per 30 minutes. He requested the Administration to provide the estimated daily pedestrian flow of the proposed footbridge for the sake of evaluating its cost-effectiveness.

35. <u>PSHA</u> and <u>PM(S)/CEDD</u> responded that the proposed footbridge provided a direct and grade-separated linkage for the public to access the Artist Square conveniently, thereby enhancing the connectivity of West Kowloon. The Administration anticipated that the pedestrian flow over the proposed footbridge would increase following the gradual commissioning of WKCD's facilities. Moreover, WKCDA had evaluated the peak pedestrian flow of WKCD (i.e. when venues were being emptied) using a computer simulation model to ensure that the proposed footbridge would be able to cope with it.

<u>763CL — Integrated Basement for West Kowloon</u> <u>Cultural District — remaining works</u>

Construction cost and operating expenses

36. <u>Dr KWOK Ka-ki</u> questioned why the one-off upfront endowment of \$21.6 billion granted by FC for WKCD development did not cover the construction cost of IB. In view of the high construction cost of IB, he enquired whether and how the Administration had improved the cost-effectiveness of the project and reduced the cost by optimizing the design of IB.

37. <u>PSHA</u> explained that the cost of constructing IB, which was a public infrastructure works ("PIW") project to support WKCD development, would not be covered by the one-off upfront endowment, which was granted to finance the construction of WKCD's arts and cultural facilities. In 2013, the Administration's rough cost estimate for the IB project was around

\$23 billion, provided that construction would be completed by 2020. However, due to the MTR Corporation Limited's delay in handing over to WKCDA the works area of the Guangzhou-Shenzhen-Hong Kong Express Rail Link project located within WKCD, the construction works of IB would be deferred for phased completion in 2025 to 2027, hence driving up the construction cost to \$23.6 billion, which was nonetheless still roughly in line with the 2013 estimate. PM(S)/CEDD supplemented that the Administration had adopted a number of measures to reduce the volume of excavation works and enhance the engineering cost-effectiveness when designing IB. At the request of Dr KWOK Ka-ki, the Administration would provide a written response to his question above after the meeting.

(*Post-meeting note:* The Administration tabled its written response (<u>LC Paper No. PWSC208/18-19(01)</u>) at the meeting on 14 May 2019.)

38. <u>Mr LAU Kwok-fan</u> expressed support for the funding proposal. He pointed out that the IB project was essential as IB was an integral component of the "City Park" conceptual plan adopted by WKCDA for WKCD. <u>Mr LAU</u> also enquired whether the funding proposal for the remaining works of IB was the last to be put forward for the entire IB project.

39. <u>PSHA</u> replied that the design of IB enabled traffic to be put underground, thereby freeing up the space at grade for development of arts and cultural facilities and public open space. <u>PM(S)/CEDD</u> supplemented that the funding proposal for works of IB in Zones 3A and 3B had been approved earlier by FC. The Administration would be able to complete the whole IB project if the current funding proposal for works in Zone 2 was approved as well. Moreover, the Administration would seek FC's funding approval for other PIW projects (e.g. pier facilities) at the appropriate time.

40. <u>Dr KWOK Ka-ki</u> enquired about the use of the in-house management cost payable to WKCDA in relation to entrusting it with the proposed remaining works of IB. <u>PSHA</u> replied that the Administration would reimburse WKCDA for the actual in-house management cost incurred for the entrusted works in the light of the works progress, subject to a cap of \$347.5 million (in MOD prices).

41. <u>Mr CHAN Chi-chuen</u> asked whether the annual recurrent expenditure of \$64 million expected to arise from IB would be borne by the Administration, WKCDA or the private developers of the topside facilities. He also enquired about the date from which spending would be incurred. <u>PM(S)/CEDD</u> responded that the said expenditure was the cost of day-to-day maintenance of the underground road in IB and its associated facilities, payable by the Administration after their commissioning.

42. <u>Mr KWONG Chun-yu</u> enquired whether the revenue generated from the topside facilities of WKCD would be used for subsidizing the construction cost of IB. <u>PSHA</u> said that the topside HOR developments at WKCD would be delivered through a Build-Operate-Transfer arrangement, under which WKCDA could share the revenue generated from those developments and use the revenue for operation of arts and cultural facilities.

Timetable and design of the construction works

43. <u>Mr CHAN Chi-chuen</u> noted that the proposed remaining works of IB were expected to be completed in phases by around 2027. He sought details of the timetable of the works concerned and asked how the timetable would affect the development progress of the topside facilities of WKCD. <u>Mr KWONG Chun-yu</u> was also concerned how the IB project would dovetail with the topside development of WKCD. <u>Mr Holden CHOW</u> enquired whether the topside development of WKCD could be carried out concurrently with the proposed remaining works of IB or it was supposed to commence after completion of the latter.

PSHA and PM(S)/CEDD responded that the proposed IB works in 44. Zone 2 included, among other things, construction of the basement, foundation works and underground road. In view of the time required for works implementation, the Administration would commence the construction works as soon as possible after obtaining FC's funding approval. The underground road in Zone 2A of IB was expected to be completed in 2025, while the construction works in Zone 2BC would also commence progressively, so that the proposed remaining works of IB would be substantially completed in phases by around 2027. Moreover, to allow the proposed remaining works of IB and the topside development to be carried out concurrently, the Administration had coordinated with WKCDA regarding the development plans of IB and the topside facilities, thereby enabling WKCDA to commence the detailed design of the topside facilities, and would entrust the proposed remaining works of IB to WKCDA. There would be implications for the development of the topside arts and cultural facilities and HOR developments if the construction works of IB in Zone 2 could not be completed as scheduled.

45. <u>CPO/WKCDA</u> supplemented that after completion of IB in Zone 2, WKCDA would give priority to the delivery of the topside HOR developments in Zone 2, so as to generate revenue for implementing the development of topside arts and cultural facilities in Zone 2, including the Musical Theatre, Music Centre, Great Theatre and Medium Theatre I.

46. <u>Mr MA Fung-kwok</u> enquired how it could be ensured before the design of WKCD's topside facilities was completed that the IB structure was adequate to cater for the loading of the topside facilities and that the scale and construction cost of the IB project were appropriate and reasonable.

47. <u>PM(S)/CEDD</u> replied that the fundamental purposes of various topside facilities of WKCD had largely been confirmed, and there was a high degree of integration between IB and the topside facilities. In view of this, coordinating effort had been made by the Administration and WKCDA regarding the development plans of IB and the topside facilities. Flexibility was also built into the design of the IB structure for it to cater for the loading.

48. <u>Dr CHENG Chung-tai</u> was concerned how the design of IB matched with the artistic ambience of WKCD. <u>PM(S)/CEDD</u> said that the Administration implemented the IB project on the basis of Foster + Partners' conceptual plan. Members of the public arriving at IB via the underground road would only stay briefly in IB, as they would make their way to various facilities of WKCD via the communal lobbies right after getting off at the pick-up/drop-off areas. A no-frills design was therefore adopted for IB. That said, WKCDA would consider ways to beautify the design of IB's facilities in future.

49. <u>Mr CHU Hoi-dick</u> noted that according to Annex 1 to Enclosure 3 to the discussion paper, an underground road would be built at the location of TSTFSC to connect Canton Road to the underground road in IB. He enquired whether IB had to be further extended eastward from Zone 2A to the location of TSTFSC to enable the development of the aforesaid section of underground road; if so, how much the cost of the relevant basement works would be and when such works would be completed.

50. <u>PM(S)/CEDD</u> replied that the existing location of TSTFSC would not be used for IB development but the Administration would carry out other PIW projects in WKCD to support the development thereof. An example, still at the study stage, was the construction of an underground road at the said location after the relocation of TSTFSC. Before completion of that underground road, motorists had to access the underground road in IB via Austin Road West.

51. <u>Mr CHAN Chi-chuen</u> was concerned that despite the highest amount of funding being sought, the proposed remaining works of IB took up a smaller portion of the discussion paper than the other two projects, which

required less funding. He also enquired whether an artist's impression of IB could be provided for members' reference. <u>Dr CHENG Chung-tai</u> echoed Mr CHAN's concern.

52. <u>PSHA</u> and <u>PM(S)/CEDD</u> explained that the proportion taken in the discussion paper depended on the nature and complexity level of the funding proposal concerned. The proposed remaining works of IB served two major purposes, namely to support the topside facilities and to provide public facilities such as the underground road. In this connection, the locations of the various topside arts and cultural facilities and HOR developments in Zone 2 could be found in the zoning plan of IB at Annex 1 to Enclosure 3 to the discussion paper, while the layout and section plans of IB in Zone 2 at Annex 2 showed the major uses of IB. Moreover, a breakdown of the construction cost of the proposed remaining works of IB was set out in paragraph 9 of Enclosure 3 to the discussion paper.

53. <u>Dr KWOK Ka-ki</u> requested the Administration to provide a table setting out the total floor area of the whole IB, the floor area of each level, the floor area by different uses, and the total length of the underground road in IB.

(*Post-meeting note:* The Administration tabled its written response (<u>LC Paper No. PWSC208/18-19(01)</u>) at the meeting on 14 May 2019.)

Works monitoring

54. <u>Mr MA Fung-kwok</u> was concerned how the Government would monitor the proposed remaining works of IB, which were to be entrusted to WKCDA, to ensure the proper use of public money, given that the proposed footbridge, another project also to be entrusted to WKCDA, was marred by high construction cost for its original design.

PSHA responded that WKCDA would carry out a cost estimate when 55. designing the proposed footbridge. That said, for such a public works project, the relevant government departments would undertake to review the cost calculation when funding approval was to be sought. As regards the IB project, PM(S)/CEDD responded that in estimating its cost effectiveness, it was borne in mind that the project consisted of general enabling works PM(S)/CEDD without any fancy design. also advised that Civil Engineering Development Department the and ("CEDD") recommended that the proposed footbridge project and the remaining works of IB be entrusted to WKCDA in order to expedite the construction progress and enable the concurrent implementation of the IB project and the topside development. CEDD would also employ various means (e.g. meeting with WKCDA and requiring the project design to be vetted and approved by the authorities) to monitor the works entrusted to WKCDA.

56. <u>Mr KWONG Chun-yu</u> enquired how the Administration could ensure that the proposed remaining works of IB would be completed without cost overruns or delays, so that WKCDA could waste no time in developing the topside facilities to generate the revenue it needed for balancing its books.

57. <u>PSHA</u> replied that the upfront endowment of \$21.6 billion was only sufficient to cover the costs of developing all the Batch 1 and most of the Batch 2 arts and cultural facilities of WKCD. Under the enhanced financial arrangement, WKCDA would put forward financing options in around 2023 for developing the Batch 3 arts and cultural facilities. <u>PM(S)/CEDD</u> supplemented that the Administration had taken measures to ensure no cost overruns or delays in the proposed remaining works of IB, such as carrying out ground investigations by way of coring at the project site and drawing reference from the designs of the ongoing IB works.

58. <u>Dr CHENG Chung-tai</u> enquired about the Administration's arrangement to monitor the WKCD projects through CEDD and the consultants appointed. <u>PM(S)/CEDD</u> said that WKCDA and the consultants it appointed would undertake the day-to-day management of the IB and PIW construction works entrusted to WKCDA. However, the Administration would still supervise the work of WKCDA pursuant to the provisions under the entrustment agreement. In addition, a dedicated team of CEDD would exercise control over the quality of works through conducting site inspections.

Handling of construction waste

59. <u>Mr Jeremy TAM</u> enquired whether the Administration would consider delivering the construction waste generated from various public works projects (including the IB project) directly to the project site of the Three-Runway System ("3RS") at the Hong Kong International Airport for reclamation purpose.

60. $\underline{PM(S)/CEDD}$ said that the inert construction waste generated from the ongoing works of the IB project would be delivered to the sites of concurrent projects (include 3RS) for reuse.

Arrangements for discussing and voting on funding proposals

61. <u>Mr Gary FAN</u> was dissatisfied that the Administration had bundled up the funding proposals for the above three projects in one discussion paper for consideration by PWSC. He requested the Administration to consider making arrangements such that the funding proposals for the three projects would be discussed and voted on separately at the FC meeting. <u>Mr AU Nok-hin</u> also considered the bundling approach undesirable. <u>Dr Helena WONG</u> requested that the above three projects be voted on separately at the FC meeting.

(*Post-meeting note:* The Administration tabled its written response to Mr Gary FAN's request (<u>LC Paper No. PWSC208/18-19(01)</u>) at the meeting on 14 May 2019.)

62. <u>Mr Gary FAN</u> then mentioned that, at an earlier meeting of PWSC where the funding proposal for <u>PWSC(2018-19)40</u> (i.e. site formation and infrastructure works for public housing development at Wang Chau, YuenLong) was endorsed, the Chairman did not consult members immediately on whether the item would require separate voting at the relevant FC meeting, but instead did so only towards the end of the meeting, resulting in some members missing the opportunity to make the request. He considered such an approach "cunning" and "insidious".

63. <u>The Chairman</u> said that in the past, it was right after the funding proposal for a public works project was endorsed by PWSC, or occasionally towards the end of the meeting, that he consulted members on whether the proposal would require separate voting at the FC meeting. Some members would make such a request even without the Chairman's reminder. Furthermore, members could still make a request for separate voting to FC after the Subcommittee meeting and before FC considered the item. <u>The Chairman</u> considered Mr FAN's criticism inappropriate.

64. <u>Mr Gary FAN</u> said that it was a usual practice adopted in the past for the Chairman to consult members immediately after a funding proposal was endorsed as to whether it would require separate voting at the FC meeting. He therefore suspected that the Chairman was telling a lie.

65. <u>Mr LAU Kwok-fan</u> said that occasionally in the past it was not until towards the end of the PWSC meeting that the Chairman consulted members on whether the funding proposals endorsed at that meeting would require separate voting at the FC meeting. He therefore considered Mr Gary FAN's criticism against the Chairman unfair. <u>Mr MA Fung-kwok</u> pointed out that it was inappropriate for some members to make insulting comments on the

Chairman but refuse to retract those comments. He considered it imperative to uphold the authority and dignity of the Chairman.

66. <u>Mr CHAN Chi-chuen</u> said that it used to be the case that immediately after an item was endorsed, the Chairman consulted members on whether the item would require separate voting at the FC meeting, and there had also been occasions where he posed the question to members only towards the end of the meeting. He suggested that the Chairman could make it a regular practice in future to consult members immediately after a funding proposal was endorsed as to whether they would make such a request, so that members would be duly reminded.

67. <u>The Chairman</u> advised that he would pay heed to members' comments. However, he would not accept criticisms made by members using insulting language. He hoped that members would mind their language.

68. <u>Mr Tony TSE</u> requested that 754CL under the funding submission be singled out for separate voting by PWSC. <u>The Chairman</u> agreed that arrangement could be made for the three projects under the funding submission to be voted on separately by the Subcommittee.

[At 10:18 am, the Chairman consulted members on whether to extend the meeting for 15 minutes to 10:45 am. Members raised no objection.]

69. <u>The Chairman</u> said that the Subcommittee would continue to discuss this item at the next meeting. The meeting ended at 10:45 am.

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