

立法會
Legislative Council

LC Paper No. CB(1)265/04-05
(These minutes have been seen
by the Administration)

Ref : CB1/PL/PLW/1

Panel on Planning, Lands and Works

Minutes of meeting
held on Tuesday, 26 October 2004 at 2:30 pm
in Conference Room A of the Legislative Council Building

Members present : Hon LAU Wong-fat, GBS, JP (Chairman)
Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP
Hon James TO Kun-sun
Hon WONG Yung-kan, JP
Hon CHOY So-yuk
Hon Abraham SHEK Lai-him, JP
Hon Albert CHAN Wai-yip
Hon LEE Wing-tat
Hon LI Kwok-ying, MH
Hon Daniel LAM Wai-keung, BBS, JP
Hon Alan LEONG Kah-kit, SC
Hon CHEUNG Hok-ming, SBS, JP

Members attending : Hon James TIEN Pei-chun, GBS, JP
Hon Fred LI Wah-ming, JP
Hon TAM Yiu-chung, GBS, JP
Hon WONG Kwok-hing, MH

Member absent : Hon Timothy FOK Tsun-ting, GBS, JP

Public officers attending : **Agenda item IV**
Mr Michael SUEN
Secretary for Housing, Planning and Lands

Mr Thomas TSO
Deputy Secretary for Housing, Planning and Lands
(Planning and Lands) 1

Mr Patrick LAU
Director of Lands

Agenda item V

Mr Michael SUEN
Secretary for Housing, Planning and Lands

Mr Thomas TSO
Deputy Secretary for Housing, Planning and Lands
(Planning and Lands) 1

Mr Robin C GILL
Project Co-ordinator
Economic Development and Labour Bureau

Mr Andy CHAN
Assistant Commissioner for Tourism 3
Economic Development and Labour Bureau

Mr Patrick CHAN
Principal Assistant Secretary for Environment, Transport
and Works (Transport) 6

Ms Jessie WONG
Principal Assistant Secretary for Environment, Transport
and Works (Environment) 4

Mr Bosco FUNG
Director of Planning

Ms Phyllis LI
District Planning Officer/Lantau & Islands
Planning Department

Dr WONG Fook-yee
Assistant Director (Country & Marine Parks)
Agriculture, Fisheries and Conservation Department

Clerk in attendance : Ms Sarah YUEN
Senior Council Secretary (1)6

Staff in attendance : Ms Alice AU
Senior Council Secretary (1)5

Ms Christina SHIU
Legislative Assistant

Action

I Confirmation of minutes

(LC Paper No. CB(1)65/04-05 -- Minutes of meeting on 12 October 2004)

The minutes of the meeting held on 12 October 2004 were confirmed.

II Information papers issued since last meeting

2. Members noted the following information papers issued since the last Panel meeting on 12 October 2004 -

LC Paper No. CB(1)78/04-05(01) -- Information paper provided by the Administration on the commencement of the Buildings (Amendment) Ordinance 2004

LC Paper No. CB(1)98/04-05(01) -- Information paper provided by the Administration on Area Improvement Plan for Tsim Sha Tsui

LC Paper No. CB(1)99/04-05(01) -- Information paper provided by the Administration on Kai Tak Planning Review

LC Paper No. CB(1)100/04-05(01) -- Progress Report on the Development of the West Kowloon Cultural District provided by the Administration

LC Paper No. CB(1)102/04-05(01) -- Memo dated 20 October 2004 from the Clerk to the Panel on Commerce and Industry referring Hon CHIM Pui-chung's request to follow up two issues relating to Hong Kong Trade Development Council's application for the Tamar Site for temporary exhibition use and proposal of atrium link extension to the Hong Kong Convention and

Exhibition Centre)

III Items for discussion at the next meeting

(LC Paper No. CB(1)89/04-05(01) -- List of outstanding items for discussion)

3. The Chairman advised that at the request of the Administration, the item on "Progress of the development of the West Kowloon Cultural District" originally scheduled for discussion at the present meeting had been deferred to the next regular meeting in November 2004. He also said that the Chairman of Wan Chai District Council had requested for an opportunity to present a proposal on urban renewal of the Wan Chai district to the Panel.

4. Members went through the Panel's list of outstanding items for discussion and agreed that the following items be discussed at the next meeting scheduled for 23 November 2004 -

- (a) Development of West Kowloon Cultural District;
- (b) Compensation arrangements for land resumption for urban renewal projects; and
- (c) Urban Renewal of Wan Chai.

Regarding item (c), members agreed that representatives of Wan Chai District Council should be invited to attend the meeting.

(Post-meeting note: A special meeting had subsequently been scheduled for 30 November 2004 to discuss the item on "Development of West Kowloon Cultural District".)

IV Land supply

(LC Paper No. CB(1)89/04-05(02) -- Information paper provided by the Administration

LC Paper No. CB(1)89/04-05(03) -- Background brief on land supply prepared by the Legislative Council Secretariat)

5. Mr Abraham SHEK declared interest as a Member of the Managing Board of the Kowloon-Canton Railway Corporation which was involved in railway property development.

6. Mr James TIEN declared interest as some of his businesses were related to real estate development.

7. The Chairman drew members' attention to the background brief prepared by the Legislative Council Secretariat on the subject.

8. At the invitation of the Chairman, the Secretary for Housing, Planning and Lands (SHPL) briefed members on the Administration's paper on "Land Supply", and highlighted the following points -

- (a) In 2004-05, there were 17 sites (14 residential and three commercial/business) on the Application List comprising about 10.5 hectares of residential land and about 2.6 hectares of commercial/business land. The 14 residential sites, if all sold, would produce some 7 800 flats with estimated flat completion as from 2007.
- (b) At present, there were about 99 hectares of land that were readily available for private housing development. In the next five years, it was estimated that more land would be available for different development uses. The Government would keep the estimated land supply under regular review and would determine the actual quantity of land available for disposal each year when formulating the Application List and having regard to other committed land grants.
- (c) At present, there were about 15 000 flats which were completed but not yet sold. About 48 000 flats were under construction and had not yet been sold or offered for sale. Moreover, the sites already granted to developers for which construction could commence at any time could also provide 10 000 flats. Under the Government's co-ordination, the two railway corporations would put their property development projects to the market in an orderly manner. This would involve the phased production of some 67 000 flats between 2007 and 2016. In addition, the Housing Authority had a stock of some 16 000 surplus Home Ownership Scheme (HOS) flats which were planned for sale after 2006. As regards the Urban Renewal Authority (URA), some 8 200 units would be produced from 2005 to 2010.

Land and housing supply in the next five years

9. Notwithstanding the picture presented by the Administration, members generally saw the need for the Government to maintain adequate land supply to support the healthy and normal development of the property market and to avoid drastic fluctuations of property prices. In this connection, Mr LEE Wing-tat asked for a clear statement from SHPL that there would not be an under-supply of housing from now until 2007 and beyond.

10. Mr WONG Kwok-hing was concerned about the development of a property market bubble following the robust result of the recent land auctions, and enquired about concrete measures from the Government to ensure the stable and healthy development of the property market. In particular, he pointed out that

under the current policy, there was no way the Government could effectively guarantee a steady supply of housing as it was up to the developers to decide when they would commence construction on those sites that they had already been granted with.

11. Echoing similar concerns about the need to ensure the predictability of housing supply in future, Mr Albert CHAN considered that in order to ensure public confidence on its housing policy, the Government should step up control over the timeframe of housing production by private developers as well as the number of flats the developers intended to produce through lease modifications.

12. In response, SHPL stressed that there was no evidence to suggest the re-emergence of a property bubble. Highlighting the Government's pledge to provide sufficient land to meet the development needs of the community, he said that based on the quoted figures, the Government did not agree that the market was showing any signs of short supply in future. The Government would continue to ensure that all necessary steps would be taken to facilitate the healthy development and smooth operation of the market.

13. SHPL further said that under the Government's market-driven housing policy, it would be up to the developers to decide on the timing for commencing residential developments having regard to market conditions. If there was market demand, developers would seek lease modifications to achieve their development plans. The Government's role was to closely monitor the flat supply situation and to provide sufficient land for housing development in a timely manner.

14. SHPL added that the Government was aware of the need to increase transparency of the housing supply situation. Hence, the Government would compile a set of comprehensive housing supply statistics by collating the various types of housing-related information currently being collected by the relevant departments. Consultation on the detailed arrangements was being held with the stakeholders. The Government planned to start publishing the comprehensive housing supply statistics on a quarterly basis from end-2004 or early-2005.

15. Referring to the confusing messages conveyed by the relevant statistics published by Lands Department, Buildings Department, Land Registry, and Rating and Valuation Department in the past, Mr LEE Wing-tat welcomed the proposal and suggested that the comprehensive housing supply statistics should be published on a monthly basis via the internet to enhance public accessibility. While agreeing to consider Mr LEE's suggestion, SHPL explained that the various housing-related statistics were collected by the relevant departments out of actual operational needs in the first place. Hence, there might be cases of double-counting and they represented different situations. Recognizing the need to enhance transparency, the Government had taken the initiative to compile the said statistics to facilitate perusal and analysis of the relevant figures by the public.

16. Ir Dr Raymond HO said that the Government should learn from its past mistakes and be more responsive to the changing demands of the market. Looking forward, he said that the Government should ensure integrated planning for transport infrastructure and housing development. Referring to the reduced size of the South East Kowloon Development (SEKD) area, he asked whether the Government had any plans to make up for any shortfall in the provision of residential land to meet the anticipated territorial demand for housing.

17. SHPL stated that it was the Government's objective to ensure an adequate supply of land together with the necessary supporting infrastructure to meet market demand in a timely manner. All along, the development of private housing was in the hands of the private sector and the Government provided sufficient land and supporting infrastructure to meet such demand.

Sites on the Application List

18. Stating support for the Government's continuous efforts to maintain the steady and normal development of the property market, Mr James TIEN suggested that larger sites to be included in the 2005-06 Application List should be broken down into smaller plots to facilitate participation by more developers. This could increase flexibility in the timeframe of housing production and hence, help maintain a steady supply of housing. Acknowledging the member's concern, SHPL said that the Government would take his view into account when drawing up next year's Application List. If the current market conditions continued, the Government would also consider making more sites available in next year's Application List.

19. Responding to some members' concern about the lack of choice in the current Application List, SHPL advised that when drawing up the current Application List last year, the Government had taken into account the then prevailing market conditions and the development needs of the community and provided sites of different types, sizes and uses. Nine residential sites on the current Application List had an area of less than one hectare, which were suitable for small and medium developers. Sites were also available in prime locations such as Repulse Bay and the Peak for the development of luxury properties. Up to now, 12 sites had yet to be triggered off for sale. Hence, the Government had no intention of including more sites in the current Application List.

Government's housing policy

20. Mr WONG Kwok-hing referred to the recent upturn of the property market, and asked whether it was time for the Government to review the continued need of the nine measures published in November 2002 to stabilize the property market.

21. Concerned about the need to prevent drastic fluctuations in property prices, Miss CHOY So-yuk asked whether the Government would consider lifting

the moratorium on the sale of HOS flats early to make up for any shortfall in housing supply if necessary.

22. SHPL responded that in November 2002, the Government announced its revised Statement on Housing Policy which spelt out very clearly the role played by the Government in the housing market. Since then, all the announced measures had been put in place. There were now signs that the property market had been picking up gradually with a sharp decrease in the number of negative equity cases. The public and investors had also regained confidence in the property market. All these were signs that the Government's housing policy was heading in the right direction, and it would be most important for the Government to maintain a clear, comprehensive and consistent housing policy. Under the circumstances, the Government had no plan to put the HOS flats on the market before 2006.

23. While expressing support for the Government's market-driven housing policy, Mr Abraham SHEK reiterated his view that in order to ensure fair competition, maximize financial gains for the community and maintain market stability, the Government should take back the land previously granted to the two railway corporations, URA and the Airport Authority. Only by doing so could market forces be put to full play. He also referred to the remaining 12 sites in the current Application List, and called on the Government to refrain from taking a hard line on future land premium assessments.

24. In reply, SHPL recalled that the issues raised by Mr Abraham SHEK in relation to the financing of infrastructural projects including railway development projects by land grant had been thoroughly debated at the Council meeting on 13 June 2004. The Government would take into account the relevant issues when considering the proposed merger of the two railway corporations.

V Concept Plan for Lantau

- (LC Paper No. CB(1)89/04-05(04) -- Information paper provided by the Administration
- LC Paper No. CB(1)96/04-05(01) -- Submission from four rural committees
- LC Paper No. CB(1)108/04-05(01) -- Submission from the Hong Kong Islands District Association)

25. The Director of Planning briefly introduced the Administration's paper on the Concept Plan for Lantau (the Concept Plan). He advised that subject to members' views and comments raised at the present meeting, the Administration intended to launch a formal public consultation later in the year with a view to mapping out the future of Lantau jointly with the community.

26. With the aid of PowerPoint, District Planning Officer/Lantau & Islands of the Planning Department, presented the details of the Concept Plan.

(Post-meeting note: A set of presentation materials provided by the Administration was tabled at the meeting and subsequently issued to members vide LC Paper No. CB(1)122/04-05(01).)

27. The Chairman also drew members' attention to the submission from the Hong Kong Islands District Association on the subject. At the Chairman's invitation, Mr Daniel LAM presented the submission from four rural committees on the Concept Plan, and highlighted the following points -

- (a) The existing road network in Lantau should be improved to facilitate tourism development;
- (b) The land use restriction in Southern Lantau should be relaxed to develop the scenic coastal area for resort tourism; and
- (c) The closed road restrictions in Lantau, in particular Tung Chung Road, should be relaxed upon the completion of the improvement of Tung Chung Road.

28. The Deputy Secretary for Housing, Planning and Lands (Planning and Lands) 1 (DS for HPL(PL)1) responded that the Administration would take into consideration the views expressed in the submissions when taking the Concept Plan forward.

29. Mr TAM Yiu-chung welcomed the Concept Plan, and called for its early implementation to help revive the local economy. Moreover, he stressed the need for the Administration to make adequate provision of road infrastructure to support all the proposed developments, in particular the anticipated traffic demand arising from the proposed Hong Kong-Zhuhai-Macao Bridge (HZMB).

30. DS for HPL(PL)1 took note of Mr TAM Yiu-chung's concern, and assured members that the Administration would co-ordinate the timely provision of transport infrastructure with the proposed developments.

31. Echoing Mr TAM Yiu-chung's concern about the early implementation of the project, Ir Dr Raymond HO pointed out that it was inevitable that the community would have divergent views over various aspects of such a large-scale development project. The Administration should remain committed to the Concept Plan after balancing the interests and concerns of various stakeholders. He was particularly concerned that if the Concept Plan was not implemented in a timely manner, Hong Kong could not fully capitalize on the economic benefits brought about by various planned economic infrastructure and tourism projects including the Lantau Logistics Park and HZMB.

32. Mr Albert CHAN considered the Concept Plan generally acceptable, and put forward the following views for the Administration's consideration -

- (a) He welcomed the Administration's proposal to reserve the Tai Ho Wan area for non-residential development. He suggested that the multi-purpose stadium proposed to be built in SEKD could instead be constructed in Tai Ho Wan; and
- (b) He supported the conservation of the coastal area in Southern Lantau taking into account the characteristics of the local environment and cultural heritage. He added that various local attractions such as the Fishing Village and stilted structures in Tai O should be preserved and developed for educational and recreational purposes.

33. Miss CHOY So-yuk put forward the following suggestions for the Administration to consider -

- (a) The Administration should consider setting up an independent panel comprised of representatives from local organizations and green groups to monitor the development of the Concept Plan;
- (b) The Administration should engage an independent third party to conduct the relevant environmental impact assessments;
- (c) The extent of reclamation should be kept to a minimum. She did not agree that recreational spaces should be provided on reclaimed land; and
- (d) The Administration should also consider the possibility of developing Las Vegas-style entertainment facilities in Tung Chung East for overseas visitors.

34. Mr WONG Yung-kan also supported the provision of facilities for overseas visitors. He called on the Administration to consider the interests of the fishing community when planning for the Marine Park in Southwest Lantau.

35. Mr CHEUNG Hok-ming expressed concern about the protection of private property rights as the Administration contemplated an extension of the Lantau North Country Park. He also said that the Administration should set down clearly the priorities of as well as the resources to be allocated to the four key development themes under the Concept Plan. He opined that proposals involving the revitalization of Lantau should be given priority.

36. As a general response, DS for HPL(PL)1 said that the Administration would carefully consider the views and suggestions made by members. He assured members that the Administration would seek the views of the community on the Concept Plan through the public consultation. Addressing Mr CHEUNG Hok-ming's concern about the proposed Lantau North (Extension) Country Park, Assistant Director (Country & Marine Parks) of the Agriculture, Fisheries and

Conservation Department advised that no private land would be involved under the proposal.

VI Any other business

37. There being no other business, the meeting ended at 4:40 pm.

Council Business Division 1
Legislative Council Secretariat
22 November 2004