立法會 Legislative Council

LC Paper No. PWSC84/20-21 (These minutes have been seen by the Administration)

Ref: CB1/F/2/1(10)B

Public Works Subcommittee of the Finance Committee of the Legislative Council

Minutes of the 10th meeting held in Conference Room 1 of the Legislative Council Complex on Wednesday, 27 January 2021, at 8:30 am

Members present:

Hon Tony TSE Wai-chuen, BBS, JP (Chairman)

Ir Dr Hon LO Wai-kwok, SBS, MH, JP (Deputy Chairman)

Hon Abraham SHEK Lai-him, GBS, JP

Hon Tommy CHEUNG Yu-yan, GBS, JP

Hon Michael TIEN Puk-sun, BBS, JP

Hon Frankie YICK Chi-ming, SBS, JP

Hon CHAN Han-pan, BBS, JP

Hon LEUNG Che-cheung, SBS, MH, JP

Hon Alice MAK Mei-kuen, BBS, JP

Dr Hon Junius HO Kwan-yiu, JP

Hon Holden CHOW Ho-ding

Hon Wilson OR Chong-shing, MH

Hon CHEUNG Kwok-kwan, JP

Hon LAU Kwok-fan, MH

Dr Hon CHENG Chung-tai

Hon Vincent CHENG Wing-shun, MH, JP

Members absent:

Dr Hon Priscilla LEUNG Mei-fun, SBS, JP Hon MA Fung-kwok, GBS, JP Hon LUK Chung-hung, JP

Public officers attending:

Mr Howard LEE Man-sing Deputy Secretary for Financial Services

and the Treasury (Treasury)3

Mr LAM Sai-hung, JP Permanent Secretary for Development

(Works)

Ms Bernadette LINN, JP Permanent Secretary for Development

(Planning and Lands)

Dr Samuel CHUI Ho-kwong, JP Deputy Director of Environmental

Protection (1)

Ms Margaret HSIA Mai-chi Principal Assistant Secretary for

Financial Services and the Treasury

(Treasury)(Works)

Mr Frank CHAN Fan, JP Secretary for Transport and Housing

Mrs Sharon YIP, JP Deputy Secretary for Transport and

Housing (Transport)1

Ms Gillian LAM Principal Assistant Secretary for

Transport and Housing (Transport)5

Mr Jimmy CHAN Pai-ming, JP Director of Highways

Mr Chris WONG Kin-por Principal Government Engineer/Special

Tasks

Highways Department

Mr Joseph CHUNG Siu-wing Chief Engineer 6/Major Works

Highways Department

Ms Stella LEE Yim-fong, JP Assistant Commissioner/New

Territories

Transport Department

Mr Ivanhoe CHANG Chi-ho Commissioner for Heritage

Development Bureau

Mr Ben LO Yu-bun Chief Assistant Secretary for

Development (Works)2

Ms Susanna SIU Lai-kuen Executive Secretary (Antiquities and

Monuments)

Development Bureau

Ms Winnie HO Wing-yin, JP Director of Architectural Services

Ms Jackie LEE Ka-lai Senior Project Manager 330

Architectural Services Department

Mr Horman CHAN Ming-cheong Assistant Director of Leisure and

Cultural Services (Leisure Services)1

Mr CHAN Wai-kit Senior Engineer (East)11

East Development Office

Civil Engineering and Development

Department

Clerk in attendance:

Ms Doris LO Chief Council Secretary (1)2

Staff in attendance:

Ms Connie HO Senior Council Secretary (1)3

Mr Keith WONG

Ms Christina SHIU

Ms Christy YAU

Ms Clara LO

Council Secretary (1)2

Legislative Assistant (1)2

Legislative Assistant (1)8

Legislative Assistant (1)9

Action

The Chairman advised that there were two papers for discussion on the agenda for the meeting, both of which were new funding proposals submitted by the Administration. The two funding proposals involved a total funding allocation of \$2,183.9 million. He reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of the Legislative Council ("LegCo"), 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 708 — Capital Subventions and Major Systems and Equipment PWSC(2020-21)30 3QR Hong Kong—Zhuhai—Macao Bridge — funding support for Main Bridge

2. <u>The Chairman</u> advised that the proposal (i.e. <u>PWSC(2020-21)30</u>) sought to increase the approved project estimate ("APE") of 3QR by \$1,514.7 million from \$9,046.5 million to \$10,561.2 million in money-of-the-day ("MOD") prices. The Government consulted the Panel on Transport on the proposal on 15 January 2021. Members supported in principle the submission of the funding proposal to the Subcommittee for consideration. A report on the gist of the Panel's discussion was tabled at the meeting.

The reasons for increasing the approved project estimate

- 3. The Deputy Chairman, Mr Holden CHOW, Mr Frankie YICK and Mr LEUNG Che-cheung expressed understanding of the additional cost required for the Hong Kong—Zhuhai—Macao Bridge ("HZMB") Main Bridge project in view of the extreme complicatedness and enormous technical difficulties of carrying out the construction works in the open sea.
- 4. The Deputy Chairman noted from the Government's paper that when the original estimate was prepared for the Main Bridge project, works in the open sea environment were yet to be covered under the "Budget Norm Standards" (known as "定額標準") promulgated by the Mainland authorities, i.e., the set of standards for the resource input required for each works procedure. Although references had been made to similar works projects on the Mainland as far as possible to factor in the resources required for carrying out works procedures in the open sea in the original approved project estimate, the actual level of resource input required during construction turned out to be higher than originally estimated due to the enormous scale and complexity of the Main Bridge project. In this connection, he requested the Administration to explain the specific technical difficulties encountered in

Action - 5 -

the actual construction process that had resulted in the relatively large difference between the project cost and the estimate.

- 5. <u>Director of Highways</u> ("DHy") explained the technical difficulties encountered in the actual construction process of the project by referring to the construction works of the immersed tube tunnel. For instance, in laying the immersed tube tunnel segments in the open sea, the engineering team must first lay the gravel bed on the seabed for the foundation works. However, due to the stronger winds and waves and the rapid currents in the open sea, special machineries were required for the gravel bed to be laid with precision. Moreover, since each of the immersed tube tunnel segments weighed up to 80 000 tonnes, laying of the immersed tube tunnel segments with precision required the help of extra machineries. In view of the above, the actual costs of machineries and materials of the project were higher than the original estimate.
- 6. <u>Dr CHENG Chung-tai</u> was concerned how the accuracy of project estimates could be ensured and serious cost overruns be avoided for other major cross-boundary infrastructure projects developed jointly by the Hong Kong Special Administrative Region ("HKSAR") Government and the relevant Mainland authorities in the future if the "Budget Norm Standards" of the Mainland were also adopted as the basis for preparation of the project cost estimate. <u>Dr CHENG</u> also enquired whether further additional funding would be sought for the Main Bridge project in the future and expressed concern about the higher repair and maintenance ("R&M") cost of HZMB in the future and the HKSAR Government's monitoring of the R&M expenditure involved.
- Secretary for Transport and Housing ("STH") said that the Mainland 7. authorities prepared project estimates based on parameters such as the technical standards, wage rates and unit cost of materials and equipment on the Mainland. In practice, such an approach was largely the same as that adopted by the HKSAR Government in compiling the cost estimates of works projects. For the Main Bridge project, in addition to the comprehensive of project estimate assessment the conducted Hong Kong—Zhuhai—Macao Bridge Authority ("the HZMB Authority") in accordance with the relevant requirements of the Mainland, an independent consultant was also engaged by the Joint Works Committee of the Three Governments ("JWC") comprising representatives of the governments of Guangdong Province, Hong Kong and Macao to assist in reviewing the The project estimate and the proposed adjustment to the approved estimate. adjusted estimate of the Main Bridge project were also approved by the State Council and the Ministry of Transport. He pointed out that the account finalization of the Main Bridge project was in the final stage. The

additional funding currently sought was calculated based on the adjusted estimate approved by the State Council, which was believed to be the final cost. <u>DHy</u> supplemented that when the funding proposal was submitted to LegCo in 2009 for implementing the Main Bridge project, the detailed design was not yet completed. This, coupled with the various technical difficulties encountered during construction, had resulted in the actual project cost exceeding the then estimate.

8. <u>STH</u> further said that representatives of the governments of Guangdong Province, HKSAR and the Macao SAR were appointed to JWC to supervise the HZMB Authority's operation and maintenance of HZMB, including vetting and approving the expenditure of the HZMB Authority for carrying out R&M for HZMB.

Expenditure and progress of works associated with the Hong Kong—Zhuhai—Macao Bridge Hong Kong Boundary Crossing Facilities

9. <u>Dr CHENG Chung-tai</u> and <u>the Chairman</u> requested the Administration to provide further information on the expenditure of "844TH — Hong Kong—Zhuhai—Macao Bridge Hong Kong Link Road" and "845TH — Hong Kong—Zhuhai—Macao Bridge Hong Kong Boundary Crossing Facilities — Reclamation and Superstructures" and advise whether the total costs of these projects were expected to exceed the relevant APEs upon completion of account finalization.

(*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide <u>LC Paper No. PWSC74/20-21(01)</u> on 9 February 2021.)

- 10. <u>STH</u> and <u>DHy</u> said that the APEs of 844TH and 845TH totalled around \$60.9 billion. With the current total expenditure standing at around \$55.7 billion, the projects still had about \$5.2 billion of usable funds. As the account finalization of the two projects was still in progress, it would take time for the Government to verify the actual costs of the projects with the contractors. According to the Government's current estimate, the outturn expenditure of the two projects would not exceed the APEs.
- 11. <u>Mr Holden CHOW</u> enquired about the Administration's usual time schedule of conducting account finalization and seeking further funding from LegCo for covering the additional cost after completion of a public works project.

12. <u>DHy</u> replied that the Government usually set its target on completing the account finalization within three years after completing a public works project. The account finalization might take longer time to complete if more complicated claims were involved. Under the prevailing funding procedure for public works projects, contingencies were usually provided under the APE for covering the costs arising from changes in the projects and contractors' claims filed against the Government in respect of the projects. The Government would have no need to seek additional funding from LegCo if the APE could cover the project cost.

Increasing the usage of Hong Kong—Zhuhai—Macao Bridge

- 13. Mr Frankie YICK pointed out that the usage of HZMB had been low since its commissioning. Its usage had dropped even further as the passenger and cargo traffic of Hong Kong and the Mainland had been dealt a severe blow by the Coronavirus Disease 2019 ("COVID-19") pandemic. He requested the Administration to advise whether measures would be introduced to boost the usage of HZMB. The Chairman opined that the Administration should expedite its studies on the ways to boost the usage of HZMB to enable the timely launch of relevant measures once the pandemic eased and the cross-boundary travel between Hong Kong and the Mainland resumed to normal.
- 14. <u>STH</u> said that the HKSAR Government had been working with the Guangdong Provincial Government to explore new measures to boost the vehicular volume of HZMB. That included the plan to launch the "Quota-free scheme for Hong Kong private cars travelling to Guangdong via the HZMB" to attract Hong Kong residents to travel between Hong Kong and the Guangdong Province for business, family visits or sight-seeing on a short-term basis driving their private cars via HZMB. Furthermore, the Airport Authority Hong Kong ("AAHK") was planning to develop automated car parks on the Hong Kong Boundary Crossing Facilities Island of HZMB for use by self-drive visitors from Guangdong and Macao flying out from the Hong Kong International Airport ("HKIA") or visiting Hong Kong via HZMB. The Government expected that the series of measures would help increase the usage of HZMB.
- 15. Mr LEUNG Che-cheung pointed out that part of the cost of the Main Bride project was financed by syndicated bank loans of which repayment would be covered by the income generated from the operation of HZMB. He was concerned that the Government would not be able to repay the loans with the operating income of HZMB if the usage of HZMB remained low.

- 16. STH said that HZMB had a design life of 120 years. According to the estimate made by the governments of the three places during the planning of HZMB, the income generated from the operation of HZMB in the first 30 years from its commissioning would be sufficient to repay the loans drawn for the construction works. The Government estimated that the passenger and cargo traffic of HZMB would increase in the long run and the income generated would be able to support its operation. Furthermore, the Government would actively explore how HZMB could be used for driving development economic of Hong Kong the and the Guangdong—Hong Kong—Macao Greater Bay Area and creating more economic benefits for Hong Kong as a whole.
- 17. Mr Frankie YICK reckoned that Hong Kong residents would have more incentives to travel to Mainland cities using the intercity flights provided by Zhuhai Airport if there was stronger cooperation between AAHK and Zhuhai Airport, in which case the passenger and cargo traffic of HZMB between Hong Kong and Zhuhai Airport could also be increased.
- 18. <u>Mr Michael TIEN</u> pointed out that there was no cross border bus service between the urban areas of Hong Kong and Zhuhai Airport at present, and he considered the current arrangement not conducive to attracting Hong Kong residents to use Zhuhai Airport. He asked the Administration when such cross border bus service would be provided.
- 19. said that AAHK was exploring injecting equity in Zhuhai Airport on the basis of market principles. Since Zhuhai Airport provided mainly flights to Mainland cities, the HKSAR Government expected that the cooperation between Zhuhai Airport and HKIA could achieve synergy to attract Hong Kong residents to travel to Mainland cities via Zhuhai Airport. Regarding the cross border bus service arrangements, he said that the connecting transport to and from Mainland airports was generally arranged by the respective airports. It was believed that Zhuhai Airport would actively explore the provision of cross border bus service to and from the urban areas of Hong Kong if there was perceived market demand for the service. He also expected that AAHK's injection of equity in Zhuhai Airport, if materialized, would be a positive factor contributing to the provision of the said cross border bus service.

Other matters

20. <u>The Deputy Chairman</u> pointed out that the Main Bridge project was a world-class construction project. The local engineering sector had also acquired precious experience and techniques through it. In this connection,

<u>Action</u> - 9 -

> he considered that the Administration should give due effort to knowledge management and archiving and consider setting up a small exhibition hall to showcase the cutting-edge engineering technologies applied in the Main Bridge.

> 21. STH said that both JWC and the HZMB Authority attached great importance to the archiving and management of the technologies and related knowledge applied in the HZMB project and had built records and files detailing the technologies involved and how the major technical challenges had been conquered. Local engineering personnel could also learn from the experience and apply those technologies in other local major infrastructure projects when needed.

Voting on PWSC(2020-21)30

22. There being no further questions from members on the item, the Chairman put PWSC(2020-21)30 to vote. At the request of members, the Chairman ordered a division. Twelve members voted for the proposal, one member voted against it and no member abstained. The votes of individual members were as follows:

For:

Ir Dr LO Wai-Kwok (Deputy Chairman) Mr Michael TIEN Mr CHAN Han-pan Ms Alice MAK Mr Holden CHOW Mr LAU Kwok-fan

Mr Tommy CHEUNG Mr Frankie YICK Mr LEUNG Che-cheung Dr Junius HO Mr Wilson OR Mr Vincent CHENG

Against:

Dr CHENG Chung-tai

(1 member)

(12 members)

Abstained:

(0 member)

23. The Chairman declared that the item was endorsed by the The Chairman consulted members on whether the item would require separate voting at the relevant meeting of the Finance Committee ("FC"). Mr LEUNG Che-cheung and Dr CHENG Chung-tai requested that the item (i.e. PWSC(2020-21)30) be voted on separately at the relevant meeting of the FC.

Head 703 — Buildings PWSC(2020-21)31 470RO Lung Tsun Stone Bridge Preservation Corridor at Kai Tak

24. The Chairman advised that the proposal (i.e. PWSC(2020-21)31) sought to upgrade 470RO to Category A at an estimated cost of \$669.2 million in MOD prices for the in-situ preservation of the Lung Tsun Stone Bridge ("LTSB") remnants and the construction of a preservation corridor. The Government consulted the Panel on Development on the proposed works on 28 April 2020. Members in general supported the submission of the funding proposal to the Subcommittee for consideration. A report on the gist of the Panel's discussion was tabled at the meeting.

Conservation value of Lung Tsun Stone Bridge at Kai Tak

- 25. The Deputy Chairman expressed support for the proposed project for the in-situ preservation of the LTSB remnants. The Chairman, the Deputy Chairman, Mr Vincent CHENG and Dr Junius HO were concerned how exhibition facilities would be provided at the proposed preservation corridor to explain the stories and historic value of the LTSB remnants to the public. Dr HO was concerned that the proposed preservation corridor, which featured a modern design, could hardly reflect the history of LTSB. The Deputy Chairman suggested that interactive multimedia facilities be used for presenting the information about the LTSB remnants at the preservation corridor, so as to attract youth and children visitors and arouse their interest in learning about the history of LTSB.
- 26. <u>Director of Architectural Services</u> ("DArchS") said that the proposed preservation corridor would showcase the historical photographs and related information of LTSB, and visitors could learn more about the history of LTSB by matching the historical photographs with the actual remnants. In addition, the Government would also consider providing interactive multimedia facilities at the preservation corridor. <u>Assistant Director of Leisure and Cultural Services (Leisure Services)1</u> supplemented that apart from having areas designated for exhibition purpose, the preservation corridor could also be used by organizations for hosting activities to promote the conservation of the LTSB remnants as the Government would welcome community groups to organize guided tour activities and would consider hosting online virtual tours.
- 27. <u>Dr Junius HO</u> objected to the proposed project. He considered that the only remnants left of LTSB were just some foundation stones and supporting pillars, which offered little viewing value. In view of the cost of

<u>Action</u> - 11 -

the proposed project that exceeded \$600 million, he opined that the resources should rather be spent on other public services that were beneficial to the public. The Chairman and Dr HO requested the Administration to provide supplementary information on the heritage and historic value of the LTSB remnants and how the proposed project of LTSB preservation corridor could preserve and interpret such heritage and historic value effectively.

(*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide <u>LC Paper No. PWSC81/20-21(01)</u> on 23 February 2021.)

- 28. Executive Secretary (Antiquities and Monuments), Development Bureau, responded that LTSB, first built between 1873 and 1875, used to be connected to the Kowloon City seaside and Kowloon Street (now part of Kowloon City District). According to historical data, it was where Qing officials landed and made their way to Kowloon Walled City and was the only surviving Qing stone bridge in the urban areas. She pointed out that remnants of the solid mass section, supporting pillar section and landing platform of the stone bridge and the Pavilion for Greeting Officials were found at different points of time in the archaeological process. These remnants were well preserved. Bearing witness to the early development of Kowloon City and the past political importance of Kowloon Walled City, they reflected the important historic value of LTSB.
- 29. <u>Dr Junius HO</u> opined that the public would have a better understanding of how LTSB looked and its historic value if it was reinstated to its original appearance according to the past design.
- 30. <u>DArchS</u> responded that either in-situ preservation or reinstatement to its original appearance was a viable method to display the historical remnants of LTSB. In this connection, both the Antiquities and Monuments Office ("AMO") and the Antiquities Advisory Board had studied and discussed the preservation approach for the LTSB remnants. Eventually, it was proposed that the remnants be preserved in-situ and displayed alongside historical photographs and with the aid of interactive multimedia facilities, so that the original appearance and history of LTSB could be presented to the public.
- 31. <u>Mr Vincent CHENG</u> expressed support for the proposed project. He pointed out that the archaeological work related to LTSB commenced as early as in 2008. He enquired why the Administration had not planned to embark on the proposed project for preserving the LTSB remnants until now. <u>The Chairman</u> was also concerned why the Administration took relatively long time to conduct the archaeological work.

32. Commissioner for Heritage, Development Bureau, replied that the Government found the LTSB remnants in 2008 when carrying out the archaeological investigation for Kai Tak development and embarked on the related archaeological work in the same year. Subsequently, public consultation on the ways to preserve the remnants was carried out in two stages in 2010 and 2011 respectively and the Design Ideas Competition for Preservation Corridor for Lung Tsun Stone Bridge Remnants ("the Design Ideas Competition") was held between 2013 and 2014. The design of the preservation corridor was then drawn up by referring to the winning design. It was after completion of the relevant local consultation that the funding proposal for implementing the preservation corridor project could be put DArchS supplemented that for the sake of proper in-situ forward. preservation of the LTSB remnants, concrete-built retaining walls had to be erected around the remnants. Furthermore, construction time might be lengthened if further components of the remnants were found during construction, as the engineering personnel were required to liaise with AMO for taking follow-up actions. In view of the above, the project was more complicated than general government construction works.

Works content and project cost of the proposed preservation corridor

- 33. Mr Vincent CHENG and Mr Holden CHOW noted from the Government's paper that three sites surrounding the proposed preservation corridor had been zoned for use as comprehensive development areas. They were concerned that the developments at those sites and the preservation corridor, if built in close proximity with each other, might look incongruous. Mr CHENG suggested that terms be stipulated under the land leases of the three sites requiring that the building design at those sites should match the architectural concept of the preservation corridor. He also enquired if the buildings at the three sites would be subject to height limits and required to be set apart from the preservation corridor by a given distance.
- 34. <u>Senior Engineer (East)11, East Development Office, Civil Engineering and Development Department,</u> said that except for one site that would be used for housing development by the Hong Kong Housing Society, two of the three aforesaid sites would be used for commercial development. <u>DArchS</u> supplemented that terms had been stipulated under the land leases of the sites surrounding the preservation corridor requiring that the building boundary be set back by three metres from the preservation corridor. This would widen the space of the preservation corridor and provide more leisure space for the public to appreciate the LTSB remnants. Moreover, the land uses of the surrounding sites had been finalized by the time when the Design Ideas Competition was held. Therefore, the winning design had taken into account the question of fitting in with the surrounding buildings.

- 35. Mr Holden CHOW expressed support for the proposed project. He pointed out that entries to the Design Ideas Competition might focus more on the quality of design but pay little attention to cost control. He was concerned whether the project cost would increase if the Administration adopted the winning design of the competition in designing the proposed preservation corridor.
- 36. <u>DArchS</u> explained that the Government designed the proposed preservation corridor by referring to the winning design of the Design Ideas Competition, rather than adopting the winning design directly. To illustrate her point with an example, she pointed out that the winning design had proposed that the excavation works of the preservation corridor be carried out to relatively great depths. However, the Government had reduced the depth of excavation to 1.5 metres below Principal Datum to cut down the cost in view of the implication of greater excavation depths on the project cost of the proposed preservation corridor. The excavation depth, though reduced, would suffice to allow the public to view the LTSB remnants in a close distance.

Voting on PWSC(2020-21)31

- 37. There being no further questions from members on the item, the Chairman put PWSC(2020-21)31 to vote.
- 38. The item was voted on and endorsed. <u>The Chairman</u> consulted members on whether the item would require separate voting at the relevant meeting of FC. <u>Mr LEUNG Che-cheung</u> and <u>Mr Vincent CHENG</u> requested that the item (i.e. <u>PWSC(2020-21)31</u>) be voted on separately at the relevant meeting of the FC.
- 39. The meeting ended at 10:12 am.

Council Business Division 1
Legislative Council Secretariat
24 February 2021