

立法會
Legislative Council

LC Paper No. PWSC195/14-15
(These minutes have been seen
by the Administration)

Ref : CB1/F/2/1(24)B

**Public Works Subcommittee of the Finance Committee
of the Legislative Council**

**Minutes of the 19th meeting
held in Conference Room 1 of the Legislative Council Complex
on Wednesday, 6 May 2015, at 8:30 am**

Members present:

Hon Alan LEONG Kah-kit, SC (Chairman)
Hon WU Chi-wai, MH (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon LEUNG Yiu-chung
Hon Emily LAU Wai-hing, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon WONG Kwok-hing, BBS, MH
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon Cyd HO Sau-lan, JP
Hon CHAN Hak-kan, JP
Hon CHAN Kin-por, BBS, JP
Dr Hon LEUNG Ka-lau
Hon IP Kwok-him, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP

Hon Steven HO Chun-yin
Hon Frankie YICK Chi-ming
Hon Gary FAN Kwok-wai
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, JP
Dr Hon Kenneth CHAN Ka-lok
Hon CHAN Yuen-han, SBS, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, JP
Dr Hon KWOK Ka-ki
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon SIN Chung-kai, SBS, JP
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, JP
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen, BBS

Members absent:

Hon Ronny TONG Ka-wah, SC
Hon CHEUNG Kwok-che
Hon Dennis KWOK

Public officers attending:

Mr YEUNG Tak-keung, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) ³
Mr HON Chi-keung, JP	Permanent Secretary for Development (Works)
Mr Thomas CHOW Tat-ming, JP	Permanent Secretary for Development (Planning and Lands)
Ms Anissa WONG, JP	Permanent Secretary for the Environment

Ms Jasmine CHOI Suet-yung	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mr Jonathan MCKINLEY	Deputy Secretary for Home Affairs (2)
Ms Linda LAW Lai-tan	Principal Assistant Secretary for Home Affairs (Recreation and Sport) ²
Mr WONG Lop-fai	Chief Project Manager 303 Architectural Services Department
Mr Raymond LAU	Senior Project Manager 332 Architectural Services Department
Mr Frankie LUI Kin-fun	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (E)
Mr LEUNG Koon-kee	Director of Architectural Services
Mr Frank WONG Tak-choi	Project Director (1) Architectural Services Department
Mr Alan SIU Yu-bun	Government Property Administrator
Mr LAM Chik-man	Chief Property Manager (Acquisition, Allocation and Disposal) Government Property Agency

Clerk in attendance:

Ms Sharon CHUNG	Chief Council Secretary (1) ²
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Staff in attendance:

Ms Anita SIT	Assistant Secretary General 1
Mr Fred PANG	Senior Council Secretary (1) ²
Mr Raymond CHOW	Council Secretary (1) ²
Ms Christina SHIU	Legislative Assistant (1) ²
Ms Christy YAU	Legislative Assistant (1) ⁷
Ms Haley CHEUNG	Legislative Assistant (1) ⁹

The Chairman advised that there were seven funding proposals on the agenda for the meeting. Six of them were agenda items carried over from the previous meeting of the Subcommittee on 22 April 2015. 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 item. He also drew members' attention to Rule 84 of RoP on voting in case of direct pecuniary interest.

Head 703 – Buildings

PWSC(2015-16)3 272RS Kai Tak Multi-purpose Sports Complex

2. The Chairman advised that the proposal, i.e. PWSC(2015-16)3, was to upgrade part of 272RS to Category A at an estimated cost of \$62.7 million in money-of-the-day prices to undertake pre-construction works for the proposed Kai Tak Multi-purpose Sports Complex ("MPSC"). The Subcommittee had commenced deliberation on the proposal at the meetings on 15 and 22 April 2015.

Anticipated usage of the proposed sports complex and the existing utilization of Hong Kong Stadium

3. Mr Kenneth LEUNG said that the Professional Commons was in principle supportive of the proposal to carry out pre-construction works for the MPSC project. Pointing out that the provision of venues for staging international arts/cultural events in Hong Kong was lagging behind Macau, he supported developing a large-scale multi-purpose stadium in Hong Kong. He held the view that supply of new venues would create demand for these facilities, and urged the Administration to formulate a long-term plan to ensure that the facilities at the proposed MPSC would be well utilized. He also suggested that the Administration should provide the projected revenue of the sports complex in the 3 or 5 years after commissioning to help members evaluate the benefits of the project. Deputy Secretary for Home Affairs (2) ("DSHA(2)") said that detailed expenditure and revenue estimates for the sports complex would be available at the pre-construction and detailed planning stages and such figures would be provided to LegCo Members.

4. Mr CHAN Chi-chuen referred to the examples given in the Administration's supplementary information paper (LC Paper No. PWSC165/14-15(01)) of sporting and non-sporting events that had taken place in recent years in overseas stadia of a similar capacity as that of the

proposed 50 000-seat main stadium of MPSC ("the main stadium"). Noting the Administration's explanation that such events could not take place in Hong Kong Stadium due to venue and noise limitations, Mr CHAN sought clarification on whether the Administration had contacted the relevant event organizers for staging such events in Hong Kong Stadium but were eventually turned down, or they were simply examples of events that could be hosted at the proposed main stadium in future. He also asked whether the aforementioned examples represented the target event profile of the main stadium; and if yes, whether the Administration aimed to compete with the operators of overseas mega-venues for staging such events.

5. DSHA(2) responded that the events listed in the Administration's supplementary information paper were examples of events that could take place in overseas stadia but not in Hong Kong Stadium due to the latter's venue limitations. The Administration hoped that the main stadium would be able to attract event organizers to stage such events in Hong Kong in future.

6. Mr LEE Cheuk-yan said that the Labour Party had reservation on the construction of a 50 000-seat stadium, which, in the Party's view, might turn out to be a "white elephant". He enquired about the estimated number of days in a year that such a stadium would be used for event hosting.

7. DSHA(2) said that Paragraphs 10 to 12 of the Administration's supplementary information paper had covered the areas of concern raised by Mr LEE Cheuk-yan. Pending further detailed study at the pre-construction stage, it would be speculative at the present stage to attempt to estimate the total number of event days to be accommodated in the main stadium.

8. The Chairman sought confirmation on whether the Administration had advised at the last meeting held on 22 April 2015 that the results of the studies to be carried out under the proposed pre-construction works might come to a conclusion that the construction of the 50 000-seat main stadium was not necessary. He further asked, if the results of the studies, based on sound reasons (e.g. the lack of financial viability for the development of the main stadium), indicated that the construction of the main stadium should not go ahead, whether the main stadium, currently a works item under Category B, would remain as such. Mr LEUNG Kwok-hung asked how much of the expenditure on the pre-construction works would be allocated to a study on the financial viability of the development of the main stadium.

9. DSHA(2) said he did not recall saying at the last meeting that the pre-construction works could come to the conclusion that the main stadium in MPSC should not be built. The pre-construction works included technical

studies on the project and investigation of the conditions of the project site. A separate operations consultancy study to be commissioned by the Administration would provide expert advice on the functional requirements of MPSC as well as performance standards, business planning and financial projections. All these studies would give the Administration a full picture of the MPSC project including the viability of the various proposed facilities and allow it to determine the appropriate project scope. As regards the works items currently under Category B (items (a) to (j) listed under Paragraph 4 of the discussion paper PWSC(2015-16)3, including the main stadium, the public sports ground, the indoor sports centre, etc.), DSHA(2) advised that they would all be subject to review during the pre-construction stage. He added that, pending the outcome of the pre-construction works, the current scope of the MPSC project was subject to change. He assured members that the pre-construction works would cover the areas of concern raised by members, and the Administration aimed to ensure that the MPSC project would be commercially viable, well-utilized and cost-effective.

10. Noting the declining usage rate of Hong Kong Stadium, Mr LEUNG Kwok-hung enquired if the Administration had studied the feasibility of constructing a retractable roof over the stadium to address the noise impact so as to boost its usage rate. Mr CHAN Chi-chuen questioned whether the Administration would set any usage rate target for Hong Kong Stadium.

11. In reply, DSHA(2) said that whilst the usage rate of Hong Kong Stadium had shown a slight decrease in the past three years, there was no evidence that this was a long-term trend. Moreover, unlike Hong Kong Stadium, which was operated by the Administration with a relatively passive management approach, the proposed MPSC would adopt a more proactive marketing approach to maximize the usage of the facilities.

Location of the proposed sports complex

12. Mr LEUNG Kwok-hung opined that it was rare in other cities for large-scale sports venues to be developed in the vicinity of residential areas. He asked if the Administration had conducted any security risk assessment on the proposed MPSC. DSHA(2) replied that the security issues would be carefully examined at the detailed planning stage.

13. Referring to Annex B of the Administration's supplementary information paper (LC Paper No. PWSC165/14-15(01)) which provided examples of sports stadia with at least 50 000 seats, located in the urban areas of overseas cities and built in or after 2000, Mr CHAN Chi-chuen said that only a few of them were newly-built and most of them were in-situ

redevelopment. He considered that Kai Tak, being an urban area, was not a suitable location to develop a new stadium. DSHA(2) responded that Annex B showed many examples of stadia in overseas cities that had been built in city centres in or after 2000.

Project cost

14. Mr CHAN Chi-chuen sought clarification on whether the rough project cost estimate of the proposed MPSC, i.e. about \$25 billion (at September 2014 prices), was made in 2010 or a recently adjusted figure. Chief Project Manager 303, Architectural Services Department advised that the project cost estimate was based on the project scope of the Project Feasibility Statement as well as the Technical Feasibility Study prepared in 2009, with the fluctuations from the Tender Price Index having been taken into account. Given that the figure was a preliminary estimate, it should be taken for reference purpose only.

Development approach for the proposed sports complex

15. While expressing support for the development of the proposed MPSC, Mr Tony TSE said that he was opposed to the adoption of the "design-build-operate" ("DBO") approach for the project. He said that members of the architectural, surveying and planning sector had grave reservation about the viability of adopting the DBO approach for such a huge project. He asked if the Administration had already decided to adopt the DBO approach. If not, he requested the Administration to further consult LegCo Members and professional bodies on the development approach before making a decision. The Chairman also enquired whether the pre-construction works would include a study on different development approaches.

16. DSHA(2) advised that at a meeting of the Panel on Home Affairs held in February last year, the Administration had briefed the Panel on the recommendation of a consultancy study on the procurement and financing options for the proposed MPSC, which identified the DBO approach as the preferred option. The study found that the DBO approach would bring in many benefits, such as incentivizing the private sector to work together with the Administration to achieve the objectives of the MPSC project, minimizing the teething problems at the various stages of design, construction and operation and allowing the Administration to manage the project more easily by having a single implementation consortium. While the study recommended the DBO approach, the Administration would only make a final decision on whether this approach would be adopted after completing the pre-construction works. Moreover, the Administration

would provide full justifications for the decision on the development approach to be adopted when it sought funding from LegCo for the construction of the main works of the proposed MPSC.

17. Mr Tony TSE expressed disappointment on DSHA(2)'s explanation. He urged the Administration to take into account the merits of other development approaches as well as the demerits of the DBO approach, and make reference to the relevant proposals of professional bodies. He said he was quite certain that the Administration would adopt the DBO approach eventually, as the pre-construction works covered preparation of tender documents for the main works, which would have to base on a pre-assumed development approach. The Chairman shared Mr TSE's concerns. DSHA(2) advised that the pre-construction works to be carried out for the proposed MPSC would not exclude the possibilities of adopting other development approaches.

18. Mr Albert CHAN said that he did not support the funding proposal. Casting doubt on the financial viability of developing the proposed MPSC under the DBO approach, he requested the Administration to provide justifications for adopting the approach and explain why it considered that the future operator would prefer such an approach.

19. DSHA(2) said that without the pre-construction works and detailed planning, it would be impossible for the Administration to conclude which was the most effective way to carry out the MPSC project. As explained earlier, the Administration had conducted a consultancy study on the procurement and financing options for the sports complex. The study recommended that the DBO approach should be adopted and the Panel on Home Affairs had been briefed on the recommendations. The study report was also available at the website of the Home Affairs Bureau.

Motion on adjournment of discussion on PWSC(2015-16)3

20. Mr Albert CHAN said that he would like to go through the report of the consultancy study on the procurement and financing options for the MPSC project before further discussing the funding proposal for pre-construction works with the Administration. He moved a motion to adjourn the discussion on PWSC(2015-16)3 pursuant to Paragraph 33 of the Public Works Subcommittee Procedure.

21. The Chairman said that the Subcommittee would proceed to deal with Mr Albert CHAN's motion. Each member could speak once on the motion, and the speaking time should not be more than three minutes. He then invited members to speak on the motion.

22. Mr Albert CHAN opined that while the public might support the development of a mega sports venue in Hong Kong, many issues related to the proposed MPSC, including its cost-effectiveness, location, project scope and development approach, remained unresolved. He was also worried that there might be transfer of benefits in the implementation of the project.

23. Expressing concern that the proposed MPSC might turn out to be a "white elephant", Mr LEUNG Kwok-hung requested the Administration to respond seriously to the various issues raised by members during the discussion on PWSC(2015-16)3. He said that members should consider the cost-effectiveness of the MPSC project in an objective manner.

24. Ir Dr LO Wai-kwok expressed objection to the motion. He said that the development of the proposed MPSC in Kai Tak was the outcome of rounds of consultation among the Administration, the sports sector, the District Councils, the Harbourfront Commission and the Panel on Home Affairs. Moreover, the proposed pre-construction works would cover the areas of concern raised by members. He called on the Administration to address these concerns during the pre-construction stage.

25. Mr CHAN Chi-chuen expressed support for the motion. He opined that, although the MPSC project had been discussed for several times by the Panel on Home Affairs and the Public Works Subcommittee, the Administration had not fully addressed the concerns raised by members and had not provided sufficient information on the project. He considered that adjourning the discussion on the funding proposal would allow more time for the Administration to look into the issues raised by members.

26. Mr CHAN Kin-por expressed objection to the motion. Given that a number of meetings had been held to deliberate the item and the Administration had replied to the many questions raised by members at the meetings or assured them that further information would be provided in due course, he considered it a waste of time for the Subcommittee to adjourn the discussion on the item. He further urged the Chairman to put the item to vote immediately once the adjournment motion was negatived.

27. Mr IP Kwok-him indicated objection to the motion. He echoed with Mr CHAN Kin-por, saying that the item had been discussed on a number of occasions at the meetings of the Panel on Home Affairs and the Subcommittee. Taking into consideration that the land in Kai Tak had been deserted for years after the relocation of the airport, he held the view that the development of the proposed MPSC should be taken forward without further delay. In regard to the concerns raised by some members over the event

profile for the main stadium, he considered it too early to request the Administration to commit the staging of a certain number of events at the main stadium, given that the sports complex would be completed many years later.

28. Dr KWOK Ka-ki said that members were caught in a dilemma on whether to support the motion. If the motion was carried, there would be no more discussion on the item. However, if the motion was negated and the discussion on the proposal was resumed, it would be difficult for members to determine their voting positions, having regard to the huge cost of the proposed MPSC project and the limited information available to members. He was worried that if the Subcommittee endorsed the funding proposal for the pre-construction works at the present stage, it would give the public an impression that LegCo had given the green light for the proposed MPSC to go ahead, which was not the case.

29. Mr WONG Kwok-hing considered that the motion to adjourn the discussion on the item was one of the tactics employed by some members to conduct filibustering. He considered that the proposed pre-construction works were much needed for developing a sports complex for the sports sector as well as the community.

30. Mr Tony TSE said that while he had expressed concern over the development approach for the proposed MPSC, he would not support the motion as the pre-construction works were essential for taking the MPSC project forward. Moreover, the Administration had assured members that it would further consult LegCo Members on the development approach before deciding on the matter.

31. Mr WU Chi-wai said that the main concern of Subcommittee members over the proposed MPSC was the construction of the main stadium, whereas the development of the public sports ground and the indoor sports centre, which were beneficial to residents in East Kowloon, was not controversial. He enquired whether the Administration would consider dividing the pre-construction works into two independent parts: one relating to the main stadium and the other covering the public sports ground and the indoor sports centre, so as to facilitate members' future deliberation on the item.

32. At the invitation of the Chairman, DSHA(2) responded to the motion moved by Mr Albert CHAN. He reiterated that all the items listed under Paragraphs 4(a) - 4(j) in the discussion paper, i.e. the main works items, would come under review during the pre-construction stage. Since the outline zoning plan of Kai Tak had been completed in 2007, all the

stakeholders, including the sports sector, the District Councils, LegCo Members, and the wider community had expressed strong support for the development of MPSC and urged the Administration to expedite the construction works. Without the implementation of the proposed pre-construction works, the Administration would not be able to further explore various aspects of the MPSC project. After the completion of the pre-construction works in around 18 to 24 months, the Administration would be able to submit a full proposal for funding the main works for LegCo Members' consideration.

33. In response to members' views on the motion, Mr Albert CHAN cited the recent cases of cost overrun in some major public works projects and expressed his worry that the proposed MPSC would be a recurrence of such cases. He reiterated his view that the site for developing the proposed MPSC should be used for providing residential units.

34. The Chairman put to vote the question that the discussion on PWSC(2015-16)3 be then adjourned. At the request of Mr Albert CHAN, the Chairman ordered a division. Ten members voted for, 25 voted against the motion and no one abstained. The voting result was as follows:

For:

Mr LEE Cheuk-yan
Mr Frederick FUNG
Mr LEUNG Kwok-hung
Mr Gary FAN
Dr KWOK Ka-ki
(10 members)

Mr LEUNG Yiu-chung
Ms Cyd HO
Mr Albert CHAN
Mr CHAN Chi-chuen
Dr Fernando CHEUNG

Against:

Mr Albert HO
Mr CHAN Kam-lam
Mr WONG Kwok-hing
Mr CHAN Hak-kan
Mr IP Kwok-him
Mr Frankie YICK
Mr Charles Peter MOK
Mr LEUNG Che-cheung
Miss Alice MAK
Mr SIN Chung-kai
Dr Elizabeth QUAT
Ir Dr LO Wai-ki
Mr Tony TSE
(25 members)

Mr James TO
Mr TAM Yiu-chung
Prof Joseph LEE
Mr CHAN Kin-por
Mr Steven HO
Mr WU Chi-wai
Mr CHAN Han-pan
Mr Kenneth LEUNG
Mr Christopher CHEUNG
Dr Helena WONG
Dr CHIANG Lai-wan
Mr Christopher CHUNG

Abstain:

(0 member)

35. The Chairman declared that the motion was negatived. The Subcommittee resumed discussion on PWSC(2015-16)3.

Continued discussion on PWSC(2015-16)3

36. Mr LEUNG Kwok-hung opined that any delay in the deliberation on PWSC(2015-16)3 was caused by the failure of the Administration to provide sufficient information on the funding proposal for members' consideration, rather than by the alleged filibustering tactics employed by Subcommittee members.

37. Mr CHAN Kin-por held the view that the Administration had already provided the information requested by members and the Subcommittee should make a decision on whether to support the funding proposal. Mr Albert CHAN disagreed with Mr CHAN Kin-por's view. He criticized the Administration for its failure to provide critical information about the MPSC project (e.g. construction cost and development approach) to members and the lackeys ("狗奴才") in LegCo for approving whatever funding proposals submitted by the Administration irrespective of the cost-effectiveness of the projects and the need of the society.

38. Mr CHAN Kin-por said that the public were well aware of who were lackeys in LegCo and people should beware of scumbags ("人渣") such as Mr Albert CHAN. Mr Albert CHAN requested the Chairman to make a ruling on whether the remark of Mr CHAN Kin-por was offensive. The Chairman asked whether Mr CHAN Kin-por would consider withdrawing his remark about scumbags. Mr CHAN Kin-por raised a point of order as to whether the expression "lackeys" used by Mr Albert CHAN was offensive language. The Chairman asked Mr Albert CHAN whether the expression used by him referred to any specific Member. Mr Albert CHAN confirmed that the expression did not refer to any specific Member.

39. Mr CHAN Kin-por said that he would not withdraw his remark but would revise it to "all those who filibustered were scumbags". The Chairman considered that the revised remark of Mr CHAN Kin-por still had the effect of referring to Mr Albert CHAN as a scumbag, as the latter was widely known as a LegCo Member who conducted filibustering. In this connection, the Chairman asked Mr CHAN Kin-por whether he would withdraw his remark.

40. Mr Paul TSE said that whether a defamation case would stand did not hinge on whether the claimant had been mentioned by name. He opined that the remarks made by Mr Albert CHAN and Mr CHAN Kin-por were of similar nature. As such, it would be unfair for the Chairman to request Mr CHAN Kin-por to withdraw his remark while Mr Albert CHAN had not been required to do so. Mr TSE urged the Chairman to apply the same standard when ruling on the remarks made by these two members. The Chairman said while he respected the right of Mr TSE to express his views, he had no intention to start a debate at the meeting with members on a ruling which he had made.

41. Mr CHAN Kin-por said that he had no intention to delay the proceedings of the meeting and he would leave the conference room in protest of Mr Albert CHAN's scumbag-like behaviour.

[Mr CHAN Kin-por walked out of the conference room.]

42. The Chairman said that he could take no further action on Mr CHAN Kin-por as Mr CHAN had already left the conference room. He ruled that Mr CHAN Kin-por's remark of referring to Mr Albert CHAN as a scumbag was inappropriate.

43. There being no further questions on the proposal (PWSC(2015-16)3) from members, the Chairman put it to vote. At the request of Mr CHAN Kam-lam, the Chairman ordered a division. Twenty-one members voted for, 14 voted against the proposal and no one abstained. The voting result was as follows:

For:

Mr CHAN Kam-lam
Mr Frederick FUNG
Mr CHAN Hak-kan
Mr Paul TSE
Mr Steven HO
Mr Charles Peter MOK
Mr LEUNG Che-cheung
Miss Alice MAK
Dr Elizabeth QUAT
Ir Dr LO Wai-kwok
Mr Tony TSE
(21 members)

Mr TAM Yiu-chung
Mr WONG Kwok-hing
Mr IP Kwok-him
Mr Michael TIEN
Mr Frankie YICK
Mr CHAN Han-pan
Mr Kenneth LEUNG
Mr Christopher CHEUNG
Dr CHIANG Lai-wan
Mr Christopher CHUNG

Against:

Mr Albert HO
Mr James TO
Ms Emily LAU
Mr LEUNG Kwok-hung
Mr WU Chi-wai
Dr KWOK Ka-ki
Mr SIN Chung-kai
(14 members)

Mr LEE Cheuk-yan
Mr LEUNG Yiu-chung
Ms Cyd HO
Mr Albert CHAN
Mr CHAN Chi-chuen
Dr Fernando CHEUNG
Dr Helena WONG

Abstain:

(0 member)

44. The Chairman declared that the proposal was endorsed by the Subcommittee.

Head 703 – Buildings

PWSC(2015-16)12 74KA Construction of West Kowloon Government Offices

45. The Chairman advised that the proposal, i.e. PWSC(2015-16)12, was to upgrade 74KA to Category A at an estimated cost of \$4,742.5 million in money-of-the-day prices for the construction of West Kowloon Government Offices ("WKGO"). The Panel on Financial Affairs had been consulted on the proposal on 7 February 2014. Panel members supported the implementation of the project. A report on the gist of the Panel's discussion had been tabled at the meeting.

46. At the invitation of the Chairman, Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (E) ("PAS(Tsy)E/FSTB") briefed members on the proposal.

Provision of car parking spaces in the proposed West Kowloon Government Offices

47. Mr James TO expressed concern on whether the proposed provision of car parking spaces in WKGO would be sufficient to meet the demand of users of the building. He opined that if there were insufficient parking spaces in WKGO, some staff working in the building might have to rent the parking spaces of nearby housing estates or shopping malls, hence leading to a surge in the rents of parking spaces in the district. He enquired about the

number of government employees who would work in WKGO and had a monthly salary of more than \$50,000. He opined that the figure would give members an idea of the number of staff who would like to drive to work.

48. Government Property Administrator ("GPA") replied that there would be around 3 300 government staff members working in WKGO. Of these employees, about 1 065 would be those remunerated on Master Pay Scale points 30 to 49, and about 65 employees would be directorate staff. They were those remunerated with a monthly salary of \$50,000 or more.

49. Dr Helena WONG commented that the Administration so far had not proposed any measures to address the shortfall in car parking spaces in the Yau Tsim Mong District following the planned demolition of the Yau Ma Tei Multi-storey Carpark Building ("YMTMSCB") and the Middle Road Multi-storey Carpark Building. Taking in view that many government vehicles were currently parked at YMTMSCB, she was concerned that the demolition of the carpark, together with a working population of 3 300 people in WKGO in future, might generate a great car parking demand and aggravate the parking problem in the concerned areas. She enquired about the use of the 92 parking spaces to be provided in WKGO and whether the parking facilities would be open for public use.

50. GPA replied that the 92 parking spaces to be provided in WKGO would be reserved for the use of government vehicles and visitors to the building, including those with disabilities. It was not the Administration's policy to provide parking spaces to meet employees' personal needs. Given that WKGO would be situated at a convenient location, the Administration expected that the staff working in the building would commute by public transport. As the scale of front-line counter operations to be provided at WKGO would be small, visitors to the building would not come in a large number. He advised that the relevant government departments would review the traffic conditions in the vicinity of the proposed site near the completion of the project and would consult the Yau Tsim Mong District Council on the matter in due course.

Use of the project site

51. Mr WU Chi-wai enquired whether the permitted plot ratio for the project site had been fully utilized by the proposed development. Director of Architectural Services ("DArchS") replied that the reference plot ratio recommended by the Planning Department for the project site was 8. Under the proposal, the Administration had optimized the utilization of the site with a development plot ratio of 7.99.

52. Mr WU Chi-wai further asked whether the plot ratio of 8 represented an optimal use of the land resources at the project site, and whether the ratio was comparable to the plot ratios for other land lots for office use.

53. DArchS replied that when considering the reference plot ratio for a site, the Planning Department would conduct an assessment taking into account a set of factors such as the development intensity, traffic and infrastructural capacities of the surrounding area, etc. Permanent Secretary for Development (Planning and Lands) advised that as far as "Government, Institution or Community" sites were concerned, the Administration determined the development plot ratios for these sites on a case-by-case basis having regard to all relevant planning consideration including the development constraints of the sites and the surrounding environment.

54. Dr KWOK Ka-ki noted that a government dental clinic for civil servants and a student health service cum special assessment centre would be provided at WKGO. He asked whether the Administration had given consideration to the provision of other health care and social welfare facilities such as elderly health care centres, residential care homes for persons with disabilities, etc., and whether the Administration had consulted the Department of Health, the Social Welfare Department and the Hospital Authority on the provision of public facilities at the project site.

55. GPA replied that the project site was zoned for the development of a government office building. This had the support of the Yau Tsim Mong District Council. Relevant government departments had been consulted on the allocation of office space available in WKGO. The proposed development plan of WKGO had already fully utilized the permitted plot ratio for the site. Regarding the provision of social welfare facilities in the West Kowloon region, the Administration had reserved space at Hoi Fai Road for providing residential care services for the elderly.

56. Dr KWOK Ka-ki requested the Administration to provide information on the consultation process with respect to the requirements of bureaux/departments/organizations ("the potential users") for using the project site for providing public/welfare facilities; the potential users that had been consulted; the requests accepted and rejected; and the reasons for the acceptance/rejection. Dr KWOK said that the Administration should take into account the needs of the local community when determining the development plot ratio for the project site, and fully utilize the land resources to help address the inadequacy of social welfare facilities in the district. He asked the Administration to provide information on the reasons for not using

the site to alleviate the shortfall of health care and social welfare facilities in West Kowloon.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. PWSC177/14-15(01) on 11 May 2015.)

Impact of the construction works

57. Mr Christopher CHEUNG asked about the measures to mitigate the impact of the noise and dust to be generated by the construction works for WKGO on the local residents and the teachers/students of the two schools nearby, and the level of noise that could be reduced by the relevant mitigation measures. He further enquired about the remedies in the event that the noise could not be reduced to a level commensurate with the relevant standard.

58. DArchS replied that in planning the project, the Administration had paid due regard to the impact of the construction activities on the local residents and the students/teachers of the two schools nearby. To reduce the noise generated by piling activities, non-percussive piling methods would be used. To control dust, the contractor of the project would be required to use dust barriers and carry out frequent wheel-washing for construction vehicles. The Administration would set up a task force comprising representatives of the affected schools and residents to monitor the construction works. In response to Mr CHEUNG's enquiry about the construction period of the project, DArchS advised that if the funding approval for the proposal could be obtained in mid-2015, the Administration would commence the project in late 2015 for completion in early 2019.

Relocation of government offices from the Wan Chai waterfront

59. Mr WONG Kwok-hing welcomed the Administration's proposal to relocate government offices out of core commercial districts to help increase the supply of commercial floor area. Noting that some of the government offices to be relocated from the three government office buildings at the Wan Chai waterfront currently provided livelihood-related services to the public, he enquired about the arrangements of the relocation, including the publicities on any new arrangements for the provision of the concerned public services.

60. PAS(Tsy)E/FSTB replied that the reprovisioning of government offices currently accommodated in the three government office buildings at the Wan Chai waterfront would take time, as it was a large-scale exercise involving 29 departments, 175 000 square metres of office space and more

than 10 000 staff. There was close consultation with the departments concerned in drawing up the detailed relocation plan, which would take full account of the likely effect on the provision of public services. The Administration would arrange appropriate publicity to inform the public about the new arrangements for the public services before the relocation of the concerned department(s) took place. He added that as the offices were relocated by phases, the Administration would arrange to lease out the vacated floor space concurrently to help increase the supply of Grade A office space in the Wan Chai area.

61. In response to Mr WONG Kwok-hing's enquiry about the estimated rental income that would be derived from the leasing of the vacated floor space, GPA said the Administration could receive a total rental income of about \$120 million per month under the assumption that all the floor space in the three buildings at the Wan Chai waterfront could be leased out at a monthly rent of \$700 per square metre based on the estimated current rentals in the area. But it would not be possible to forecast the actual rental income at a future date when eventually all the floor space was vacated and leased out.

62. At 10:28 am, the Chairman consulted members on whether to extend the meeting for 15 minutes to allow more time for the deliberation on the item. Most members expressed agreement. The Chairman ordered that the meeting be extended to 10:45 am.

Government offices in leased premises

63. Mr WU Chi-wai enquired about the total floor area of commercial office premises including Grade A offices currently occupied by government offices and the Administration's plan to relocate these offices to help increase the supply of commercial floor area in core business districts.

64. GPA replied that the total floor area occupied by government offices which was under the purview of the Government Property Agency was about one million square metres, of which about 300 000 square metres were housed in leased premises. He advised that it was the Administration's policy to accommodate government offices in government-owned premises as far as practicable, and to relocate government offices with no location requirements out of high-value areas for more effective use of land resources. PAS(Tsy)E/FSTB advised that the Administration planned to construct a number of replacement government office buildings for the relocation of government offices in the three government office buildings at the Wan Chai waterfront, and WKGO was the first of them. These buildings would be

used for reprovisioning the offices at the Wan Chai waterfront as well as some government offices accommodated in leased premises.

Central Kowloon Route

65. Dr Helena WONG said that according to the Administration's paper, WKGO would be used for reprovisioning some government offices currently accommodated in YMTMSCB, which would be demolished to make way for the construction of the Central Kowloon Route ("CKR"). She considered it inappropriate for the Administration to apply for funding for works projects which were related to the construction of CKR before members had a full picture of the various arrangements for the implementation of the CKR project. Dr WONG further enquired about the site for reprovisioning the Yau Ma Tei Public Library currently housed in YMTMSCB.

66. GPA replied that the WKGO proposal and the construction of CKR should be considered separately. While WKGO would provide accommodation for the reprovisioning of some government offices in YMTMSCB, the reprovisioning of other facilities affected by CKR was outside the scope of the WKGO project.

67. There being no other business, the meeting ended at 10:45 am.