

立法會
Legislative Council

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Panel on Financial Affairs

Meeting on 7 November 2011

Background brief on Kai Tak Government Offices

Purpose

This paper provides some background information on the planned Kai Tak Government Offices (KTGO) and summarizes the concerns and views expressed by Members during relevant discussions at Council and committee meetings.

Background

2. The Kai Tak Development (KTD) is a development project spanning a total planning area of over 320 hectares covering the 280-hectare ex-airport site and its adjoining areas in Kowloon City, Wong Tai Sin and Kwun Tong. According to the implementation plan for KTD revealed by the Administration in January 2009, the projects in KTD were grouped into three packages, namely Packages A, B and C, for completion by 2013, 2016 and 2021 respectively. KTGO, with a planned gross floor area of 50 000 square metres (m²), was one of the Package A projects.

3. In his 2011-12 Budget Speech, the Financial Secretary stated that KTGO, expected to be completed in 2015, would speed up the development of commercial office space at the brand new office node at Kai Tak.

4. At the special Finance Committee meeting on 25 March 2011 to examine the Estimates of Expenditure 2011-2012, the Administration advised that the KTGO would have a net operational floor area of around 33,000 m² and would accommodate the offices of 11 bureaux/departments¹. The Architectural Services Department had decided to adopt the design-and-build approach for constructing the KTGO, and the invitation of tenders for the construction of the KTGO was underway. The Administration planned to seek the Finance Committee's approval of the project in the 2011-2012 legislative session. The space which would be released upon relocation of the offices to the KTGO was mainly located at the Trade and Industry Department (TID) Tower in Mong Kok and other leased premises in southeast Kowloon. The Government would carefully consider the various disposal options for the TID Tower, including commercial use or sale, and would release the leased premises as and when appropriate.

Views and concerns expressed by Members

5. During previous discussions² on the KTD project by the former Panel on Planning, Lands and Works³ and the Panel on Development, Panel members urged the Administration to actively consider relocating government offices presently situated at prime urban land lots to KTD, with a view to establishing a one-stop government service centre in KTD and releasing the prime land lots concerned for more beneficial uses.

6. At the Council meeting on 2 March 2011, Hon Starry LEE raised an oral question on "relocation of offices of the Government and public organizations in core districts". Ms LEE asked for information about the locations and floor areas of existing government offices situated in core districts and the relocation plans for these government offices. In their follow-up questions, Ms LEE and some other Members enquired about the progress and details of the KTGO project, the relocation of the three government office buildings at the Wan Chai waterfront, and the use of revitalized industrial buildings for relocation of government offices.

¹ The 11 bureaux/departments concerned are: Education Bureau, Census and Statistics Department, Customs and Excise Department, Highways Department, Home Affairs Department, Hongkong Post, Labour Department, Lands Department, Social Welfare Department, Student Financial Assistance Agency and Trade and Industry Department.

² The relevant Panel meetings were held on 28 June 2005, 20 January 2009 and 31 March 2009.

³ The Panel on Planning, Lands and Works was renamed as the Panel on Development at the commencement of the 2007-2008 legislative session.

7. At the Council meeting on 1 June 2011, Members passed a motion on "Promoting the Relocation of Departmental Headquarters to the Districts for Creating Employment" moved by Hon Tommy CHEUNG Yu-yan and amended by Hon Tanya CHAN, Hon Ronny TONG Ka-wah and Hon LEE Wing-tat. According to the terms of the motion, the Administration was urged to, inter alia, proactively study relocating expeditiously the headquarters of its back offices which are situated in prime urban land lots to various non-core districts and new development areas, and immediately announce to the public a concrete relocation timetable with specific details in respect of the three government office buildings at the Wan Chai waterfront. The relevant progress report provided by the Administration is given in the **Appendix**.

Latest development

8. The Administration will consult the Panel on Financial Affairs on 7 November 2011 on the proposal to construct a government office building in the Kai Tak Development Area.

Relevant papers

9. The relevant papers are available at the following links:

Meeting of the Panel on Planning, Lands and Works on 28 June 2005	Minutes
Meeting of the Panel on Development on 20 January 2009	Agenda Minutes
Meeting of the Panel on Development on 31 March 2009	Minutes
Oral question raised by Hon Starry LEE at the Council meeting on 2 March 2011	Hansard (P. 7 to 34)
Special Finance Committee meeting on 25 March 2011	Minutes (paragraphs 18.47-18.48) Administration's replies to Members' supplementary written questions (reply serial no. S-FSTB(Tsy)01)

Motion on "Promoting the Relocation of Departmental Headquarters to the Districts for Creating Employment" carried at the Council meeting on 1 June 2011	<u>Wording of the motion passed</u> <u>Progress Report</u>
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Council Business Division 1
Legislative Council Secretariat
1 November 2011

Legislative Council Meeting of 1 June 2011
Motion on
“Promoting the Relocation of Departmental Headquarters
to the Districts for Creating Employment”

Progress Report

Purpose

At the Legislative Council meeting of 1 June 2011, the motion moved by Hon Tommy CHEUNG Yu-yan, as amended by Hon Tanya CHAN, Hon Ronny TONG Ka-wah and Hon LEE Wing-tat, on “Promoting the Relocation of Departmental Headquarters to the Districts for Creating Employment” (the wording of the passed motion is at **Annex**) was carried. This report incorporates the views of the concerned bureaux and briefs Members on the work progress of the Government in various areas covered in the motion.

Setting Up Government Offices in Different Districts and Relocating Government Offices Out of High-value Areas

2. On the premise that the operational needs of departments can be met and public services will not be affected, the Government agrees in principle that there is no need for government offices to cluster around and locate in the same areas. When selecting sites for new government offices, apart from the two important factors mentioned above, we will also critically consider other factors such as the need to tie in with town planning, whether the site is suitable for the proposed development, the cost-effectiveness of different proposals and the impact on local economic activities.

3. In fact, with the improvements made to the transport network and the penetration of information technology, government offices built in the last ten years or so are scattered across non-central business districts (“non-CBD”), for example, the North Point Government Offices (completed in 1998), the Cheung Sha Wan Government Offices (completed in 1999) and the Sha Tin Government Offices (completed in 2002). At present, among all 48 government joint-user buildings in Hong Kong, 36 of them are located in non-CBD or new development areas (“NDA”). Of these 36 government joint-user buildings, 17 are located in the New Territories (including the North District, Tai Po, Yuen Long, Tuen Mun, Mui Wo, Tai O, Peng Chau, etc.). Departments in these joint-user buildings mainly provide services to the local residents, for example, the Home Affairs Department, the Social Welfare Department (“SWD”), the Leisure and Cultural Services Department, the Lands Department and post offices.

4. At the same time, subject to practicability and cost-effectiveness, we are committed to implementing the established policy to gradually relocate those government offices with no specific location requirement out of the high-value areas, including CBD such as Central, Admiralty, Wan Chai and Tsim Sha Tsui, for more effective use of land resources so as to tie in with town planning as well as the economic and community development of Hong Kong.

5. To this end, the Government Property Agency regularly requests all bureaux and departments to conduct a critical review on their latest use of and requirements for office accommodation (including leased offices) according to their operational needs and public demand for services. If there is no need for certain departments to keep their offices in the high-value areas, on the premise that public services will not be affected, there is land suitable for development and the arrangement will be cost-effective, we would further study the feasibility of relocating them out of the high-value areas. There are quite a number of such examples, the more recent ones include relocation of the headquarters of the Independent Commission Against Corruption (“ICAC”) and the Customs and Excise Department from CBD to the ICAC Building and the Hong Kong Customs Headquarters Building in North Point in 2007 and 2010 respectively. We are also making preparation for relocating the Mong Kok office of the Water Supplies Department to an industrial building in the New Territories West, as well as planning to build the Kai Tak Government Offices for relocating departments currently housed in the Trade and Industry Department Tower in Mong Kok.

6. As regards the three government office buildings at the Wan Chai waterfront, there are as many as 27 departments and around 11 000 staff involved, with the affected net operating floor area amounts to 170 000 square metres. As the relocation plan is of a large scale, it has to be carried out in phases over a couple of years. Preparatory work is well underway to identify sites for the new government office buildings. We are giving initial consideration to new districts such as Kai Tak and Tseung Kwan O, as well as exploring the availability of suitable sites in other non-CBD. At the same time, we are further consulting the affected departments to better understand their requirements on site location and space provision, with a view to selecting and matching them to suitable relocation sites. We will continue to press ahead with the task and work out the relocation plan and timetable.

7. In respect of leased premises, taking into account the operational needs of departments and demand for public services, over the years we have been actively reducing leasing premises in the high-value areas for use as government offices. At present, only about 15% (approximately 41 000 square meters) of the total floor area of office premises leased by the Government is located in CBD. As regards districts commanding high rental such as Central and

Admiralty, the floor area of office premises leased by the Government has reduced from 11 450 square metres five years ago to the present level of 7 900 square metres, representing a reduction of around 31%. Following the relocation of bureaux to the Central Government Complex in phases by the end of this year, the total floor area of office premises leased by the Government in these districts could be reduced to around 3 400 square metres. We anticipate that the figure will be further reduced to 230 square metres in 2014. Based on the same principle, the premises that we have leased in recent years for use as government offices mainly located outside the high-value areas. For example, the premises newly leased by the Government this year are mostly located in Kowloon East, Chai Wan and Tin Shui Wai.

8. The Government will carry on with the implementation of the aforesaid policies. We anticipate that a number of high-value sites including the former Wan Chai Police Station, the former Wan Chai Police Married Quarters, the Murray Building, as well as the multi-storey carpark office buildings at Middle Road, Rumsey Street and Murray Road respectively, can be released for other development in the future. Yet, we have to reiterate that certain government departments must set up offices or put in place facilities in various districts (including the high-value areas). Courts, police stations, fire stations, Job Centres of the Labour Department, Social Security Field Units of SWD and Maternal and Child Health Centres of the Department of Health are some of the examples. As such, we have to establish and maintain government offices and facilities of these kinds in the high-value areas to provide local residents with services meeting their everyday needs and to support the multi-facet development of the respective districts.

Town Planning Development Strategy

9. As regards the overall spatial development pattern of Hong Kong and the development strategy of prime offices, the Government will continue to take forward the recommendations in the “Hong Kong 2030: Planning Vision and Strategy Study”, including:

- (a) We will accord priority in optimising the development potential of the metro area, while proceeding to develop two NDA schemes [i.e. the Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling (Three-in-One Scheme) NDA, as well as the Hung Shui Kiu NDA] in the medium to long term to cater for population growth. Such development pattern is in line with the principles of sustainable development and prudent use of land resources. The North East New Territories NDA Planning and Engineering Study (i.e. the Three-in-One Scheme) is currently in progress and the Hung Shui Kiu NDA Planning and Engineering Study will commence in August 2011. In planning the development of NDA, one of our

planning goals is to create diversified community and employment opportunities through a mix of land uses.

- (b) Apart from reinforcing CBD, we plan to develop new office nodes outside CBD, such as West Kowloon and Kai Tak, as well as to free up or relocate some government office buildings or government facilities, which do not require a prime location, out of CBD. These measures will not only contribute to the supply of office space, but also help to boost economic activities in the locality. We will from time to time review the use of government accommodation and continue to free up government offices which do not require a prime location to optimise site utilisation. Some of the more recent examples include the ex-Government Supplies Depot at Oil Street, North Point, the ex-Wan Chai Police Station, the ex-Mong Kok Market, etc.
- (c) In assessing whether a site is suitable to be vacated for other uses or be redeveloped, the Government will take into account various factors, such as the need to tie in with district planning, the need for environmental improvement and infrastructure development, the public demand for housing and offices, the building age, condition and recurrent cost of maintaining existing facilities, as well as whether the development potential of the site has been optimised. The Planning Department will from time to time review the land use of different districts, including comprehensive planning for vacated government office sites, with a view to meeting the changing aspirations and needs of the community.

**Financial Services and the Treasury Bureau
Development Bureau**

August 2011

**Motion on
“Promoting the Relocation of Departmental Headquarters
to the Districts for Creating Employment”
Moved by Hon Tommy CHEUNG Yu-yan
at Legislative Council Meeting
of 1 June 2011**

**Motion as amended by Hon Tanya CHAN, Hon Ronny TONG Ka-wah and
Hon LEE Wing-tat**

That, with Hong Kong's community development and progress in communications technology, the Administration needs to review whether it should locate the offices of various government departments in one district, and it should consider grasping the opportunity to improve planning for various communities, particularly the remote communities; for the purpose of fostering district economic development and creating more local district employment opportunities, this Council urges the Government to proactively study relocating expeditiously the headquarters of its back offices which are situated in prime urban land lots to various non-core districts and new development areas, including the North District, Tai Po, Yuen Long, Tuen Mun, Tung Chung, Tseung Kwan O and Kai Tak, etc.; in respect of the three government office buildings at the Wan Chai waterfront already planned for relocation, the Government should immediately announce to the public a concrete relocation timetable with specific details, and expedite the relocation process, so as to effect the moving in of large teams of civil servants of the relevant departments to various non-core districts or new development areas to boost the local consumption demand for shopping and dining, etc., inject fresh impetus into the local community economy, create more jobs suitable for the grassroots and lowskilled persons, and, under the principle of balancing the overall planning for the environment, conservation, transport and communities, hold discussions with the public and conduct studies on vacating valuable land lots which, while being put to uses which are more conducive to Hong Kong's economic development, should at the same time be utilized having regard to town planning, so as to help foster the diversified development of communities, increase the number of leisure facilities and public space, and enhance people's quality of living; this Council also urges the Government to proactively study undertaking comprehensive planning for Hong Kong's urban development and dovetail with the development strategies of the 'Secondary City Centre', so as to relocate expeditiously the headquarters of its back offices which are situated in prime urban land lots to various non-core districts and new development areas.