

立法會
Legislative Council

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by the Administration)

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Legislative Council
Panel on Planning, Lands and Works

Minutes of special meeting
held on Wednesday, 3 October 2001 at 9:30 am
in the Chamber of the Legislative Council Building

Members present : Dr Hon TANG Siu-tong, JP (Chairman)
Hon LAU Ping-cheung (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, JP
Hon WONG Yung-kan
Hon Timothy FOK Tsun-ting, SBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon Albert CHAN Wai-yip
Hon IP Kwok-him, JP

Members attending : Hon Cyd HO Sau-lan
Hon CHAN Yuen-han, JP
Hon Emily LAU Wai-hing, JP
Hon Audrey EU Yuet-mee, SC, JP

Members absent : Hon James TO Kun-sun
Hon LAU Wong-fat, GBS, JP
Hon Abraham SHEK Lai-him, JP

Public officer attending : Ms Olivia NIP
Principal Assistant Secretary for Planning and Lands
(Urban Renewal)

Attendance by invitation : Hong Kong Institute of Surveyors

Mr Francis LAM
Member of Town Planning/Sustainable Development/
Urban Renewal Committee

Hong Kong Society of Urban Renewal

Mr TANG Hoi-tung
Chairman

Hong Kong Institute of Planners

Mr Kenneth TO
Spokesman

The Hong Kong General Chamber of Commerce

Mr Nicholas BROOKE
Chairman of Real Estate Services Committee

Resident Group Concerning about the Redevelopment of Old Districts (Kwun Tong)

Mr FUNG Wun-yin
Chairman

Wan Chai and Central Redevelopment Residents' Concern Group of St. James' Settlement Group and Community Work Division

Ms May YIP
Representative

Hong Kong Institute of Architects

Mr Bernard HUI
Vice President

Hong Kong Institute of Real Estate Administration

Mr Stanley WONG
Vice President

**SKH Kei Oi Social Service Centre Residents’
Concern Group on Sham Shui Po Urban Renewal**

Mr WONG Tak-chan
Member

The Hong Kong Council of Social Service

Ms Kay KU
Assistant Director (Development)

Hong Kong Institute of Landscape Architect

Mr CHAN Hon-wing
Chairman of Public Affairs Committee

**Caritas Mok Cheung Sui Kun Community Centre and
Resident Concern Group of Urban Renewal at Sai Ying
Pun First and Second Street**

Ms Linda LEE
Representative

Clerk in attendance : Miss Salumi CHAN
Chief Assistant Secretary (1)5

Staff in attendance : Ms Anita SIT
Senior Assistant Secretary (1)8

Mrs Queenie YU
Senior Assistant Secretary (1)6

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- I. Consultation Paper on Urban Renewal Strategy**
(LC Paper No. CB(1)1854/00-01 — Consultation Paper on Urban
Renewal Strategy
LC Paper No. CB(1)2038/00-01(01) — Paper provided by the
Administration)

The Chairman welcomed the Administration and representatives of twelve organizations to the meeting. He advised that the purposes of the special meeting were

for the Administration to brief members on the draft Urban Renewal Strategy (URS) and for the twelve organizations to present their views on the subject.

2. The Chairman drew members' attention to the submissions from the following six organizations the representatives of which were not available to attend the meeting:

- (a) Concern Group on the Rights of Tenants upon Redevelopment;
- (b) Independent Owners' Association for Fair Treatment;
- (c) Centre of Urban Planning and Environmental Management, The University of Hong Kong;
- (d) 聖公會麥理浩夫人中心葵涌私人樓宇業主聯會;
- (e) Hong Kong YWCA Urban Renewal Social Services Team; and
- (f) The Real Estate Developers Association of Hong Kong.

Briefing by the Administration

3. The Principal Assistant Secretary for Planning and Lands (Urban Renewal) (PAS/PLB) informed members that the Deputy Secretary for Planning and Lands (Urban Renewal & Buildings) was unable to attend the meeting due to his back injury.

4. At the invitation of the Chairman, PAS/PLB briefed members that pursuant to section 20 of the Urban Renewal Authority (URA) Ordinance (Cap. 563), the Secretary for Planning and Lands (SPL) had prepared a draft URS for public consultation. URA was required in accordance with section 21(3) of the Ordinance to follow any guidelines set out in the URS when preparing its programme of proposals and programme of implementation for projects. PAS/PLB highlighted that the draft URS was based on the principle that "people come first". In line with this approach, the Government would ensure that owners whose properties were acquired/resumed for the implementation of redevelopment projects were offered fair and reasonable compensation; tenants affected by redevelopment projects were provided with proper rehousing; and the community at large would benefit from urban renewal. She also briefed members on other key points of the draft URS as detailed in the paper provided by the Administration.

5. Regarding the progress of the public consultation exercise on the draft URS, PAS/PLB advised that a total of 75 written submissions had been received. Representatives of the Planning and Lands Bureau had attended about 40 briefing sessions, seminars and fora. URA, Housing Authority and Housing Society had also been consulted and they generally supported the principles proposed in the

consultation paper. Taking into account the views expressed by the public and Legislative Council Members, the Administration would finalize the URS and then issue it to URA for implementation.

Presentation of views by organizations

6. The Chairman reminded representatives of the organizations that when addressing the Panel, they were not covered by the protection and immunity provided under the Legislative Council (Powers and Privileges) Ordinance (Cap. 382). Owing to time constraint of the meeting, the Chairman invited each representative to make an oral representation of not more than five minutes, highlighting the main points of their submissions.

*Hong Kong Institute of Surveyors
(LC Paper No. CB(1) 2038/00-01(02))*

7. Mr Francis LAM, member of Town Planning/Sustainable Development/Urban Renewal Committee of the Hong Kong Institute of Surveyors presented the following points in the submission:

- (a) The Institute supported the draft URS. However, the consultation paper only focused on the strategy of URA and did not mention about the strategy of other urban renewal agencies which should also play an important role in the efficient and effective implementation of the URS.
- (b) The 200 projects included in the nine target areas and the 25 uncompleted projects of the Land Development Corporation (LDC) should be completed within 10 years, not 20 years. Apart from these 225 projects, priority should also be given to other areas which were dilapidated and required redevelopment.
- (c) Consideration should be given to implement a rehabilitation policy for the repair and maintenance of buildings with supporting services from relevant government departments, e.g. Buildings Department, Fire Services Department, Home Affairs Department.
- (d) The Institute supported that URA should preserve heritage buildings if such preservation formed part of its urban renewal projects. URA should be given more resources to implement preservation projects. Like the English Heritage in the United Kingdom, URA should be responsible for the whole process from planning and design up to day-to-day management of the areas after completion of the projects.
- (e) The role of URA should not be restricted to land assembly, otherwise it would serve as a land assembly agent for private developers.

- (f) The land resumption procedures for an urban renewal project should commence immediately after the decision to carry out the project had been made but before the approval of the project by the Town Planning Board. This could shorten the project period by at least 12 months.
- (g) Payment of compensation should be made to the affected owners as soon as possible or at least a provisional sum should be arranged to ease their cash flow problems in purchasing new properties.
- (h) The Institute recommended that the Government or URA should issue a guideline for assessment of compensation packages to the public. The Institute was willing to offer its assistance in this regard.

Hong Kong Society of Urban Renewal
(LC Paper No. CB(1) 2038/00-01(03))

8. Mr TANG Hoi-tung, Chairman of the Hong Kong Society of Urban Renewal presented the following points in the submission:

- (a) According to the first paragraph of the consultation paper, the number of private buildings in the Metro Area over 30 years' old would increase by 50% (i.e. about 4 600) in ten years' time. It seemed that the 20-year urban renewal programme had not catered for the problems of these aging buildings.
- (b) Suitable mechanisms should be put in place to ensure that URA was accountable to the public and its operation was transparent.
- (c) The Society supported the establishment of an advisory committee under the URA Board to advise on preservation work. Timely decision should be made on the list of buildings for heritage preservation to avoid delaying the urban renewal programme.

Hong Kong Institute of Planners
(LC Paper No. CB(1) 2038/00-01(04))

9. Mr Kenneth TO, spokesman of the Hong Kong Institute of Planners presented the following salient points in the submission:

- (a) The Institute strongly supported the adoption of a people-centred approach in formulating the URS.
- (b) The consultation paper should aim to seek a consensus among the Government, URA and the public on the basic principles of the URS.

The consultation should be an on-going exercise until concrete proposals of the URS were finalized.

- (c) The Government should consider providing some form of direct injection of public funds to URA to facilitate the implementation of its projects and introduce a policy on heritage preservation under the URS.

*The Hong Kong General Chamber of Commerce
(LC Paper No. CB(1) 2038/00-01(05))*

10. Mr Nicholas BROOKE, Chairman of Real Estate Services Committee of the Hong Kong General Chamber of Commerce presented the following salient points in the submission:

- (a) The Chamber supported the adoption of a people-centred approach in formulating the URS and considered it an important step forward. The Chamber also supported the carrying out of social impact assessment studies and the establishment of urban renewal social services teams to enhance understanding of the hardship and disruption caused to the affected local residents.
- (b) The Chamber considered that a strategy should be specific and was disappointed that the consultation paper was not specific in terms of objectives, targets and goals. Apart from setting a 20-year horizon for the URA projects, the Government should identify a set of clearly achievable objectives for a shorter period say, five years.
- (c) The potential fiscal burden of the 225 projects should not be underestimated especially during the present period of economic downturn. Effective management of the projects was important given that there were resource constraints.
- (d) URA should be an “enabler” of urban renewal and not a developer. Only in exceptional circumstances where a new plan had a large social content should it go beyond the land assembly stage.
- (e) The proposed waiver of land premium was a very heavy investment by the Government. It was estimated that the total amount of land premium to be foregone over the 20-year period could be as much as \$200 billion, i.e. \$10 billion per annum. The Chamber considered it important that URA should be accountable for the efficient use of the resources provided by the Government. It should not be allowed to make use of the waiver of land premium or Government loans to develop for profit.

*Resident Group Concerning about the Redevelopment of Old Districts (Kwun Tong)
(LC Paper No. CB(1) 2038/00-01(06))*

11. Mr FUNG Wun-yin, Chairman of the Resident Group Concerning about the Redevelopment of Old Districts (Kwun Tong) presented the following salient points in the submission:

- (a) The Resident Group supported the adoption of a people-centred approach in formulating the URS.
- (b) URA's acquisition offer should be more favourable than the Government's land resumption offer. The difference between the two should not be less than 5 %.
- (c) A Removal Allowance should be given to affected owners at a level not less favourable than that offered by LDC in the Tsuen Wan project.
- (d) Apart from the rehousing or cash compensation option, affected tenants should also be offered the option of joining the Home Ownership Scheme (HOS) or Home Purchase Loan Scheme without having to subject to the income and assets test for applicants.
- (e) The Resident Group supported the establishment of urban renewal social services teams in each of the nine target areas. The social services agencies serving the target areas should be appointed as urban renewal social services teams so that they could continue to provide quality service to local residents. Such teams should not be appointed through a tender exercise.

*Wan Chai and Central Redevelopment Residents' Concern Group of St. James' Settlement Group and Community Work Division
(LC Paper No. CB(1) 2038/00-01(07))*

12. Ms May YIP, representative of the Wan Chai and Central Redevelopment Residents' Group of St. James' Settlement Group and Community Work Division presented the following salient points in the submission:

- (a) "Whether the proposed project area is old and dilapidated" in paragraph 13(a) of the draft URS should be amended as "Whether the proposed project area has potential structural risk".
- (b) Sufficient land and housing units should be reserved through proper planning for rehousing of the affected households.

- (c) URA should, in coordination with relevant government departments, provide resources for rehabilitation of buildings within the project areas.
- (d) Households affected by areas identified for heritage preservation should be offered reasonable compensation and rehousing arrangements.
- (e) The people-centred approach should focus on the residents affected by the redevelopment. Referring to paragraph 21 of the draft URS where it was stated that URA should consider acquiring land by agreement, it should be added that URA must ensure that the affected residents were able to purchase a replacement flat of seven years in the same locality.
- (f) An open and fair appeal mechanism should be established. The appeal board should comprise representatives of the affected owners and residents.
- (g) Social workers serving areas of the 25 uncompleted LDC projects should continue to provide services for the local community especially the elderly people.
- (h) Implementation of urban renewal projects should be expedited. This would boost up the property market and provide more job opportunities.

Hong Kong Institute of Architects
(LC Paper No. CB(1) 2038/00-01(08))

13. Mr Bernard HUI, Vice President of the Hong Kong Institute of Architects presented the following salient points in the submission:

- (a) As a whole, the Institute supported the draft URS and the adoption of the people-centred approach.
- (b) The Institute was concerned about the preservation and enhancement of the prevailing business and services networks of the redeveloped areas.
- (c) A pilot scheme on several areas should be implemented to better assess the effectiveness of the draft URS.
- (d) The Institute was concerned whether all the urban renewal projects were economically viable during the present period of economic downturn.

- (e) URA should focus on projects that would improve the overall economic situation of Hong Kong or would improve the quality of life of a particular community.
- (f) Urban design for the redeveloped areas and their surrounding areas should be well-planned.

Hong Kong Institute of Real Estate Administration
(LC Paper No. CB(1) 2038/00-01(10))

14. Mr Stanley WONG, Vice President of the Hong Kong Institute of Real Estate Administration presented the following salient points in the submission:

- (a) Urban renewal projects should not be regarded as isolated projects and constrained by their physical boundary. Ongoing metro planning studies, urban design guidelines and public housing programmes should be considered for better allocation of housing and land resources in dealing with the problems of urban decay.
- (b) A balance should be maintained among the key principles and objectives of the draft URS to minimize contradictions.
- (c) URA should act as a facilitator, provider and supervisor rather than as a developer to undertake property development for urban renewal. Direct involvement in property development would possibly lead to its self-expansion into a mega-property developer, thus creating more interferences and unfair competition in the market.
- (d) Dilapidated industrial buildings and districts should also be considered for rehabilitation.
- (e) URA could work with the Government, Non-Government organizations and private owners on a broader concept of preserving the culture of Hong Kong through a proper heritage preservation strategy.
- (f) Private developers and quasi-government organizations, such as the Hong Kong Trade Development Council and the Hong Kong Tourism Board, should be allowed to propose projects that were consistent with the URS through URA. This would provide incentive for the public to formulate projects that were economically and socially viable.
- (g) The resumption procedures should be simplified to save time and cost. The actual resumption should be implemented within a reasonable period, say, two years.

- (h) In order to save time, some elements of the detailed social impact assessments should be carried out before the publication of the proposed projects in the Gazette.
- (i) The Institute considered it more effective to set up an urban renewal social services liaison unit than a team.
- (i) The Government should set up a special-purpose trading fund to finance the operation of URA. The purpose of the fund should be clearly stated, i.e. for urban renewal only and not for making profit. The source of finance for URA during the initial five-year period might come from loans from the Government, financial institutions, redevelopment partners and disposal of assembled land.

SKH Kei Oi Social Service Centre Residents' Concern Group on Sham Shui Po Urban Renewal
(LC Paper No. CB(1) 2038/00-01(12))

15. Mr WONG Tak-chan, member of SKH Oi Social Service Centre Residents' Concern Group on Sham Shui Po Urban Renewal presented the following salient points in the submission:

- (a) URA should accept the Government's proposals that URA's acquisition offer should be more favourable than the Government's land resumption offer, and that the 25 uncompleted LDC projects merited special consideration because the residents in the project areas had waited for redevelopment for a long time.
- (b) The Home Purchase Allowance (HPA) for affected owners should be calculated on the basis of a replacement flat of seven years in the same locality plus an additional 10% of the HPA as an incentive for the owners to sell their flats to URA. Owners of the 25 uncompleted LDC projects should be provided an additional 10% of the HPA as a special ex gratia allowance.
- (c) Full HPA should be given to owners for their first flat regardless of whether the flat was vacant, self-occupied or rented out.
- (d) Flats under the Sandwich Class Housing Scheme should be offered as an option to affected households under the Flat-for-flat Exchange Scheme.
- (e) Affected tenants should be exempted from income and asset tests for rehousing purpose. In-situ rehousing should base on the geographical boundary of District Councils.

- (f) To enhance the public accountability and transparency of URA, its meetings on compensation and rehousing issues should be open to the public as far as practicable.
- (g) The Appeals Panel of URA should comprise representatives of affected residents, elected Members and professionals such as surveyors.
- (h) The 25 uncompleted LDC projects should commence within two to three years.
- (i) The urban renewal social service teams should be established as soon as possible, preferably before the publication of the proposed projects in the Gazette.
- (j) A mechanism should be in place to monitor the operation of URA to ensure that URA would follow the URS formulated by SPL.

*The Hong Kong Council of Social Service
(LC Paper No. CB(1) 2038/00-01(13))*

16. Ms Kay KU, Assistant Director (Development) of the Hong Kong Council of Social Service presented the following salient points in the submission:

- (a) Effective coordination and communication between URA and the Administration were important in the successful implementation of the URS.
- (b) Facilities in the redeveloped areas should be barrier free to cater for the needs of different groups of the community such as the disabled and the elderly.
- (c) In-situ rehousing should be provided for the elderly affected by urban renewal projects.
- (d) District Advisory Committees should comprise representatives of the affected residents including the elderly and the disabled, and professionals such as town planners and social workers.
- (e) Key indicators and procedures on the proposed social impact assessment should be set out and elaborated in the URS. The assessment should also be conducted for the 25 uncompleted LDC projects.

- (f) Urban renewal social service teams must be set up early in the target areas for redevelopment. Five teams should be established initially in 2001 for Hong Kong East, Hong Kong West, Kowloon East and Kowloon West (2 teams). Working groups comprising members of the Social Welfare Department and the Hong Kong Council of Social Service should be formed to give advice on the establishment, operation and monitoring of the social service teams.

*Hong Kong Institute of Landscape Architect
(LC Paper No. CB(1) 2038/00-01(14))*

17. Mr CHAN Hon-wing, Chairman of Public Affairs Committee of the Hong Kong Institute of Landscape Architect presented the following salient points in the submission:

- (a) The Institute supported the draft URS but considered that the scope should be expanded to cover landscape policy.
- (b) There should be proper survey and record of landscape and amenity resources for the project areas such as heritage buildings, trees and utility facilities for timely planning on urban design.

*Caritas Mok Cheung Sui Kun Community Centre and Resident Concern Group of Urban Renewal at Sai Ying Pun First and Second Street
(LC Paper No. CB(1) 2123/00-01(01))*

18. Ms Linda LEE, representative of Caritas Mok Cheung Sui Kun Community Centre and Resident Concern Group of Urban Renewal at Sai Ying Pun First and Second Street presented the following points in the submission:

- (a) URA should give priority to the 25 uncompleted LDC projects, in particular the redevelopment of Sai Ying Pun First and Second Street.
- (b) To enhance public accountability and transparency of URA, Appeals Panel should comprise representatives of affected residents, elected Members and professionals.
- (c) URA should set up liaison network with affected residents through regular meetings and urban renewal social service teams.
- (d) URA should accept the Government's proposal that URA's acquisition offer should be more favourable than the Government's land resumption offer. URA must ensure that the affected owners were able to purchase a replacement flat of seven years in the same locality. Owners of vacant

flats should be offered the same compensation package as owner-occupiers of flats.

- (e) Affected tenants should be provided with proper rehousing and exempted from income and assets tests.
- (f) Owners of tenanted commercial units should be offered compensation equivalent to three times the amount of the rateable value of the respective properties.

Discussions

Implementation schedule

19. Referring to the first paragraph of the consultation paper, Mr WONG Yung-kan pointed out that there were about 9 300 private buildings in the Metro Area which were over 30 years' old and in ten years' time, the number of buildings over 30 years' old would increase by 50%. He was concerned that the 20-year urban renewal programme for the redevelopment of some 2000 buildings could not help much in solving the problem of urban decay. Mr WONG therefore urged the Administration to expedite the pace of urban renewal. PAS/PLB advised that most of the private buildings over 30 years' old in ten years' time were built in 1970s or 1980s. While maintenance works might be required for these old buildings, a large-scale redevelopment programme might not be necessary. Nevertheless, the URS would be reviewed and updated regularly (tentatively biennially).

20. Responding to members, PAS/PLB said that URA was actively seeking approval from the Financial Secretary for early commencement of the first batch of the 25 uncompleted LDC projects prior to the approval of its first Corporate and Business Plans. URA was also liaising with the relevant authorities for rehousing arrangements before working out the implementation schedules for these LDC projects.

Financial viability and social responsibility

21. Referring to paragraph 34 of the consultation paper on the financial tools to enhance the viability of the URA projects, Ms Emily LAU Wai-hing invited the representatives' views on the appropriate extent of the Government's financial commitment for implementing urban renewal projects during the present period of economic downturn.

22. Mr Nicholas BROOKE, Chairman of Real Estate Services Committee of the Hong Kong General Chamber of Commerce considered that despite the economic downturn, a majority of the URA projects would still be viable because of the lower acquisition cost resulting from the decline in the value of properties and interest rate. However, even if the projects were not viable, URA should not become a developer

and make use of the waiver of the land premium and/or loans from the Government for making profit. URA might subcontract its projects on a design-and-build basis to private developers where necessary. Citing the unsuccessful example of the previous project in Tsuen Wan undertaken by LDC, Mr Stanley WONG, Vice President of the Hong Kong Institute of Real Estate Administration supported Mr BROOKE's view that URA should not be a developer.

23. Mr Kenneth TO, spokesman of the Hong Kong Institute of Planners considered that if too much emphasis were placed on financial viability of the projects, it would impose constraints on URA. As a result, URA might have to give priority to those projects that would make the most profit, thus defeating the purpose of adopting the "people-centred" approach for the URS. URA should be provided with the flexibility in prioritizing its projects after considering other factors such as the need for rehabilitation and heritage preservation. Miss CHAN Yuen-han also held the view that URA should take account of its social responsibility in implementing urban renewal projects. Whilst supporting this view, PAS/PLB pointed out the need for URA to ensure that it could achieve a balanced account for implementing its 20-year urban renewal programme.

24. Referring to paragraph 35 of the consultation paper, Mr Bernard HUI, Vice President of the Hong Kong Institute of Architects considered that while URA should be self-financing in the long run, financial support from the Government at the initial stage was unavoidable. Mr Francis LAM, member of Town Planning/Sustainable Development/Urban Renewal Committee of the Hong Kong Institute of Surveyors considered that the self-financing principle might not be practicable because of the difficulties involved in maintaining this principle and URA's social responsibility at the same time. In his opinion, URA could take the initiative to develop areas famous for traditional business such as Sheung Wan, and to preserve buildings of historical, cultural and architectural interests and explore business opportunities for these buildings. Mr Nicholas BROOKE, Chairman of Real Estate Services Committee of the Hong Kong General Chamber of Commerce was of the view that the self-financing principle was unrealistic and would drive URA to be a developer operating on commercial principle in a similar direction as in the case of LDC. Mr Stanley WONG, Vice President of the Hong Kong Institute of Real Estate Administration shared Mr BROOKE's view. Mr Kenneth TO, spokesman of the Hong Kong Institute of Planners considered that the adoption of the self-financing principle would impose constraints on URA.

25. PAS/PLB said that the purpose of paragraphs 34 and 35 of the consultation paper was to set out the possible financial arrangements for the URA projects. The actual financial inputs by the Government would be considered when URA submitted its first draft 5-year Corporate and Business Plans.

Rehousing and compensation

26. Responding to Miss CHAN Yuen-han, PAS/PLB advised that the suspension of sale of HOS flats would not affect the implementation of the proposed Flat-for-flat Exchange Scheme. As the HOS flats being constructed would not be put on sale in the market, they might be available for the Flat-for-flat Exchange Scheme. In this regard, the Administration was liaising with URA and the Housing Authority.

27. Miss CHAN Yuen-han pointed out that one of the controversial issues during the consideration of the URA Bill was the compensation package for affected owner-occupiers and tenants of commercial properties. As the affected owner-occupiers and tenants would have to close down their business upon redevelopment and might therefore become unemployed, Miss CHAN asked whether the Administration would review the compensation package. PAS/PLB pointed out that in fact, the Administration's review of the ex gratia compensation policy for owners and tenants affected by land resumption had already covered the affected owner-occupiers and tenants of commercial properties. Under the revised package, the owner-occupiers of commercial properties would be offered the open market value of their properties, plus an ex gratia allowance equivalent to four times the amount of rateable value of the resumed properties. The ex gratia allowance would be paid partly in lieu of the right to claim disturbance payments and partly as a solatium. As regards tenants of commercial properties, they would be offered the open market value of their lesser interest in the properties, if any, plus an ex gratia allowance equivalent to three times the amount of rateable value of the resumed properties they were occupying in lieu of the right to claim disturbance payments. Both affected owner-occupiers and tenants of commercial properties might make a statutory claim for business loss by producing documentary evidence.

28. Miss CHAN Yuen-han urged the Administration to review the compensation arrangements for the affected small business operators. PAS/PLB advised that under the URA Ordinance (Cap. 563), URA might lend money to any person(s) for the purpose of implementing an urban renewal project. In this connection, URA might provide a loan to the affected business operators if deemed appropriate.

Disclosure of information

29. Ms Emily LAU invited the representatives to give views on whether any of the documents listed out in paragraph 37 of the consultation paper should be disclosed in the public interest. Mr FUNG Wun-yin, Chairman of the Resident Group Concerning about the Redevelopment of Old Districts (Kwun Tong) considered that "the concept plans of the nine target areas" and "a list of the historical buildings to be preserved" should be disclosed, but agreed that "the priorities of the projects" should not be disclosed. Mr Kenneth TO, spokesman of the Hong Kong Institute of Planners considered that "the concept plans of the nine target areas" and the criteria for prioritizing the projects should be disclosed. Mr TANG Hoi-tung, Chairman of the Hong Kong Society of Urban Renewal considered that URA should have the

discretion to decide on the information to be disclosed so as to avoid any unnecessary speculation.

30. On "the concept plans of the nine target areas", PAS/PLB pointed out that information on the concept plans would reveal the locations of the individual projects involved. The Administration therefore did not consider it appropriate to disclose the information. However, URA would consult the views of the public and District Advisory Committees (DACs) on broad development concepts, plans and approaches for urban renewal projects. On the "list of the historical buildings to be preserved", PAS/PLB pointed out that the list of historical buildings owned by the Government, such as Yaumatei Cinema and the former Fruit Wholesale Market at Yaumatei, had already been made known to the public. As regards those privately-owned historical buildings, the Administration did not consider it appropriate to disclose the information.

31. To enhance transparency of URA, Mr Albert CHAN Wai-yip considered that the Administration should ensure that information on the financial arrangements for URA should be disclosed to the public as far as practicable.

District Advisory Committees

32. Referring to paragraph 26 of the consultation paper, Ms Emily LAU invited representatives' views on how to ensure that DACs were representative of the local community and would perform their roles effectively.

33. On membership of DACs, Mr Bernard HUI, Vice President of the Hong Kong Institute of Architects considered that representatives of professional bodies should be appointed to DACs. He pointed out that at present, members of the Institute of Architects were invited to meetings at the district level to give their professional advice. PAS/PLB advised that members of DACs would be appointed by the URA Board. DACs should comprise representatives of affected owners, tenants, District Councils and local non-Government organizations with an interest in urban renewal. Responding to Ms Emily LAU, PAS/PLB advised that the public could recommend suitable candidates to the Administration and/or URA for consideration.

34. Ms Kay KU, Assistant Director (Development) of the Hong Kong Council of Social Service expressed disappointment that the consultation paper had not clearly set out the role, resources, power and the date of establishment of DACs. She considered that DACs should be recognized as an established consultation channel on urban renewal projects. PAS/PLB advised that DACs would be established in each of the nine target areas to give advice and assistance to URA with regard to its urban renewal projects. DACs would be invited to give advice in two stages: the planning stage for the whole target area and the implementation stage of individual projects, e.g. on compensation and rehousing issues.

35. To enhance transparency of the operation of DACs, Ms Kay KU, Assistant Director (Development) of the Hong Kong Council of Social Service opined that meetings of DACs should be open to the public. Miss CHAN Yuen-han supported this view and pointed out that in some overseas countries, the public were not only allowed to observe meetings of similar advisory committees but were also allowed to express their views at the meeting. Miss CHAN was in favour of this practice to enable URA to work out the best policy to cater for the needs of the local community. Referring to paragraph 27 of the consultation paper, PAS/PLB advised that URA should hold public meetings to inform local residents of its projects and to gather public views on the projects. Ms Emily LAU stressed that timely and proper meeting arrangements should be made to encourage participation of the public.

Monitoring the operation of URA

36. Mr Albert CHAN said that to his knowledge, URA had already decided that it would only undertake land assembly work for urban renewal projects and that it would pass on the remaining design and construction works to private developers. Mr CHAN was concerned that such a limited role would not serve the purpose of establishing URA, i.e. to address the problem of urban decay and to improve the living conditions of residents in dilapidated urban areas. PAS/PLB advised that while URA was required to follow the strategy set out in the URS, it was provided with the flexibility to decide on its mode of operation. In this connection, URA had three options: to undertake urban renewal projects on its own, or through joint venture with private developers, or through land disposal. If URA decided to subcontract part of a project to a private developer, it had to ensure that the objectives of the project would be achieved. Mr CHAN considered that URA should carefully consider which of the three options could best serve the public interest for each project. The need to involve private developers in a project should be assessed on a case-by-case basis. Mr Francis LAM, member of Town Planning/Sustainable Development/Urban Renewal Committee of the Hong Kong Institute of Surveyors considered that if private developers were to be involved, URA should be given sufficient power to act against their non-compliance with the contracts.

37. Responding to the Chairman, PAS/PLB said that URA had not indicated to the Administration that it would not involve in any construction works in respect of its projects in future. Responding to a further question from Mr Albert CHAN, PAS/PLB confirmed that URA had not yet informed the Administration of its work plan.

38. Mr Albert CHAN questioned how the Administration could monitor the performance of URA to ensure that it would follow the URS and achieve the objectives of urban renewal. Some representatives shared Mr CHAN's concern. Mr Nicholas BROOKE, Chairman of Real Estate Services Committee of the Hong Kong General Chamber of Commerce agreed that proper checks and balance mechanisms should be put in place. For example, URA should be required to produce a master plan for development of each project, which was to be subject to public

scrutiny. In other words, the public would have the opportunity to study the plan and raise objections. Mr Kenneth TO, spokesman of the Hong Kong Institute of Planners considered that the Administration should closely liaise with URA at the planning stage of a project. Mr TANG Hoi-tung, Chairman of the Hong Kong Society of Urban Renewal also opined that proper coordination between the Administration and URA was important in achieving smooth implementation of urban renewal projects. Ms Kay KU, Assistant Director (Development) of the Hong Kong Council of Social Service considered it important to build up mutual trust among URA, the Administration and the affected households. It was also important that URA and the Administration would not disseminate conflicting messages on urban renewal projects to the public. Ms May YIP, representative of Wan Chai and Central Redevelopment Residents' Concern Group of St James' Settlement Group and Community Work Division stressed that the Administration should honour its undertakings.

39. Miss CHAN Yuen-han urged the Administration to honour its undertakings made since the scrutiny of the URA Bill in 1999/2000 and to put in place effective mechanism to monitor the operation of URA. PAS/PLB assured members that the Administration had all along aimed at maintaining a good partnership with URA. She also pointed out that under the URA Ordinance (Cap. 563), URA was required to prepare its Corporate and Business Plans for approval by the Financial Secretary. URA was also required by the Ordinance to prepare these plans by following the guidelines contained in the URS. To enhance URA's public accountability, it was provided in the Ordinance that the committees and subcommittees of the Legislative Council might request the Chairman and executive directors of URA to attend their meetings, and that the Chairman and executive directors should answer questions raised by Members at the meetings.

40. At the suggestion of Miss CHAN Yuen-han, members agreed that representatives of URA be invited to attend a future Panel meeting for the discussion on URA's work plan. Ms Emily LAU considered that the meeting should be arranged after the new Managing Director of URA was in post. To facilitate discussion at the meeting, Ms LAU requested the Secretariat to compile a list of undertakings made by the Administration since the scrutiny of the URA Bill.

Clerk

(Post-meeting note: A special Panel meeting was scheduled for Tuesday, 22 January 2002 at 8:30 am for URA to brief the Panel on its work plan. The English and Chinese versions of the "Undertakings made by the Administration in respect of urban renewal" prepared by the LegCo Secretariat were issued to members vide LC Paper No. CB(1) 843/01-02(01) on 17 January 2002 and 21 January 2002 respectively.)

II. Any other business

41. There being no other business, the meeting ended at 12:20 pm.

Legislative Council Secretariat
7 February 2002