

NOTE FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

Reprovisioning of Cooling Water Pumping System of The Hong Kong Academy for Performing Arts

PURPOSE

Members are invited to note the latest arrangements for the reprovisioning of the cooling water pumping system used by the Hong Kong Academy for Performing Arts (HKAPA)¹ under the Wan Chai development phase II (WDII) project.

BACKGROUND

2. The Legislative Council Finance Committee approved the upgrading of **7677CL** - Wan Chai development phase II, engineering works to Category A at an estimated cost of \$4,642.7 million in money-of-the-day prices on 3 July 2009 for reclamation of about 12.7 hectares of land and construction of ground level road network and other associated facilities for WDII. The project scope of **7677CL** comprises, amongst other things, reprovisioning of cooling water pumping systems and other waterfront facilities. As mentioned in paragraph 14 of PWSC(2009-10)53 on **7677CL**, the costs for reprovisioning the affected cooling water pumping systems will be recovered from respective building owners. All receipts will revert to general revenue. One of the cooling water pumping systems is used by HKAPA for maintaining its air-conditioning and flushing systems.

/ LATEST.....

¹ The HKAPA is a Government-subsidized education institute providing publicly funded training programmes in performing arts and related technical arts in furtherance of Government's policy objectives in arts education and cultural software.

LATEST ARRANGEMENTS AND JUSTIFICATIONS

3. Following the arrangement set out in the above-mentioned PWSC submission, the HKAPA, as one of the users of the affected cooling water pumping systems, is required to reimburse to the general revenue \$54.7 million being the cost of reprovisioning the cooling water pumping system with the aid of the same amount of government capital subvention from the Capital Works Reserve Fund. However, as the reprovisioning cost is intended to be met by a capital subvention, the reimbursement arrangement would entail the transfer of \$54.7 million from the Government to HKAPA and the return of the same sum back to the Government. In the interest of administrative efficiency, the reimbursement arrangement will not be applicable to HKAPA and we will meet the reprovisioning costs as part of the project expenditure under **7677CL**.

Home Affairs Bureau
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