

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 159 – GOVERNMENT SECRETARIAT : DEVELOPMENT BUREAU (WORKS BRANCH) Subhead 000 Operational expenses

Members are invited to recommend to Finance Committee the retention of the following two supernumerary posts in the Works Branch of the Development Bureau for a period of four years and nine months with effect from 1 July 2017 to 31 March 2022 –

1 Principal Government Town Planner
(D3) (\$187,750 - \$204,950)

1 Government Architect
(D2) (\$161,450 - \$176,550)

PROBLEM

The existing supernumerary posts of a Principal Government Town Planner (PGTP) (D3) and a Government Architect (GA) (D2) in the Energizing Kowloon East Office (EKEO) of the Works Branch of the Development Bureau (DEVB(WB)) will lapse on 1 July 2017. Retention of these posts is required to continue taking forward the policy initiative of Energizing Kowloon East (EKE) through the established EKEO in DEVB(WB).

/PROPOSAL

PROPOSAL

2. We propose to retain –

- (a) a supernumerary PGTP (D3) post (i.e. Head of EKEO) for heading EKEO; and
- (b) a supernumerary GA (D2) post (i.e. Deputy Head of EKEO) to support the Head of EKEO

in DEVB(WB) for four years and nine months from 1 July 2017 to 31 March 2022. The posts are required to continue providing dedicated support at the directorate level to lead, steer and monitor the transformation of Kowloon East (KE) into another core business district (CBD2) to sustain Hong Kong's economic development.

JUSTIFICATION**Continued Need for EKEO**

3. Following the approval of the Finance Committee (FC) for creation of the supernumerary PGTP (D3) and GA (D2) posts on 20 April 2012, EKEO was set up in June 2012. Since its establishment, EKEO has been focusing efforts on enhancing connectivity, improving the environment, unleashing development potential and exploring the feasibility of Smart City development, as set out in the latest Conceptual Master Plan 5.0 (CMP 5.0) and the EKEO Booklet (2012 – 2016+)¹. Together with our perennial project facilitation and public engagement work, the efforts in aggregate provide the community with more pleasant pedestrian and open space networks, more green buildings and floor space and venues for a diversity of businesses and undertakings, including those for the cultural and creative sectors.

4. KE comprises the Kai Tak Development (KTD) area, the Kwun Tong Business Area (KTBA) and the Kowloon Bay Business Area (KBBA). Currently, KE has about 2.3 million m² of commercial/office floor space (of which about 1.9 million m² is office floor space), an increase from about 1.7 million m² in 2012 (of which about 1.4 million m² was office floor space). It has the potential to provide another 4.7 million m² of commercial/office floor space in future. Between 2012 and 2016, new commercial/office floor space in KE contributed a significant share (40% on average annually) of the total new supply in the territory.

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¹ CMP 5.0 and EKEO Booklet (2012 – 2016+) are enclosed with the paper LC No. CB(1)133/16-17(04) considered by the Panel on Development on 22 November 2016. They are also available at the hyperlinks [CMP5.0](#) and [Booklet](#) on the EKEO website.

The projected share in KE is on the rise, which is expected to reach 60% of the total new supply in 2017, or about 182 000 m² in gross floor area. With another anticipated 4.7 million m² commercial/office floor space in KE in future to meet market demand, it is necessary for the Government to continue the various EKE initiatives with a view to ensuring a steady supply of new commercial/office floor space in Hong Kong.

5. Sustaining the transformation of KE requires a delicate balance between facilitating new developments and maintaining the economic vibrancy of the already built-up areas. Private and often multiple ownership of most of the land in the built-up areas of KBBA and KTBA is not inherently conducive to the development of CBD2, as private redevelopment and conversion projects are largely market-driven. It necessitates the Government to continue to proactively steer and bring improvements to connectivity and the environment in KE that are congruent with CBD2 so as to sustain the impetus for transformation and to attract businesses that will benefit the overall Hong Kong economy. Augmented efforts to provide timely land use reviews of government sites for land disposal and facilitation of private and public sector projects are also needed to more fully materialise the potential of KE. The continuation of EKEO's operation is crucial to sustaining and demonstrating the determination of the Government to strengthen the CBD2 in KE.

6. In view of the achievements so far and the positive responses from the market and the general public, we will continue adopting the acronym-strategy CBD² on **C**onnectivity, **B**randing, **D**esign and **D**iversity to facilitate the transformation of KE. Specifically, as set out in CMP 5.0, we will carry on improving walkability and mobility, building a green CBD by enhancing the environment and promoting green buildings, sustaining socioeconomic vibrancy through releasing development potential and place-making, looking into innovative ways for Smart City development, and continuing engagement with the public and relevant stakeholders. While various quick-wins have been accomplished and some studies have been completed or have nearly reached their conclusion, there are a large number of improvement proposals and development plans, various ongoing studies and Public Works Programme projects at different stages of planning, design, funding application and implementation. Those outstanding projects initiated by EKEO are listed in Enclosure 1, and the key tasks are highlighted below –

Encl. 1

- (a) concluding the pedestrian environment and traffic improvement study on KTBA, and taking forward the medium-term and long-term improvement proposals, including public works projects, identified in the KTBA study and the completed KBBA study with a view to creating a walkable KE and improving the traffic conditions in the two Business Areas;

/(b)

- (b) undertaking three consultancy studies, on the Runway Tip, the Kowloon Bay Action Area and the Kwun Tong Action Area respectively, and undertaking planning studies on other underutilised government sites;
- (c) steering and coordinating the relocation of existing government facilities within the two Action Areas in tandem;
- (d) steering the design and implementation of various projects to improve the environment and public spaces including Tsun Yip Street Playground and the associated ballcourt reprovisioning, Hoi Bun Road Park, Lam Wah Street Playground, Tsui Ping River Garden, Tsui Ping River and Estuary Garden in line with our branding, design and place-making strategies;
- (e) overseeing the operation of three sites beneath the Kwun Tong Bypass under the ‘Fly the Flyover Operation’ for art, cultural and creative uses; and
- (f) continuing the Smart City consultancy study including the carrying out of proof-of-concept trials ² under the framework strategy formulated for KE; studying the scalability and implementation mechanism of solutions that are eventually proven suitable for wider application; and collaborating with research institutes, universities and other stakeholders³ on Smart City-related projects using KE as a test bed.

7. In view of the above, it is necessary to extend EKEO’s operation for a further period of four years and nine months from 1 July 2017 to 31 March 2022 to leverage the knowledge, experience and support gained over the past few years to accomplish the outstanding tasks. Needless to say, we will continue to provide one-stop coordination and advisory services to land development proposals and place-making events. These services include providing professional advice on technical issues, steer and stronger coordination among relevant government bureaux and departments in assessing and processing various proposals and applications. With our multi-disciplinary expertise and holistic approach, we will continue to facilitate the successful implementation of development projects and place-making events. We will also continue our extensive public engagement to achieve the CBD2 vision.

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² The proof-of-concept trials include a walkability mobile app, a smart crowd management system, an energy efficiency data system and a kerbside loading/unloading bay monitoring system, etc. Please refer to the [Smart City Study website](#) and the [Digest for Stage 1 Public Engagement](#) for more details.

³ We have provided policy support for Smart City-related research projects using KE as a test bed for funding applications from various sources. Four such research projects have already secured funding.

8. In determining the length of extension, we have considered primarily the number and complexity of our outstanding tasks. Take ongoing consultancy studies as an example, most of them will take one more year or so to conclude, followed by detailed design and implementation of the recommended proposals, which will require another three years or so. As such, the proposed length of extension will largely tie in with the scheduled completion of most of the projects that are ongoing or in the pipeline, subject to timely funding approvals. Any shortening of the duration of the proposed extension will give rise to a premature handover of studies and projects to other government departments, and it could be impossible for any government departments to take on all the outstanding tasks in a holistic and integrated manner. We will review the need for continuing EKEO's operation before the end of the extension period.

Staffing Structure of EKEO

Encl. 2

9. Currently, EKEO is headed by two directorate officers (PGTP (D3) as Head and GA (D2) as Deputy Head of EKEO) and underpinned by 22 civil servants/non-civil service contract staff that form a multi-disciplinary team of town planners, architects, engineers, landscape architect and surveyors as well as supporting technical and administrative staff (Enclosure 2). The current setup has proved to be capable of handling EKEO's multifarious work portfolios, comprising policy formulation and refinement, place-making, land use reviews, urban design, building development, infrastructure and Smart City development, and project facilitation. Putting the multi-disciplinary professionals under the same roof enables dedicated efforts with better coordination, integration and efficiency to pursue the goals of the EKE initiatives and to continue the crucial one-stop services to facilitate the release of development potential in KE. We propose to retain the current staffing structure in the extension period, and will review our staffing needs from time to time having regard to the progress of the various initiatives.

Need for Dedicated Directorate Support

10. The extension of EKEO and maintenance of the current structure mean that it is necessary to retain high-level personnel with leadership and organisational capabilities. In the extension period, apart from managing and integrating myriad works projects entering the implementation stage, EKEO will continue to steer and coordinate government efforts on various EKE initiatives, formulate appropriate implementation mechanisms, and engage the public and stakeholders in carrying out the new initiatives proposed under various consultancy studies. A continued and dedicated high-level steer will be pivotal to the smooth implementation of proposals and works projects, and the effective communication with both the public and the private sectors while the initiatives are being

/undertaken

Encl. 3

undertaken. Having regard to the main duties and level of responsibility as set out in Enclosure 3, the Head of EKEO should have strong strategic planning capabilities so as to chart the course of KE's development while the Deputy Head should possess expertise in implementing and coordinating government efforts. The existing arrangement of having the two posts pitched at the PGTP (D3) rank and the GA (D2) rank respectively is considered appropriate.

Interface between EKEO and Kai Tak Office

11. The implementation of KTD is proceeding in accordance with the Kai Tak Outline Zoning Plan. While the Kai Tak Office under the Civil Engineering and Development Department will continue to assume its role in delivering the infrastructure projects in KTD, EKEO has been focusing and will continue to do so, on the overall planning and coordination of the various EKE initiatives including KTD. The two offices will continue to collaborate closely in taking forward the development of KE into Hong Kong's CBD2.

ALTERNATIVES CONSIDERED

Encl. 4

12. We have critically examined whether other directorate officers at the appropriate levels in DEVB(WB) will have the spare capacity to absorb the duties of the Head and Deputy Head of EKEO. Our conclusion is that no alternative to the extension of the posts of Head and Deputy Head of EKEO is feasible, given the need to maintain a coordinated and integrated approach to take forward the numerous complex EKE initiatives and the fact that all other directorate officers are already fully engaged (Enclosure 4). Those officers' current work portfolios include policy matters on heritage conservation and related projects; formulation of strategies for greening, landscape and tree management matters and their implementation; monitoring of capital works programmes and expenditure; implementation of major infrastructure projects; increasing land supply; procurement strategy regarding construction and consultancy services; administration of public works contracts and consultancies; construction manpower development; construction safety; construction standards; construction workers registration; promotion of local professional services relating to construction and engineering outside Hong Kong; slope safety; lift and escalator safety; flood prevention; and water supply.

13. Any delay or failure in securing funding approval to retain the two supernumerary directorate posts will result in the disbandment of EKEO, and adversely affect the synergy and momentum towards accomplishing the CBD2 initiative in a concerted and integrated manner spearheaded by EKEO, especially because there are still a large number of outstanding tasks.

/FINANCIAL

FINANCIAL IMPLICATIONS

14. To retain the posts of Head of EKEO and Deputy Head of EKEO for four years and nine months from 1 July 2017 to 31 March 2022, we will require an additional notional annual salary cost at mid-point not exceeding \$4,443,000, as follows –

Rank	Notional annual salary cost at mid-point (\$)	No. of post
PGTP (D3)	2,386,800	1
GA (D2)	2,056,200	1
Total	4,443,000	2

The additional full annual average staff cost, including salaries and on-cost, is estimated to be around \$6,159,000.

15. EKEO will continue to be supported by 22 non-directorate civil servants and non-civil service contract staff. The total notional annual salary cost at mid-point for the non-directorate civil service posts will be \$9,997,170; and the full annual average staff cost, including salaries and on-cost, will be \$14,111,000. The annual staff cost of non-civil service contract staff will be within \$4,846,000. We will include sufficient provision in the 2017-18 draft Estimates to meet the above costs upon the FC's approval and will reflect the resources required in the Estimates of subsequent years.

PUBLIC CONSULTATION

16. We consulted the Legislative Council's Panel on Development on 22 November 2016 on the proposed extension of the supernumerary PGTP and GA posts for four years and nine months up to 31 March 2022. Some Panel Members indicated support for the proposal and some sought information on the following: the cost-effectiveness of EKEO's projects; the reasons for the proposed extension period; the number of small and medium-sized enterprises (SMEs) and art studios having moved out of KE; connectivity and the progress of the Detailed Feasibility Study (DFS) on the Environmentally Friendly Linkage System (EFLS); and implementation of a zero emission transport system in the KTD. The requested information was submitted to the Panel Secretariat on 21 December 2016 for circulation to Panel Members (Enclosure 5). In gist, EKEO's projects bring about not only tangible benefits such as new commercial/office land being put to the market, but also intangible social benefits arising from developing KE into a smart, vibrant and sustainable CBD2. For the reasons elaborated in paragraphs 6 to 8

Encl. 5

/above

above, we need to extend the tenure of EKEO to complete its outstanding tasks. While there is no detailed statistical breakdown on SMEs by district, the total number of establishments in KE rose from about 27 000 in 2011 to about 31 000 in 2015. In line with our strategy to promote diversity, we seize every opportunity to provide suitable spaces, such as the Fly the Flyover sites for art, culture and creative uses, and will continue with such efforts under the ongoing studies on the two Action Areas. We are minded to enhance connectivity within the built-up area as well as its integration with the KTD area. On the EFLS, the Kai Tak Office is conducting the DFS in two stages. Various green public transport modes are being examined under the first stage to formulate an integrated multi-modal linkage system to enhance connectivity in KE. The most suitable and cost-effective mode(s) for KE will be selected for in-depth evaluation in the second stage of the DFS.

17. We have also consulted the Land and Development Advisory Committee (LDAC) and the relevant District Councils. The LDAC, at its meeting on 28 October 2016, unanimously agreed with the need to continue the various improvement proposals and development plans, ongoing studies and works projects, and expressed strong support for the continuation of the EKE initiatives. The LDAC considered the modus operandi of EKEO to be exemplary, and appreciated that EKEO's continued operation would be crucial to strengthening the role of KE as CBD2 to sustain Hong Kong's economic development. In addition, the Kwun Tong District Council and the Housing and Infrastructure Committee of the Kowloon City District Council, which were consulted on 1 November 2016 and 3 November 2016 respectively, appreciated EKEO's efforts in engaging the community and the office's accomplishments over the past years. Members supported extending EKEO's operation and the continued implementation of various improvement proposals that benefit KE as CBD2.

18. From the feedback and comments gathered in EKEO's various public engagement and community outreach activities, stakeholders, local communities and the general public are very positive about and supportive of EKEO's work on the EKE initiatives.

BACKGROUND

19. The 2011-12 Policy Address announced that the Government would adopt a visionary, coordinated and integrated approach to transform KE into CBD2 to sustain Hong Kong's economic development. Specifically, this would involve land use reviews, enhanced urban design, improved connectivity and the associated infrastructure. EKEO was established in June 2012 following the approval of the

FC in April 2012 to create two supernumerary directorate posts of PGTP (D3) and GA (D2) for heading a dedicated office to steer and facilitate the transformation of KE, initially for one year with effect from 1 July 2012. In May 2013, the FC granted approval to retain the two directorate posts for another four years from 1 July 2013 to 30 June 2017 to continue the operation of EKEO. We undertook both to review the work of EKEO having regard to the progress of various initiatives and operational experience, and to consider the longer-term need of the office before the end of the four-year period.

ESTABLISHMENT CHANGES

20. The establishment changes in DEVB(WB) for the last two years are as follows –

Establishment (Note)	Number of Posts			
	Existing (As at 1 December 2016)	As at 1 April 2016	As at 1 April 2015	As at 1 April 2014
A	24+(4) [#]	24+(3)	24+(3)	24+(2)
B	94	93	86	85
C	124	124	121	121
Total	242+(4)[#]	241+(3)	231+(3)	230+(2)

Note:

A – ranks in the directorate pay scale or equivalent

B – non-directorate ranks, the maximum pay point of which is above MPS Point 33 or equivalent

C – non-directorate ranks, the maximum pay point of which is at or below MPS Point 33 or equivalent

() – number of supernumerary directorate posts

[#] – as at 1 December 2016, there was no unfilled directorate post in DEVB(WB)

CIVIL SERVICE BUREAU COMMENTS

21. The Civil Service Bureau supports the proposed retention of the supernumerary posts of a PGTP and a GA for four years and nine months in DEVB(WB) to continue heading EKEO and steering the policy initiative of EKE. The grading and ranking of the proposed posts are considered appropriate having regard to the level and scope of the responsibility involved and the professional input required.

/ADVICE

**ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE
SALARIES AND CONDITIONS OF SERVICE**

22. As the posts are proposed on a supernumerary basis, their retention, if approved, will be reported to the Standing Committee on Directorate Salaries and Conditions of Service in accordance with the agreed procedure.

Development Bureau
December 2016

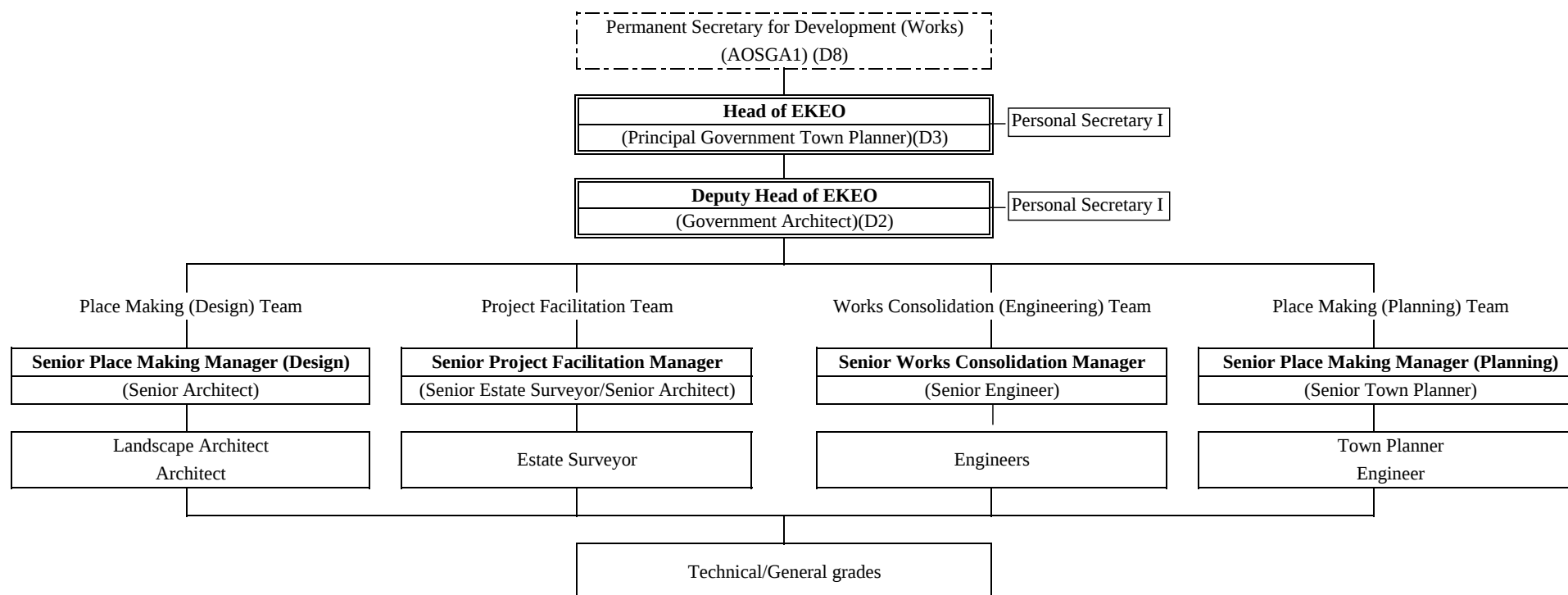
**List of Major Studies and Works Projects Initiated by
the Energizing Kowloon East Office
(Ongoing or to be Undertaken beyond June 2017)**

Item No.	Nature	Title	Status
Enhancing Connectivity			
1.	Minor Works	25 items of road improvement works proposed in the Kowloon Bay Business Area Pedestrian Environment Improvement – Feasibility Study	In progress
2.	Public Works Programme (PWP) Project	Construction of footbridge between Kowloon Bay Mass Transit Railway (MTR) Station and the future East Kowloon Cultural Centre	Design study by Highways Department in progress
3.	Consultancy Study	Pedestrian Environment Improvement Scheme for Transformation of Kwun Tong Business Area (KTBA) – Feasibility Study	In progress
4.	Minor Works	Revitalisation of Back Alleys	In progress
5.	Minor Works	35 items of road improvement works proposed in the KTBA Study	In progress
6.	Minor Works	Facelifting of footbridges on Kwun Tong Road	In progress
7.	PWP Project	Proposed Pedestrian Environment Improvement Works in KTBA – Ngau Tau Kok Portion, including construction of subways between MTR Ngau Tau Kok Station and Hoi Bun Road Park	Design study by Highways Department to be commenced
8.	Consultancy Study	Detailed Feasibility Study on Environmental Friendly Linkage System	In progress (by Civil Engineering and Development Department)

Item No.	Nature	Title	Status
Improving the Environment			
<i>Public Spaces and Related Improvements</i>			
9.	Minor Works	Refurbishment of Wang Tai Road Sitting-out Area	In progress
10.	Minor Works	Sitting-out Area at junction of Sheung Yee Road and Kai Fuk Road	Funding application
11.	Minor Works	'Fly the Flyover 01, 02 and 03' Project	In progress
12.	Minor Works	Refurbishment of Tsun Yip Cooked Food Market (Phase 1)	In progress
13.	PWP Project	Refurbishment of Tsun Yip Street Playground (Phase 2)	In progress
14.	PWP Project	Reprovisioning of Tsun Yip Street Playground Ball Courts and Enhancement of Facilities in Hong Ning Road Park and Ngau Tau Kok Fresh Water Service Reservoir	Design study by Architectural Services Department in progress
15.	PWP Project	Improvement of Hoi Bun Road Park and Adjacent Area	Design study by Architectural Services Department in progress
16.	PWP Project	Reprovisioning of Refuse Collection Point to pave way for improvement to Lam Wah Street Playground Adjacent Area	Coordination with government departments in progress
17.	PWP Project	Improvement of Lam Wah Street Playground and Adjacent Area	Design study by Architectural Services Department in progress
<i>Tsui Ping River & Garden and Adjoining Areas</i>			
18.	PWP Project	Reprovisioning of existing Shing Yip Street Garden as Tsui Ping River Garden	To commence in December 2016
19.	PWP Project	Transformation of King Yip Street Nullah into Tsui Ping River	Design study by Drainage Services Department in progress
20.	PWP Project	Relocation of the Cha Kwo Ling Marine Refuse Collection Point to pave way for Estuary Garden	Coordination with government departments in progress

Item No.	Nature	Title	Status
21.	PWP Project /Minor Works	Estuary Garden at current Cha Kwo Ling Marine Refuse Collection Point	Coordination with government departments in progress
Unleashing Development Potential			
22.	Consultancy Study	Planning and Engineering Study for the Development at Kowloon Bay Action Area (KBAA) – Feasibility Study	In progress
23.	Consultancy Study	Planning and Engineering Study on Kwun Tong Action Area – Feasibility Study	In progress
24.	Consultancy Study	Planning and Urban Design Review for Developments at Kai Tak Runway Tip – Feasibility Study	In progress
25.	PWP Project	Reprovisioning of Vehicle Examination Centres at Sai Tso Wan, Tsing Yi	Funding application
26.	PWP Project	Provision of footbridges connecting KBAA to Kowloon Bay MTR Station and the waterfront	KBAA Study in progress
27.	PWP Project	Reprovisioning of Police Vehicle Pound	KBAA Study in progress
28.	PWP Project	Runway Park Phase 2 Development	Kai Tak Runway Tip Study in progress
Smart City			
29.	Consultancy Study	Development of Kowloon East into a Smart City District – Feasibility Study	In progress
30.	Minor works	Smart City Proof of Concept Trials in Kowloon East	In progress

Energizing Kowloon East Office (EKEO), Works Branch of the Development Bureau - Establishment



Legend

 Supernumerary directorate posts proposed for extension for 4 years and 9 months up to 31.3.2022

 Civil service posts/NCSC positions of non-directorate professional, technical and administrative staff

**Job Description of
Head of Energizing Kowloon East Office (H/EKEO)**

Rank : Principal Government Town Planner (D3)

Responsible to : Permanent Secretary for Development (Works)

Major Duties and Responsibilities –

1. Advocate and oversee implementation of the Conceptual Master Plan of Kowloon East and explore options for strategic refinements of the Outline Zoning Plans covering Kowloon East.
2. Explore different strategies of expediting the development and transformation of Kowloon East into Hong Kong's second Core Business District (CBD2).
3. Manage the Energizing Kowloon East Office to ensure its efficient operation.
4. Spearhead the coordination of inter-bureau and inter-departmental efforts on land development proposals from the private sector including facilitation and provision of preliminary assessments on the merits or otherwise of individual proposals in consultation with the relevant bureaux and departments.
5. Assume the overall coordination and monitoring role in the project management, design direction and coordination related to infrastructural development in the Kwun Tong and Kowloon Bay Business Areas as well as in the strategic issues pertaining to Kai Tak Development.
6. Formulate strategies and undertake studies to release the potential of government land, enhance walkability, improve the environment, and explore the feasibility of Smart City development.
7. Champion a comprehensive public relations and public engagement strategy for new initiatives and projects, and coordinate responses to demands and aspirations from stakeholders and the public.

/Job

**Job Description of
Deputy Head of Energizing Kowloon East Office**

Rank : Government Architect (D2)

Responsible to : H/EKEO

Major Duties and Responsibilities –

1. Visualise and update Conceptual Master Plan of Kowloon East and explore options for strategic refinements of the Outline Zoning Plans covering Kowloon East.
2. Assist in exploring different strategies of expediting the development and transformation of Kowloon East into Hong Kong's second CBD2.
3. Monitor the urban design framework and development of the greening master plan, infrastructural development in the Kwun Tong and Kowloon Bay Business Areas as well as the strategic issues pertaining to Kai Tak Development.
4. Facilitate the incorporation of strategies and policies to release the potential of government land, improve walkability, enhance the environment and explore the feasibility of Smart City development.
5. Provide professional advice on the budgeting, programming, public reception and priority considerations, design and implementation of public infrastructure and area improvement works in the Kwun Tong and Kowloon Bay Business Areas, and formulate consultation strategies for engaging stakeholders.

**Schedule of Responsibilities for
Other Existing Directorate Officers
in the Works Branch of Development Bureau (DEVB(WB))**

The other directorate officers at the appropriate levels in DEVB(WB) are fully engaged in their respective duties. As shown in the ensuing paragraphs, they each have a heavy portfolio of work, and none of them has the capacity or time to take on the work of the Head and the Deputy Head of the Energizing Kowloon East Office (EKEO).

Deputy Secretary Level

Deputy Secretary (Works)1(DS(W)1)

2. DS(W)1, who is assisted by Commissioner for Heritage, Principal Assistant Secretary (Works) 1 and Head of Greening, Landscape and Tree Management, is fully engaged in the following responsibilities: dealing with policy matters on heritage conservation and related projects; formulating and implementing strategies for greening, landscape and tree management; monitoring the capital works programme and its expenditure; and handling matters on construction manpower development, including the training/development of construction professionals, supervisors/technicians and workers.

Deputy Secretary (Works)2 (DS(W)2)

3. DS(W)2, who is assisted by Principal Assistant Secretaries (Works) 1 to 5 (PAS(W) 1 to 5), is charged with the following areas of work: implementation of major infrastructural projects; increasing land supply; procurement strategy regarding construction and consultancy services; administration of public works contracts and consultancies; construction safety; construction standards; slope safety; lift and escalator safety; flood prevention; water supply; construction workers registration and promotion of local professional services relating to construction and engineering outside Hong Kong.

/D2 level

D2 level

Commissioner for Heritage (C for H)

4. C for H assists DS(W)1 in the implementation and monitoring of policies on heritage conservation, and in devising and taking forward initiatives on the subject, including initiatives under the Built Heritage Conservation Fund, which comprise the Revitalising Historic Buildings Through Partnership Scheme, Financial Assistance for Maintenance Scheme, and funding schemes for public education, community involvement, publicity activities and academic research. C for H is responsible for implementing the heritage impact assessment mechanism for new capital works projects; devising economic incentives for the conservation of privately-owned historic buildings; and taking forward heritage conservation and revitalisation projects. He also serves as the focal point of contact on heritage conservation matters both locally and overseas, and spearheads the engagement of stakeholders and the public in the implementation of heritage conservation initiatives and liaises with organisations concerned on related matters. In addition, he provides policy support and guidance to the Antiquities and Monuments Office of the Leisure and Cultural Services Department. Moreover, he is responsible for conducting research on policies, legislation and practices on heritage conservation both locally and overseas; and overseeing the handling of enquiries, complaints and suggestions from the public and media on heritage conservation matters.

Principal Assistant Secretary (Works) 1 (PAS(W)1)

5. PAS(W)1 assists DS(W)1 and DS(W)2 in providing policy guidance to the statutory Construction Industry Council (CIC) and oversees its corporate operation and institutional arrangements for implementing various initiatives aimed at raising the construction industry's quality and standards. PAS(W)1 also coordinates input for the industry's development strategy. In particular, he is responsible for overseeing the coordination for the next phase of a CIC study covering key industry issues including construction costs, quality control, and project overruns.

6. To ensure that the development of local construction manpower meets the industry's needs, PAS(W)1 also assists in monitoring the overall construction manpower situation, overseeing manpower forecasts for construction skilled workers, supervisors, technicians, and professionals, and formulating the manpower resources policies and strategies including enhanced training and progression pathways for workers' development and enhanced publicity to lift the industry's image so as to attract new talent to join the industry. Specifically, he coordinates with CIC and other relevant training institutions such as the Vocational Training Council in developing new training modules to help construction skilled

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workers to upgrade their skills and their professional and academic qualifications. With reference to the characteristics of the construction industry, he is responsible for formulating and overseeing the implementation of enhancements to the Supplementary Labour Scheme regarding applications concerning public sector works. He is also responsible for overseeing the early phase of the implementation of the Construction Industry Recruitment Centre to enhance the arrangement for priority employment of local construction skilled workers. In addition, he also assists DS(W)2 in providing policy guidance to the statutory Construction Workers Registration Board and overseeing its corporate operations and institutional arrangements so as to facilitate the registration of construction workers through the routes of senior workers registration or skill trade tests in their specialised trades by April 2017 when the phased implementation of prohibitions under the Construction Workers Registration Ordinance is to take effect. He is also responsible for engaging industry stakeholders in formulating and securing the passage of the subsidiary legislation within the 2016/17 legislative session to implement in detail the above-mentioned phased prohibitions.

Head of Greening, Landscape and Tree Management Section (H/GLTMS)

7. H/GLTMS assists DS(W)1 in formulating strategies on greening, landscape and tree management with an emphasis on a holistic approach. She oversees the work of the Greening and Landscape Office (GLO) and the Tree Management Office (TMO). With a wide spectrum of responsibilities H/GLTMS spearheads the policy regime for tree management and the handling of complex cases, both involving a need for careful balance of diverse considerations. On greening policy, she also seeks new greening opportunities through early involvement in the land use planning and urban design processes as well as the planning and design stages for major capital works projects and large-scale comprehensive new development/urban renewal initiatives.

8. GLO is responsible for supporting H/GLTMS on the formulation, implementation and monitoring of policies on greening and landscape planning, and for coordinating at the strategic level, the Government's greening and landscape planning and design efforts. The work focus of GLO is on enhancing the quality of Hong Kong's living environment through delivering, apart from the quantity of planting works, a quality planted stock by adopting the principles of 'Right Tree, Right Place' and lifecycle planning of trees as well as considering their life expectancy. The target is to bring noticeable enrichment in vegetation diversity to the city in order to enhance urban landscapes and to maximise the liveability of the local environment at every opportunity.

9. The work focus of TMO is on promoting and developing urban forestry; enhancing tree risk management; promoting a quality-oriented approach to tree management; enhancing the tree complaints handling mechanism and emergency response arrangements; enhancing training in tree management; and enhancing public education and community involvement. The key emphasis currently is on tree risk management and TMO is now working closely with tree management departments on the compliance of the revised Guidelines for Tree Risk Assessment and Management Arrangement, which includes Triage System and Sensitivity Analysis for further enhancement of tree management work.

10. H/GLTMS is the chairman of the Expert Panel on Tree Management. H/GLTMS is also overseeing the preparation and promulgation of a number of guidelines on tree management. Additionally, a comprehensive review of tree preservation arrangements and contractor management as well as a number of arboricultural research projects are in progress. On the training aspect, TMO will strengthen the training on arboricultural works and supervision of tree work. Other public engagement and promotional activities including tree talks, workshops, publications and exhibitions are ongoing.

PAS(W)2

11. PAS(W)2 assists DS(W)2 in providing high-level technical input and coordinating with works departments in the implementation of major infrastructure development projects so as to ensure that the best possible support is provided to various client bureaux. PAS(W)2 also assists in overseeing the implementation of major infrastructure projects, such as the Kai Tak Development, Liantang/Heung Yuen Wai Boundary Control Point and development of cycle track networks in the New Territories. Furthermore, he is responsible for taking forward the initiative of enhancing land supply through rock cavern development and underground space development in urban areas, and providing policy steer for the public engagement of potential cavern and underground development sites such as the relocation of the Sha Tin sewage treatment works to caverns. In addition, he coordinates technical input on works aspects of planning and development issues, such as studies related to the development of the Lok Ma Chau Loop, North East New Territories New Development Areas (NDAs), Hung Shui Kiu NDA, etc. Also, he assists DS(W)2 in the housekeeping of the Civil Engineering and Development Department, and provides support to the Permanent Secretary for Development (Works) (PS(W)) in handling matters related to the MTR Corporation Limited's board business, Ocean Park re-development projects and Hong Kong Disneyland projects.

/PAS(W)3

PAS(W)3

12. PAS(W)3 assists DS(W)2 in the housekeeping of the Drainage Services Department and Water Supplies Department. PAS(W)3 provides policy input and steer on flood prevention strategies, drainage impact assessment studies, total water management strategies, reliable supply of water including securing the supply from Dongjiang and exploring alternative water sources such as seawater desalination and the delivery of infrastructural projects for enhancing water supplies and flood prevention.

13. PAS(W)3 is also responsible for policy issues related to the control of slope safety for both manmade and natural terrains, lift and escalator safety and the regulatory control of water-cooled air-conditioning systems for the prevention of legionnaires disease. In relation to public works projects, he provides policy input to construction safety, construction standards, environmental management, green procurement including promoting the use of green construction materials, security of payment and wage payment. He handles policy issues relating to and oversees the supplies of construction materials including steel, concrete, rock products and sand. He also provides support to the Secretary for Development (SDEV) and PS(W) in handling technical matters in regard to the West Kowloon Cultural District project.

PAS(W)4

14. PAS(W)4 assists DS(W)2 in formulating and implementing policies on procurement of construction and consultancy services as well as management of contractors and consultants including administration of DEVB's approved lists of public works contractors/suppliers and performance monitoring. PAS(W)4 represents DEVB in various trade consultations regarding the construction sector including Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA) consultations, World Trade Organisation/Government Procurement Agreement consultations and other free trade agreement negotiations. He is responsible for handling works-related Mainland affairs including implementing CEPA market liberalisation measures, and providing support to other bureaux on various platforms such as the Hong Kong/Guangdong Co-operation Joint Conference and other Mainland/Hong Kong co-operation initiatives. He also provides support for carrying out a strategic review of the Hong Kong's procurement and contract administration systems so as to enhance competition, productivity, innovation and creativity leading to the cost-effective delivery of quality infrastructure, and for exploring liberalisation measures more favourable than CEPA for the construction stakeholders to access the Pilot Free Trade Zones in the Mainland and other emerging markets. He also assists in handling matters

/related

related to promotion of local professional services regarding construction and engineering in Mainland and overseas markets, providing secretariat support to the working group on professional services of the Economic Development Commission as well as assisting DS(W)2 in the housekeeping of the Electrical and Mechanical Services Department.

PAS(W)5

15. PAS(W)5 assists DS(W)2 in providing high-level technical input to steer the strategic studies for the construction of artificial islands in the central waters between Hong Kong Island and Lantau Island for the proposed East Lantau Metropolis; technical, planning and engineering studies of various projects of reclamation outside Victoria Harbour for land supply; and the planning, engineering and architectural study of topside development on Hong Kong Boundary Crossing Facilities Island of the Hong Kong-Zhuhai-Macao Bridge. He provides secretariat support to the Lantau Development Advisory Committee chaired by SDEV and assists in formulating Lantau development and conservation strategies, and providing policy steer and input for the public engagement and various projects and initiatives of Lantau development and conservation.

16. PAS(W)5 also supports the land supply initiatives through reviewing and formulating works policies with a view to expediting land supply, overseeing the provision of infrastructure support to various land supply initiatives and proposals to increase development densities and providing high level technical input to coordinate and oversee the implementation of the associated works projects. He provides high-level technical input to the HK2030+ Study. He also provides support to PS(W) and DS(W)2 in handling technical matters regarding submissions to the Steering Committee on Land Supply, Committee on Planning and Lands Development and Strategic Planning Committee of the Hong Kong Housing Authority.

PAS(W) (Special Duty) (SD)

17. PAS(W)SD assists DS(W)1 and DS(W)2 in a number of areas including the development of a strategic plan on landscape and tree management, and development of an implementation plan. PAS(W)SD provides secretariat support to the Working Group on Water Safety Issues.

18. PAS(W)SD also provides secretariat support to the Working Group on Professional Services of the Economic Development Commission which is tasked to consider possible areas of professional services which have potential for

/further

further development and the Government support required for enhancing their competitiveness. She also assists in coordinating works policy input on climate change and biodiversity in support of the work of the Steering Committee on Climate Change.

Head of Project Cost Management Office (H/PCMO)

19. H/PCMO is under the direct command of PS(W) in devising, promoting, coordinating and overseeing the implementation of cost management policies for capital works projects. In particular, he steers and promotes reviews of various works policies with a view to enhancing cost management, works with other policy teams under DEVB(WB), coordinates works departments' efforts in cost management and vets capital works projects from a cost management angle. In addition, he provides cross-bureau and high-level technical support regarding project cost estimation and budget control issues of major capital works projects, as well as promotes cost control and cost saving measures in the private building sector through collaboration with the CIC.

20. To ensure the effectiveness of cost management efforts and create synergy, H/PCMO also monitors the overall delivery of the Capital Works Programme, reviews and updates procedures and practices, monitors the overall spending on capital works projects, vets the technical feasibility of proposed capital works projects, approves their technical feasibility statements, and vets submissions related to the Capital Works Resource Allocation Exercise and the Capital Works Reserve Fund Estimates in conjunction with the Financial Services and the Treasury Bureau.

Concluding Remarks

21. In view of their already very heavy workload, it is operationally not possible for any of WB's other directorate officers at the appropriate levels to take up, in whole or in part, the duties and responsibilities of the Head and the Deputy Head of EKEO in support of the various Energizing Kowloon East initiatives. For the initiatives to proceed smoothly as planned, it is necessary to retain the posts of the Head and Deputy Head of EKEO. Any delay or failure in securing funding approval to retain the two supernumerary directorate posts will result in the disbandment of EKEO, and adversely affect the synergy and momentum of accomplishing the core business district initiative in a concerted and integrated manner spearheaded by EKEO, especially because there are still a large number of outstanding tasks.

**LEGISLATIVE COUNCIL
PANEL ON DEVELOPMENT**

Extending the Operation of the Energizing Kowloon East Office

**Follow-up Actions Arising from the Discussion
at the Meeting on 22 November 2016**

Supplementary information requested by the Panel on Development on 22 November 2016 is provided below:

(a) a cost and benefit analysis on the projects carried out by the Energizing Kowloon East Office ("EKEO") since its establishment;

2. The Energizing Kowloon East initiative aims to facilitate the transformation of Kowloon East into another Core Business District (CBD2) to support Hong Kong's economic development. Since the establishment of EKEO in June 2012, the Office has carried out a large number of small-scale quick wins by way of minor works projects which have cumulatively brought significant improvements to the built-up areas of Kwun Tong and Kowloon Bay Business Areas. The EKEO Booklet (2012 – 2016+) attached to the Panel on Development Paper LC No. CB(1)133/16-17(04) provides vivid images of these improvements. In tandem, we commissioned various studies to formulate more comprehensive proposals for enhancing walkability and mobility, improving the environment, and releasing the development potential of underutilised government sites. While the financial and economic costs and benefits may be more easily quantified, the social and environmental benefits resulted or to be generated from such intangible accomplishments as providing a more pleasant and walkable pedestrian environment, improved design of public spaces, creating diversity and vibrancy conducive to CBD2 development, etc. are not measurable, not to mention that the latent benefits of ongoing initiatives which require time to build up and are not immediately obvious. Hence, we have not conducted detailed cost-benefit analysis on the projects carried out by EKEO.

3. For Members' reference, we have set out the costs of various EKEO's projects and the amount of expenditures incurred by EKEO since June 2012 in **Annex A**. As regards the benefits generated by the policy initiative of Energizing Kowloon East, we have provided information on the relevant quantifiable data to show the changes and work done in the past four years or so in **Annex B**.

(b) the number of small and medium enterprises, arts studios, etc. which had moved out from Kowloon East due to the rising rentals of shops and industrial premises after the implementation of the Energizing Kowloon East initiative;

4. We do not have any detailed breakdown figures on small and medium enterprises (SMEs) by districts. With reference to the information collected by the Census and Statistics Department, the total number of establishments in Kowloon East actually increased from about 27 000 in 2011 to about 31 000 in 2015 rather than showing any decrease, which gives some indication of the continued presence of SMEs in Kowloon East.

5. We have paid due regard to the development of arts, culture and creative groups in Kowloon East. Their presence in Kowloon East has remained at rather similar levels over time with an estimated number of over 400 establishments, accounting for 2.7% under the Survey on Business Establishments in Kowloon East (May 2011) and about 2.1% the 2014 Area Assessments of Industrial Land in the Territory (August 2015), both undertaken by the Planning Department and projected from the sampling data of industrial and industrial-office buildings. The slight reduction in terms of percentage is partly due to an increase in the total number of establishments.

6. EKEO has perennial engagement with local art and cultural groups through events, outreach and facilitating art-related programmes. Since the establishment of EKEO in June 2012, we have received/visited more than 120 art groups and individual artists, and organised/facilitated 27 art-related activities attracting some 14 000 participants.

7. In line with our strategy to promote diversity, we are seizing every opportunity to provide suitable spaces, such as the 'Fly the Flyover 01' site beneath Kwun Tong Bypass for arts, culture and creative uses and works are being carried out to convert the adjacent 'Fly the Flyover 02 and 03' sites into similar uses. We would continue with our effort of promoting diversity under the ongoing studies on the Kowloon Bay and Kwun Tong Action Areas.

(c) the progress of the Detailed Feasibility Study on Environmental Friendly Linkage System ("EFLS"), and the Administration's position on EFLS;

8. The Civil Engineering and Development Department is conducting the Detailed Feasibility Study on the proposed EFLS for Kowloon East in two stages. The first stage is to formulate a well-planned integrated multi-modal linkage system by evaluating various green public transport modes to enhance the connectivity of Kowloon East. Under the second stage, the most suitable and cost-effective green public transport mode(s) for Kowloon East will be selected for in-depth evaluation. The decision on whether to implement the project will be subject to the finding of the Study, including financial, technical and environmental needs and public consultation.

(d) whether the Administration would consider Hon Jeremy TAM's suggestion of extending the operation of EKEO for one year first, and seek further extension in future, after submitting reports on cost and benefit analysis and quantifiable performance results of the work of EKEO to justify further extension;

9. In view of the large number of ongoing and upcoming consultancies and works projects, extending the operation of EKEO for one year would be far too short-spanned in proceeding with the outstanding tasks. It would also create great uncertainty on whether any new projects and initiatives, particularly those spanning over one year, should be rolled out or not. The momentum of accomplishing the CBD2 initiative spearheaded by EKEO would be adversely affected. The term of extension we are seeking would largely tie in with the scheduled completion of most of the projects and initiatives that are ongoing or in the pipeline.

10. Indeed, from the feedback and comments gathered in EKEO's various engagement and community outreach activities, stakeholders, local communities and the general public are very positive and supportive of EKEO's work. Specifically, the Land Development Advisory Committee and relevant District Councils were consulted on the proposed extension, and they unanimously agreed with the need to continue the Energizing Kowloon East initiative and expressed strong support to retain EKEO.

(e) how a smokeless transport system could be implemented in Kai Tak Development area;

11. Please refer to the response under item (c) above.

(f) how to ensure the integration and connection between the new development areas and the already built-up areas in Kowloon East; and

12. To ensure the integration and connection between the new and built-up areas, the Government has taken forward the planned linkages on the Kai Tak Outline Zoning Plan through detailed design and implementation by phases. Of the 25 planned at-grade crossings/footbridges/subways connecting the Kai Tak Development (KTD) area with Kowloon City, Wong Tai Sin and Kwun Tong, 8 have already been completed while the remaining ones are at different stages of planning, design and implementation.

13. Moreover, in our studies on the built-up areas of Kowloon East, we have formulated proposals to enhance the linkages of the Kowloon Bay Business Area (KBBA) to the KTD as well as other adjoining built-up areas. We have recommended improvement schemes along four major east-west corridors and six north-south corridors to improve connectivity within the Kwun Tong Business Area (KTBA) and with KBBA and the adjacent residential areas in Kwun Tong. Apart from the short-term improvements already implemented, we will progressively take

forward the proposed medium and long-term improvement schemes.

(g) given that EKEO was responsible for the planning of supply of commercial/office land in Kowloon East, but not the development of commercial/office projects, and that EKEO had already carried out and completed various studies and works projects in the previous few years of its operation, the justification for extending the operation of EKEO for a further period of four years and nine months.

14. Whilst various quick wins have been completed and some studies have been completed or reached their close, there are a large number of improvement proposals and development plans, various ongoing studies, and Public Works Programme projects at different stages of planning, design, funding application and implementation (**Annex C**). The key tasks are highlighted below:

- i. concluding the pedestrian environment and traffic improvement study on KTBA, and taking forward the medium and long-term improvement proposals including public works projects identified in the KTBA study and also the completed KBBA study with a view to creating a walkable Kowloon East and improving the traffic condition in the two Business Areas;
- ii. undertaking three consultancy studies on the Runway Tip, the Kowloon Bay Action Area and the Kwun Tong Action Area, and undertaking planning studies on other under-utilised government sites;
- iii. steering and coordinating the relocation of existing government facilities within the two Action Areas in tandem;
- iv. steering the design and implementation of various projects to improve the environment and public spaces including Tsun Yip Street Playground and associated ballcourt re-provisioning, Hoi Bun Road Park, Lam Wah Street Playground, Tsui Ping River Garden, Tsui Ping River and Estuary Garden in line with our branding, design and place-making strategies;
- v. overseeing the operation of three sites beneath Kwun Tong Bypass under the 'Fly the Flyover Operation' for art, cultural and creative uses; and
- vi. continuing with the Smart City consultancy study including the carrying out of proof of concept trials under the framework strategy formulated for Kowloon East, studying the scalability and implementation mechanism of solutions that are eventually proven for wider application, and collaborating with research institutes, universities and other stakeholders on Smart City-related projects using Kowloon East as a test bed.

15. In view of the above, it is necessary to extend EKEO's operation for a further period of four years and nine months from 1 July 2017 to 31 March 2022 to leverage the knowledge, experience and support gained over the past few years in accomplishing the outstanding tasks. Other than these, we will continue to provide one-stop coordination and advisory services to land development proposals and place-making events; and to empower the public through extensive engagement to achieve the CBD2 vision together.

Development Bureau
December 2016

Extending the Operation of the Energizing Kowloon East Office

Expenditures since June 2012

Studies and Projects

1. Up to September 2016, the Energizing Kowloon East Office (EKEO) has commissioned 11 consultancy studies. Under these studies, works projects to bring improvements to Kowloon East have been identified and implemented through short-term, medium-term and long-term measures. EKEO has also initiated design studies and minor works projects, with relevant government departments as works agents. The details are provided in the table below:

Item No.	Nature of Project	Consultancy/Project Title	Expenditure as at September 2016 (\$ million)	Status
Enhancing Connectivity				
1	Consultancy Study	Traffic Impact Assessment for Proposed Traffic Modification Works in Kwun Tong Business Area	0.85	Completed
2	Consultancy Study	Kowloon Bay Business Area Pedestrian Environment Improvement - Feasibility Study (KBBA Study)	6.56	Completed
3	Minor Works	Revitalisation of Back Alleys (Phase 1)	0.36	Completed
4	Consultancy Study	Pedestrian Environment Improvement Scheme for Transformation of Kwun Tong Business Area - Feasibility Study (KTBA Study)	5.30	In progress
5	Minor Works	81 items of road improvement works at various locations in Kowloon East	6.29	48 completed and 33 in progress
6	Minor Works	Upgrading of the disused pier adjacent to the ex-fire station at the former runway tip	2.00	Completed
7	Minor Works	Provision of a public walkway through the Dangerous Goods Ferry Pier at Kwun Tong (by installation of electrical swing gates, roller shutters and fence walls)	3.37	Completed
Sub-total			24.73	
Improving the Environment				
8	Consultancy Study	Study on Industrial Heritage of Kowloon East and its Potential for Public Art/Urban Design	1.34	Completed
9	Minor Works	Modification of 3 Dry Weather Flow Interceptors along Hoi Bun Road	8.17	Completed
10	Minor Works	Beautification of Kwun Tong Intermediate Sewage Pumping Station	7.71	Completed
11	Minor Works	Place Making at 'Fly the Flyover 01' (FF01) along Kwun Tong Waterfront	5.10	Completed

Item No.	Nature of Project	Consultancy/Project Title	Expenditure as at September 2016 (\$ million)	Status
12	Minor Works	Refurbishment of Hoi Bun Road Sitting-out Area	5.11	Completed
13	Minor Works	Face-lifting of Kwun Tong Public Pier	0.97	Completed
14	Minor Works	Improvement to Tsun Yip Street Playground (Phase 1)	9.05	Completed
15	Consultancy Study	Provision of Design and Consultancy Services for Fabrication and Installation of Designer Benches for Open Space Projects in Kowloon East	0.05	In progress
16	Minor Works	Refurbishment of Lai Yip Street Refuse Collection Point	0.12	In progress
17	Minor Works	Refurbishment of Tsun Yip Street Cooked Food Market (Phase 1)	3.6	In progress
18	Minor Works	Improvement to Wang Tai Road Sitting-out Area and Lam Fook Street Sitting-out Area	2.72	In progress
19	Minor Works	"Fly the Flyover 01, 02 and 03" Project	0.72	In progress
Sub-total			44.66	
Releasing Development Potential				
20	Design Study	Quantitative Risk Assessment for the proposed Vehicle Examination Centre (VEC) site at Tsing Yi	0.56	Completed
21	Design Study	Traffic Impact Assessment for reprovisioning of VEC in Tsing Yi	0.12	Completed
22	Design Study	Provision of Technical Consultancy Services (Vehicle Examination System) for the Re-provisioning of VEC at Tsing Yi	1.90	Completed
23	Design Study	Study on Re-provisioning of the Existing Car Parking Facilities at the Proposed VEC at Sai Tso Wan, Tsing Yi to Designated Potential Sites at Tsing Yi and its related operational arrangement	0.17	Completed
24	Consultancy Study	Planning and Engineering Studies for Kai Tak Fantasy (Phase 1)	4.55	Completed
25	Consultancy Study	Planning and Engineering Study for the Development at Kowloon Bay Action Area of Kowloon East – Feasibility Study	4.73	In progress
26	Consultancy Study	Planning and Urban Design Review for Developments at Kai Tak Runway Tip – Feasibility Study	2.69	In progress
27	Consultancy Study	Provision of Consultancy Services on Business Viability Study for Development of Tourism Node at Kai Tak	1.1	In progress

Item No.	Nature of Project	Consultancy/Project Title	Expenditure as at September 2016 (\$ million)	Status
28	Consultancy Study	Planning and Engineering Study for the Development at Kwun Tong Action Area of Kowloon East - Feasibility Study	1.89	In progress
Sub-total			17.71	
Smart City				
29	Consultancy Study	Developing Kowloon East into a Smart City District - Feasibility Study	1.97	In progress
Total			89.07	

2. EKEO has obtained funding from the LegCo Finance Committee for carrying out two Public Works Programme projects. Project 3540RO was commenced in July 2016 and Project 3456RO is scheduled to commence in December 2016.

Item No.	Project Title	Estimated Cost (\$ million)
3450RO	Conversion of Tsun Yip Street Playground (Phase 2)	111.1
3456RO	Reprovisioning of existing Shing Yip Street Garden as Tsui Ping River Garden	106.7

Office Expenses

3. The annual office expenses covering electricity, cleaning, horticultural and security services are tabulated below:

	2012-13 (from June 2012)	2013-14	2014-15	2015-16	2016-17 (up to September 2016)
Office Expenses	358,879	1,148,037	1,217,802	1,283,742	1,269,136

Staff Costs

4. The annual staff costs are tabulated below:

	2012-13 (from June 2012)	2013-14	2014-15	2015-16	2016-17 (up to September 2016)
Non-civil service contract staff	973,522	1,841,529	2,431,901	2,390,407	2,225,091
Civil servants	10,638,634	13,678,697	14,510,147	15,162,146	7,872,457
PRE (MPF and CSPF) ^{Note}	295,660	490,620	825,094	923,010	574,150
Total	11,907,816	16,010,846	17,767,142	18,475,563	10,671,698

Note: Personnel-related expenses cover Mandatory Provident Fund and Civil Service Provident Fund contributions.

Extending the Operation of the Energizing Kowloon East Office (EKEO)

Work Done since June 2012

For details, please refer to the EKEO Booklet (2012 – 2016+) enclosed with the LC Paper No. CB(1)133/16-17(04) considered by the Panel on Development at its meeting on 22 November 2016. The [booklet](#) is also available at EKEO's website.

Enhancing Connectivity

No. of studies completed	2
No. of studies in progress	1
No. of improvements/minor works projects completed	56
No. of Project Definition Statements (PDSs) prepared for public works projects	2

1. We advocate and implement the concept of “Walkable” Kowloon East comprehensively in the Kowloon Bay and Kwun Tong business areas to improve the pedestrian environment as well as traffic conditions.
2. We have completed two studies, one titled “Traffic Impact Assessment for Proposed Traffic Modification Works in the Kwun Tong Business Area (KTBA)”, and the other “Kowloon Bay Business Area Pedestrian Environment Improvement - Feasibility Study (KBBA Study)”. We are carrying out a third study titled “Pedestrian Environment Improvement Scheme for Transformation of KTBA – Feasibility Study (KTBA Study)”. Based on the recommendations of the studies, we have completed the following quick wins and short-term improvements by minor works:
 - (a) 48 improvement schemes concerning pedestrian and traffic facilities/signage;
 - (b) provision of a pedestrian footpath through the dangerous goods ferry pier on the Kwun Tong waterfront;
 - (c) refurbishment of the Runway Park pier for public use; and
 - (d) revitalisation of six back alleys under a pilot project leading to increase in the pedestrian flow along those back alleys.
3. As part of preparations for implementing medium-term to long-term improvement projects, a PDS for the construction of a footbridge at Kowloon Bay MTR Station Exit B, and a PDS for pedestrian environment improvement works in the KTBA - Ngau Tau Kok portion have been completed.
4. A new policy was announced in the 2016 Policy Address to encourage landowners to construct footbridges or subways at their own cost based on the planned pedestrian network. Under a pilot scheme for the KBBA and KTBA, the land premiums payable by landowners for the necessary lease modifications are waived. We are taking this policy initiative forward with a view to providing a safe, comfortable and

convenient pedestrian network.

Improving the Environment

No. of studies completed	1
No. of studies in progress	1
No. of improvement /works project completed	11
No. of PDS prepared	5

5. We have completed the study “The Spirit of Creation” – Study on Industrial Culture of Kowloon East. Industrial culture elements are incorporated in the design of open or public spaces as appropriate.
6. Since 2012, about 42 000 m² additional open or public spaces have been created in the built-up areas of the KBBA and KTBA, including:
 - (a) Kwun Tong Promenade (Phase 2);
 - (b) Hoi Bun Road Sitting Out Area;
 - (c) Sensory Garden;
 - (d) ‘Fly the Flyover 01’; and
 - (e) three underground dry weather flow interceptors to provide more green spaces at the pedestrian level.
7. In addition, around 3 400 m² existing open spaces and public spaces/facilities have been enhanced through:
 - (a) beautification of Kwun Tong Intermediate Sewage Pumping Station;
 - (b) face-lifting of Kwun Tong Public Pier;
 - (c) improvement to Tsun Yip Street Playground (Phase 1);
 - (d) refurbishment of Lai Yip Street Refuse Collection Point; and
 - (e) improvement to Green Spine – Lam Fook Street Sitting-out Area.
8. The PDS completed in tandem include:
 - (a) Converting Tsun Yip Street Playground as Kwun Tong Industrial Culture Park;
 - (b) Reprovisioning of Shing Yip Street Rest Garden as Tsui Ping River Garden;
 - (c) Reprovisioning of Tsun Yip Street Playground existing facilities (to Hong Ning Road Park and Ngau Tau Kok Fresh Water Service Reservoir);
 - (d) Improvement of Hoi Bun Road Park and adjacent areas; and
 - (e) Improvement to Lam Wah Street Playground and adjacent areas.

9. In Kowloon East there are already 23 public and private buildings which have attained BEAM Plus Gold or Platinum rating.

Unleashing Development Potential

No. of studies completed	1
No. of studies in progress	4

10. Currently KE has about 2.3 million m² of commercial/office floor space (of which about 1.9 million m² is office floor space), an increase from about 1.7 million m² in 2012 (of which about 1.4 million m² was office floor space).
11. At present, we are working on rationalising or relocating existing government facilities in the Kowloon Bay Action Area (KBAA) and the Kwun Tong Action Area (KTAA) to release the development potential of a total of 0.56 million m² of commercial/office floor space (including two land sale sites at NKIL 6512 and NKIL 6313 in KBAA sold in 2015).
12. We are carrying out a Planning and Urban Design Review for Developments at Kai Tak Runway Tip as part of the Kai Tak Fantasy project which is envisioned to be developed into a world-class tourism, entertainment and leisure attraction.
13. Since June 2012, six commercial sites have been released to the market providing a total of about 0.37 million m² of commercial/office floor space.

Lot No.	Location	Site Area (m ²)	Total GFA (m ²)	Land Premium (\$)
NKIL 6311	Junction of Sheung Yuet Road, Wang Tai Road and Wang Yuen Street, Kowloon Bay	2,579	30,948	1,818,300,000
NKIL 6312	Junction of Wang Chiu Road and Lam Lee Street, Kowloon Bay (including open space)	4,297	51,564	2,638,000,000
KTIL 761	Junction of Hang Yip Street, Wai Yip Street and Kwun Tong Road, Kwun Tong	5,112	61,344	3,769,000,000
NKIL 6512	Junction of Hung Yip Street, Wai Yip Street, Shun Yip Street and Hoi Bun Road, Kwun Tong	6,843	82,116	5,860,000,000
NKIL 6313	Junction of Cheung Yip Street, Sheung Yee Road and Wai Yip Street, Kowloon Bay	3,795	45,540	3,038,880,000
NKIL 6557	Kai Tak Area 1E Site 2	14,159	101,944	7,388,000,000

14. We have provided one-stop advisory and coordinating efforts among all relevant departments to 65 private development projects so far, of which 20 projects (including seven new/redevelopment projects and 13 wholesale conversion projects) have already been completed.

Smart City Pilot Area

No. of studies in progress	1
No. of proof of concept trials in progress	2
No. of research projects supported and with funding secured	4

15. As an initial step, we stipulate conditions requiring provision of smart water meter systems and electric vehicle charging facilities for new land sale sites in KE as well as supply of real-time parking vacancy information regarding commercial car parks at appropriate sites.
16. Besides conducting an ongoing consultancy to explore the feasibility of developing a smart city, EKEO has continuously been encouraging academic and research institutes to use Kowloon East as a test bed for developing innovative smart city solutions. EKEO has provided policy support for Smart City-related research projects intending to use Kowloon East as a test-bed in order to help those projects seek funding from various sources, including the Innovation and Technology Fund. Four of these research projects have already secured the required funding.

Public Engagement and Events

17. Up to November 2016, EKEO had organised more than 510 briefings, seminars, workshops, forums, conferences, exhibitions and visits with more than 13 100 participants. We have also facilitated the organisation of various events, including a wide variety of performances, exhibitions, family fun days, running and marathon events, orienteering, carnivals and water sports activities, attracting totally over 550 000 participants.

**List of Major Studies and Works Projects Initiated by
the Energizing Kowloon East Office
(Ongoing or to be Undertaken beyond June 2017)**

Item No.	Nature	Title	Status
Enhancing Connectivity			
1.	Minor Works	25 items of road improvement works proposed in the Kowloon Bay Business Area (KBBA) Pedestrian Environment Improvement – Feasibility Study	In progress
2.	Public Works Programme (PWP) Project	Construction of footbridge between Kowloon Bay Mass Transit Railway (MTR) Station and the future East Kowloon Cultural Centre	Design study by Highways Department in progress
3.	Consultancy Study	Pedestrian Environment Improvement Scheme for Transformation of Kwun Tong Business Area (KTBA) – Feasibility Study	In progress
4.	Minor Works	Revitalisation of Back Alleys	In progress
5.	Minor Works	35 items of road improvement works proposed in the KTBA Study	In progress
6.	Minor Works	Facelifting of footbridges on Kwun Tong Road	In progress
7.	PWP Project	Proposed Pedestrian Environment Improvement Works in KTBA – Ngau Tau Kok Portion, including construction of subways between MTR Ngau Tau Kok Station and Hoi Bun Road Park	Design study by Highways Department to be commenced

Item No.	Nature	Title	Status
8.	Consultancy Study	Detailed Feasibility Study on Environmental Friendly Linkage System	In progress (by Civil Engineering and Development Department)
Improving the Environment			
<i>Public Spaces and Related Improvements</i>			
9.	Minor Works	Refurbishment of Wang Tai Road Sitting-out Area	In progress
10.	Minor Works	Sitting-out Area at junction of Sheung Yee Road and Kai Fuk Road	Funding application
11.	Minor Works	“Fly the Flyover 01, 02 and 03” Project	In progress
12.	Minor Works	Refurbishment of Tsun Yip Cooked Food Market (Phase 1)	In progress
13.	PWP Project	Refurbishment of Tsun Yip Street Playground (Phase 2)	In progress
14.	PWP Project	Reprovisioning of Tsun Yip Street Playground Ball Courts and Enhancement of Facilities in Hong Ning Road Park and Ngau Tau Kok Fresh Water Service Reservoir	Design study by Architectural Services Department in progress
15.	PWP Project	Improvement of Hoi Bun Road Park and Adjacent Area	Design study by Architectural Services Department in progress
16.	PWP Project	Reprovisioning of Refuse Collection Point to pave way for improvement to Lam Wah Street Playground Adjacent Area	Coordination with government departments in progress
17.	PWP Project	Improvement of Lam Wah Street Playground and Adjacent Area	Design study by Architectural Services Department in progress

Item No.	Nature	Title	Status
<i>Tsui Ping River & Garden and Adjoining Areas</i>			
18.	PWP Project	Reprovisioning of existing Shing Yip Street Garden as Tsui Ping River Garden	To commence in December 2016
19.	PWP Project	Transformation of King Yip Street Nullah into Tsui Ping River	Design study by Drainage Services Department in progress
20.	PWP Project	Relocation of the Cha Kwo Ling Marine Refuse Collection Point to pave way for Estuary Garden	Coordination with government departments in progress
21.	PWP Project /Minor Works	Estuary Garden at current Cha Kwo Ling Marine Refuse Collection Point	Coordination with government departments in progress
Unleashing Development Potential			
22.	Consultancy Study	Planning and Engineering Study for the Development at Kowloon Bay Action Area (KBAA) – Feasibility Study	In progress
23.	Consultancy Study	Planning and Engineering Study on Kwun Tong Action Area (KTAA) – Feasibility Study	In progress
24.	Consultancy Study	Planning and Urban Design Review for Developments at Kai Tak Runway Tip – Feasibility Study	In progress
25.	PWP Project	Reprovisioning of Vehicle Examination Centres at Sai Tso Wan, Tsing Yi	Funding application
26.	PWP Project	Provision of footbridges connecting KBAA to Kowloon Bay MTR Station and the waterfront	KBAA Study in progress

Item No.	Nature	Title	Status
27.	PWP Project	Reprovisioning of Police Vehicle Pound	KBAA Study in progress
28.	PWP Project	Runway Park Phase 2 Development	Kai Tak Runway Tip Study in progress
Smart City			
29.	Consultancy Study	Development of Kowloon East into a Smart City District – Feasibility Study	In progress
30.	Minor works	Smart City Proof of Concept Trials in Kowloon East	In progress