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**FINANCIAL SERVICES AND THE
TREASURY BUREAU**

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28 January 2019

Clerk to Public Works Subcommittee
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road, Central
Hong Kong
(Attn: Ms Doris LO)

Dear Ms LO,

**Public Works Subcommittee
Follow-up to meeting on 16 January 2019**

Subsequent to the Government's partial reply dated 18 January 2019 on the follow-up items arising from the captioned meeting, we would like to set out our response on the remaining items, prepared in consultation with relevant bureaux/departments, at **Enclosure** for reference.

Yours sincerely,

(Original signed)

(Margaret HSIA)
for Secretary for Financial Services
and the Treasury

Enclosure

Head 701 Subhead 1100CA

Item 4 of Part I (Central-Wanchai Bypass and Island Eastern Corridor Link)

3. At the request of Hon AU Nok-hin, the Government shall provide supplementary information on the annual estimates for the item since its initiation, the corresponding revised estimates, the difference between the two and the reasons for the difference.

The annual estimates, the corresponding revised estimates and the difference between the two in respect of the land acquisition cost arising from the Central-Wan Chai Bypass and Island Eastern Corridor Link project since 2016 are as follows:

<u>Financial</u> <u>Year</u>	<u>Annual Estimates</u> <u>(approximate)</u>	<u>Revised Estimates</u> <u>(approximate)</u>	<u>Difference</u> <u>(approximate)</u>
16-17	\$46.86 million	\$71 million	\$24.14 million
17-18	\$187 million	\$314.66 million	\$127.66 million
18-19	\$3.63 million	\$52.72 million	\$49.09 million
19-20	\$238.63 million	(N/A)	--

The above estimates are for meeting the land acquisition cost arising from the project, which comprises:

- (a) land compensation;
- (b) compensation for creation of rights of temporary occupation of private land; and
- (c) payment to cover the expenses incurred by claimants in engaging professionals in relation to their compensation claims.

The Lands Department (“LandsD”) is bound by legal provisions, rulings of the Lands Tribunal or the ex-gratia allowance (“EGA”) formula approved by the Finance Committee in the payment of statutory compensation or EGAs arising from land acquisition. These factors are beyond the control of the Controlling Officer. The annual cash flow requirement is assessed based on the progress of negotiation in respect of such compensation claims. Thus, notwithstanding the Government’s efforts made on preparing such estimates, it is difficult to ascertain the precise amount and exact timing in regard to payment of compensation.

4. At the request of Hon Claudia MO, the Government shall provide supplementary information with a breakdown of the estimates for the item for 2019-2020 (i.e. \$238.63 million).

The estimated cash flow requirement for the Central-Wan Chai Bypass and Island Eastern Corridor Link project under Head 701 Subhead 1100CA in 2019-20 is \$238.63 million. It is for meeting the land acquisition cost arising from the project, which comprises:

- (i) land compensation;
- (ii) compensation for creation of rights of temporary occupation of private land; and
- (iii) payment to cover the expenses incurred by claimants in engaging professionals in relation to their compensation claims.

Item 2 of Part I (Hong Kong section of Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL))

5. At the request of Hon KWONG Chun-yu, the Government shall provide supplementary information to explain whether the estimates for the item have taken into account the claims from villagers of Ngau Tam Mei Tsuen, Yuen Long for the impact caused by the XRL project on their houses and the water level of their wells, the nature of their claims and the progress of processing such claims by the Government.

A written claim may be lodged with the Secretary for Transport and Housing for physical or structural damage to any land or building in accordance with the Railways Ordinance (“the Ordinance”) (Cap. 519, Laws of Hong Kong). The amount of compensation will be determined according to the basis of assessment set out in the Ordinance.

According to records, the LandsD has not received any claims relating to buildings allegedly affected by the aforesaid works in Ngau Tam Mei Tsuen, Yuen Long, and thus no provisions have been earmarked for that purpose. If such claims are received, the LandsD will act in accordance with the Ordinance.

Head 702 (Port and Airport Development)

6. At the request of Hon CHENG Chung-tai, the Government shall provide supplementary information to explain (a) the reason for not submitting funding proposals for the three subheads relating to the Port and Airport Development Strategy under this head in 2019-2020; and (b) the total expenditure on the three subheads since 1989.

The three subheads under Head 702 – Port and Airport Development are set out below:

- (a) Subhead 2001AX – Consultants’ fees for feasibility investigations and design and major in-house investigations for Port and Airport Development Strategy (PADS) -related civil engineering projects;
- (b) Subhead 2002AX – Consultants’ fees for feasibility investigations and design and major in-house investigations for PADS-related transport projects; and
- (c) Subhead 2003AX – Consultants’ fees for feasibility investigations and design and major in-house investigations for PADS-related territorial development projects.

The total expenditure in respect of the above three subheads since 1989 is \$689.5 million, and all items under the three subheads were completed. Since 2005-06, there has been no funding requirement or need to make funding proposals under the subheads. We will keep in view future funding requirements of the subheads and consider their deletion at an appropriate juncture.

Head 703 Subhead 3101GX

HQ107 – HKSAR’s participation in the 2019 Beijing International Horticultural Exposition – Hong Kong Garden

7. At the request of Hon CHAN Chi-chuen, the Government shall provide supplementary information to explain the details of the item, including (but not limited to) the dates of the exposition, the site area of the Hong Kong Garden, its design and proposed types of exhibits, as well as the details of the management contract. The Government shall also indicate whether the item has been included in the block allocations for 2018-2019.

The 2019 Beijing International Horticultural Exposition (“the Exposition”) is an international horticultural exposition of the highest level (Category A1) approved by the International Association of Horticultural Producers and accredited by the Bureau International des Expositions. It is also one of the most spectacular

international events in China in 2019. With the participation of over 200 countries and cities, it is expected to attract over 16 million visitors. This will be the fourth time that Hong Kong participates in such expositions organised by China, which allows Hong Kong to showcase its latest developments in horticulture, landscaping and greening, as well as facilitates international exchange on culture, green technology and horticulture.

The Exposition, with “Live Green, Live Better” as the theme, will be held between 29 April 2019 and 7 October 2019. The Hong Kong Garden has an area of 2 001 square metres. To echo the theme of the Exposition, a pavilion, a horticultural garden and a viewing deck have been set up in the Hong Kong Garden. Feature planting in the Hong Kong Garden comprises species which suit the local climate as recommended by the organiser, including *Gaura lindheimeri* and *Salvia officinalis*, fruit trees such as *Malus pumila* and *Prunus armeniaca*, as well as edible or medicinal plants such as *Rosmarinus officinalis* and *Matricaria recutita*.

The project was not included in the paper on the Capital Works Reserve Fund Block Allocations for 2018-2019 (PWSC(2017-18)25) submitted to the Legislative Council (LegCo) because the project had yet to be confirmed at the time the LegCo paper for 2018-19 was prepared.

Head 703 Subhead 3100GX

Item 3 of Part III (A 24-classroom primary school at Au Pui Wan Street, Fo Tan – minor investigations and consultants’ fees)

8. At the request of Hon WU Chi-wai, the Government shall provide supplementary information to explain the reason why the primary school has only 24 classrooms.

Under the established mechanism, the Government will reserve sites for public sector school development when preparing town plans and planning large-scale residential developments having regard to the planned population intake and the needs for community services in accordance with the guidelines set out in the Hong Kong Planning Standards and Guidelines. The school site at Au Pui Wan Street, Fo Tan, Sha Tin was reserved in accordance with the above-mentioned mechanism for construction of a 24-classroom primary school.

Head 706 Subhead 6101TX (Universal Accessibility Programme)

9. At the request of Hon HUI Chi-fung, the Government shall provide supplementary information on the 10 on-going key items under this subhead to explain:

(a) whether they are under the Original Programme, the Expanded

Programme or the Second Phase of the Universal Accessibility Programme (UAP);

- (b) whether there are delays or lags in each project and if so, the number of months/years of delays or lags; and**
- (c) whether there are cost overruns and/or defaults on the part of contractors and if so, the details.**

(a) The 10 on-going key items and the programmes to which they belong under the UAP are as follows:

Project Description	Programme
Provision of universal access facilities for footbridge no. KF69 in Sham Shui Po District	Expanded Programme
Provision of universal access facilities for footbridge no. HF104 in Southern District	Expanded Programme
Provision of barrier-free access facilities for footbridge no. NF167 in Tsuen Wan District	Original Programme
Provision of barrier-free access facilities for footbridge no. ST04 in Sha Tin District	Original Programme
Provision of universal access facilities for footbridge no. HF105 in Southern District	Expanded Programme
Provision of universal accessibility facilities at footbridges, elevated walkways and subways package 3 – investigation and design	Second Phase of the Programme
Provision of universal access facilities for footbridge no. HF135 in Central and Western District	Expanded Programme
Provision of barrier-free access facilities for footbridge no. NF127 in Tuen Mun District	Original Programme
Provision of universal access facilities for footbridge no. NF186 in Tsuen Wan District	Expanded Programme
Provision of universal access facilities for footbridge no. NF376 in Yuen Long District	Expanded Programme

(b) & (c) The implementation timeline of some of the items set out in the above table had to be extended due to various factors, including inclement weather, condition of the underground rock layers being more complicated than originally assessed and/or longer time required for underground utilities diversion works, etc. The implementation of the projects was affected by the above-mentioned factors,

and there were no delays or lags caused by defaults on the part of contractors which resulted in the need to extend the project completion dates in accordance with the terms and conditions of the contracts. We will endeavour to overcome the challenges and difficulties encountered in implementing the projects and review the construction schedule in the light of the actual circumstances in a timely manner, with a view to completing the works as soon as possible.

Since the launch of the UAP, there has been no cost overruns in any of the projects.

Head 707 Subhead 7100CX

Item 7 of Part II (Modification of existing seawater intake at the former runway for the district cooling system)

10. At the request of Hon Gary FAN Kwok-wai, the Government shall provide supplementary information to explain the reason for not including the item in the funding proposal on district cooling system submitted to the Public Works Subcommittee and the Finance Committee vide PWSC(2018-19)30 and FCR(2018-19)68 respectively.

According to the Environmental Impact Assessment Report on the Kai Tak Development, the Government shall improve the water quality at the Kai Tak Approach Channel to complement the development of the Kai Tak Development Area.

The southern chiller plant room of the District Cooling System currently in operation is situated at the former runway of the Kai Tak Development Area. Its seawater intake and seawater discharge are located at the former runway facing the Victoria Harbour. The works in respect of the “Modification of existing seawater intake at the former runway for the district cooling system” aim to relocate the above-mentioned seawater intake to somewhere facing the Kai Tak Approach Channel in order to enhance seawater circulation at the Kai Tak Approach Channel and hence improve its water quality.

As the above-mentioned works aim to improve the water quality at the Kai Tak Approach Channel and do not involve provision or enhancement of the refrigeration capacity of the District Cooling System, they are different from the works under 5045CG “District Cooling System at the Kai Tak Development” in terms of nature and purpose. It is therefore not appropriate to include such works in those under 5045CG.