# 立法會 Legislative Council

<u>LC Paper No. FC93/20-21</u> (These minutes have been seen by the Administration)

Ref : FC/1/1(42)

## Finance Committee of the Legislative Council

## Minutes of the 43<sup>rd</sup> meeting held at Conference Room 1 of the Legislative Council Complex on Tuesday, 14 July 2020, from 9:03 am to 12:32 pm and from 2:30 pm to 7:00 pm

#### **Members present:**

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

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

## Members absent:

Hon Kenneth LEUNG Hon CHEUNG Kwok-kwan, JP

## Public officers attending:

| Ms Alice LAU Yim, JP         | Permanent Secretary for Financial<br>Services and the Treasury (Treasury)                                     |  |  |
|------------------------------|---|--|--|
| Mr Mike CHENG Wai-man        | Principal Executive Officer (General),<br>Financial Services and the Treasury<br>Bureau (The Treasury Branch) |  |  |
| Mr Jack CHAN Jick-chi, JP    | Under Secretary for Home Affairs  |  |  |
| Ms Iona SHAM Hiu-tung        | Principal Assistant Secretary for Home<br>Affairs (Culture) 2   |  |  |
| Miss Eve TAM Mei-yee         | Assistant Director of Leisure and<br>Cultural Services (Heritage and<br>Museums)                              |  |  |
| Ms Ronne YUEN Yuet-po        | Head (Museum Projects and<br>Development), Leisure and Cultural<br>Services Department                        |  |  |
| Ms Paulina CHAN Shuk-man     | Museum Director (Science Museum),<br>Leisure and Cultural Services<br>Department                              |  |  |
| Ms Belinda WONG Sau-lan      | Museum Director (Museum of<br>History), Leisure and Cultural Services<br>Department                           |  |  |
| Ms Winnie HO Wing-yin, JP    | Deputy Director of Architectural<br>Services  |  |  |
| Mr Henry LOK Wan-pak         | Senior Project Manager 333,<br>Architectural Services Department  |  |  |
| Mr Joseph CHAN Ho-lim, JP    | Under Secretary for Financial Services<br>and the Treasury  |  |  |
| Mr Howard LEE Man-sing       | Deputy Secretary for Financial<br>Services and the Treasury (Treasury) 3                                      |  |  |
| Miss Leonia TAI Shuk-yiu, JP | Government Property Administrator   |  |  |
| Mr Leo CHOY Man-wai          | Deputy Government Property<br>Administrator   |  |  |
| Ms Rosanna WONG Lai-shan     | Senior Property Manager (Project<br>Division)3, Government Property<br>Agency                                 |  |  |

| Mr Frank WONG Tak-choi, JP          | Project Director 1, Architectural<br>Services Department   |
|-------------------------------------|--|
| Mr LAM Kwai-sang                    | Chief Project Manager 103,<br>Architectural Services Department  |
| Ms Athena FUNG Chi-shan             | Senior Project Manager 122,<br>Architectural Services Department   |
| Mr Eddie LEUNG Siu-kong             | Assistant Commissioner for Transport<br>(Special Tasks), Transport Department                                  |
| Ms Donna TAM Yin-ping               | District Planning Officer(Sai Kung and Islands), Planning Department   |
| Mr Robin LEE Hong-nin               | Acting Head of Greening, Landscape<br>and Tree Management Section,<br>Development Bureau                       |
| Ms Vina WONG                        | Head of Greening and Landscape<br>Office, Development Bureau   |
| Mr Ricky WONG Chi-pan, JP           | Deputy Head of Civil Engineering<br>Office (Port and Land), Civil<br>Engineering and Development<br>Department |
| Mr Brian CHOI Wing-hing             | Chief Engineer (Land Works), Civil<br>Engineering and Development<br>Department                                |
| Ms Lilian YU Lai-han                | Chief Landscape Architect<br>(Headquarters), Civil Engineering and<br>Development Department                   |
| Mr Simon NG Siu-man                 | Senior Landscape Architect (1), Civil<br>Engineering and Development<br>Department                             |
| Dr Bernard CHAN Pak-li, JP          | Under Secretary for Commerce and<br>Economic Development   |
| Mr Eric CHAN Sui-wai, JP            | Deputy Secretary for Commerce and<br>Economic Development (Commerce<br>and Industry) 2                         |
| Ms Sabrina LAW Chung                | Principal Assistant Secretary for<br>Commerce and Economic<br>Development (Single Window)                      |
| Ms Chrissie NG Sin-kwan             | Chief Systems Manager (Single<br>Window), Commerce and Economic<br>Development Bureau                          |
| Mr Jimmy TAM Yat-keung,<br>C.M.S.M. | Assistant Commissioner of Customs<br>and Excise (Excise and Strategic<br>Support)                              |

**Clerk in attendance:** 

Ms Anita SIT Assistant Secretary General 1

## Staff in attendance:

| Ms Angel SHEK    | Chief Council Secretary (1)1      |  |
|------------------|-----------------------------------|--|
| Miss Bowie LAM   | Council Secretary (1)1            |  |
| Ms Alice CHEUNG  | Senior Legislative Assistant (1)1 |  |
| Miss Queenie LAM | Senior Legislative Assistant (1)2 |  |
| Mr Frankie WOO   | Senior Legislative Assistant (1)3 |  |
| Miss Mandy POON  | Legislative Assistant (1)1        |  |
| Miss Yannes HO   | Legislative Assistant (1)7        |  |
| Ms Clara LO      | Legislative Assistant (1)9        |  |
| Ms Haley CHEUNG  | Legislative Assistant (1)0        |  |

Action

<u>The Deputy Chairman</u> reminded members of the requirements under Rule 83A and Rule 84 of the Rules of Procedure.

2. <u>The Deputy Chairman</u> declared that he was an advisor of the Bank of China (Hong Kong) Limited.

3. <u>Mr HUI Chi-fung</u> enquired whether the Chairman and the Deputy Chairman would consider cancelling or shortening the meeting of the Finance Committee ("FC") scheduled to be held on Friday, 17 July 2020 in view of the increasingly severe outbreak of the epidemic recently. <u>The</u> <u>Deputy Chairman</u> said that the Chairman and he would review the meeting arrangements of FC in response to the latest development of the epidemic and would update members as soon as possible.

## Item 10 — FCR(2020-21)50 RECOMMENDATION OF THE PUBLIC WORKS SUBCOMMITTEE MADE ON 27 MAY 2020

 PWSC(2019-20)25
Head 703 — Building
Recreation, Culture and Amenities—Cultural facilities
75RE — Expansion of Hong Kong Science Museum and Hong Kong Museum of History

## Continuation of the discussion on FCR(2020-21)50

4. The FC continued with the discussion on item FCR(2020-21)50. The item sought to upgrade part of **75RE** as **76RE**, entitled "Pre-construction activities for expansion of Hong Kong Science Museum and Hong Kong Museum of History", to Category A at an estimated cost of \$72.8 million in money-of-the-day ("MOD") prices; and retaining the remainder of **75RE** in Category B.

## Spliting the funding proposal

5. <u>Mr CHU Hoi-dick</u> was concerned that the current political environment might render it difficult for the Hong Kong Museum of History ("HKMH") to maintain objectivity, impartiality and neutrality in exhibition planning. In this connection, <u>Mr CHU</u> suggested that the funding proposal for the expansion of the two museums should be split into two separate items, in which the non-controversial proposal for the expansion of the Hong Kong Science Museum ("HKScM") and related peripheral works could proceed first. <u>Mr CHU</u> also enquired whether the premises of HKMH could be used for the purpose of other types of museum after expansion.

6. <u>Under Secretary for Home Affairs</u> ("USHA") replied that, on top of the expansion of HKScM and HKMH, the proposed project mainly aimed to enhance the accessibility of the museum buildings to improve the overall quality of the sites and the public facilities of the two museums. Therefore, the expansion works for the two museums must be taken forward together under a single works project, and the funding proposal could not be split. <u>USHA</u> also said that HKMH had been highly popular since its commissioning in 1998, attracting more than a million visitors on average in each of the last few years. The Government believed that the public expected further expansion and enhancement of HKMH's services, and hoped that the expansion works could be implemented as soon as possible, so that the public would benefit early.

7. <u>Mr CHAN Chi-chuen</u> said that he might not support the proposed works project if the funding proposal for the expansion works for HKScM and HKMH could not be split.

## Project design

8. <u>Mr WU Chi-wai</u> enquired about the stance of the Home Affairs Bureau ("HAB") on members' suggestion that a design competition should be organized for local architects to participate in the design work of the HKScM and HKMH expansion project. <u>Ms Tanya CHAN</u> suggested that overseas architects should also be invited to participate in the related competition in order to identify the best possible design for the project.

9. In reply, <u>USHA</u> advised that the Government would actively consider inviting local architects to participate in the design work of part of the project through competition. Upon securing FC's approval for the funding for the project's pre-construction activities, the Government would consider engaging consultants to examine which parts of the project design work would be suitable for soliciting design concepts by way of USHA also said that HAB and the Architectural Services competition. Department ("ASD") were confident that design work of the project could be done well, as shown in the successful projects jointly completed by the two departments, including the expansion and renovation of the Hong Kong Museum of Art and the restoration of the Hong Kong Museum of Coastal Defence. These two projects earned numerous architectural awards, and ASD also had relevant experience in organizing design competitions for public works projects.

10. Mr CHAN Chi-chuen asked whether the uses of Site 1 and Site 2 set out in the site plan (PWSC(2019-20)25, Annex I to Enclosure 1) were finalized. USHA replied that the uses of the sites concerned could be finalized only after the consultants had completed site investigations and detailed examinations during pre-construction activities for the project. The Government initially planned to use Site 1 (around  $1900 \text{ m}^2$ ) mainly for the expansion of HKMH, while Site 2 (around 7 600  $m^2$ ) would be used for the expansion of HKScM. Moreover, public facilities of the two museums would be built on the two sites, coupled with a comprehensive improvement to the pedestrian and transport circulation system. Both features would blend into the expansion of the two museums, connecting them to achieve the purpose of enhancing the overall accessibility of the museum buildings. Upon completion of the expansion works, the gross floor area of the two museums would increase from  $31\ 000\ m^2$  to  $59\ 000$  $m^2$  (an increase of 90%). The net operating floor area would increase by 15 000 m<sup>2</sup>, in which around 2 500 m<sup>2</sup> would be occupied by HKMH while around 12 500  $m^2$  would be allocated to HKScM.

11. <u>Mr CHAN Chi-chuen</u> enquired whether the area of HKMH's permanent galleries would increase after the completion of the expansion works. <u>Assistant Director of Leisure and Cultural Services (Heritage and Museums)</u> ("ADLCS(H&M)") replied that HKMH had a permanent exhibition gallery and a special exhibition gallery at present, with a total exhibition space of around 8 000 m<sup>2</sup>. The permanent exhibition gallery occupied an area of around 7 000 m<sup>2</sup>, while the special exhibition gallery

was only around 980  $\text{m}^2$  in size. The additional exhibition space after the expansion would mostly be allocated to the special exhibition gallery to provide more space for exhibiting collection items related to local history, as well as for staging world-class exhibitions in collaboration with internationally acclaimed museums.

12. <u>Mr SHIU Ka-fai</u> expressed support for the proposed expansion works of the two museums, and enquired about the implementation schedule of the project. <u>USHA</u> replied that, subject to FC's approval for the funding proposal, the Government planned to commence the pre-construction activities for the project in the third quarter of 2020, which was expected to be completed in the first quarter of 2023. Funding application for the main works would then be submitted to FC through the Panel on Home Affairs and the Public Works Subcommittee ("PWSC").

## Enhancing connectivity with the neighbourhood

13. <u>Mr Jeremy TAM</u> enquired whether the feasibility of constructing a footbridge to link up the two museums and the footbridge system in Tsim Sha Tsui East would be included in the consultancy study on the pre-construction activities. <u>USHA</u> said that the Government was planning for the reprovisioning of the existing ramp connecting footbridge across Granville Road, as well as the construction of a modernized footbridge on Science Museum Road, routing via Concordia Plaza or the nearby Harbour Crystal Centre for connection with the existing footbridge system that linked up Tsim Sha Tsui East, The Hong Kong Polytechnic University and the toll plaza of the Cross Harbour Tunnel. The Government had reviewed the terms of the relevant land leases and preliminarily considered the idea feasible, and would engage consultants to thoroughly study the suggestion and specific proposal concerned.

## Contents of Hong Kong Museum of History's exhibitions

14. <u>Mr CHAN Han-pan</u> enquired how the Leisure and Cultural Services Department ("LCSD") could ensure that HKMH would be able to display historical facts correctly, so as to convey history to the community from a right perspective. <u>Mr LUK Chung-hung</u> was of the view that the permanent exhibition on "The Hong Kong Story" should elaborate in detail the historical facts about the Opium War and the invasion of China by Japanese, so that the younger generation could know more about the sufferings of the Chinese nation in the past. <u>Mr SHIU Ka-fai</u> urged HAB and the Education Bureau to enhance the teaching of contemporary Chinese history for young people. 15. <u>Dr Fernando CHEUNG</u> said that, according to his observations, the current permanent exhibition on "The Hong Kong Story" had avoided certain sensitive wording in its description of the student protests in Beijing in 1989. <u>Dr CHEUNG</u> was concerned whether the exhibits and contents of exhibitions of HKMH would be subject to more stringent political censorship in future upon the implementation of the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region. Expressing similar concerns, <u>Mr HUI Chi-fung</u> asked how LCSD could ensure that contents of the permanent exhibition on "The Hong Kong Story" relating to the contemporary history of Hong Kong would be true to historical facts and free from political censorship and screening.

16. <u>USHA</u> replied that LCSD always adopted a professional, unbiased and objective attitude in acquiring collections and planning exhibitions for museums under its purview, and a mechanism was in place to ensure that all collections and exhibitions adhered to relevant curatorial principles. LCSD would consult relevant experts, advisers, academics and the History Sub-committee of the Museum Advisory Committee on HKMH's exhibition topics and acquisition of collections. Meanwhile, LCSD must also ensure that all collections and exhibitions abided by the laws in Hong Kong. In case of doubts, LCSD would consult the Department of Justice. <u>USHA</u> also said that LCSD was happy to receive and follow up Members' and the public's views on museum services.

17. Mr Jeremy TAM enquired whether the existing exhibitions on the development of the aviation industry and aviation technology in Hong Kong respectively presented in the two museums would be restaged after the completion of the proposed expansion works. USHA advised that HKMH did not cater for large-scale exhibition with sizable exhibits as the special exhibition gallery in the museum was only 980  $m^2$  in size with Upon the completion of the expansion works, the 3.3 m headroom. special exhibition gallery in HKMH would have additional space and the headroom would increase from 3.3 m at present to 6 m or more, suitable for exhibition with sizable exhibits. The floor area of HKScM would also increase substantially after the expansion, and the new special exhibition hall could also facilitate the organization of large-scale special exhibitions with renowned museums and institutions in the world.

## Fees review

18. <u>Mr KWONG Chun-yu</u> suggested a waiver of admission fees for HKMH and HKScM during and after the expansion works to attract more visitors, so as to deepen public knowledge of history and science.

<u>ADLCS(H&M)</u> said that, since 1 August 2016, free admission to permanent exhibitions of LCSD museums (including HKMH) had been offered to the public, except for HKScM and the Hong Kong Space Museum. Taking into account the capacities of HKScM and the Hong Kong Space Museum, and to achieve the objectives of strengthening promotion of knowledge of science and astronomy to students, free admission to permanent exhibitions of the two museums was offered to full-time students only. LCSD would consider Mr KWONG's view during the review of the fee-charging policies of HKMH and HKScM in the long run.

#### Motion proposed by a member under paragraph 37A of the Finance Committee Procedure

19. At 10:06 am, members voted on whether the motion proposed by Mr CHAN Chi-chuen under paragraph 37A of the Finance Committee Procedure ("the FCP 37A motion") should be proceeded with forthwith. The Deputy Chairman put to vote the question that the FCP 37A motion should be proceeded with forthwith. At the request of members, the Deputy Chairman ordered a division. The Deputy Chairman declared that the question on proceeding with the motion forthwith was negatived.

#### Voting on FCR(2020-21)50

20. At 10:11 am, <u>the Deputy Chairman</u> put item FCR(2020-21)50 to vote. At the request of members, <u>the Deputy Chairman</u> ordered a division. <u>The Deputy Chairman</u> declared that 37 members voted in favour of and 7 members voted against the item, and 2 members abstained from voting. The votes of individual members were as follows:

| For:                     |                            |  |  |
|--------------------------|----------------------------|--|--|
| Mr James TO Kun-sun      | Mr Abraham SHEK Lai-him    |  |  |
| Mr Tommy CHEUNG Yu-yan   | Mr Jeffrey LAM Kin-fung    |  |  |
| Mr WONG Ting-kwong       | Ms Starry LEE Wai-king     |  |  |
| Mr CHAN Hak-kan          | Dr Priscilla LEUNG Mei-fun |  |  |
| Mr WONG Kwok-kin         | Mrs Regina IP LAU Suk-yee  |  |  |
| Mr Paul TSE Wai-chun     | Mr Steven HO Chun-yin      |  |  |
| Mr Frankie YICK Chi-ming | Mr WU Chi-wai              |  |  |
| Mr YIU Si-wing           | Mr MA Fung-kwok            |  |  |
| Mr Charles Peter MOK     | Mr CHAN Han-pan            |  |  |
| Mr LEUNG Che-cheung      | Mr Christopher CHEUNG      |  |  |
|                          | Wah-fung                   |  |  |
| Dr Helena WONG Pik-wan   | Mr Martin LIAO Cheung-kong |  |  |
| Mr POON Siu-ping         | Dr CHIANG Lai-wan          |  |  |
|                          |                            |  |  |

Ir Dr LO Wai-kwok Mr Jimmy NG Wing-ka Mr Holden CHOW Ho-ding Dr Pierre CHAN Mr LUK Chung-hung Mr KWONG Chun-yu Ms CHAN Hoi-yan (37 members) Mr Andrew WAN Siu-kin Mr LAM Cheuk-ting Mr SHIU Ka-fai Mr HUI Chi-fung Mr LAU Kwok-fan Mr Vincent CHENG Wing-shun

Against:Ms Claudia MOMr CHAN Chi-chuenDr Fernando CHEUNG Chiu-hungMr Alvin YEUNGMr CHU Hoi-dickMs Tanya CHANMr Jeremy TAM Man-ho(7 members)

Abstained: Dr Junius HO Kwan-yiu (2 members)

Dr CHENG Chung-tai

21. <u>The Deputy Chairman</u> declared that the item was approved.

## Item 11 — FCR(2020-21)51 RECOMMENDATION OF THE PUBLIC WORKS SUBCOMMITTEE MADE ON 24 JUNE 2020

PWSC(2020-21)5 Head 703 — Building Government — Intra-governmental services Offices 125KA — Joint-user Government Office Building in Area 67, Tseung Kwan O

22. <u>The Deputy Chairman</u> advised that this item sought FC's approval for the recommendation made by PWSC at its meeting held on 24 June 2020 regarding PWSC(2020-21)5, i.e. upgrading of 125KA, entitled "Joint-user Government Office Building in Area 67, Tseung Kwan O" (to be named as Tseung Kwan O Government Offices), to Category A at estimated costs of \$5,228.4 million in MOD prices. Some members requested that the recommendation be put to vote separately at the FC meeting. 23. <u>The Deputy Chairman</u> declared that he was an advisor of the Bank of China (Hong Kong) Limited.

## Project cost

24. Mr KWONG Chun-yu queried that the project cost of the proposed Tseung Kwan O Government Offices ("GO") was unduly high. Dr CHIANG Lai-wan enquired whether the project cost reflected the latest prices. Mr WU Chi-wai enquired whether the project cost represented the total price covering all related expenses. Project Director 1, Architectural Services Department ("PD1/ASD") replied that the pragmatic project design reflected the actual needs of user departments. Having assessed the returned tender prices for the contracts after the conclusion of tendering for the proposed item in the first half of this year, the Government reduced the project estimate from \$6,172.8 million in January 2020 to \$5,228.4 million at present (both in MOD prices). PD1/ASD added that, in 2019 price level, the unit construction cost of the proposed GO was comparable to that of the Immigration Headquarters in Tseung Kwan O, the funding for which was approved by the Legislative Council recently.

25. <u>Mr CHU Hoi-dick</u> pointed out that rental level in private property market decreased substantially over the past year., <u>Hhe enquired whether</u> the Administration had reassessed if constructing GO would achieve better value for money than accommodating government offices in leased private premises. <u>Government Property Administrator</u> ("GPA") replied that, given the fluctuating nature of office rentals, the Government adopted a policy to accommodate its offices in government-owned properties as far as circumstances permit. With regard to the proposed GO, around 18% of the net operational floor area of the proposed item would be used for relocating government offices in leased private premises.

26. <u>Mr Alvin YEUNG</u>, <u>Mr CHU Hoi-dick</u>, <u>Mr WU Chi-wai</u>, <u>Mr Wilson OR</u> and <u>Mr LAM Cheuk-ting</u> made the following enquiries on project estimate:

- (a) breakdown of the annual recurrent expenditure of the proposed GO;
- (b) how the Administration estimated that the removal costs for the offices of thirteen government departments to be accommodated in the GO would be in the range of \$7 million to \$10 million;

- (c) the calculation of the annual saving in rental expenditure after relocating the government offices in leased private premises to the proposed GO;
- (d) whether there would be cost overrun due to topographical or geological issues; and
- (e) why the consultants' actual staff costs for site supervision would only be determined after completion of the construction works, and whether the Administration would provide an estimation or a figure for reference.
- 27. In reply, <u>GPA</u> and <u>PD1/ASD</u> advised that:
  - (a) annual recurrent expenditure covered electricity tariffs and telephone charges (around 25%), repair and maintenance costs (around 35%) and property management and staff costs (around 40%), etc.;
  - (b) based on experience and assessments made by relevant departments on their respective needs, the Government expected that removal works would be carried out by outsourced contractors with estimated costs ranging from \$7 million to \$10 million in total;
  - (c) annual saving in rental expenditure would be equivalent to the current annual rental expenditure of about \$45 million incurred by government offices in leased private premises around 6 800m<sup>2</sup> in size;
  - (d) the consultants engaged by the Government already finished underground services investigation and ground investigation for the site in early years. Moreover, foundation works were ongoing at the site of the Immigration Headquarters adjacent to the project site, indicating that the actual site conditions were in line with expectations for now; and
  - (e) as the consultants' fees for management of resident site staff ("RSS") involved expenses on mandatory provident fund contributions, allowances, medical insurance, etc., projecting the actual figure at this stage would be difficult, but the relevant expenses were estimated to account for around 10.7% of the aggregate expenses on RSS, which would be subject to stringent control.

28. <u>Mr Alvin YEUNG</u> suggested that estimated annual recurrent expenditure per sq ft be listed in papers on items related to building projects in future, in order to facilitate Members' comparison with similar items during consideration.

## List of proposed user departments

29. <u>Mr Alvin YEUNG</u> enquired about the criteria on preparing the list of government departments to be accommodated in the proposed GO, and whether the Innovation and Technology Commission would relocate its offices in different districts to GO. <u>Mr CHAN Chi-chuen</u> enquired about the floor area of space without an intended purpose within the GO at the moment and whether such space would be allocated to The Office for Safeguarding National Security of the Central People's Government in the Hong Kong Special Administrative Region. <u>Mr CHAN</u> also enquired whether district offices of the Transport Department and Food and Environmental Hygiene Department would better meet the needs of local residents, compared to certain public services on the proposed list. <u>Mr LAM Cheuk-ting</u> enquired whether the regional office of the Independent Commission Against Corruption to be established in the proposed GO would be a newly added regional office.

30. <u>Under Secretary for Financial Services and the Treasury</u> ("USFST") and <u>GPA</u> replied that:

- (a) the list of proposed government departments was compiled based on the needs of relevant bureaux/departments and local views, accommodating various public services/facilities;
- (b) proposed GO would mainly be used for relocating some of the government offices currently accommodated in the Wan Chai Government Offices Compound ("WCGOC"), as well as accommodating some government offices located in leased private premises, and to consolidate government offices and public services accommodated in other government-owned premises to enhance operational efficiency;
- (c) the net operational floor area of  $4\,400 \text{ m}^2$  without an intended purpose within the GO would be used for meeting relevant departments' extra needs for office space and for contingencies, while there was no plan to allocate such space to any specific departments;

- (d) offices of the Innovation and Technology Commission currently located in WCGOC and other government-owned premises would be moved to the proposed GO; and
- (e) the regional office of the Independent Commission Against Corruption to be established in the proposed GO would be a relocated Regional Office (Kowloon East/Sai Kung) of the Community Relations Department currently in service.

31. <u>Ms Claudia MO</u> enquired whether Radio Television Hong Kong ("RTHK") would be accommodated into the GO and the construction progress of the new Broadcasting House for Radio Television Hong Kong. <u>District Planning Officer (Sai Kung and Islands)</u>, Planning Department ("DPO(SKI)/PD") said that the current design of the proposed GO did not include facilities for RTHK. The Administration had already reserved another site in Tseung Kwan O for the construction of the new Broadcasting House for Radio Television Hong Kong, pending further suggestion from RTHK on project design.

32. The meeting was suspended at 10:46 am and resumed at 10:56 am.

## Design and facilities of the Tseung Kwan O Government Offices

## Government dental clinic for civil servants

33. <u>Mr KWONG Chun-yu</u> queried that certain facilities in the proposed GO could not benefit local residents in the community, e.g. the government dental clinic for civil service eligible persons ("CSEPs"). <u>Mr Holden</u> <u>CHOW</u> indicated his hope that the Administration would maintain flexibility in the planning and design of the proposed GO, so as to open the government dental clinic for public use when circumstances allow in future. <u>Mr KWONG Chun-yu</u>, <u>Mr WONG Ting-kwong</u>, <u>Mr Wilson OR</u> and <u>Ms Elizabeth QUAT</u> urged the Government to strengthen dental clinic services for the public. <u>Mr KWONG Chun-yu</u>, <u>Mr WONG Ting-kwong</u>, <u>Mr Alvin YEUNG</u>, <u>Dr Fernando CHEUNG</u> and <u>Dr KWOK Ka-ki</u> made the following enquiries:

- (a) the guidelines for establishing government families clinics and government dental clinics for civil servants, e.g. whether they are established on the basis of district or number of service recipients;
- (b) the number of government dental clinics for civil servants in Hong Kong at present and the overall utilization rate;

- (c) whether government dental clinics would be open for public use and how the Department of Health ("DH") would follow up the relevant suggestion;
- (d) the total number of government dental clinics there would be, upon the completion of the proposed one in the proposed GO, and the size of the proposed clinic; and
- (e) the views of civil servants on the location of the proposed dental clinic.

34. <u>USFST</u>, <u>Deputy Secretary for Financial Services and the Treasury</u> (<u>Treasury</u>)3 ("DSFST(T)3") and <u>GPA</u> replied that:

- (a) the Government had established over 40 dental clinics for civil servants in Hong Kong in order to fulfill the terms of employment with civil servants of providing dental benefits to CSEPs;
- (b) the proposed GO intended to accommodate 3 000 government employees, making it an ideal location for dental clinic for civil servants, while the Government had already consulted relevant bureaux/departments on the location. The clinic would be about 600 m<sup>2</sup> in size;
- (c) the Government would relay Members' concerns and suggestions on dental clinic services to the DH, including whether to assign sessions for the public in the proposed dental clinics for civil servants; and
- (d) the Government undertook to provide the following information after the meeting:
  - (i) the guidelines for establishing government families clinics and government dental clinics for civil servants;
  - (ii) the overall utilization rate of government dental clinics for civil servants; and
  - (iii) the total number of government dental clinics there would be, upon the completion of the proposed one; and whether it would be open for public use.

[*Post-meeting note*: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC302/19-20(01) on 7 October 2020.]

## Child care centre

35. <u>Mr KWONG Chun-yu</u>, <u>Mr Alvin YEUNG</u>, <u>Mr Wilson OR</u> and <u>Dr Fernando CHEUNG</u> were concerned whether the child care centre for government employees would impose service charges, and whether it would be open for public use. <u>Mr LAM Cheuk-ting</u> urged the Administration to closely monitor the service quality of child care centres, while <u>Mr LAM Cheuk-ting</u> and <u>Dr Fernando CHEUNG</u> enquired whether similar facilities would be available in other government office buildings or new private commercial buildings.

36. <u>USFST</u> and <u>GPA</u> replied that, the child care centre intended to provide 100 child care service places operated by a non-governmental organization to government staff. The Government might consider opening the service for public use if there were places remaining. The child care centre would run on a pilot basis, and the operation mode (including the charging mode) was not confirmed yet. The Government wished that the pilot scheme would set an example for enterprises with a view to encouraging the provision of child care services near their offices.

37. <u>Dr Fernando CHEUNG</u> noted the Administration's claim that it would review the effectiveness of setting up a child care centre in the proposed GO. In this connection, he urged the Administration to, in the course of the review, also consider whether private developers should be required to assign designated spaces in commercial buildings for the provision of community services (including child care centres, elderly service facilities, public outpatient clinics and public dental clinics) through land grant provisions/land lease conditions in future, and to give an explanation if the answer was negative, and he requested that the outcome of the review be provided upon completion.

[*Post-meeting note*: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC302/19-20(01) on 7 October 2020.]

## Car Park

38. <u>Ir Dr LO Wai-kwok</u> was glad to note that the proposed GO would provide over 300 public parking spaces, and was of the view that the design would realize the government policy of developing multi-purpose public

facility buildings under the "single site, multiple uses" model. Ir Dr LO also urged the Administration to increase the supply of public and private parking places for private cars and commercial vehicles to satisfy market demand. <u>Ms Claudia MO</u>, Ir Dr LO Wai-kwok, <u>Mr Holden CHOW</u>, <u>Mr WONG Ting-kwong</u>, <u>Ms Tanya CHAN</u>, <u>Mr LAM Cheuk-ting</u>, <u>Mr Wilson OR</u> and <u>Ms Elizabeth QUAT</u> made the following enquiries on the parking spaces in the proposed GO:

- (a) given that the proposed GO would accommodate 13 government departments, the criteria of the Administration's decision to merely provide around 100 parking spaces for use by government departments, and whether the supply would be insufficient;
- (b) the number of public parking spaces for motorcycles and light buses in the proposed GO;
- (c) whether the proposed GO could provide more public parking spaces through automated parking systems or other methods;
- (d) whether the Administration could flexibly adjust the number of parking spaces respectively reserved for government departments and the public depending on actual demands in future;
- (e) whether the public parking spaces would open 24 hours daily; and
- (f) whether charging facilities for electric vehicles would be installed in the parking spaces.

39. <u>USFST</u>, <u>DSFST(T)3</u>, <u>PD1/ASD</u> and <u>Assistant Commissioner for</u> <u>Transport (Special Tasks)</u>, <u>Transport Department</u> ("ACT(Special Tasks)/TD") replied that:

> (a) the Government's existing policy on the provision of parking spaces was to accord priority to considering and meeting the parking demand of commercial vehicles and to provide an appropriate number of private car parking spaces if overall development permits, but not to attract passengers to opt for private cars in lieu of public transport, so as to avoid aggravating the road traffic;

- (b) in addition to providing around 100 parking places for use by government departments, the proposed GO would also have over 300 public parking spaces, including around 25 for motorcycles and 10 for light buses;
- (c) constrained by higher groundwater level in the area and the drainage reserve within the site, the GO would only have one basement level, but the Administration planned to adopt mechanized double-decker parking system to maximize parking spaces. If necessary, the Government might consider adjusting the detailed design of the project to explore the feasibility to further increase the number of public parking spaces;
- (d) upon the commissioning of the proposed GO, the Administration would, subject to actual demand, consider making parking spaces reserved for government departments available for public use during non-office hours and weekends. The Government would also consider flexibly allocating the parking spaces reserved respectively for government departments and the public during office hours;
- (e) public parking spaces in the proposed GO would be open 24 hours daily;
- (f) as required by the Hong Kong Planning Standards and Guidelines, 30% of private car parking spaces in the proposed GO would install charging facilities for electric vehicles; and
- (g) the Government would require developers to plan for the provision of ancillary parking spaces in adherence to the upper limit prescribed in planning standards when submitting applications for development projects.

## Families clinic and general out-patient clinic

40. <u>Ms Tanya CHAN</u> noted that a general out-patient clinic and a families clinic would be located respectively on the first and second floor of the North Tower of the proposed GO, while the same floors on which the two clinics located would respectively accommodate a job centre and a child care centre. <u>Ms CHAN</u> enquired whether the Administration had learnt from the experience of the COVID-19 pandemic and introduced measures to separate visitors to the clinics from those accessing the office premises and public facilities in the proposed GO. <u>Mr LAM Cheuk-ting</u>

was concerned whether a separate ventilation system would be installed in the clinics to prevent virus from transmitting through the centralized air-conditioning system of the proposed GO. <u>Ms Tanya CHAN</u> also enquired whether a task force would be established to review the existing policies on such areas as internal layout and information technology system concerning offices of government departments from the perspective of prevention and control of communicable diseases.

41. <u>USFST</u> and <u>PD1/ASD</u> said that the two clinics mentioned above would be located on lower floors of the GO with a separate lift lobby, and would not share a lift lobby with office floors. Moreover, the proposed clinics would be equipped with separate ventilation and fresh air supply system which were up to standard.

## Greening coverage and other installations

42. Mr CHAN Chi-chuen enquired about the costs, types, locations and areas of greening facilities. Mr WU Chi-wai enquired whether the greening features on ground level, podium levels and rooftops would be open to users of offices in the proposed GO or members of the public; and expressed concern about the daily management and maintenance of the greening areas. Ms Tanya CHAN enquired whether the greening space above the drainage reserve would only be temporary. Mr CHAN Chi-chuen enquired about the difference between proposed universal toilets Mr WU Chi-wai was concerned whether GO and accessible toilets. would have restaurants. Dr Fernando CHEUNG urged the Administration to give priority in allowing social enterprises to operate retail facilities in the building. Ms Tanya CHAN enquired whether the common areas in the proposed GO would be open for public. Dr CHIANG Lai-wan installation queried whether the of heat pump for space heating/dehumidification was necessary. Ms Elizabeth QUAT enquired whether the concept of gender mainstreaming was applied in the design of the proposed GO, properly taking women's perspectives and needs into account.

43. <u>PD1/ASD</u> replied that the proposed GO planned to provide around  $5\,000 \text{ m}^2$  of greening area. Workers could access the greening area for maintenance works via maintenance platforms, while the greening area on ground level would be open for public. Although no structures were allowed to be erected on the drainage reserve, this would not be a problem for it to become a greening area. Moreover, the building would also have greening on vertical surfaces. When conducting in-depth design, the Administration might consider broadening the coverage of greening on vertical surfaces and expanding the greening areas that would be open to

public. <u>USFST</u> said that the proposed GO would not have canteen, but space would be reserved for lease to convenience stores/cafes/takeaway shops, and would consider setting up vending machines for selling light foods, and that there were around 80 restaurants in the proximity of the GO.

44. <u>PD1/ASD</u> further said that accessible toilets aimed to serve people with disabilities, and GO would have another four universal toilets from ground level to the third floor. The heat pump for space heating/dehumidification was a standard installation widely used in government office buildings for indoor office dehumidification and heating when outdoor temperature fell below 20°C. In respect of taking female's perspective into consideration, the Administration would prevent women from being susceptible to accidental exposure by paying attention to details such as level of reflection of flooring materials, seating layouts and the<sub>7</sub> level of transparency of glass used for escalator balustrades.

## Ancillary transport facilities

45. <u>Mr Wilson OR</u> said that he lived near the GO site. <u>Ms Tanya</u> <u>CHAN</u>, <u>Mr KWONG Chun-yu</u>, <u>Mr Wilson OR</u> and <u>Mr Alvin YEUNG</u> made the following enquiries on ancillary transport facilities near the proposed GO:

- (a) the flow of commuters and public visitors expected to be generated by the proposed GO;
- (b) whether accessible and convenient barrier-free accesses would be available to respectively connect the proposed GO with the Tiu Keng Leng MTR Station and the bus stop on Po Yap Road;
- (c) if so, whether the above route would require pedestrians to go upstairs or downstairs multiple times between the pavement on ground level and pedestrian walkways on podium or footbridge levels;
- (d) whether the Administration had secured project funding for the proposed footbridge project shown in Enclosure 8 (plan of barrier-free access) of the paper for discussion, and the expected completion date;
- (e) whether the traffic flow arising from the commuters to the proposed GO would cause traffic jam at the adjacent roads

#### (e.g. Po Yap Road) during rush hours; and

(f) whether the proposed GO would have an entrance/exit connecting the proposed road to the west of the site.

46. In reply, <u>USFST</u>, <u>PD1/ASD</u> and <u>ACT(Special Tasks)/TD</u> advised that:

- (a) the Government estimated that around 3 000 staff would work at the proposed GO, with around 4 600 visitors each day on average;
- (b) the Government estimated that the footbridge would be completed in 2021. By then, GO and Immigration Headquarters could be connected with the podium level of the Tiu Keng Leng Sports Centre via the footbridge, so as to dovetail with other development projects in the neighbourhood, forming a covered access network that would link up the Tiu Keng Leng MTR Station. The proposed footbridge and the access network nearby, together with the connected pedestrian walkways on ground level, would further improve the accessibility of barrier-free accesses in the district:
- (c) with an interconnected network of pedestrian accesses, pedestrians could gain access to the elevated pedestrian network and walkways by using available facilities, such as lifts;
- (d) cross-district commuter flows of employees to the proposed GO during rush hours would move in a direction opposite to that of the commuters in Tseung Kwan O to other districts. As shown in the traffic impact assessments, it is expected that, within three years after the completion of the proposed GO in 2025 and taking into account the impact of the Tseung Kwan O Lam Tin Tunnel projects and developments in the proximity, traffic volume of roads around the proposed GO would be in line with the Administration's requirements;
- (e) the proposed GO had already incorporated two vehicular run-ins/outs in the design, in order to diverge government vehicles and vehicles of members of the public; and

(f) the proposed GO would have a pedestrian entrance/exit connecting the proposed road to the west of the site.

#### Community services in Tseung Kwan O

47. <u>Ms Tanya CHAN</u> enquired about the planned uses of the two "Government, Institution or Community" sites in the vicinity of the proposed GO site. <u>Dr KWOK Ka-ki</u> enquired about the planning for various community services in Tseung Kwan O, including community health centres, elderly health centres, child assessment centres and integrated community centres for mental wellness, etc., and how such planning would be implemented. <u>Dr Fernando CHEUNG</u> expressed concerns about the persistent shortage in the supply of child care service in Tseung Kwan O. <u>Mr Wilson OR</u> requested information on measures to increase the provision of child care centres, public dental clinic services and public parking spaces in Tseung Kwan O.

[*Post-meeting note*: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC302/19-20(01) on 7 October 2020.]

#### 48. In reply, <u>USFST</u>, <u>GPA</u> and <u>DPO(SKI)/PD</u> said that:

- (a) the two "Government, Institution or Community" sites near the proposed GO were tentatively planned for developing a secondary school and a joint-user complex respectively. The joint-user complex planned to provide facilities including a public market, a district health centre and a child assessment centre, etc.;
- (b) the Social Welfare Department ("SWD") had already planned the provision of numerous welfare facilities at the sites in Area 65C2 and Area 73A in Tseung Kwan O South, in which Area 65C2 would accommodate a neighbourhood elderly centre, a special child care centre, an early education and training centre, and a reprovisioned Youth Outreaching Team office and an integrated family service centre; and Area 73A would accommodate a reprovisioned integrated community centre for mental wellness to strengthen support for various sectors and people in need;
- (c) SWD planned to establish aided standalone child care centres which would offer long full-day child care places in other development projects in the Sai Kung District (including

Tseung Kwan O), so as to fulfill service needs in the District, pending feasibility studies on such plans with relevant government departments; and

(d) the Government would relay to SWD Members' concerns and suggestions on various community services.

#### The policy to reprovision government offices out of high value areas

49. Ms Claudia MO was concerned about the planned uses of the vacated premises of the Immigration Tower, the Revenue Tower and the Wanchai Tower. Mr WU Chi-wai and Mr Alvin YEUNG enquired respectively about the schedule for vacating the Towers and completion of USFST and GPA said that the Government targeted to replanning. complete all the replacement building projects under the WCGOC relocation exercise by 2026, so that land could be released for the development of convention and exhibition venues, hotel facilities and Grade A office space. The Commerce and Economic Development Bureau ("CEDB") was working on related planning design. In order to optimize land use, government departments would move into some vacated floors to set up short-term offices on need basis under the arrangement of the Government Property Agency before the three towers were completely vacated.

50. Dr CHIANG Lai-wan enquired, upon relocation of government offices out of core business district, whether the Government should relocate the offices to various districts or establish another core business district. Dr CHIANG enquired whether the Government had conducted planning for the future site of the next core business district in the long run. USFST said that it was the Government's policy to reprovision those government offices with no location requirements out of high value areas. This would not only release valuable land in core business district for new uses and inject new impetus to economic development of Hong Kong, but also spreading the development of offices to various other districts, thereby optimizing the use of land resources to achieve a more balanced distribution of employment and economic activities in the territory. The Government would relay the views about the long-term planning of a second core business district to the Development Bureau ("DEVB").

51. At 12:32 pm, <u>the Deputy Chairman</u> declared that the meeting be suspended. FC would continue deliberation on the item at 2:30 pm on the same day.

52. At 2:30 pm, <u>the Chairman</u> presided the meeting. <u>The Chairman</u> declared that he was an Executive Director and the Chief Executive Officer of Well Link Insurance Group Holdings Limited. <u>The Chairman</u> urged members who wished to speak on this item to put forward their requests to speak by 2:40 pm. He said that the questioning session would come to a close after members on the list of members waiting to speak had spoken.

## Construction arrangement

53. Mr LAM Cheuk-ting was concerned that the construction works would cause environmental pollution to the school nearby, noise pollution PD1/ASD advised that the Government would control in particular. noise, dust and site run-off nuisances to within established standards and guidelines through the implementation of mitigation measures in the These measures include the use of silencers and relevant contract. temporary acoustic lining or shields, etc., for noisy construction activities. The Environmental Protection Department ("EPD") also had noise control requirements in place. Mr LAM Cheuk-ting queried that temporary acoustic lining or shields generally had not much practical effect, and the EPD's noise measurement procedures left a lot to be desired, incapable of effective noise control.

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

54. At 3:11 pm, FC started to vote on whether the two motions on expressing views on the item, proposed by Mr CHAN Chi-chuen and Dr Fernando CHEUNG respectively under paragraph 37A, should be proceeded with forthwith.

55. <u>The Chairman</u> put to vote the questions, one by one, that these FCP 37A motions should be proceeded with forthwith. At the request of members, <u>the Chairman</u> ordered a division. The voting results were as follows:

| Members proposing the motions   | Serial numbers of motions | Motions be<br>proceeded with<br>forthwith |
|---------------------------------|---------------------------|---|
| Mr CHAN Chi-chuen               | <u>001</u>                | <u>No</u>                                 |
| Dr Fernando CHEUNG<br>Chiu-hung | <u>002</u>                | No  |

#### Voting on FCR(2020-21)51

56. At 3:21 pm, <u>the Chairman</u> put item FCR(2020-21)51 to vote. At the request of members, <u>the Chairman</u> ordered a division. <u>The Chairman</u> declared that 38 members voted in favour of and 6 members voted against the item, and no member abstained from voting. The votes of individual members were as follows:

For:

Mr Abraham SHEK Lai-him Prof Joseph LEE Kok-long Mr WONG Ting-kwong Mr WONG Kwok-kin Mr Michael TIEN Puk-sun Mr Frankie YICK Chi-ming Mr MA Fung-kwok Ms Alice MAK Mei-kuen Mr KWOK Wai-keung Dr Helena WONG Pik-wan Ms Elizabeth QUAT Dr CHIANG Lai-wan Mr CHUNG Kwok-pan Mr Andrew WAN Siu-kin Mr LAM Cheuk-ting Mr SHIU Ka-fai Ms Tanya CHAN Mr LAU Kwok-fan Mr KWONG Chun-yu (38 members)

Mr Tommy CHEUNG Yu-yan Mr Jeffrey LAM Kin-fung Ms Starry LEE Wai-king Mrs Regina IP LAU Suk-yee Mr Steven HO Chun-yin Mr WU Chi-wai Mr LEUNG Che-cheung Dr KWOK Ka-ki Mr Dennis KWOK Wing-hang Mr IP Kin-yuen Mr POON Siu-ping Ir Dr LO Wai-kwok Mr Alvin YEUNG Mr Jimmy NG Wing-ka Mr Holden CHOW Ho-ding Mr Wilson OR Chong-shing Mr LUK Chung-hung Mr Kenneth LAU Ip-keung Mr Vincent CHENG Wing-shun

Against:Ms Claudia MOMr CHAN Chi-chuenDr Fernando CHEUNG Chiu-hungMr CHU Hoi-dickMr SHIU Ka-chunDr CHENG Chung-tai(6 members)(6 members)

57. <u>The Chairman</u> declared that the item was approved.

<u>Action</u>

## Item 12 — FCR(2020-21)52 RECOMMENDATION OF THE PUBLIC WORKS SUBCOMMITTEE MADE ON 24 JUNE 2020

# PWSC(2020-21)10HEAD 705— Civil EngineeringCivil EngineeringMulti-purpose43CG— Greening master plans for the New Territories

58. <u>The Chairman</u> advised that this item sought FC's approval for the recommendation made by PWSC at its meeting held on 24 June 2020 regarding PWSC(2020-21)10, i.e. to recommend to FC the upgrading of part of 43CG as 52CG, entitled "Greening master plans ("GMPs") for the Southwest and Northeast New Territories – priority greening works", to Category A at an estimated cost of \$367.6 million in MOD prices; and the retention of the remainder of 43CG in Category B.

59. <u>The Chairman</u> advised that some members had requested that the recommendation be voted on separately at the FC meeting.

60. <u>The Chairman</u> declared that he was a Director and the Chief Executive Officer of Well Link Insurance Group Holdings Limited. He was also a Director of Well Link General Insurance Company Limited and Well Link Life Insurance Company Limited, both under the Well Link Insurance Group.

## Development and implementation of Greening Master Plans

61. <u>Ms Tanya CHAN</u> pointed out that in Report No. 72 of the Director of Audit ("the Audit Report") published in April 2019, the Audit Commission made a number of recommendations about the management of GMPs by the Administration. <u>Ms CHAN</u> enquired whether the Administration had adopted those recommendations in the development and implementation of GMPs for the Southwest and Northeast New Territories.

62. In response, <u>the Acting Head of Greening, Landscape and Tree</u> <u>Management Section, Development Bureau</u> ("H/GLTMS (Acting)") advised that when taking forward the project of GMPs for the Southwest and Northeast New Territories, the Administration incorporated the recommendations in the Audit Report, concluded the experience of departments and drew reference from landscape good practices, in order to follow up and improve the development and implementation of GMPs, handover and maintenance of greening works under GMPs, and monitoring of greening works.

63. <u>Ms Tanya CHAN, Ms Claudia MO</u> and <u>Mr SHIU Ka-chun</u> were concerned about the numerous tree collapse cases in the past, especially during typhoons in Hong Kong. They asked the Administration what measures were in place to minimize tree collapse during inclement weather. <u>Dr Priscilla LEUNG</u> expressed her support for the Administration's implementation of priority greening works recommended in GMPs for Southwest and Northeast New Territories. She was concerned that after typhoon Mangkhut hit Hong Kong, many collapsed trees were sent to landfills for disposal, missing the opportunity to recycle yard waste.

64. H/GLTMS (Acting) responded that the Development Bureau ("DEVB") issued the "Street Tree Selection Guide" recommending 80 less commonly planted tree species suitable for Hong Kong's roadside, which were resilient to wind, drought, waterlogging and heat, as well as resistant to pests and diseases. Deputy Head of Civil Engineering Office (Port and Land), Civil Engineering and Development Department ("DH of CEO") advised that the Civil Engineering and Development Department ("CEDD") would also improve the design and expand tree pits along pavement for tree planting as far as practicable, e.g. trying to form a continuous planting strip by connecting two or more adjacent tree pits to create larger underground space with suitable soil for root growth. This could facilitate better root development, which would in turn improve tree stability and resistance against strong wind. Moreover, the department would add Biochar and mature compost into the soil mix to improve soil quality for healthy tree growth. As for the handling of collapsed trees, H/GLTMS (Acting) advised that the Environmental Protection Department designated places in landfills to receive collapsed trees after typhoons struck Hong Kong and would recycle suitable yard waste after screening.

65. <u>Mr WU Chi-wai</u> criticized that greening works in Wong Tai Sin District completed under urban GMPs failed to achieve the ideal effect in the concept map. In particular, shrub planters installed on footpaths not only narrowed the footpaths, but also became littering black spots. <u>Mr WU</u> was of the view that greening works could be concentrated in government buildings and facilities in the district to avoid occupying footpath space. <u>Mr WU</u> also enquired whether the greening works would include planting seasonal flowers which required frequent replacement. <u>Mr CHAN Chi-chuen</u> urged the Administration to minimize yard waste produced by greening works.

In response, <u>DH of CEO</u> advised that GMPs aimed to formulate a 66. planning outline for greening. The relevant Project Administration Handbook within the Government stipulated that when taking forward public works projects, government departments should draw reference from the recommendations of GMPs and incorporate appropriate greening DH of CEO stressed that before greening works commenced, the works. Administration would receive views of relevant District Council ("DC") members again in order to dovetail with the latest district developments and consider whether there was a need to modify details of the works etc. Senior Landscape Architect (1), Civil Engineering and Development Department ("SLA(1)/CEDD") advised that planting trees on footpaths could provide pedestrians with shade, and when identifying locations for planting trees and greening, sufficient pedestrian space would be reserved to balance pedestrian flow and greening needs. Shrubs recommended in GMPs for the Southwest and Northeast New Territories were perennials instead of seasonal flowers, with no need for frequent replacement, thereby Furthermore, planting flowering shrubs could reducing vard waste. improve the quality and ecological value of urban greening space, as well as enriching the greening landscape.

67. <u>Mr Andrew WAN</u> was concerned about the lack of effect of GMPs for the New Territories implemented previously by the Administration. For example, the Audit Report pointed out that for completed greening works of four GMPs for the New Territories, 42% of trees and 26% of shrubs were not planted at potential planting areas under the works contracts. The deviations were more significant in Sha Tin (59% of trees and 40% of shrubs) and Sai Kung (50% of trees and 57% of shrubs). Of the total of 23 focal points in the two GMPs for Southeast New Territories, greening works for 10 (43%) focal points were not implemented.

68. <u>DH of CEO</u> responded that CEDD had reviewed greening works completed according to GMPs for Southeast and Northwest New Territories. In summary, the reasons for not being able to plant at potential planting areas included obstruction by unexpected underground utilities, public objections etc. In the cases of Sha Tin and Sai Kung, CEDD had identified additional planting areas, and the actual number of vegetation planted eventually exceeded the number required under contracts.

69. <u>Mr WU Chi-wai</u> enquired how the Administration would avoid impediment to greening works due to unexpected underground utilities in future.

70. <u>DH of CEO</u> responded that regarding the development of GMPs for the Southwest and Northeast New Territories, in addition to checking, reviewing and assessing underground utility records provided by utility companies, CEDD also asked consultants to step up site investigation works, including excavating more trial pits or making wider use of no-dig detection methods, to understand the underground conditions more comprehensively so as to increase the successful rate of planting.

71. <u>Mr CHAN Chi-chuen</u> observed that most of the theme trees recommended by GMPs for the Southwest and Northeast New Territories had red or pink flowers. <u>Mr SHIU Ka-chun</u> enquired about the proportions of the proposed theme trees to the total numbers of trees in each district. <u>Mr CHAN</u> and <u>Mr SHIU</u> were of the view that the Administration should plant different species of trees to enhance plant diversity.

72. <u>DH of CEO</u> responded that GMPs for the Southwest and Northeast New Territories recommended a reference planting ratio of 20% to 40% for theme trees in each district, including around three to four species, as well as not less than 35% of native plant species. <u>SLA(1)/CEDD</u> advised that the Government would identify suitable locations for theme trees, for example, in groups along selected streets, with other tree species planted elsewhere to achieve a holistic greening effect. In addition, various shrubs and suitable native plant species would also be planted to enrich the landscape, increase ecological value, and promote plant diversity.

73. <u>Mr CHAN Chi-chuen</u> made reference to the recommended greening themes of GMPs for the Southwest and Northeast New Territories, including Blue Breeze and Green Vista in Kwai Tsing; Green Vibrance in Tsuen Wan; Tranquil Seascape, Flourishing Isles in Islands District; and History and Harmony in the Urban Landscape in Tai Po, and suggested that future themes should have more catchy names. <u>H/GLTMS (Acting)</u> noted Mr CHAN's views.

74. <u>Ir Dr LO Wai-kwok</u> expressed support for the Administration's implementation of priority greening works recommended in the GMPs for Southwest and Northeast New Territories. He was of the view that the Administration should reinforce local characteristics through greening, planting trees of one selected native species in the district, e.g. the floral emblem of Hong Kong, the *Bauhinia blakeana*, to build up a unique local character that would be more appealing to visitors. <u>Mr SHIU Ka-chun</u> expressed similar views, and urged DEVB, the Commerce and Economic Development Bureau and the Hong Kong Tourism Board to strengthen communication in this respect <u>Mr SHIU</u> was also concerned that the

Administration planted a lot of *Bauhinia blakeana* along the Tuen Mun Highway many years ago. However, given the windy condition of the location and the *Bauhinia blakeana's* poor tolerance to wind, a large number of *Bauhinia blakeana* withered, or were overwhelmed by the gales subsequently.

75. DH of CEO advised that Bauhinia blakeana was one of the theme trees recommended for the North District. Bauhinia blakeana would be planted extensively on Fan Leng Lau Road in the North District. On the other hand, CEDD planted 400 cherry trees in Ngong Ping two years ago, and would continue to observe the effect of planting. SLA(1)/CEDD added that the department would consider the condition of planting locations, views of local stakeholders, requirements for maintenance, etc. and select suitable plant species in accordance with the "Right Tree, Right Place" principle, such as avoid planting Bauhinia blakeana at gusty locations to reduce the risk of branch failure or tree collapse. H/GLTMS (Acting) advised that GMPs were aimed at carrying out greening for existing roads or relatively scattered places (e.g. roundabouts) in various districts to complement existing vegetation in local areas. When taking forward new development projects in the districts in future, DEVB would confer with relevant bureaux in relation to greening schemes for new projects.

## Handover and maintenance of greening works

76. <u>Mr KWONG Chun-yu</u> was concerned that CEDD and the Leisure and Cultural Services Department ("LCSD") had different methods of recording trees and shrubs, leading to differences in planting quantities for trees and shrubs between CEDD handover records and LCSD inventory records. He enquired how the Administration would avoid the same problem in the future. <u>Mr Wilson OR</u> was concerned how the Administration could ensure that greening works under GMPs would receive proper maintenance.

77. <u>DH of CEO</u> responded that CEDD and LCSD had jointly devised a common handover record form, covering details of GMP trees and shrubs (e.g. types, quantity and planting areas) to facilitate follow-up maintenance works by LCSD. CEDD had strengthened communication with LCSD to share experience in the maintenance of plants in order to facilitate the formulation of greening work under the GMPs.

78. <u>Ms Claudia MO</u> and <u>Dr Priscilla LEUNG</u> were concerned that trees in public places were managed by different government departments. They urged the Tree Management Office of DEVB to strengthen liaison and coordination with different tree management departments to improve the effectiveness of tree management, and minimize the possible impact of hazardous trees on the public.

79. In response, <u>H/GLTMS (Acting)</u> advised that the Government adopted an integrated approach for the management of trees on Government land, i.e. department(s) responsible for the management of the relevant land or buildings would also be responsible for management and maintenance of trees at relevant locations. Tree management departments would conduct tree risk assessment in accordance with "Guidelines for Tree Risk Assessment and Management Arrangement" released by the Tree Management Office, and properly handle dead trees and trees with major health or structural problems that might pose hazards to the public for the protection of public safety.

80. <u>Mr KWONG Chun-yu</u> pointed out that the Audit Report mentioned two cases related to, namely, shrub planters outside Sha Tin MTR Station and the 200 trees of *Juniperus chinensis* "Kaizuca" planted at the median strip of a road in Sham Shui Po. <u>Mr KWONG</u> and <u>Mr Andrew WAN</u> were concerned about the wastage caused by the removal of all relevant planters and plants a few years after these greening works were completed. <u>Mr Andrew WAN</u> mentioned that the Audit Report pointed out that of the more than 3 000 trees taken over by LCSD for maintenance under GMPs for urban areas, 958 trees were removed as of October 2018 and only 113 trees (around 12% of the trees removed) were replanted at locations where the original trees were removed. <u>Mr WAN</u> was concerned about the low replanting rate. <u>Mr LAM Cheuk-ting</u> enquired if trees planted under GMPs withered or collapsed, whether the Administration would arrange replanting in the original place or elsewhere.

81. In response, DH of CEO advised that before conducting greening works under GMPs, the Government had conducted extensive consultation and received support of relevant DCs, and it had also conducted site However, the scope of the project might need to be investigation. modified later subject to actual situation. If removing planted vegetation was necessary, the Government would, depending on the actual situation, transplant the vegetation to other locations, replanting other suitable species in situ, or replant in other locations when feasible. H/GLTMS (Acting) added that for example, when the canopy of a tree overlapped with that of an adjacent tree, the understorey plants would be overshadowed and their exposure to sunlight would be reduced, which was undesirable for healthy growth of these plants. In such case, replanting between these two trees was not recommended.

82. <u>Mr KWONG Chun-yu</u> requested the Administration to provide supplementary information on the number of plants and the public money involved in the removal of vegetation due to various reasons since the implementation of projects under the GMPs.

[*Post-meeting note*: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC290/19-20(01) on 25 September 2020.]

83. <u>Mr HUI Chi-fung</u> pointed out that the Greening, Landscape and Tree Management Section under DEVB was mainly led by professional Landscape Architect grade officers, and that the Administration's greening work focused on landscape planning and design, while tree management and conservation work were outsourced. He urged the Administration to create an Arborist grade in the civil service to improve the effectiveness of tree management. <u>Mr HUI</u> also enquired about the Administration's position on the introduction of "tree legislation".

84. In response, <u>H/GLTMS (Acting)</u> advised that the Government would establish an Urban Forestry Support Fund this year to strengthen manpower training in tree maintenance and to uplift the professional standards of arboriculture and horticulture practitioners. He pointed out that introduction of tree legislation was not a widely-adopted global practice in tree management. The Government studied tree management practices of a number of mainland and overseas cities, in which Guangzhou, Singapore and Vancouver had specific legislation on trees while New York, London and Melbourne did not have dedicated legislation on tree management, and trees were instead managed through a combination of statutes and administrative measures. The practice in Hong Kong was similar to the latter. Introduction of tree legislation had to take into account whether the sector had sufficient qualified tree inspection and maintenance staff. The Government was open about the recommendation of legislation on tree management.

85. <u>Mr LAM Cheuk-ting</u> was concerned that roots of some trees planted alongside cycle tracks had encroached upon the tracks, damaging the road surface. There were also cases in which canopies were too low, which affected cycle track users.

86. <u>SLA(1)/CEDD</u> responded that regarding trees planted alongside cycle tracks and footpaths with relatively limited planting space, the Government would avoid choosing species with more invasive roots (e.g. banyan trees), or would install root barriers where necessary to prevent tree roots from damaging the surface of cycle tracks. On the other

hand, canopies of trees planted alongside cycle tracks and footpaths should have a vertical distance of at least 2.5 metres from road surface. As trees would grow, if members of the public found that canopies of trees alongside cycle tracks were too low, they could report to the Government by calling the 1823 hotline for follow-up by relevant tree management departments.

87. <u>Mr KWONG Chun-yu</u> pointed out that the Transport Department stated in 2010 that it would replace in phases metal speed reducing bollards on cycle tracks with plastic ones which were flexible and elastic, so as to alleviate the problem of injuries to cyclists who bumped into the bollards accidentally. However, metal speed reducing bollards were still found on some cycle tracks today. <u>Mr KWONG</u> was concerned when the Administration would replace all metal speed reducing bollards on cycle tracks with plastic ones. <u>H/GLTMS (Acting)</u> stated that Mr KWONG's concern would be conveyed to relevant departments.

## Monitoring and public engagement of Greening Master Plans

88. <u>Mr Wilson OR</u> was of the view that the Administration should set up a monitoring mechanism on contractors engaged for implementing the greening measures under GMPs. He also enquired about the duties of the 160 jobs (125 for labourers and another 35 for professional or technical staff) created for the proposed works.

89. DH of CEO advised that the 125 labourer jobs of outsourced contractors were responsible for planting and maintenance work, while 35 professional or technical staff of the consultants were responsible for monitoring duties. In relation to planting design and specifications, works contracts issued by CEDD already incorporated requirements set out in the "Proper Planting Practices" promulgated by DEVB. CEDD's consultants would prepare "Quality Site Supervisory Plans" and employ resident site staff with relevant professional qualifications and experience to ensure the implementation of greening works in accordance with contract requirements. CEDD would monitor the performance of consultants and CEDD officers (including engineers, landscape architects contractors. and field officers) would also regularly inspect greening works and conduct checks on materials and workmanship to ensure that contractors adopted proper planting practices.

90. <u>Mr CHAN Chi-chuen</u> noted that in developing GMPs for the Southwest and Northeast New Territories, the Administration consulted several District Participation Groups ("DPGs") and relevant DCs in 2013 and 2019. He enquired about the relevant details. <u>Mr CHAN</u> and

<u>Mr SHIU Ka-chun</u> also enquired whether the Administration had consulted the new term DCs which took office earlier in 2020. <u>Mr KWONG</u> <u>Chun-yu</u> urged the Administration to maintain close liaison with relevant DCs when implementing greening works.

91. In response, DH of CEO advised that in developing the GMPs for Southwest and Northeast New Territories, the Administration followed the Enhanced Partnering Approach whereby DCs, Rural Committees ("RCs") and local communities involved actively. CEDD kept in touch with the DPG formed by relevant DCs and RCs to formulate GMPs from inception to finalization, including conducting site inspections to formulate a greening theme for each district. CEDD met with members of Tsuen Wan DC in early July 2020 to give an update on the GMPs. CEDD would contact relevant members of Kwai Tsing, Islands District, North District and Tai Po DCs for the finalization of planting work in various districts. DH of CEO stressed that CEDD would continue the consultation on GMPs for the Southwest and Northeast New Territories and take into account the views of relevant DC members on the detailed implementation arrangements before finalizing the greening works, so as to tie in with latest developments in the districts.

92. The meeting was suspended at 4:28pm and resumed at 4:46 pm.

## Voting on FCR(2020-21)52

93. At 5:35 pm, <u>the Chairman</u> put item FCR(2020-21)52 to vote. At the request of members, <u>the Chairman</u> ordered a division. <u>The Chairman</u> declared that 18 members voted in favour of and 17 members voted against the item. One member abstained from voting. The votes of individual members were as follows:

*For:* Mr Tommy CHEUNG Yu-yan Mrs Regina IP LAU Suk-yee Mr Frankie YICK Chi-ming Ms Alice MAK Mei-kuen

Mr POON Siu-ping Dr Junius HO Kwan-yiu Ms YUNG Hoi-yan Mr LUK Chung-hung Mr Tony TSE Wai-chuen (18 members) Mr WONG Kwok-kin Mr Michael TIEN Puk-sun Mr LEUNG Che-cheung Mr Martin LIAO Cheung-kong Ir Dr LO Wai-kwok Mr SHIU Ka-fai Mr CHAN Chun-ying Mr LAU Kwok-fan Ms CHAN Hoi-yan Against: Mr James TO Kun-sun Prof Joseph LEE Kok-long Ms Claudia MO Mr WU Chi-wai Mr Charles Peter MOK Mr CHAN Chi-chuen Dr Fernando CHEUNG Chiu-hung Dr Helena WONG Pik-wan Mr IP Kin-yuen Mr Alvin YEUNG Mr Andrew WAN Siu-kin Mr LAM Cheuk-ting Mr SHIU Ka-chun Mr HUI Chi-fung Mr KWONG Chun-yu Dr CHENG Chung-tai Mr Jeremy TAM Man-ho (17 members)

*Abstained:* Dr Pierre CHAN (1 member)

94. The Chairman declared that the item was approved.

## Item 13 — FCR(2020-21)53 CAPITAL WORKS RESERVE FUND

## HEAD 710 — COMPUTERISATION

**Government Secretariat : Commerce and Economic Development Bureau** 

New Subhead "Implementation of Phase 2 of the Trade Single Window System"

95. <u>The Chairman</u> advised that this item sought FC's approval for a new commitment of \$133,770,000 for setting up the information technology ("IT") system required for the implementation of Phase 2 of the Trade Single Window ("TSW") System.

## Implementation of Trade Single Window

## Compliance with regulatory requirements

96. <u>Ms Claudia MO</u> enquired whether the Administration's import and export regulatory controls over certain specific controlled products covered by Phase 2 of TSW such as endangered species, dangerous drugs and radioactive substances would be affected by using TSW to submit licence applications electronically for those controlled products.

97. Under Secretary for Commerce and Economic Development ("USCED") advised that TSW was being implemented in three phases, and it aimed to provide a one-stop electronic platform for traders to lodge with the Government all Business-to-Government ("B2G") trade documents for trade declaration and customs clearance purposes across all transport modes (i.e. air, sea and land) to enhance operational efficiency of the trade and expedite cargo flow. In addition to the 14 types of trade documents currently covered by Phase 1 of TSW, Phase 2 would cover another 28 types of trade documents for specific trades or controlled products. While TSW would facilitate traders to lodge import and export trade documents electronically round the clock through a centralized platform without the need to approach different government agencies individually, the existing import and export regulatory regime would remain unchanged and traders would continue to be required to comply with relevant legal and procedural requirements.

98. <u>Mr HUI Chi-fung</u> noted that quite a number of trade documents covered by Phase 2 of TSW were issued in accordance with international conventions, and enquired whether the Administration had consulted the relevant regulatory bodies of international conventions on the implementation of TSW in respect of such trade documents.

99. Deputy Secretary for Commerce and Economic Development (Commerce and Industry) 2 ("DS(C&I)2") advised that TSW aimed to provide a one-stop electronic platform for the lodging of B2G trade documents electronically, and the relevant regulatory requirements for the trade documents which were issued in accordance with international conventions would remain unchanged. DS(C&I)2 also advised that relevant government agencies had been consulted on the TSW project and they confirmed that submission of trade documents through TSW would not affect compliance with relevant international conventions.

100. <u>Mr HUI Chi-fung</u> requested the Administration to provide a list of the trade documents covered by Phases 1 and 2 of TSW that were issued in accordance with international conventions.

[*Post-meeting note*: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC 248/19-20(01) on 16 July 2020.]

Users' feedback on Trade Single Window

101. <u>Dr Fernando CHEUNG</u> enquired about the take-up rate of using the TSW platform by the trade since the launch of TSW. <u>USCED</u> said that

since the launch of Phase 1, the percentage of the permits/licences issued through the TSW platform had increased from about 10% in May 2019 to about 60% in May 2020. The increase reflected that the trade generally recognized the benefits of using TSW to lodge import and export trade documents electronically.

102. <u>Mr CHAN Chi-chuen</u> enquired whether the Administration had assessed the number of potential users of TSW when Phase 1 was launched and the percentage of the current registered users of TSW and set any target take-up rate for TSW.

103. DS(C&I)2 advised that the launch of TSW benefited both individual and company users by enabling them to apply for B2G trade documents electronically. The increase in the usage rate, which was the percentage of permits/licences issued through TSW against the total number of permits/licences issued, from about 10% in May 2019 to about 60% in May 2020 clearly indicated that more and more traders had switched to TSW as they realized the benefits brought by TSW. Assistant Commissioner of Customs and Excise (Excise and Strategic Support) ("AC(ES)") added that Phase 1 covered 14 types of trade documents, which were permits/licences for specific controlled products. In 2019, some applicants submitted applications through both TSW 1 500 and conventional means for the trade documents in question. In June 2020, about 800 permits/licences were issued by the Government and about 60% of those permits/licences were issued through TSW. As regards the target usage rate for TSW, AC(ES) said that it was the Government's target that gradually all traders would use the TSW platform to lodge B2G trade documents.

104. <u>Mr HUI Chi-fung</u> enquired whether the Administration had tapped industry views for the TSW project through the Business Facilitation Advisory Committee ("BFAC"). <u>DS(C&I)2</u> said that the Government had engaged the trade directly to gauge industry views for the TSW project. The Office of Trade Single Window Operation ("OSWO") established under the Customs and Excise Department ("C&ED") also actively reached out to the users of TSW to gauge their feedback on the experience of using the new TSW platform after Phase 1 was launched. <u>Mr HUI</u> expressed disappointment that the Administration had not solicited views from the trade on the development of TSW through BFAC given its role as a platform for the Government to consult the relevant sectors on regulatory proposals.

105. Given the benefits of TSW in saving time and cost for the trade community, <u>Mr James TO</u> enquired why the trade preferred not to make the

use of TSW mandatory for the submission of trade documents under Phase 2. <u>Mr WU Chi-wai</u> and <u>Dr Fernando CHEUNG</u> enquired whether the Administration had any plan to mandate the use of TSW for submission of trade documents upon its full implementation.

106. <u>USCED</u> advised that it was the Government's original proposal to mandate the use of TSW for submissions of B2G trade documents. Further engagement with the trade revealed that the readiness for switching to TSW varied from sectors to sectors. The trade preferred having the choice of TSW as an e-option whilst retaining the conventional means of application through service counters. Hence, Phase 2 would be implemented as a voluntary e-option. <u>DS(C&I)2</u> added that the trade would like the TSW to be flexible to cater for the operational needs of users from different sectors. For example, whilst Phase 1 provided online payment function for the relevant fees, some TSW users still preferred cash payment at service counters in light of their operational needs.

107. <u>Mr WONG Ting-kwong</u> welcomed the implementation of Phase 2 of TSW, and agreed that since the launch of Phase 1, the users in the trade generally considered TSW a useful way to lodge trade documents that could save cost and time for the trade, particularly for small and medium enterprises. Given that only about 60% of the permits/licences were issued through TSW in May 2020, <u>Mr WONG</u> urged the Administration to step up publicity of TSW and to provide training and IT assistance for the trade to encourage the trade's take-up of the TSW platform. <u>Dr KWOK Ka-ki</u> raised similar concerns and asked whether technical support would be provided to traders who had difficulties in using the TSW platform.

108. <u>DS(C&I)2</u> advised that to facilitate the use of the TSW system as a one-stop electronic platform for lodging B2G trade documents, the trade could access TSW through any computers or mobile devices with network connection. <u>AC(ES)</u> advised that OSWO, which was established in June 2018, would provide support services including customer support, outreach and training to users in the trade. <u>USCED</u> said that to promote the adoption of TSW and encourage the trade's take-up, C&ED's OSWO had been actively reaching out to both potential and current users in the trade to provide IT assistance and training. The Government would continue to engage the industry through various channels and collect feedback to further enhance and improve the TSW system and service.

109. Noting that with the implementation of Phase 2, there would be a net savings of about \$27 million for the Government and the trade in 2024-25, <u>Mr CHAN Chi-chuen</u> enquired whether the Administration would

consider lowering the fees for those trade documents which were currently fee-charging as an incentive to encourage the trade's take-up.

110. <u>DS(C&I)2</u> advised that the Government had waived the fees for the use of TSW in Phase 1 to cultivate the trade's buy-in for TSW. The change in submission mode to TSW itself should not attract a new fee. A trade document that was currently not subject to charge for submission would remain so in future. Moreover, it was estimated that the implementation of Phase 2 would bring about notional savings of about \$45 million per annum for the trade as and when the trade documents covered were all submitted by using TSW.

## Information technology system

111. <u>Mr WU Chi-wai</u> enquired whether the proposed IT system required for the implementation of Phase 2 of TSW would be a brand new system different from the one used in Phase 1, and whether the proposed IT system would adopt the Government Cloud Infrastructure Services and cater for the need of further system enhancements required for the implementation of Phase 3. <u>Mr WU</u> also sought information on the coverage of types of trade documents under the three phases of TSW.

112. DS(C&I)2 said that Phase 1 covered 14 types of trade documents with transaction volume of around 15 000 per year. Phase 2, which was scheduled to be launched in 2023 the earliest, would extend to cover another 28 types of trade documents, enabling the trade to submit permit/licence applications electronically on a voluntary basis. The transaction volume for such trade documents was around 1.8 million in 2019, about 120 times the volume for the trade documents covered by Phase 1 in the same year. Apart from expanding the scope of trade documents covered by TSW to a total of 42 types, the current funding proposal sought to provide more elaborate functions including the adoption of the Government Cloud Infrastructure Services, so as to support higher system availability to make the TSW service more accessible to users. Phase 3, being the final phase, would cover those trade documents required or proposed to be required for all cargoes across all transport modes. The transaction volume for the trade documents under Phase 3 would be even higher than the volume for the trade documents covered by Phase 2. Subject to further system enhancements, the same IT systems would be used for lodging all trade documents under Phase 3.

## Progress of the development of Trade Single Window

113. Mr WU Chi-wai enquired about the details of the implementation plan for Phase 3 of TSW including its projected roll-out date. DS(C&I)2 said that the Government had been liaising with the trade and would be conducting technical feasibility studies to map out the implementation plan for Phase 3. In view of the complexities including the sheer amount of trade documents covered and the stakeholders involved under Phase 3, the implementation plan had to be carefully reviewed in order to devise detailed business workflows to enhance efficiency in application and cargo This would involve further clearance. processing enhancements to the TSW system to support interfaces with the various IT systems currently used by Government agencies and the trade to handle trade documents for cargoes for different transport modes. The Government would report to the Legislative Council the progress of the development of Phase 3 in due course.

114. <u>Dr Junius HO Kwan-yiu</u> expressed support for the funding proposal for the IT system required for implementation of Phase 2 of TSW, but raised concern that after the announcement of developing TSW in 2016, the implementation of TSW progressed surprisingly slowly. Noting that Phase 2 of TSW would not be ready for rolling out until 2023 the earliest, <u>Dr HO</u> urged the Administration to step up efforts to expedite the implementation of each remaining phase of TSW. <u>Ms Claudia MO</u> raised similar concerns.

115. USCED advised that TSW was a highly complex project of a mega scale, involving close coordination with many government agencies to spearhead different components of the project. The Government attached great importance to the trade's feedback when formulating the implementation plan of TSW and was mindful to minimize the burden on the trade. In this regard, instead of pushing through its previous proposal to mandate the use of TSW for submission of trade documents, the Government had taken into account the trade's feedback and adopted a voluntary approach for the implementation of Phase 2. That said, the Government would strive to explore room for expediting the implementation of TSW with a view to allowing more time for progressive adoption of TSW by the trade and enabling them to enjoy further trade facilitation early.

## Benefits of Trade Single Window

## Cost savings of Phase 2

116. <u>Ms Claudia MO</u> considered that a maximum notional staff savings of about \$7 million per annum for the Government to be brought about upon the implementation of Phase 2 of TSW were not significant. <u>USCED</u> advised that TSW was a useful way for the trade to save time and manpower and operational cost. It was estimated that the implementation of Phase 2 would bring about a notional savings of about \$45 million per annum for the trade as and when the trade documents covered were all submitted via TSW. Such notional savings would be achieved by streamlining the application processes and simplifying the administrative and logistics arrangements for permit/licence applications and subsequent collection.

## Operational efficiency

117. <u>Mr HUI Chi-fung</u> enquired whether the Administration had set any quantifiable indicators to assess the enhanced operational efficiency of the relevant government agencies upon the implementation of TSW, and whether the views of the Efficiency Office had been taken into consideration in the above assessment work.

118. <u>DS(C&I)2</u> advised that the Government estimated that the implementation of Phase 2 would bring about a maximum notional staff savings of about \$7.8 million for relevant government agencies when the trade documents covered were all submitted via TSW. The Efficiency Office had been consulted on the cost and benefit analysis for the implementation of Phase 2. <u>USCED</u> said that TSW would enhance the operational efficiency and productivity of relevant government agencies by reducing manual work, streamlining business processes and facilitating development of cross-departmental online services.

119. <u>Mr HUI Chi-fung</u> requested the Administration to provide information on the annual man-hours saved from using TSW and the estimate of the time saved for the processing of permit/licence applications under TSW.

[*Post-meeting note*: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC 248/19-20(01) on 16 July 2020.]

## Other issues

120. <u>Ms Claudia MO</u>, <u>Dr Fernando CHEUNG</u> and <u>Dr KWOK Ka-ki</u> were concerned about the impact of the trade sanctions imposed on Hong Kong by the United States and other countries on the development of TSW in Hong Kong. In reply, <u>USCED</u> advised that the unique status of Hong Kong as a separate customs territory would remain unchanged, as it was conferred upon Hong Kong by virtue of Article 116 of the Basic Law and also recognized by the World Trade Organization. Hong Kong remained competitive in respect of trade facilitation and customs clearance efficiency. The development of TSW would not be affected.

121. <u>Mr CHAN Chi-chuen</u> enquired about the work of OSWO and whether it had any plan to increase manpower to carry out the enhanced support services of TSW. <u>AC(ES)</u> said that OSWO was established to tie in with the launch of Phase 1. OSWO had about 40 staff, and was responsible for the processing of user registration for TSW, system administration and other support services including service counters and customer support such as 24-hour hotline service to TSW users. OSWO was also responsible for reaching out to potential users in the trade to publicize TSW and providing training for existing users on the use of the TSW. Subject to future review, the existing manpower support in OSWO would cover the services under Phase 2 of TSW.

122. The meeting ended at 7:00 pm.

Legislative Council Secretariat 15 January 2021