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By Email (dwylo@legco.gov.hk)

5 February 2018

Ms Doris LO
Chief Council Secretary (1)2
Council Business Division 1
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road, Central
Hong Kong

Dear Ms LO,

Public Works Subcommittee

Inland Revenue Tower in Kai Tak Development

Thank you for your email of 24 January 2018 forwarding the joint letter from Hon WU Chi-wai and Hon Helena WONG with enquiries on PWSC(2017-18)29. Our reply is set out at Annex.

Yours sincerely,

(Lawrence Li)
for Secretary for Financial Services and the Treasury

c.c. W Division (Attn: Ms Terri Kwong)

Annex

Inland Revenue Tower in Kai Tak Development

Government's Response to Enquiries from Hon WU Chi-wai and Hon Helena WONG

Distribution of net operational floor area (NOFA)

According to the current design, the new Inland Revenue Tower (IR Tower) has a total Gross Floor Area (GFA) of about 73 520m^2, a total Construction Floor Area (CFA) of about 79 000m^2 and a total NOFA of about 45 570m^2. The non-NOFA-accountable area is about 33 430m^2, which includes corridors, staircases and lobbies on different floors (about 10 970m^2), plant rooms (about 8 700m^2), as well as walls and structures (about 5 190m^2). The remaining non-NOFA-accountable area comprises other ancillary facilities, including toilets, lift shafts, loading/unloading bays, etc., with the final allocations subject to detailed design. The efficiency ratio (CFA/NOFA) is around 1.73.

2. The total CFA and total NOFA of the nearby Trade and Industry Tower in Kai Tak Development (KTD) is about 66 600m^2 and 33 000m^2 respectively. The efficiency ratio (CFA/NOFA) is about 2.0.

3. In comparison with similar government office buildings such as the aforementioned Trade and Industry Tower, the proportion of non-NOFA-accountable area in the proposed IR Tower is already relatively low.

Business Registration Office (BRO) and Stamp Duty Office (SDO)

4. In 2016/17, there were some 460 000 and 280 000 public visits to the BRO and the SDO respectively. Since both Offices have a lot of visitors, the public waiting areas have been very crowded. Thus, the Inland Revenue Department (IRD) has extended the public waiting areas to the lift lobbies in order to alleviate the persistent overcrowding situation.

5. In the new IR Tower, the public service facilities of the BRO has an area of about 460m^2, which represents an increase of 110m^2 over the existing provision in the Revenue Tower. The increase includes the provision of an additional public service counter and an additional interview room, as well as

the expansion of the public waiting area. As for the SDO in the new building, the area of its public service facilities will increase by about 145m^2 to around 410m^2. The increase includes the provision of one additional public service counter as well as the expansion of the public waiting area and interview room.

6. These new spatial arrangements aim at providing more convenient and comfortable services for members of the public, and do not involve any changes to the staff establishment of the two Offices.

Other public reception facilities

7. In the new IR Tower, the Central Enquiry Centre is about 540m^2 in area, which represents an increase of 20m^2 over the existing provision. Apart from the Central Enquiry Centre, BRO and SDO, the other public service facilities in the IR Tower (including the public service counters, public waiting areas and interview rooms) have a total area of about 1 390m^2, which is 200m^2 larger than the existing provision.

Service digitisation

8. The statistics on the use of IRD's electronic services by members of the public in the last 3 years are set out below –

(i) eTAX Usage Statistics

	2014-15	**2015-16**	**2016-17**
Internet filing of tax returns			
- Tax Return - Individuals, Property Tax Return and Profits Tax Return	472 350	525 670	567 583
- Employer's Return of Remuneration and Pensions			
BIR56A	10 292	12 162	13 517
IR56B	78 009	86 828	107 580
- Employer's Notifications of Commencement of Employment, Cessation of Employment and Employee's Departure from Hong Kong	15 468	17 486	19 145
Stamping of Property Document	290 104	262 705	292 224
Business Registration Number Enquiry	2 148 597	2 007 895	2 049 465
Application for Supply of Information on the			

	2014-15	2015-16	2016-17
Business Register			
- Requisition	130 075	135 548	141 998
- Business registrations involved	317 072	329 239	440 471

(ii) Other Electronic Services

	2014-15	2015-16	2016-17
Number of employers who furnished returns on remuneration of employees by diskettes, CD-ROMs or USB storage devices	44 700	43 800	42 800
Number of employees involved in the returns on remuneration	2 788 500	2 826 800	2 847 300
Percentage of employers who made use of the free software provided by the IRD	70%	69%	69%

Increasing the provision of car parking spaces

9. The additional works associated with the provision of extra car parking spaces include the installation of the vertical and horizontal shift double-decker parking systems, associated building works (such as enlargement of the cover for car parking spaces, enhancement of the structures and foundations supporting the cover, as well as the construction of additional green walls and features to enhance the parking spaces) and building services works, etc. The vertical and horizontal shift double-decker parking systems have been adopted in the Mainland, Japan and South Korea, among other places, to increase the provision of car parking spaces by the effective utilization of space. Details about the management and maintenance costs of the double-decker parking systems, the allocation of car parking spaces in the IR Tower and public parking facilities are as follows –

(i) Management and maintenance costs of the double-decker parking systems

The estimated management and maintenance costs of the double-decker parking systems will be around $220,000 per year.

(ii) Allocation of car parking spaces in the IR Tower

The IRD will allocate the car parking spaces in accordance with the Accommodation Regulations. The 66 car parking spaces in the IR Tower will be allocated as follows: 4 parking spaces for IRD's government vehicles, 1 parking space for a postal vehicle, 35 parking spaces for vehicles of IRD's employees (including employees with disability) and 26 parking spaces for vehicles of official visitors. Upon completion of the IR Tower, the IRD will look into the travel patterns and transport mode preferences of official visitors as well as the usage of the car parking spaces concerned, and review the arrangement of the visitor parking spaces as appropriate.

(iii) Public parking facilities

The parking spaces in the IR Tower are mostly provided for IRD's government vehicles and vehicles of its employees and official visitors. The IRD has no plan to open up the parking facilities to the public. Regarding the feasibility of providing public parking facilities in the IR Tower outside office hours in the future, the IRD will review the operational needs after completion of the building and the demand for parking spaces in the district, and work closely with relevant departments (including the Government Property Agency) to evaluate the matter.

Basement works

10. In the current design, the headroom of the basement plant rooms is around 4.5m, while the CFA of the basement is about 2 430m^2. The entire area will be occupied by plant rooms and access corridors, with the final area subject to detailed design.

11. The Government has studied the feasibility of enlarging the basement to accommodate more parking spaces. Since the plan is to only accommodate plant rooms in the basement with no parking facilities, if parking spaces were to be provided in basement, it will be necessary to construct additional vehicular access and car ramps and extend the passenger lifts to the basement floor. All these will significantly increase the required area of the basement. Besides, due to the proximity of the excavation area to the Prince Edward Road East and the adjoining site 1D2 as well as the relatively high underground water table of the area, a considerable amount of temporary shoring will be required to support the excavation works. The construction cost will increase significantly and the construction period will be delayed. Also, a larger amount of construction wastes will be generated, which will increase the

burden of public fill and landfill sites. After considering various factors, adopting the vertical and horizontal shift double-decker parking systems at ground level is considered a more desirable option. This option will not affect construction period, and the additional construction cost involved is much smaller.

Number of parking spaces in the North Apron of KTD

12. The number of parking spaces in a development site will only be known after the land is sold and the building plans are approved. Taking the site 1F2 nearby the new IR Tower as an example, the project proposes to provide 902 private car parking spaces under the planning application submitted to the Town Planning Board. Since some sites are still in the planning phase in the North Apron of KTD, it is difficult to estimate the total number of car parking spaces that will be available in the district at this stage.

13. The Government at all time keeps an eye on the supply of and demand for parking spaces for different types of vehicles, and understands that there are different corresponding parking needs. The Government's current policy in the provision of parking spaces is to accord priority to considering and meeting the parking demand of commercial vehicles. To this end, the Transport Department commenced a consultancy study on the parking for commercial vehicles in December 2017.

Energy efficient and renewable energy systems

14. The major energy efficient features are listed at items (a) to (d) in paragraph 22 of the paper. The estimated cost, including other energy efficient features, is $27 million. The expected payback period is 8.5 years. The estimated cost of the renewable energy systems is $5.1 million, and that of greening and other environmental features is $12 million. In total, the estimated cost is $44.1 million.

15. The project's renewable energy system includes the solar hot water system as well as the photovoltaic system stated in item (e) in paragraph 22. The estimated cost of the photovoltaic system is about $2.2 million, with the expected panel area and design capacity at $62m^2$ and 13 kW respectively. The annual output of electricity generated is estimated to be about 11 900 kWh, which may vary depending on the actual weather conditions. The photovoltaic system does not have a payback period that may serve as a useful reference. However, as compared with the generation of electricity from

fossil fuels, renewable energy systems can benefit the environment, respond to the public aspiration on sustainable development, and tally with the government's policy on green buildings. Therefore, government buildings will be installed with renewable energy systems where practicable.

Financial Services and the Treasury Bureau
February 2018