

**立法會**  
***Legislative Council***

LC Paper No. FC154/18-19  
(These minutes have been  
seen by the Administration)

Ref : FC/1/1(2)

**Finance Committee of the Legislative Council**

**Minutes of the 2<sup>nd</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 19 October 2018, at 3:15 pm**

**Members present:**

Hon CHAN Kin-por, GBS, JP (Chairman)  
Hon CHAN Chun-ying, JP (Deputy Chairman)  
Hon James TO Kun-sun  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Tommy CHEUNG Yu-yan, GBS, JP  
Prof Hon Joseph LEE Kok-long, SBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon WONG Ting-kwong, GBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon CHAN Hak-kan, BBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Claudia MO  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Steven HO Chun-yin, BBS  
Hon Frankie YICK Chi-ming, SBS, JP  
Hon WU Chi-wai, MH  
Hon YIU Si-wing, BBS  
Hon MA Fung-kwok, SBS, JP  
Hon Charles Peter MOK, JP  
Hon CHAN Chi-chuen  
Hon CHAN Han-pan, BBS, JP

Hon LEUNG Che-cheung, SBS, MH, JP  
Hon Kenneth LEUNG  
Hon Alice MAK Mei-kuen, BBS, JP  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung, JP  
Hon Dennis KWOK Wing-hang  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Dr Hon Helena WONG Pik-wan  
Hon IP Kin-yuen  
Dr Hon Elizabeth QUAT, BBS, JP  
Hon Martin LIAO Cheung-kong, SBS, JP  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, SBS, JP  
Ir Dr Hon LO Wai-ki, SBS, MH, JP  
Hon CHUNG Kwok-pan  
Hon Alvin YEUNG  
Hon Andrew WAN Siu-kin  
Hon CHU Hoi-dick  
Dr Hon Junius HO Kwan-yiu, JP  
Hon HO Kai-ming  
Hon LAM Cheuk-ting  
Hon Holden CHOW Ho-ding  
Hon SHIU Ka-fai  
Hon SHIU Ka-chun  
Hon Wilson OR Chong-shing, MH  
Hon YUNG Hoi-yan  
Dr Hon Pierre CHAN  
Hon Tanya CHAN  
Hon CHEUNG Kwok-kwan, JP  
Hon LUK Chung-hung, JP  
Hon LAU Kwok-fan, MH  
Hon Kenneth LAU Ip-keung, BBS, MH, JP  
Dr Hon CHENG Chung-tai  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho  
Hon Gary FAN Kwok-wai  
Hon AU Nok-hin  
Hon Vincent CHENG Wing-shun, MH  
Hon Tony TSE Wai-chuen, BBS

**Members absent:**

Hon LEUNG Yiu-chung  
Hon Jimmy NG Wing-ka, JP  
Hon HUI Chi-fung

**Public officers attending:**

Ms Alice LAU Yim, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Carol YUEN, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Mike CHENG Wai-man	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Dr Bernard CHAN Pak-li, JP	Under Secretary for Commerce and Economic Development
Ms Betty HO Siu-ping	Principal Assistant Secretary for Commerce and Economic Development (Commerce and Industry)5
Ms Doris HO Pui-ling, JP	Deputy Secretary for Development (Planning and Lands)1
Miss Rosalind CHEUNG Man-yee	Principal Assistant Secretary for Development (Harbour)
Ms Phoebe CHAN Yuen-mei	Chief Town Planner (Housing and Office Land Supply), Planning Department
Mr Gordon LEUNG Chung-tai, JP	Postmaster General, Post Office
Mr Leo YAN Kwok-yuen	Director (Infrastructure Development), Post Office
Ms Winnie HO Wing-yin, JP	Deputy Director of Architectural Services
Ms Maria TSANG Pui-shan	Chief Project Manager 102, Architectural Services Department
Mr LIU Chun-san, JP	Under Secretary for Development
Ms Irene PANG Oi-ling	Chief Assistant Secretary for Development (Works)3, Development Bureau
Mr Edwin TONG Ka-hung, JP	Director of Drainage Services
Mr Walter LEUNG Wing-yuen	Chief Engineer (Sewerage Projects), Drainage Services Department

**Clerk in attendance:**

Ms Anita SIT

Assistant Secretary General 1

**Staff in attendance:**

Ms Ada LAU

Senior Council Secretary (1)7

Miss Judy YEE

Council Secretary (1)1

Miss Queenie LAM

Senior Legislative Assistant (1)2

Mr Frankie WOO

Senior Legislative Assistant (1)3

Miss Mandy POON

Legislative Assistant (1)1

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Action

The Chairman reminded members of the requirements under Rules 83A and 84 of the Rules of Procedure.

**Item No. 1 — FCR(2018-19)54**

**RECOMMENDATION OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 22 JUNE 2018**

**PWSC(2017-18)31**

**HEAD 703 — BUILDINGS**

**Posts, Telecommunications and Power — Post offices**

**23PP — Reprovisioning of the Hongkong Post's Headquarters**

2. The Chairman advised that this item sought approval from the Finance Committee ("FC") for the recommendation of the Public Works Subcommittee ("PWSC") made at its meeting held on 22 June 2018 regarding PWSC(2017-18)31 for upgrading **23PP** to Category A at an estimated cost of \$1,600.9 million in money-of-the-day prices in relation to reprovisioning of the Hongkong Post's Headquarters ("HKP HQs"). PWSC had spent nearly four hours to discuss the recommendation. The Administration had also submitted a number of information papers.

3. The Chairman declared that he was an independent non-executive director of The Bank of East Asia.

4. At the invitation of the Chairman, the Postmaster General ("PMG") provided supplementary information on the item as follows:

- (a) PWSC members suggested at the meeting on 13 June 2018 that a bridge be built to connect the proposed postal complex ("the Complex") and the Central Mail Centre. Having considered the suggestion, the Administration concluded that the suggestion, being technically feasible, could enhance HKP's operational efficiency, and that the funding now being sought was sufficient to cover the extra cost required for building the bridge. As such, the aforesaid bridge would be built as part of the project; and
- (b) as the item could not be considered by FC before the end of the 2017-2018 session, the Administration anticipated that should FC approve the item at today's meeting, the related works (including the construction of the bridge) would commence in mid-2019, which was scheduled for completion by the end of 2022. The Complex would then be commissioned in 2023.

5. At the invitation of the Chairman, Deputy Secretary for Development (Planning and Lands)<sup>1</sup> ("DS(P&L)1/DEVB") explained LC Paper No. PWSC315/17-18(01) to members (issued by PWSC on 4 October 2018). The paper sought to provide information on this item regarding issues requiring follow-up actions as raised by PWSC members at the meeting held on 22 June 2018. She explained to members how the location plan in Annex 1 to the paper should be read.

Justifications for demolishing the General Post Office Building in Central

6. Mr Gary FAN expressed objection to the item. Mr FAN said that a concern group on the General Post Office ("GPO") Building in Central had pointed out that under a development option that sought to retain the GPO Building, the commercial floor area foregone would be in the region of 20 000 to 30 000 square metres ("m<sup>2</sup>") only. Mr FAN asked:

- (a) whether the Administration had made any assessment in this respect; and
- (b) about the rationale for the Administration to claim that the GPO Building was occupying a location of Site 3 that enjoyed the highest permissible building height.

7. DS(P&L)1/DEVB said that:

- (a) the Administration had reached out to individual groups which were concerned with the future development of the GPO Building, and was aware of the views of the groups on the development option that sought to retain the GPO Building. However, the Administration held a different view;
- (b) the Administration considered that the current development plan for Site 3 as well as the GPO Building had well balanced the need to supply land for Grade A offices in Central and the need of the public to have open space;
- (c) the Administration had not compiled data on developable commercial floor area under the development option that was conceived on the basis of retaining the GPO Building, as the relevant development parameters would be subject to the design of the future developers;
- (d) as shown in Annex 1 to LC Paper No. PWSC315/17-18(01), the GPO Building was located on the south-western side of Site 3, a portion of some 5 900 m<sup>2</sup>, of which the GPO Building occupied 3 900 m<sup>2</sup>. According to the planning brief for Site 3, this site would have a series of development constraints, including stringent building height restriction, i.e. 50 m above principal datum in the western portion of Site 3 (on the left side of the perpendicular broken line within the area framed by the red line in Annex 1), and 16 m above principal datum in the eastern portion (on the right side of the broken line); in addition, there was the requirement of having stepped building height towards the harbourfront, so the current location of the GPO Building would enjoy the highest permissible building height within Site 3; and
- (e) retaining the GPO Building would make it impossible to realize the design concept recommended by the Urban Design Study for the New Central Harbourfront, and impede the overall development potential of the site, making it impossible to optimize the area and its surrounding space and underground space, hence affecting the potential of achieving the maximum commercial gross floor area ("GFA") of 150 000 m<sup>2</sup> at Site 3.

8. Dr KWOK Ka-ki expressed doubt about the necessity of demolishing the GPO Building. He asked whether the Administration would solicit and consider the views of renowned architects.

9. Ms Tanya CHAN urged the Administration to consider the views of international concern group Docomomo International, which called for preservation of the GPO Building (the relevant paper was issued to members on 19 October 2018 through email by the Secretariat). Ms CHAN requested the Administration to consider taking the initiative in applying for an assessment by the Antiquities Advisory Board ("AAB") of the grade status of the GPO Building as a historical building. In addition, she suggested that the Administration should vigorously expand the basement space of the proposed building in the future, so as to increase the developable area.

10. DS(P&L)1/DEVB explained that even if additions/alterations to the GPO Building might be structurally possible, there were limitations in converting the building into offices due to the following technical reasons:

- (a) modern offices required a floor-to-floor height of more than 4 m in general for accommodating the necessary facilities. Most of the floors of the GPO Building had a floor-to-floor height of less than 4 m and on some floors it was even less than 3 m. Accordingly, without demolishing and altering the internal floor slabs of the existing building, the converted GPO Building would not be able to fulfill the basic floor height requirement of a modern office;
- (b) the GPO Building was built in 1976. To ensure compliance with the present-day requirements of the Buildings Ordinance (Cap. 123) and other relevant legislations, considerable changes to the interior architectural layout would be required for this 42-year-old building, such as adding facilities like toilets, staircases, elevators, barrier-free access and enhanced fire service installation, etc. These facilities would take up space, hence further reducing the floor area of the GPO Building which could be used as offices; and
- (c) at present, the construction floor area ("CFA") of the top floor of the GPO Building was just some 2 500 m<sup>2</sup>, which was less than that of other floors. According to a preliminary assessment, two floors might be added on top of the roof floor providing an additional CFA of some 5 000 m<sup>2</sup>. On the other hand, the height of the existing GPO Building was some 30 m

above principal datum. Assuming a floor-to-floor height of about 4 m, adding two storeys would only bring its height to some 38 m above principal datum, which could not fully utilize the height limit of 50 m above principal datum, not allowing the development potential of the location to be released in full.

11. Regarding Ms Tanya CHAN's suggestion, DS(P&L)1/DEVB added that under the requirement of the existing planning brief for Site 3, the public would have the broadest harbourfront view, and this layout matched well with the open space on the ground at the neighboring Site 4. She considered that enlarging the basement space would result in higher development costs. As for the views of Docomomo International, the Administration would give a response in a timely manner, but it had no plans at this stage to apply for an assessment by AAB of whether the GPO Building could be classified as a historical building.

12. Mr CHU Hoi-dick considered that a number of sites along the new Central Harbourfront still had capacity for development. He said that the eight sites within the new Central Harbourfront could provide a total of 140 000 m<sup>2</sup> of floor area. Among them, Sites 1 and 2 could provide 82 000 m<sup>2</sup> of floor area in total. Mr CHU urged the Administration to review the development of various sites within the new Central Harbourfront, so as to retain the GPO Building on the one hand and increase supply of land for Grade A offices on the other.

13. DS(P&L)1/DEVB pointed out that during the two rounds of public engagement exercises in 2007 and 2008, some concern groups said that due to the proximity of Sites 1 and 2 to the waterfront, they did not support high-density development at Sites 1 and 2. In fact, Sites 1 and 2 were located closer to the waterfront compared with Site 3, and therefore the Administration had reduced the developable GFA at Sites 1 and 2 in response to public aspirations. For this reason, the Administration did not intend to re-open discussion on the development of the sites.

### Proposed development of Site 3

#### *Supply of sites for Grade A offices*

14. Mr Christopher CHEUNG expressed support for the item. He urged other members not to confuse this item with the demolition of the GPO Building during the discussion. Mr CHEUNG expressed concern for the short supply of Grade A offices in Central Business Districts ("CBDs"), worrying that the continuous short supply would weaken Hong

Kong's competitiveness as an international financial centre. Mr CHEUNG enquired about the commercial GFA for Grade A offices that would be added in the proposed development of Site 3, and whether the Greater Bay Area's development plan would aggravate the short supply of Grade A offices in CBDs.

15. Mr Gary FAN said that according to the information provided by the Rating and Valuation Department, the rental indices for Grade A offices in Hong Kong's CBDs in Central and Sheung Wan had been falling since June 2018. On top of this, other factors, such as the China-US trade war and stock market slump, might also lead to a continuous fall of Hong Kong's property and rental markets. He was concerned that the proposed development plan for Site 3 would result in an oversupply of Grade A offices, and hence intensify the situation of the slackening Grade A offices market. Mr FAN urged the Administration to review its development plan again. Mr AU Nok-hin expressed concern for the basis on which the Administration estimated the future demand for land for Grade A offices in CBDs.

16. In reply, DS(P&L)1/DEVB said that:

- (a) there had always been a serious short supply of commercial sites in Central in the past decade, and other than the sites at the new Central Harbourfront, the only sites that could provide Grade A offices in the near future were the former Murray Road Multi-Storey Carpark Building which was sold in 2017, and the upcoming Queensway Plaza site which was awaiting sale for redevelopment;
- (b) the rent for Grade A offices in Central was significantly higher than Grade A offices on Hong Kong Island and other districts in Hong Kong, whereas their vacancy rates were far lower. It was therefore evident that Grade A offices in Central enjoyed unique advantages;
- (c) supply of Grade A offices in Hong Kong in the coming 10 years was expected to increase by some 20 million square feet, of which some 2 million square feet would be absorbed by the market every year; in other words, the new Grade A offices to be supplied would be absorbed in full within 10 years. It was unlikely that there would be ample supply of new Grade A offices on Hong Kong Island, not to mention Central;

- (d) according to the planning brief for Site 3, the commercial GFA to be developed at Site 3 was 150 000 m<sup>2</sup> at the maximum;
- (e) based on the above-mentioned factors, the Administration did not envisage that, in the long term, there would be an oversupply of Grade A offices in the Central CBD; and
- (f) the Administration planned to study the impact of Greater Bay Area's development on the supply-and-demand situation of land for Grade A offices in the context of "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030", under which economic models and statistical data would be applied to help estimate the future demand for Grade A offices in CBDs.

*District-tied postal facilities*

17. Mr AU Nok-hin showed two plans at the meeting, one of which was a plan entitled "DEVELOPMENT CONCEPT OF SITE 3 AT THE NEW CENTRAL HARBOURFRONT", prepared by the Planning Department on 13 September 2016, and the other was entitled "CROSS SECTION PLAN OF THE NOTIONAL ARCHITECTURAL SCHEME", prepared by the Planning Department on 12 October 2016. Mr AU said that the two plans were provided by the Planning Department to the Harbourfront Commission (the plans were displayed by projector at the meeting, and issued to members vide LC Paper No. FC19/18-19(01) on 22 October 2018 after the meeting).

18. Mr AU Nok-hin enquired:

- (a) whether the Administration planned to relocate district-tied postal facilities from the current GPO Building (located at Site 3B) to Site 3A, as shown by the plans;
- (b) how the timetable for reprovisioning district-tied postal facilities could interface with the demolition of the GPO Building;
- (c) about the powers enjoyed by HKP in making decisions on various issues relating to the reprovisioning of district-tied postal facilities, including site selection and design;
- (d) whether HKP would need to pay rent and/or management fees to the property owner of Site 3A; and

- (e) whether the Administration would set limits on the respective areas of land in Site 3 dedicated for office development and for retail facilities.

19. DS(P&L)1/DEVB replied that the district-tied postal facilities, after reprovisioning, would be located at Site 3A, and that demolition of the GPO Building would begin only after these facilities had been relocated and HKP HQs had moved to the Complex, a process that could take five to six years. According to the requirements of the planning brief, the developer for Site 3 development had to build the facilities required for reprovisioning the district-tied postal facilities, and hand them over to HKP upon the completion of the facilities. While HKP was not required to pay rent to the property owner, management fees were payable by HKP. These terms would be stipulated in the form of a technical annex to the land lease. She added that the two plans shown by Mr AU were prepared by the Planning Department when conceptualizing the 150 000 m<sup>2</sup> of commercial GFA as it prepared the planning brief for Site 3 in 2016. The future developer, in planning for Site 3 development, would be required to comply with the requirements of the planning brief, but did not have to strictly adhere to the aforesaid conceptual plans.

20. Mr AU Nok-hin considered that the Administration had failed to disclose to members the following matters:

- (a) the reprovisioned district-tied postal facilities would not be located at Site 3B, the current site of the GPO Building;
- (b) the respective areas dedicated for use as offices and as retail facilities at Site 3 after development; and
- (c) the arrangement under which demolition of the GPO Building would only proceed after district-tied postal facilities had been reprovisioned.

21. Mr AU Nok-hin expressed dissatisfaction. Ms Tanya CHAN requested the Administration to explain whether Annex 1 and Annex 2 to LC Paper No. PWSC315/17-18(01) had contradicted LC Paper No. FC19/18-19(01) that was shown by Mr AU.

22. DS(P&L)1/DEVB advised that there was no contradiction between the cross section plans as found in the paper shown by Mr AU Nok-hin (LC Paper No. FC19/18-19(01)) and Annexes 1 and 2 to LC Paper No. PWSC315/17-18(01). She added that the paper shown by Mr AU was one

prepared by the Planning Department for the Harbourfront Commission, and the Development Bureau had also made reference to the plans when handling the planning work of Site 3. Annex 1 and Annex 2 to LC Paper No. PWSC315/17-18(01) was an aerial view of Site 3 after its development, whereas the cross section plan in LC Paper No. FC19/18-19(01) presented Site 3 facing Two International Finance Centre as viewed from the ground level. She therefore did not agree with Mr AU's allegation that the Administration had not disclosed the content of the said paper to the public.

23. Mr CHAN Chi-chuen was concerned about whether reprovisioning of the district-tied postal facilities and reprovisioning of the offices of HKP HQs would proceed at the same time, and whether the vacated space of the GPO Building then could be used for other purposes. PMG said that the Administration would consider allowing the out-housed units operating on leased premises to operate in the vacated areas in the GPO Building on a need basis, so as to make good use of land resources.

*Underground space and public open space at Site 3*

24. Mr CHU Hoi-dick asked whether it would be possible to add more underground space at Site 3, in particular by linking up the underground space between Yiu Sing Street and Lung Wo Road, based on Annex 2 to LC Paper No. PWSC315/17-18(01).

25. DS(P&L)1/DEVB replied that the soon-to-be-opened Central-Wan Chai Bypass would pass through the underground location at Yiu Sing Street, whereas the underground space at Lung Wo Road would have to be reserved for the proposed MTR North Island Line and some drainage culverts had already been installed in the area. All these factors had made it impossible to increase developable space by linking up the underground space between Lung Wo Road and Yiu Sing Street.

26. Mr Holden CHOW enquired about the criteria adopted by the Administration in stipulating the terms in the planning brief that the future developer of Site 3 had to provide no less than 25 000 m<sup>2</sup> of public open space, of which 12 000 m<sup>2</sup> would be at grade.

27. DS(P&L)1/DEVB replied that when mapping out the design and planning brief for Site 3, the Administration bore in mind that the site should, apart from increasing the supply of land for Grade A offices, provide public space at this prime harbourfront location for the enjoyment by the public (including office workers, tourists and other citizens). As

such, the requirements for public open space adopted were more stringent than those in the Hong Kong Planning Standards and Guidelines.

### Public Consultation

28. Mr KWONG Chun-yu expressed concern about how the Administration had carried out two rounds of public consultations on the item in 2007 and 2008, and whether the consultation exercises were comprehensive and representative. He pointed out that the Administration had failed to categorically mention in the consultation paper or the consultation exercise that the GPO Building would be demolished. Given that society had gone through a lot of changes since 2008, Mr KWONG was of the view that the Administration should consult the public afresh on whether the GPO Building should be demolished. Ms Claudia MO and Dr Fernando CHEUNG made the same request. Dr CHEUNG suggested that other public service organizations should be allowed access to the GPO Building for the purpose of providing services therein. Ms MO considered that the Administration should consider retaining the GPO Building as one of the development options in planning for Site 3 development.

29. Citing LC Paper No. PWSC260/17-18(01) (paper issued by PWSC on 22 June 2018), DS(P&L)1/DEVB explained the model and scale of the Administration's public engagement exercises for Site 3 conducted in 2007 and 2008. In essence, the two rounds of public engagement exercises included organization of various exhibitions, conducting telephone interviews, invitation of written submissions, and organization of focus group workshops and forum, while the Public Policy Research Institute of the Hong Kong Polytechnic University was commissioned by the Administration to analyse opinions received through comment cards, face-to-face interviews, telephone interviews, and written submissions.

30. DS(P&L)1/DEVB said that although the consultation paper did not clearly mention that the GPO Building would be demolished, during Stage 2 of public engagement in 2008 the Administration had reduced the proposed commercial GFA for Site 3 from 190 000 m<sup>2</sup> to 150 000 m<sup>2</sup> in response to the public views collected in Stage 1. It had also put forward two conceptual development plans for public comment. As shown in the two conceptual plans, the proposed development covered the entire Site 3, and could only be implemented after demolishing all existing structures including the GPO Building. When the Planning Department prepared the planning brief for Site 3 in 2016, it consulted the Central and Western District Council, as well as the Harbourfront Commission. The Central and Western District Council agreed with the Administration's plan of

taking forward Site 3 development on the basis of the Urban Design Study for the New Central Harbourfront. The Administration was of the view that since two rounds of public engagement exercises had already been conducted for the site of the GPO Building, it did not plan to launch consultation again for this matter.

### Benefits to be brought by the postal complex

#### *Facilities at the Complex*

31. Mr YIU Si-wing and Mr Tony TSE expressed support for the item. Mr YIU considered that retaining the GPO Building would impede the future development of Site 3 and even the future development of Hong Kong. Concurring with Mr YIU's views, Mr TSE considered that the use of the site of the current GPO Building had not been maximized. Mr YIU said that with rapid development of the information technology and logistics industries, the demand for postal services by the general public was declining. He therefore expressed concern for the cost effectiveness of building the Complex at a cost of \$1,600 million and asked whether the need for proceeding with the project was supported by data. Mr TSE asked whether part of the proposed project cost would be used to upgrade HKP's facilities including procurement of new technology and smart equipment and devices, other than being used to relocate offices of HKP HQs to the Complex.

32. Under Secretary for Commerce and Economic Development ("USCED") and PMG said that the Administration had been watching closely the development of the information technology and logistics industries. Judging from the development of the postal services sector, the Administration thought that building the proposed Complex to consolidate various units of HKP HQs and the currently out-housed units in leased premises including the Bulk Airmail Centre that required large space, and to accommodate the new Kowloon Bay Delivery Office, would enhance synergy and efficiency in HKP's operations. PMG added that the public's demand for conventional postal services had indeed declined in recent years, and HKP registered negative growth of 3% to 4% per year. However, HKP still had to handle around three million pieces of mail items every day. On the other hand, as the emergence of online purchasing services had boosted the need for postal services which required larger working space, the operational areas required by HKP were still quite demanding. The proposed project cost did not include upgrading or procuring smart postal facilities, but HKP had been watching closely the development of the postal trade in overseas places. HKP would consider

introducing new technology and upgrading service facilities in a timely manner so as to increase HKP's productivity.

33. Pointing out that there was a considerable time gap between now and the commissioning of the Complex, the Chairman called on HKP to, during this period of time, consider members' suggestions on upgrading postal facilities.

34. Mr Jeremy TAM enquired about:

- (a) the reprovisioned or new offices or postal facilities that would be housed at the Complex;
- (b) the sizes of the areas to be occupied by these offices/facilities before and after reprovisioning;
- (c) manpower deployment at HKP HQs' offices after reprovisioning; and
- (d) the reasons for placing the Staff Training Centre on the fourth floor instead of the third floor of the Complex.

35. In reply, PMG said that:

- (a) the Complex would accommodate the reprovisioned offices of HKP HQs and the units currently out-housed in leased premises, i.e., Kowloon Bay Post Office, the Bulk Airmail Centre, and the Post Office Staff Training Centre, whereas the new Kowloon Bay Delivery Office would also be housed at the Complex;
- (b) the sizes of the areas occupied by the offices of HKP HQs and the Staff Training Centre before and after reprovisioning would largely be the same;
- (c) the manpower size in the reprovisioned offices of HKP HQs would remain unchanged; and
- (d) the Administration placed the postal stamps storehouse and the Philatelic Bureau on the third floor of the Complex, having regard to operational needs.

*Project cost and recurrent expenditure*

36. Mr CHAN Chi-chuen enquired about:

- (a) the reasons why the proposed funding would be sufficient to cover the cost of building a bridge connecting the Complex and the Central Mail Centre;
- (b) the construction costs of the aforesaid bridge; and
- (c) whether this item's proposed expenditure had been scrutinized by the Project Cost Management Office ("PCMO"), and what the findings (if any) were.

37. Deputy Director of Architectural Services ("DDArchS") explained that the design of the proposed additional short-span bridge was simple, and since it was not far from the ground level, piling works were not required. As the architectural design of the Complex could bear the loading of the bridge, the cost of building the bridge was estimated to be around \$20 million, although the tendering exercise for the project had not yet commenced. As the estimated cost of each item of expenditure would be rounded up to the nearest \$10,000, there was always some buffer in the project costs. Furthermore, as the Administration planned to use part of the project contingency to build the bridge, there was no need to seek additional funding from FC to build the bridge. When the Administration estimated the project cost of the item, they had to refer to and abide by the relevant guidelines issued by PCMO.

38. Mr Tony TSE enquired about:

- (a) the specific benefits of installing in the Complex the currently out-housed units on leased premises; and
- (b) the reasons why this project would incur an additional annual recurrent expenditure of some \$260,000.

39. PMG said that:

- (a) after moving these out-housed units to the Complex, an amount of \$17 million of rent could be saved annually; and
- (b) the said amount of additional annual recurrent expenditure was the net increase in the annual recurrent expenditure of HKP.

*Construction waste*

40. Mr KWONG Chun-yu expressed concern for the large amount of construction waste that would be generated by demolition of the GPO Building. DDArchS replied that demolition of the GPO Building would generate some 11 000 tonnes of construction waste, and this did not include the construction waste from demolition of the underground structure of the GPO Building.

41. Noting that construction of the Complex would generate more than 50 000 tonnes of construction waste, an amount exceeding the construction waste generated from demolition of the GPO Building, Mr CHAN Chi-chuen requested the Administration to explain the reasons for that. DDArchS said that due to the construction of a basement at the Complex, more excavation works would be needed for the removal of underground mud and sand. By the time of demolition, the GPO Building would have been vacated, and the demolition project would mainly involve the building's outer walls and supporting materials, with a lot of empty space inside the building. Therefore, the construction waste to be generated from demolition would be less than those from construction of the Complex, and most of the construction waste would be non-inert waste that could be reused.

Vehicles parking facilities

42. Mr CHAN Han-pan noted that as shown in Annex 2 to LC Paper No. PWSC315/17-18(01), the current carpark adjacent to the City Hall would be demolished under the proposed development plan. Expressing concerns about whether the Administration would reprovision the carpark within Site 3, Mr CHAN urged that the Administration should endeavour to increase the number of parking spaces at Site 3 by providing more parking spaces than were currently provided, so as to meet the demand for parking spaces arising from future commercial developments at Site 3. Noting that the annual growth rate of cars outpaced that of parking spaces by several times, Ms Claudia MO was concerned about the Administration's planning for the provision of parking facilities. Mr Holden CHOW called on the Administration to adopt measures that were more flexible than those in the Hong Kong Planning Standards and Guidelines or other existing guidelines when planning for the parking facilities at Site 3, so as to increase the provision of parking spaces.

43. DS(P&L)1/DEVB replied that the Administration planned to relocate the carparks currently situated next to the City Hall and the Star

Ferry to areas within Site 3, providing some 325 parking spaces in total. Besides the relocated parking facilities, other carpark would also be built at Site 3 in response to anticipated developments, providing an additional number of more than 500 parking spaces. Among these relocated and newly provided parking spaces, some 670 would be made accessible for the public.

44. Ir Dr LO Wai-ki said that the Business and Professionals Alliance for Hong Kong supported the item. Ir Dr LO said that the item served the dual purpose of maintaining district-tied postal facilities while maximizing the use of the GPO Building site. Ir Dr LO asked whether the Administration would, in order to implement the measures mentioned in the Chief Executive's 2018 Policy Address for increasing provision of parking spaces, increase the parking spaces of the Complex and make them accessible for the public. He called on the Administration to seriously consider this suggestion, including provision of temporary parking spaces to make it more convenient for users who needed to use the postal facilities at the Complex to send out parcels. USCED replied that after taking into account the issue of security for mail items, the Administration did not plan to open the parking spaces of the Complex for public use, but would provide parking spaces for temporary use by the senders who came to the Complex to send out mail items.

45. At 5:21 pm, the Chairman directed that the meeting be suspended for 10 minutes. The meeting resumed at 5:30 pm.

Motion to adjourn discussion on item FCR(2018-19)54

46. At 5:35 pm, Mr AU Nok-hin, when speaking on the item, moved without notice under paragraph 39 of the Finance Committee Procedure ("FCP") that discussion on item FCR(2018-19)54 be adjourned. The Chairman proposed the question and directed that each member might speak once on the motion for not more than three minutes.

47. Mr AU Nok-hin briefed the meeting on his motion. Mr AU expressed dissatisfaction with the Administration's proposed planning for Site 3, as well as the Administration's position of not retaining the GPO Building.

48. Ms Tanya CHAN, Mr Gary FAN, Ms Claudia MO, Mr CHAN Chi-chuen, Mr CHU Hoi-dick, Mr WU Chi-wai and Mr KWONG Chun-yu spoke in support of the motion that discussion on the item be adjourned. In gist, they considered that:

- (a) the Administration should seriously consider the views of conservation groups such as Docomomo International on retaining the GPO Building, and should not insist on demolishing it;
- (b) it should re-examine the mode of development for Site 3 in response to the recent external economic environment;
- (c) it should consult the public extensively on whether or not the GPO Building should be retained; and
- (d) demolition of the GPO Building would be wasteful.

They considered that discussion on the item should be adjourned, so that the Administration might have sufficient time to provide supplementary information to members.

49. Mr SHIU Ka-fai spoke against the adjournment motion. He said that according to archival records, placing HKP HQs at the waterfront in the old days was for the sake of facilitating shipping of mail items by sea routes. In the past several decades, Hong Kong's social and economic environment had experienced great changes. Mr SHIU considered that it was the best time to consider releasing the site of the GPO Building for more appropriate use. Mr SHIU was of the view that the conservation value of the GPO Building was limited.

50. Mr AU Nok-hin spoke in reply. The Chairman put to vote the motion that discussion on the item be adjourned. At the request of members, the Chairman ordered a division. The motion was [negatived](#).

#### Arrangement of scrutiny of this item

51. At 5:34 pm, the Chairman said that members had spent nearly three hours and PWSC had also spent almost four hours on this item. He considered that the item had been thoroughly discussed. The Chairman said that he would end the discussion and put the item to vote after all members on the wait-to-speak list had spoken.

52. At 6:18 pm, the Chairman announced that he would stop receiving motions proposed by members under FCP 37A.

Motions proposed by members under paragraph 37A of the Finance Committee Procedure

53. At 6:23 pm, FC started to vote on whether the motions proposed by members under FCP 37A ("FCP 37A motions") should be proceeded with forthwith. The Chairman announced that FC decided against proceeding with the first FCP 37A motion proposed by Ms Claudia MO. Mr CHAN Hak-kan then moved without notice a motion under FCP 47 that in the event of further divisions being claimed in respect of any motions or questions under the same agenda item, FC should proceed to each of such divisions immediately after the division bell had been rung for one minute. The Chairman put the motion to vote. At the request of members, the Chairman ordered a division, and the motion was carried.

54. At the request of members, the Chairman ordered a division for each of the proposed FCP 37A motions. The voting results were as follows:

Members proposing the motions	Serial numbers of motions	Motions be proceeded with forthwith
Ms Claudia MO	<u>001</u>	<u>No</u>
Mr CHU Hoi-dick	<u>002</u>	<u>No</u>
Mr AU Nok-hin	<u>003</u>	<u>No</u>
Mr Gary FAN	<u>004</u>	<u>No</u>

Voting on FCR(2018-19)54

55. At 6:40 pm, the Chairman put item FCR(2018-19)54 to vote. At the request of members, the Chairman ordered a division, and the division bell was rung for one minute. The Chairman declared that 32 members voted in favour of and 15 members voted against the item. The votes of individual members were as follows:

*For:*

Mr Abraham SHEK Lai-him  
 Ms Starry LEE Wai-king  
 Dr Priscilla LEUNG Mei-fun  
 Mrs Regina IP LAU Suk-yee  
 Mr Michael TIEN Puk-sun  
 Mr Frankie YICK Chi-ming  
 Mr MA Fung-kwok  
 Ms Alice MAK Mei-kuen

Mr WONG Ting-kwong  
 Mr CHAN Hak-kan  
 Mr WONG Kwok-kin  
 Mr Paul TSE Wai-chun  
 Mr Steven HO Chun-yin  
 Mr YIU Si-wing  
 Mr LEUNG Che-cheung  
 Mr KWOK Wai-keung

Mr Christopher CHEUNG Wah-fung	Dr Elizabeth QUAT
Mr POON Siu-ping	Ir Dr LO Wai-kwok
Dr Junius HO Kwan-yiu	Mr HO Kai-ming
Mr Holden CHOW Ho-ding	Mr SHIU Ka-fai
Mr Wilson OR Chong-shing	Ms YUNG Hoi-yan
Mr CHAN Chun-ying	Mr CHEUNG Kwok-kwan
Mr LUK Chung-hung	Mr LAU Kwok-fan
Mr Kenneth LAU Ip-keung	Mr Tony TSE Wai-chuen
(32 members)	

*Against:*

Ms Claudia MO	Mr CHAN Chi-chuen
Dr Fernando CHEUNG Chiu-hung	Dr Helena WONG Pik-wan
Mr Alvin YEUNG	Mr Andrew WAN Siu-kin
Mr CHU Hoi-dick	Mr LAM Cheuk-ting
Dr Pierre CHAN	Ms Tanya CHAN
Dr CHENG Chung-tai	Mr KWONG Chun-yu
Mr Jeremy TAM Man-ho	Mr Gary FAN Kwok-wai
Mr AU Nok-hin	
(15 members)	

56. The Chairman declared that the item was approved.

**Item No. 2 — FCR(2018-19)55**

**RECOMMENDATION OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 25 JUNE 2018**

**PWSC(2018-19)26**

**HEAD 704**

**—DRAINAGE**

**Environmental Protection —Sewerage and sewage treatment**

**399DS**

**—Relocation of Sha Tin Sewage Treatment  
Works to caverns**

57. The Chairman said that this item sought FC's approval for the recommendation made by PWSC at its meeting held on 25 June 2018 regarding PWSC(2018-19)26 for the upgrading of part of **399DS** on relocation of Sha Tin Sewage Treatment Works ("STSTW") to caverns as **425DS**, entitled "Relocation of Sha Tin Sewage Treatment Works to caverns – site preparation and access tunnel construction" to Category A at an estimated cost of \$2,077.5 million in money-of-the-day prices; and the retention of the remainder of **399DS** in Category B. PWSC had spent approximately 1 hour and 21 minutes to discuss the above-mentioned proposal. The Administration had also provided an information paper.

58. The Chairman declared that he was an independent non-executive director of The Bank of East Asia.

59. Mr CHAN Chi-chuen said that since the site of STSTW was adjacent to Ma Liu Shui, and the public was rather concerned about the Administration's intention to propose reclamation at Ma Liu Shui ("MLS reclamation project"), he was worried that should this item be approved, it would create a more favorable condition for the Administration to pursue the MLS reclamation project. Mr CHAN asked whether the Administration would, apart from carrying out respective feasibility studies on relocation of STSTW and the MLS reclamation project, also carry out a feasibility study based on the assumption that the current site of STSTW would be developed along with the MLS reclamation project, so as to let the public know the aggregate environmental and traffic impacts that would be brought to the Sha Tin district if the two projects were to be launched jointly. Mr CHAN considered that if the Administration did not want to carry out such a feasibility study, it should launch the development plan for the STSTW site as an independent project.

60. In reply, Under Secretary for Development ("USDEV") said that:

- (a) relocation of STSTW and the MLS reclamation project were two separate projects independent of each other. The two projects had no relation whatsoever in terms of construction timetable and work processes;
- (b) the Administration was aware of the public's concerns about and views on the proposed MLS reclamation project. As the consultation on this proposal was still in progress, it needed time to handle these public views before deciding whether reclamation plans could be pursued;
- (c) the Administration anticipated that relocation of STSTW would take more than 10 years to complete, therefore a considerably long period of time would be available for the relevant planning and engineering studies which might be carried out at a later time; and
- (d) subject to the results of (b), the Administration would determine the feasibility of launching the two projects jointly.

61. Mr AU Nok-hin said that the Civil Engineering and Development Department ("CEDD") had recently finished a study entitled Study on

Technical Issues Related to Potential Reclamation Site at Ma Liu Shui ("Ma Liu Shui Study"), which was carried out on the basis of joint development of the current site of STSTW along with reclaimed land at Ma Liu Shui. It was mentioned in the Study a projection of providing 11 000 housing units. He requested the Administration to clarify the reasons for conducting the Study.

62. Mr Alvin YEUNG said that the Civic Party had great reservations on the proposed MLS reclamation project. Mr YEUNG shared the concerns raised by Mr CHAN Chi-chuen and Mr AU Nok-hin. He requested the Administration to clearly state its position on the proposed MLS reclamation project.

63. USDEV said that the above-mentioned Ma Liu Shui Study by CEDD was based on the planning assumption that the site of STSTW and the reclaimed land at Ma Liu Shui would be jointly developed. Out of study needs, the Administration had to make certain assumptions on land use for the purpose of conducting technical assessments. He said that the Administration had carried out Ma Liu Shui Study on the basis of the above-mentioned assumption, and the Study also showed that the project was technically feasible. Even so, it did not mean that the Administration would take forward the MLS reclamation project, or that the Administration must proceed with its planning work according to that assumption. He added that the Administration had so far not ruled out the possibility of pursuing the MLS reclamation project.

64. Mr AU Nok-hin said that during the time when typhoon Mangkhut hit Hong Kong, great damages were caused to Sai Kung Sewage Treatment Works. Mr AU was concerned about whether the Administration would take measures to strengthen the resistance of such facilities against storms before STSTW's relocation to caverns. Pointing out that during the onslaught of typhoon Mangkhut, the river bank of Shing Mun River also suffered serious damages, Mr Alvin YEUNG asked whether the Administration would seek to protect the river course of Shing Mun River when proceeding with the item.

65. Director of Drainage Services replied that compared with other coastal sewage treatment facilities, STSTW, which was currently located by the side of a river, was better protected against strong winds. Nevertheless, the Administration would look into ways to strengthen the ability of sewage treatment facilities and river courses to withstand direct hit of typhoons. He added that after STSTW was relocated to caverns, the threat of being damaged by typhoons would be further reduced.

66. At 6:58 pm, the Chairman directed that with less than two minutes left before the scheduled end time of the meeting, the meeting would end at this juncture.

Legislative Council Secretariat

24 April 2019