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**Transport and  
Housing Bureau**  
**Government Secretariat**

**Transport Branch**  
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來函檔號 Your Ref.: CB4/PAC/R63

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19 December 2014

Mr Anthony Chu  
Clerk to the Public Accounts Committee  
Legislative Council Complex,  
1 Legislative Council Road, Central  
Hong Kong

Dear Mr Chu,

**Chapter 3 of the Director of Audit's Report No. 63 on the  
New Civil Aviation Department Headquarters**

Thank you for your letter of 12 December 2014 to the Secretary for Transport and Housing. With regard to the three issues set out in the letter, I am authorized to provide a consolidated reply as follows.

On 21 September 2007, the Transport and Housing Bureau (THB) issued a memorandum to the Property Vetting Committee (PVC), which was responsible for vetting the schedule of accommodation for the new Civil Aviation Department (CAD) headquarters building, offering support to the CAD to reserve space in the building for future expansion with a view to catering for future air traffic growth (a copy of the memorandum is enclosed). THB had stated in its memorandum to the PVC at that time that whilst it might not be justifiable to build the approximately 1,500m<sup>2</sup> reserved space, which was being explored between CAD and the Government Property Agency then, on day one,

provisions could be made, without significant increase in construction costs, in the foundation and design of the building for providing flexibility for future expansion.

As mentioned above, the THB's established position at that time was that the reserved area of 1,500m<sup>2</sup> would not be built on day one, and that making provisions in the building's foundation and design for allowing flexibility for future expansion should not involve substantial costs. In consideration of the above position and after taking into account the CAD's view that the provision of 1,500m<sup>2</sup> for future expansion would not involve substantial costs, the THB agreed during the preparation of the paper on the "Development of a new Civil Aviation Department Headquarters on the Airport Island" for discussion at the meeting of the Legislative Council Panel on Economic Development on 26 November 2007 that the paper would only mention that additional space had been earmarked in the building to cater for further expansion requirements arising from the growth in air traffic.

Yours sincerely,



( Desmond Wu )

for Secretary for Transport and Housing

c.c. Director-General of Civil Aviation  
Director of Architectural Services  
Government Property Administrator  
Secretary for Financial Services and the Treasury  
Director of Audit

16/951/91 (pt. 9)

MEMO



From Secretary for Transport and Housing

To Chair, Property Vetting Committee  
(Attn: Mr. Eddy CHEUNG)

Ref. ( ) in \_\_\_\_\_

Your Ref. ( ) in \_\_\_\_\_

Tel. No. 2810 2687 Fax. No. 2524 9397

dated \_\_\_\_\_

Date 21 September 2007

Your Fax, No. 2801 4706 TOTAL PAGES 2

**New CAD Headquarters Project**  
**Schedule of Accommodation**

I understand CAD and GPA will shortly finalise the proposed schedule of accommodation (SoA) of the above project, and would like to offer our support to CAD's proposal to reserve sufficient space for future expansion to meet the demand of the aviation industry.

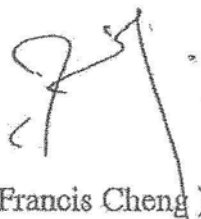
2. The CAD project is a long term investment for the economic well-being of Hong Kong. The new building and facilities will support air traffic growth up to 2025, by which time the number of aircraft movements is forecast to double that of today's. The growth, together with the anticipated increase in the number of locally registered airlines and aircraft, maintenance service providers and other ancillary support services, presents an unprecedented challenge to CAD both in terms of service provision and regulatory functions.

3. Currently, a major constraint facing CAD is the lack of expansion space for the existing facilities. The problem has grown over the years consequent to the rapid growth of air traffic and expansion of the industry. Despite CAD's continuing efforts to maintain quality services, the lack of expansion space has impeded the provision of efficient and quality service required by the thriving industry. When we briefed the Legislative Council Panel on Economic Services on the project in February 2007, Members expressed general support to the project and urged that sufficient space be provided in the new CAD building to cater for future expansion commensurate with the forecast air traffic growth. The Administration had undertaken to ensure that this would be done.

4. I understand CAD has adopted a prudent and pragmatic approach in arriving at the present proposed SoA with a total net operational floor area (NOFA) of 25,380m<sup>2</sup>. Whilst CAD and GPA are finalising the details, I would appeal to the PVC to give the proposed SoA favourable consideration, taking into account the strong demand of the aviation industry and the general support from LegCo.

5. Furthermore, I understand CAD is also exploring with GPA a possible further 6% (approximately 1,500m<sup>2</sup>) reserve in expansion space to cater for air traffic growth beyond 2025. When considering this proposal, I should be grateful if the PVC will take into account the site's constraints<sup>1</sup> and the expected continuing growth of the industry. Whilst the provision of this further reserve space at Day 1 may not be justifiable, it should be possible, without significant increase in construction costs, to make provisions in the building's foundation and design to provide flexibility for this in future. In doing so, we should be able to maximise the use of the allocated land and achieve economy of scale, subject to maintaining the originally planned construction floor area of 65,000m<sup>2</sup>.

6. Given the tight time-frame of the project, we will be seeking the views of the LegCo Economic Development Panel in October 2007 (tentatively on 22 October). Taking into account the time for circulation and clearance of the paper, we should be grateful if the PVC could approve the proposed SoA as soon as practicable, and in any case not later than end September 2007.



( Francis Cheng )

for Secretary for Transport and Housing

c.c.	SPST	(Attn: Mr. Leo YIM	Fax: 2147 5237)
	DArchS	(Attn: Mr. Ian DICKINSON &	Fax: 2804 6805)
		(Attn: Mr. M. O. CHONG	Fax: 2804 6805)
	GPA	(Attn: Mr. K. K. HO &	Fax: 2877 7607)
		(Attn: Mr. Wilson CHAN	Fax: 2877 7607)
	DGCA	(Attn: Miss Priscilla LAM	Fax: 2326 3654)

<sup>1</sup> The site on the airport island granted by the AA is close to the approach and departure path of the runway and this would limit the potential for future extension to the building. Furthermore, the site is at a secluded area on airport island bounded by the main access highway to the airport to the north and the west, a coastal protection zone to the east and the Dragonair House/CNAC building to the south. There is no usable land in the adjoining area for new development in the foreseeable future.