

立法會
Legislative Council

LC Paper No. PWSC131/99-00

(These minutes have been
seen by the Administration)

Ref : CB1/F/2/2

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

**Minutes of the 13th meeting
held at the Legislative Council Chamber
on Wednesday, 3 May 2000, at 10:45 am**

Members present:

Hon HO Sai-chu, SBS, JP (Chairman)
Ir Dr Hon Raymond HO Chung-tai, JP (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Hon James TIEN Pei-chun, JP
Hon Cyd HO Sau-lan
Hon Edward HO Sing-tin, SBS, JP
Hon LEE Wing-tat
Hon Eric LI Ka-cheung, JP
Hon Fred LI Wah-ming, JP
Prof Hon NG Ching-fai
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon Christine LOH
Hon CHAN Kam-lam
Hon Gary CHENG Kai-nam, JP
Hon WONG Yung-kan
Hon LAU Kong-wah
Hon Mrs Miriam LAU Kin-yee, JP
Hon Emily LAU Wai-hing, JP
Hon Andrew CHENG Kar-foo
Hon LAW Chi-kwong, JP
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP

Members absent:

Hon CHAN Yuen-han
Dr Hon LEONG Che-hung, JP
Hon SIN Chung-kai

Public officers attending:

Miss Elizabeth TSE	Deputy Secretary for the Treasury
Mr S S LEE, JP	Secretary for Works
Mr Gordon SIU, JP	Secretary for Planning and Lands
Mr Rob LAW, JP	Director of Environmental Protection
Mr James HERD	Principal Assistant Secretary of the Treasury (Works)
Mr Joseph Y T LAI	Deputy Secretary for Education and Manpower
Mr Peter P Y LEUNG	Assistant Director of Education (Special Duties)
Mr P L KWAN	Deputy Director of Architectural Services
Mr K S SHUM	Chief Technical Advisor/Subvented Projects, Architectural Services Department
Ms Michelle LI	Principal Assistant Secretary for Education and Manpower
Mr Jack CHAN	Deputy Secretary-General, University Grants Committee
Mr John COLLIER, JP	Director of Drainage Services
Mr W Y SHIU	Chief Engineer/Project Management, Drainage Services Department
Mrs Philomena LEUNG	Principal Assistant Secretary for Environment and Food (B)3
Dr Malcolm BROOM	Principal Environmental Protection Officer (Water Policy & Planning)
Mr W T YEUNG	Chief Engineer/Consultants Management, Drainage Services Department
Mr H K WONG, JP	Director of Territory Development
Mr Steve BARCLAY	Principal Assistant Secretary for Environment and Food (B)2
Mr K H CHU	Chief Engineer (Tuen Mun), New Territories West Development Office, Territory Development Department
Mr C Y CHAN	Chief Engineer (Port Works), Civil Engineering Department
Mr M Y Ma	Chief Engineer (Tin Shui Wai), New Territories North Development Office, Territory Development Department

Ms CHANG King-yiu	Deputy Secretary for Security
Mr HSU King-ping, JP	Deputy Director of Fire Services
Mr LAM Chun-man	Chief Fire Officer (Headquarters), Fire Services Department
Mrs Marigold LAU	Project Director, Architectural Services Department
Mrs Mimi BROWN	Deputy Government Property Administrator
Mr TAM Wing-pong, JP	Deputy Director, Beijing Office
Mr HUI Chiu-kin	Chief Property Services Manager, Property Services Branch, Architectural Services Department

Clerk in attendance:

Miss Polly YEUNG	Chief Assistant Secretary (1)3
------------------	--------------------------------

Staff in attendance:

Ms Pauline NG	Assistant Secretary General 1
Ms Anita SIT	Senior Assistant Secretary (1)8

PUBLIC WORKS PROGRAMME

New commitment for subvented projects

Head 708 - CAPITAL SUBVENTION AND MAJOR SYSTEMS AND EQUIPMENT

PWSC(2000-01)10 17EA Redevelopment of La Salle Primary School at 1D, La Salle Road, Kowloon

Miss Emily LAU declared interest that her two elder brothers were alumni of the La Salle Primary School (LSPS). Mr Edward HO declared interest that he was a godfather of the St. Joseph Church which was the sponsoring body of the primary school.

2. The Chairman informed members that in response to the written questions raised by Mr CHEUNG Man-kwong on this item before the meeting, the Administration had provided its written reply which was tabled before members.

3. Pointing out that the cost of building a standard 30-classroom primary school was about \$100 million, Mr CHEUNG Man-kwong commented that the

funding commitment of \$160.68 million requested under the present proposal for the redevelopment of LSPS from a 18-classroom school to a 36-classroom school to facilitate its conversion to whole-day operation was on the high side. He considered that the relatively high cost for the project might be attributable to the following factors-

- (a) the provision of two computer-assisted learning rooms, as against the standard provision of one computer-assisted learning room;
- (b) the construction of an underground carpark with an underground access, giving rise to higher costs for site formation and building works; and
- (c) the need to demolish a portion of the existing school block on the northern side consisting of eight classrooms and to provide temporary reprovisioning of these classrooms within the school site, which together cost about \$11.39 million.

Whilst he considered it acceptable to provide two computer-assisted learning rooms to cater for the needs of 36 classes, Mr CHEUNG questioned the justifications for the works at paragraph 3(b) and (c) which were unprecedented in other school projects. He also queried whether it would be more cost-effective to reprovision some existing classes of LSPS to a new school which would unlikely cost as much as \$160 million.

4. In response, the Deputy Secretary for Education and Manpower (DS/EM) advised that LSPS had to be converted from bi-sessional operation to whole-day operation. The Administration had carefully examined two options. The first option was to redevelop the existing school premises in-situ. The second option was to construct a new primary school at another site, and to move either the morning or the afternoon session of LSPS to the new school premises. He confirmed that when compared to the budget of building a standard primary school, the present redevelopment project involved additional site formation works and the demolition of a portion of the existing school block and the temporary reprovisioning of the eight classrooms demolished. The estimated cost for all these works was slightly above \$20 million. In addition, there were some cost items under the present project which might not be required for other school projects. These items included the consultants' fees of \$4 million, the provision of air-conditioning at an estimated cost of about \$4 million, and the construction of an underground carpark at about \$10 million.

5. On the reasons for adopting the redevelopment option to facilitate LSPS to convert to whole-day operation, DS/EM affirmed that it was Government's policy to convert existing bi-sessional primary schools into whole-day operation on their existing premises, where feasible, through the provision of

additional classrooms and facilities or through redevelopment (i.e. demolition and rebuild). In the case of LSPS, both the School Authority and the parents concerned had expressed a clear preference to provide the additional classrooms and facilities on the existing school site to facilitate the conversion to whole-day operation. They had clearly stated that they would not prefer the relocation of one of the two sessions to a new school premises in another site. The Administration welcomed LSPS's proposed in-situ redevelopment since the decantation option would have required an additional site for the construction of a new school. School sites in urban Kowloon were generally in high demand. Another major consideration was that under the redevelopment option, LSPS and La Salle Secondary School would continue to be co-located. This arrangement was preferred by the School Authority and parents on account of more effective school management and a stronger sense of belonging among students.

6. As regards the proposed underground carpark for the school, DS/EM explained that upon redevelopment of the school to provide the required additional classrooms and facilities, the open space area of the school would inevitably be reduced. The standard open space provision under the latest school design, i.e. the Year 2000 design, was two square metres(m²) per student. If the required carparking spaces were to be provided on ground level, the open space available in LSPS upon redevelopment would be 0.9 m² per student, which fell far short of the standard provision. Having regard to the constraint in site area, the School Authority suggested and the Administration agreed that the carpark should be constructed underneath the open playground so as to release more open space on ground level for student activities. Indeed, although the carpark was located beneath the playground, the open space provision would still fall short of the standard of 2 m² per student. Whilst acknowledging that this was the first time that a carpark was constructed beneath ground level in Government and Government subvented school projects, DS/EM stressed that the very reason for this design was to provide as much open space as possible for use by students.

7. On members' concern of whether the option of an underground carpark would be actively considered in future school projects, DS/EM confirmed that the Administration would actively consider this option in future school projects, on a case by case basis, if the open space provision were seriously inadequate (vis-a-vis the standard planning provision), and if the cost for constructing an underground carpark was not unduly high.

8. Mr CHEUNG Man-kwong remarked that the open space available in many existing schools was even less than 0.9 m² per student but the shortfall had not received serious attention by the Administration. He also pointed out that requests for improvement or additional facilities made by some schools had been turned down for being not cost-effective or outside the scope of standard provisions for schools. Whilst he fully supported the objective of

providing as much as possible the open space available for students, he considered that the Administration should have adopted the same caring attitude and flexible approach when handling school improvements or redevelopment in the past. He further queried whether the Administration had explored the option of an underground carpark to improve the open space provision for schools in the past.

9. In response, DS/EM advised that improvement and refinement to school designs was an on-going and continuous process, taking into account the views and advice of all interested parties including Legislative Council Members. In recent years, the Administration had attempted to exercise greater flexibility in the design of individual schools in order to overcome site constraints and optimize utilization having regard to the characteristics of individual school sites. For example, the rooftop of some school buildings had been used to provide an additional basketball court and the layout design of some schools had been modified to enable the playgrounds of two adjacent schools to merge into a larger playground. The proposed underground carpark at LSPS was another, albeit unprecedented, measure to overcome site constraints to achieve better facility provision. He reiterated that this option would in future be considered in the light of individual projects, in particular where there was a similar problem of seriously inadequate open space and if the cost for constructing such a carpark was not unduly high.

10. In this connection, the Assistant Director of Education (Special Duties) (AD/E(SD)) supplemented that as LSPS was located at the junction of La Salle Road and Boundary Street, vehicle parking outside the school had all along been a problem in the past, and would be more so after conversion to whole-day operation. Secondly, the school site was not a level ground; the difference in height between the northern and southern sides facilitated the construction of a semi-underground carpark underneath the playground at a reasonable cost. He said that the provision of facilities in the new school building had been drawn up according to the prevailing Year 2000 school design and the same standard of facility provision would be adopted in future new school projects as far as practicable.

11. Mr CHEUNG Man-kwong considered that the topography of a school site should not be a critical factor in determining whether consideration should be given to the provision of an underground carpark in school projects. He cautioned that the Administration should not use this factor as an excuse not to pursue the option of an underground carpark in order to make available more open space for students. He urged that the approach used in the present project, through unprecedented, should not be a privilege but should be equitably applied both in new school projects and in the improvement or redevelopment of existing schools.

12. Mr LEE Wing-tat remarked that the present proposal seeking a financial commitment of over \$160 million for improvements to an existing school had given rise to concerns about the fairness of resource allocation among schools. In view of the scope and nature of the present project and reports that it had been given special attention by the Secretary for Transport, Mr LEE queried whether the decision on implementing the redevelopment project was made prior to the formulation of the relevant policies.

13. DS/EM assured members that the proposal had not been given any privileged treatment and had been scrutinized according to established funding procedures and criteria for school redevelopment or reprovisioning projects. He reiterated that the Administration had always been prepared to apply the standard school design flexibly having regard to the special circumstances of individual school sites. As far as the present project was concerned, the Administration considered the underground carpark design worth pursuing as it could make available more open space at a cost which was acceptable.

14. Mr LEE Wing-tat commented that according to his understanding, many other schools had proposed improvement measures at even lower costs for the same reason of providing more activity space for students, but the proposals were either shelved or turned down on grounds that they involved non-standard facilities. He therefore expressed strong reservation on the Administration's claim that the present proposal had not been given preferential consideration. He considered that the Administration should set out in writing the new policy applied in this project and to give an undertaking that the policy would apply equitably to all new schools and existing schools in future.

15. In response, DS/EM advised that under the overall policy objective of providing sufficient open space for student activities in schools, different options had been, and would continue to be, explored to achieve the objective having regard to circumstances of individual school sites. In the present case, the objective could be practically achieved by locating the carpark underground. On members' concerns about improvement in the learning and teaching environment for other schools, DS/EM pointed out that the Administration would consider all proposals in a flexible and practical manner. He also requested members to alert the Administration of any school improvement projects that they considered justified but had not been given due attention by the Administration.

16. Mr LEE Wing-tat sought further confirmation from the Administration as to whether it would actively consider implementing non-standard improvement projects for other schools in future. In this regard, Mr James TIEN opined that providing for underground carparks in all other schools indiscriminately might be neither practicable nor cost-effective. The Chairman suggested that the policy issues relating to provision of school facilities should be further discussed at the relevant Panel if members so wished. He added that he was

given to understand that the Administration would submit further projects relating to school reprovisioning/redevelopment to this Subcommittee in the coming few meetings.

17. In reply to Mr Fred LI's enquiry, AD/E(SD) confirmed that in assessing whether the standard provision of 2 m² per student was met, only open area that could be used for student activities would be counted. Covered playgrounds, assembly halls and other covered areas that might also be used for student activities would not be counted.

18. Miss Emily LAU recalled that at the Education Panel meeting on 17 April 2000, the Administration had informed members that 19 primary schools and 9 secondary schools based on the Year 2000 design would be coming on stream starting from the next school year. She expressed support for the open space provision of 2 m² per student, but was concerned whether the open space provision in all the new schools adopting the Year 2000 design would satisfy the standard of 2 m² per student, and if not, whether the option of underground carpark had been duly considered for these schools as in the case of the proposed redevelopment for LSPS.

Admin

19. In response, DS/EM reiterated that the fact that it was the first time underground carpark was constructed as a measure to increase the open space provision for a school did not imply that the school in question was given any special treatment. The same measure might be adopted in future school projects where feasible and cost-effective and the same problem of seriously inadequate open space provision was encountered. He agreed to provide information on the open space provision of the new schools of Year 2000 design after the meeting. Miss Emily LAU said that she would need to consider the information to be provided by the Administration before taking a position on the present proposal.

Admin

20. Mr James TIEN enquired whether the School Authority of LSPS had the financial capability to take up the proposed redevelopment project on its own, as he understood that some years ago, the same sponsoring body had sold part of the site for La Salle Secondary School to a private developer for property development. He enquired whether the disposal of the proceeds from the land transaction would affect the funding arrangement for the present project. Miss Emily LAU shared the concern of Mr TIEN and requested the Administration to provide relevant information. DS/EM undertook to liaise with the School Authority to see if relevant information could be obtained for members' reference.

21. Mr James TIEN sought clarification on whether the Government would finance the proposed redevelopment project irrespective of whether the school had the capability to fund the project on its own, given that the redevelopment project was to facilitate the implementation of whole-day schooling in line with

Government's policy. DS/EM answered in the affirmative and pointed out that as the purpose of the project in question was to facilitate the school to convert to whole-day operation to meet the Government's declared objective, the Government should be responsible for financing the project. He further explained that to facilitate the conversion to whole-day operation of existing bi-sessional schools, the Government could either construct a new school for reprovisioning or to carry out redevelopment works on the existing school site. In either case, Government would provide funds for constructing the required facilities which fell within the scope of the school's approved schedule of accommodation. In the case of LSPS, facilities such as the swimming pool and the gymnasium which were outside the scope of standard facility provisions would not be funded by the Government. He added that the same approach had been adopted in the redevelopment project of the Heep Yunn Primary School approved by the Finance Committee (FC) in March 1999, in which the Government had provided funds for the demolition of the existing school building with nine classrooms and the construction of a new building with 18 classrooms and other facilities in accordance with prevailing standards. He added that redevelopment proposals of other primary schools to facilitate their conversion to whole-day operation were in the pipeline.

22. Mr Fred LI said that he was aware of cases in which a school had to reduce the number of classes and hence, the student intake, upon conversion to whole-day operation. He sought clarification on the Government's policy in this regard. In reply, DS/EM explained that in the case of LSPS, the existing 18 classes in both the morning and afternoon sessions were virtually full. Hence, it was not possible to implement whole-day schooling by reducing the number of classes without affecting student intake. The alternative of reprovisioning 18 classes of either session to a new school in another location was not a preferred option of the School Authority and the parents concerned and this would also require the allocation of additional land by the Government. DS/EM however pointed out that in some cases, redeveloping an existing bi-sessional school for conversion to whole-day operation without affecting student intake might not be feasible due to physical constraints of the existing school site. For example, redeveloping an existing 24-classroom school to a 48-classroom school would require a site much larger than the existing one. Moreover, a school with too many classes might give rise to school management problems. In the case of the Heep Yunn Primary School and in the present case of LSPS, redevelopment within the school boundary without affecting student take was feasible and the number of classes (18 classes and 36 classes respectively) upon redevelopment was not so large as to give rise to management problems.

23. Mr Edward HO commented that the present proposal did not contain sufficient details which were usually available in the funding requests for other school projects. In particular, he queried the absence of an item-by-item comparison between the budget for a standard school and the estimates for the

proposed redevelopment project. He also enquired about the site area of the school, the design of the proposed underground carpark and the expenditure on consultants' fees for the earlier stages of the project. Miss Emily LAU shared Mr HO's concern about the lack of important information in the proposal. She enquired about the costs for the carpark and the air-conditioning facilities in the project.

24. DS/EM clarified that the presentation of the project estimates and other costing information in the present proposal was based on the usual format for similar school redevelopment projects. He referred members to paragraph 14 of the discussion paper which explained that the provision of air-conditioning and solid reinforced concrete walls as noise mitigation measures would cost about \$1.85 million. As regards site area, he advised that the existing site of LSPS was 6 200 m², whilst the standard site provision for a standard 24-classroom and a standard 30-classroom primary school was 4 700 m² and 6 200 m² respectively. There was no standard site provision for a 36-classroom primary school at present but the provision would be in the range of about 6 800 m² to 7 000 m² when calculated on a proportional basis.

25. On the consultants' fees for the project, the Deputy Director of Architectural Services (DDArchS) advised that the total consultants' fees for the project was estimated to be some \$10 million, accounting for about 8% of the estimated total project cost. The consultants' fees incurred before the construction stage was about \$5.5 million and was funded under the Block Allocation of the Capital Works Reserve Fund (CWRF). He confirmed that for projects funded under Heads 703 and 708 of the CWRF, it was the normal practice to fund works undertaken before the construction stage under the Block Allocation.

26. Regarding the cost for the proposed carpark, DDArchS advised that the estimate of \$65.15 million for the item "building" already covered the construction cost for the carpark. The provision of carparking space and school bus loading/unloading space in this project was drawn up according to the prevailing standard. The carpark would be akin to a semi-basement, and part of the podium covering the carpark would be constructed in conjunction with the construction of a swimming pool which would be funded by LSPS. Mr Edward HO commented that it would facilitate members' comprehension of the design of the proposed carpark if a cross-section plan had been included in the discussion paper.

27. In response to Mr LEE Wing-tat's request for a breakdown of the estimate of \$11.39 for "Demolition and temporary reprovisioning", DS/EM advised that the estimated demolition cost was \$8.5 million and the estimated cost for the temporary reprovisioning of the eight classrooms to be demolished was \$2.9 million.

Admin

28. Regarding the presentation of costing details in the present proposal, the Deputy Secretary for the Treasury advised that generally speaking, as the Government was fully responsible for the delivery of buildings projects funded under Head 703 of CWRF, the Administration was in a position to provide comprehensive costing details of the project concerned in the relevant discussion papers. However, for projects funded under Head 708 of CWRF, the Government usually funded only a certain part of the projects and the design and construction supervision were usually taken up by the consultant employed by the subvented organization concerned, whilst the Architectural Services Department played only an advisory role in respect of the technical aspects of the works funded by the Government. In view of its relatively lower involvement, the Administration might not be in a position to provide the full range of information as in Government projects. In view of members' concerns, the Chairman suggested and the Administration agreed to consider providing more comprehensive information in future proposals on the overall Government funding of a project at different stages.

29. Given the close proximity of the new school building to the existing school premises, Mr CHAN Kam-lam expressed concern about the disruption caused by the piling and construction works of the project. He urged the Administration to closely monitor the works to minimize disruption and enquired about measures to mitigate the disruption and the related emergency plans.

30. Acknowledging Mr CHAN's concern, DDArchS advised that the demolition and piling works were scheduled to commence in July 2000 and continue during the summer holiday as far as possible to minimize disruption to normal school activities. Whilst it was not possible to complete the piling works before early September 2000, the method of pre-drill boring, which would not cause undue noise impact, would be used for the residual piling works after commencement of the school term in September 2000. This accounted for the relatively high estimate of \$15.73 million for the piling works of the project. As regards mitigation of the noise, dust and site run-off nuisances during construction, DDArchS assured members that appropriate mitigation measures including fire shields would be implemented to control and reduce the nuisances. Provision of funds for implementation of these measures had been included in the estimate of \$11.39 million under the item "demolition and temporary reprovisioning". He also confirmed that the emergency access and fire safety facilities within the existing school premises, except for the portion to be demolished, would not be affected by the project works.

31. Mr CHEUNG Man-kwong stated that Members of the Democratic Party attached prime importance to the interests of students when considering all school projects. Members of DP did not have any prejudice against LSPS or any other schools, but were concerned whether the Administration had

genuinely applied and would apply the relevant policies equitably to all schools. Noting from the Administration's written reply that some further redevelopment projects to facilitate the implementation of whole-day primary schooling were in the pipeline, Members of DP urged the Administration to actively explore the options of underground carpark design and/or other innovative measures to tackle the problem of inadequate provision of open space for students in future projects. Mr CHEUNG also remarked that the present project was not comparable to the redevelopment project of Heep Yunn Primary School; in that case the school was temporarily relocated to the premises of a vacant primary school during the construction period and the entire project was consistent with the prevailing standards in terms of facility provisions.

32. Miss Emily LAU referred to the lack of complete information in the discussion paper and some members' concern about possible preferential treatment of LSPS. Pending availability of the information sought by members to clarify these doubts, she suggested that the Administration should withdraw the present proposal.

33. Edward HO expressed regret for the late submission of the present proposal, given the tight schedule of the project and the need to commence the piling works in July 2000. He said that this had put members in a difficult position as on one hand, some important information to address members' concerns was still pending, and on the other hand, deferring decision on the present proposal might cause undue delay to the project. On balance, Members of the Liberal Party (LP) would agree to recommend the proposal to the Finance Committee (FC) on the understanding that the information requested by members at this meeting would be provided before the relevant FC meeting. He pointed out that Members of LP reserved the right to reconsider their position on the proposal after considering the information provided by the Administration.

34. Mr CHEUNG Man-kwong concurred with Mr Edward HO that the proposal should be submitted to FC as scheduled in order not to delay the project. He said that Members of DP would not take a position on the proposal at this meeting pending further information to be provided by the Administration.

35. The Chairman put the item to vote. Eight members voted for the proposal, none voted against and eight members abstained.

For:

Mr Kenneth TING Woo-shou

Mr James TIEN Pei-chun

Mr Edward HO Sing-tin

Mr Eric LI Ka-cheung

Prof NG Ching-fai
Mr CHAN Kam-lam
Mr Gary CHENG Kai-nam
Mr TAM Yiu-chung
(8 members)

Abstention:

Miss Cyd HO Sau-lan
Dr Raymond HO Chung-tai
Mr LEE Wing-tat
Mr Fred LI Wah-ming
Mr CHEUNG Man-kwong
Miss Emily LAU Wai-hing
Mr Andrew CHENG Kar-foo
Mr LAW Chi-kwong
(8 members)

36. The item was endorsed by the Subcommittee.

37. The Chairman advised that since there would not be sufficient time for the Subcommittee to consider all the remaining items scheduled for the meeting, the Administration had requested the Subcommittee to advance consideration of items PWSC(2000-01)3 and 17 relating to the construction of a fire station-cum-ambulance depot in Tseung Kwan O (TKO) and the purchase and fitting-out of office accommodation for the Beijing Office (BJO) respectively. The Chairman appreciated that there was an urgency because firstly, PWSC(20000-01)3 had been withdrawn by the Administration at the last meeting pursuant to members' request and secondly, it would be costly for the representatives of BJO to fly to Hong Kong from Beijing for another attendance for PWSC(2000-01)17. Members agreed to consider the two items first.

Head 703 - BUILDINGS

**PWSC(2000-01)3 3118BF Fire station-cum-ambulance depot in
Area 87, Tsueng Kwan O**

38. The Chairman reminded members that during the previous discussion, members had expressed concern about optimizing the development potential of the site and asked if the Government had considered the feasibility of incorporating other uses, such as field offices of the Social Welfare Department (SWD) or storage space for other disciplined services, into the project.

39. Miss Emily LAU said that the presentation of the discussion paper gave her an impression that it was very difficult to arrange joint uses of Government

sites. She sought clarification on whether it was Government policy to encourage joint uses of Government sites by different Government departments to optimize site development potential.

40. In response, the Deputy Secretary for Security confirmed that it was Government policy to optimize site development potential for Government sites as far as practicable, and there were many cases in which joint uses of sites had proved to be cost-effective and practicable. She however pointed out that due to the operational requirements of fire stations, joint uses of sites with fire stations were subject to additional constraints. Firstly, fire stations operated round the clock and their operation would cause noise nuisance to noise sensitive users. Secondly, fire stations required exclusive access facilities and service areas for fire engines and ambulances and thus, additional access facilities and service areas would need to be provided for any joint users. In the case of the proposed fire station-cum-ambulance depot in Area 87, TKO, the Administration had not been able to identify suitable joint users after years' efforts, and therefore decided to reduce the site area from 3 750 square metres (m²) to 3 186 m² which was the minimum required for the depot development. She added that even if suitable joint uses could now be identified, it would not be possible to provide the required access facilities and service areas for the additional accommodation within the reduced site area.

41. Noting that additional office space would be available in a planned welfare complex in Area 15, TKO for the TKO Social Security Field Office of SWD, Miss Emily LAU enquired about the timetable for the welfare complex project. The Deputy Government Property Administrator advised that the Administration planned to put up the relevant funding proposal in 2001 with a view to completing the project in 2004 or 2005. She also advised that as an interim arrangement, additional office accommodation had been provided in the old Kai Tak Airport Building for a Social Security Field Office of SWD to serve the residents of Choi Wan Estate in Sai Kung.

42. The item was voted on and endorsed.

PWSC(2000-01)17 66KA Purchase and fitting-out of office accommodation for the Beijing Office

43. Mr Edward HO, Chairman of the Panel on Planning, Lands and Works (PLW) referred to the statement in the discussion paper that the Administration had consulted the Panel on 24 February 2000 on the proposal to purchase permanent accommodation for BJO and that the Panel had no objection to the Administration proceeding to submit a formal funding application. He clarified that at the Panel meeting, Panel members had raised a number of queries and concerns on the proposal but they had not taken a collective view on the proposal during the discussion.

44. Mr LEE Wing-tat sought elaboration on the Administration's observation in the discussion paper that there were signs that the property market in Beijing was on an upward trend. He also requested further information on the office rental market in Beijing which he considered an important factor for assessing the cost-effectiveness of the proposed purchase of permanent accommodation for BJO.

45. In reply, DGPA advised that according to the information provided by the property consultants in Beijing, office prices and rentals in Beijing varied substantially depending on the location and facilities of the office buildings and the view and storey level of the premises concerned. The annual rental return rate for multi-storey commercial buildings in Beijing was around 8% to 9%. If office rentals in Beijing moved upward by 10% or more per annum, and the annual interest cost to the Government's acquisition of a property in Beijing was at or below 6.5%, purchasing a property would then be more economical than renting office accommodation. DGPA also informed members that the current rental of BJO was some HK\$315,000 per month, i.e. US\$24 (about HK\$185) per square metre (m²) calculated on the basis of gross floor area.

46. As regards the property market situation in Beijing, DGPA advised that the prices of Grade A office premises in Beijing had been on an upward trend between 1992 to 1994 and thereafter had undergone a period of downward adjustments. Reports of property analysts revealed that Beijing's property market had stabilized early this year and had been on an upward trend since then. The Deputy Director, Beijing Office (DD/BJO) added that this might be attributed to the expectation of China's accession to the World Trade Organization in the near future.

47. Noting that the property market in Beijing had been under downward adjustments since 1995 and the market only began to pick over the past few months, Mr LEE Wing-tat expressed strong reservation on the Administration's judgement that now was a good time to acquire property in Beijing. He also considered the Administration's assumption of an 10% annual increase in office rentals in Beijing too high.

48. Mr CHEUNG Man-kwong said that whilst it was acceptable for the permanent office of BJO to be located within the city centre of Beijing and be of the Grade A standard, the Administration should undertake that after identifying suitable premises which met the said considerations and operational requirements of BJO, it would select a property with a lower price, instead of aiming at a more costly one within the approved financial limit.

49. DD/BJO expressed concurrence with Mr CHEUNG's view. He however pointed out that as information on property transactions in Beijing was not in the public domain, the price ranges set out in the paper were based on the

information obtained from individual property consultants in Beijing. He confirmed that at present, the Administration did not have a particular property in mind, and further assured members that the Administration would try to negotiate the best price for any suitable property identified and where there were comparable choices that satisfied the operational requirements of BJO, would select a property on the lower end of the price range.

50. Dr NG Ching-fai enquired about the difference, if any, in the fitting-out costs between purchased and leased office premises in the case of BJO. The Chief Property Services Manager, Property Services Branch, Architectural Services Department advised that the estimated cost of HK\$20 million for fitting-out had been drawn up on the basis of the Government's prevailing standards for office accommodation and the special requirements of BJO for certain facilities such as the meeting room and the public exhibition and reading room. Similar fitting-out works would be required even if BJO was to be accommodated in leased premises. The fitting-out cost for the existing office accommodation of BJO was about \$9,200 per m². The same standard of fitting-out for Government offices in Hong Kong would cost about \$6,900 per m². The higher cost in Beijing was mainly attributed to the one-off nature of the works contract as distinct from the three-year term contract for Government offices in Hong Kong.

51. Miss Cyd HO enquired whether acquiring a stand-alone property would incur additional recurrent expenditure. In reply, DD/BJO advised that according to the information obtained by BJO, there would not be any extra recurrent expenditure associated with stand-alone properties. All commercial properties in Beijing were subject to a property tax based on the ratable value of the property. For low-rise properties, property owners were responsible for the maintenance and repair of the area within the boundary of their properties and the development of the properties must comply with the relevant planning and building requirements of the authority. These legal requirements would be clearly spelled out at the time of entering into the purchase agreement.

52. Miss Emily LAU opined that the permanent office for BJO should not be luxurious or extravagant as this would be incompatible with the expectation of the Hong Kong community. She sought clarification on whether it was still the Administration's intention to purchase or develop a quadrangle house as permanent office for BJO, as had been proposed in the past.

53. In response, DD/BJO re-assured members that the future permanent office of BJO would not be luxurious or extravagant. He clarified that quadrangle houses were a form of traditional Chinese architectural design. Within the bounds of Second-ring road, there were few, if any, low rise stand-alone developments that were not of traditional Chinese architectural design. He pointed out that views for and against the idea of purchasing a quadrangle house had been received by BJO. While some people who were initially

opposed to the idea had changed their mind after BJO's explanation on the nature of quadrangle houses, some maintained their opposition. DD/BJO further explained that when the proposal was first discussed at the meeting of PLW Panel on 24 February 2000, the then intention was to purchase a low rise stand-alone property and at that time, the Administration had identified a suitable property of a quadrangle house design on offer at a particularly good price. Since then, the Administration had not pursued this option further as the Administration accepted Members' view that the proposed scale of development at the property might not be fully justified. Moreover, the property owner had raised his asking price after the matter was widely reported. He informed members that over the past two months, BJO had received a number of offers of low rise stand-alone properties, most of which were also of traditional Chinese architectural design.

54. DD/BJO further advised that the present proposal had been modified to take into account the views expressed by Members and the public. While the Administration still preferred a low rise stand-alone property as permanent accommodation for BJO, it would also pursue the option of purchasing office space in a multi-storey commercial building if a suitable low rise stand-alone property was not available at a reasonable price. However, he cautioned that due to the lack of control by the BJO over the identity of future occupants in the same multi-storey building, accommodating BJO in a multi-storey building would involve the risk that certain future occupants and/or the activities they hosted in the building would be incompatible with the status of BJO which might affect the operation of the Office. Accommodating the BJO in a stand-alone building would obviate these potential problems.

55. Miss Emily LAU sought justification for the long-term space requirements of BJO which amounted to a total net floor area of 2 200 m² as compared to that of 1 250 m² for the existing accommodation. In response, DD,BJO advised that the long term space requirements for BJO were drawn up having regard to the operational experience of BJO over the past year. As indicated in the discussion paper, the main items contributing to the increase in space requirements included the meeting room (increased from 25 m² to 150 m²), the store room (increased from 45 m² to 200 m²) and the public exhibition and reading room (increased from 65 m² to 100 m²). Additional facilities/areas such as the plant rooms and the parking lot would be required if a low-rise stand-alone building was selected. He stressed that the existing accommodation for BJO did not provide adequate facilities to meet BJO's daily operational needs. Hence, the long-term space requirements set out in the proposal were, to a large extent, for meeting the existing shortfall of facilities. DD,BJO and DDArchS also confirmed that the office space provision for staff and other ancillary facilities for staff uses had been drawn up strictly in accordance with prevailing Government standards.

56. Mr CHENG Kar-foo pointed out that Hong Kong people were most concerned whether BJO were performing its functions effectively, in particular the work on providing assistance to Hong Kong residents being detained in the Mainland. He enquired whether BJO would take up this area of work as an on-going responsibility and allocate sufficient resources for the work.

57. In reply, DD/BJO explained that when BJO was first established, it had been made clear that the BJO would not handle individual cases involving Hong Kong residents detained in the Mainland, and no provision of resources was made to cover that additional area of activities which BJO took up last August as a result of the expectation from the community at large. So far, BJO had been able to take up the work through internal deployment of resources under the Enhanced Productivity Programme without adversely affecting other areas of work. He confirmed that providing practical assistance to Hong Kong residents detained in the Mainland had now become a normal responsibility for BJO and assured members that BJO would continue its best endeavors to follow up the outstanding cases referred to it.

Admin

58. At Mr CHENG Kar-foo's request, the Administration agreed to provide a breakdown of resource provisions for BJO by work areas, including its work on providing assistance to Hong Kong residents detained in the Mainland.

59. Mr Edward HO referred to the work of BJO stated in Enclosure 3 to the discussion paper that BJO kept the Government of the Hong Kong Special Administrative Region abreast of the Mainland's latest developments, in particular macroeconomic developments, new policies and initiatives in various areas, and new legislation and regulations which might affect the interests of Hong Kong businessmen having investments in the Mainland. He considered these types of information very important to the local business sector and enquired about the existing mechanism for the dissemination of such information. Mr James TIEN echoed Mr HO's concern and in particular, pointed out that the business sector was often confused with inconsistent information from different sources on new regulations and fees implemented at the city and provincial levels. He therefore enquired whether BJO could obtain from the Central People's Government first hand information on these issues and disseminate the information directly to the business sector in Hong Kong.

60. In reply, DD, BJO said that BJO took the initiative to obtain the aforesaid information through frequent contacts with the Mainland ministries and authorities. The normal practice was for BJO to forward such information as soon as it was available to the relevant policy bureau(x) in Hong Kong, mainly the Trade and Industry Bureau (TIB), for onward dissemination to the business sector as appropriate. He said that there was no particular problem in obtaining such information from CPG at present. However, it should be noted that in some cases, provinces and cities had the

Admin

authority to make regulations on their own. Therefore, one of the work priorities of BJO in the coming year was to strengthen the liaison and contacts with local authorities. He took note of members' concern about the efficiency in disseminating the information to the Hong Kong community and undertook to further liaise with bureaux concerned to see if the dissemination mechanism could be enhanced.

61. In connection with the monitoring of the work of BJO, Mr Edward HO commented that the work of BJO did not seem to fall under the purview of any of the existing LegCo Panels and he was therefore concerned about the forum to deliberate on the work of BJO.

(Secretariat's Note: Having regard to its Terms of Reference, the Panel on Constitutional Affairs should be the corresponding LegCo Panel to monitor the work of BJO in general.)

62. The item was voted on and endorsed.

63. As there was insufficient time to consider agenda items PWSC(2000-01)11 to 15, the Chairman instructed that the consideration of these items be deferred to the next meeting or a special meeting to be arranged.

(*Post meeting note:* Items PWSC(2000-01)11 to 15 were carried over to the meeting on 17 May 2000 starting at 9:00 am)

64. The meeting ended at 12:53 pm.

Legislative Council Secretariat

25 May 2000