

立法會
Legislative Council

LC Paper No. CB(1)1567/04-05
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by the Administration)

Ref : CB1/PL/PLW/1

Panel on Planning, Lands and Works

Minutes of meeting
held on Tuesday, 26 April 2005, 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 CHOY So-yuk
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon Albert CHAN Wai-yip
Hon LEE Wing-tat
Hon Daniel LAM Wai-keung, BBS, JP
Hon Alan LEONG Kah-kit, SC
Hon CHEUNG Hok-ming, SBS, JP

Members attending : Hon CHAN Yuen-han, JP
Dr Hon KWOK Ka-ki

Members absent : Hon James TO Kun-sun
Hon WONG Yung-kan, JP
Hon LI Kwok-ying, MH

Public officers attending : **Agenda item IV**

Mr SUEN Ming-yeung, Michael
Secretary for Housing, Planning and Lands

Mr John Stanley CORRIGALL
Director of Lands (Acting)

Miss Diane WONG
Principal Assistant Secretary for Housing, Planning and
Lands (Planning and Lands) 1

Mr Christopher Seabrook MILLS
Assistant Director (Headquarters)
Lands Departments

Agenda item V

Mr LEUNG Kong-yui
Chairman, Harbour-front Enhancement Committee –
Sub-committee on Wan Chai Development Phase II
Review

Mr MA Lee-tak
Project Manager (HK Island & Islands)
Civil Engineering and Development Department

Mr Vincent NG
Member, Harbour-front Enhancement Committee

Mr Charles Nicholas BROOKE
Member, Harbour-front Enhancement Committee –
Sub-committee on Wan Chai Development Phase II
Review

Mr K K LAU
Deputy Commissioner for Transport/
Planning & Technical Services

Ms Ernestina WONG
Principal Assistant Secretary for Environment, Transport
and Works (Transport) 5

Mr Adrian NG
Project Manager/Major Works
Highways Department

Miss Christine CHOW
Principal Assistant Secretary for Housing, Planning and
Lands (Planning and Lands) 2

Ms Christine TSE
District Planning Officer/Hong Kong
Planning Department

Attendance by invitation : Agenda item V

City Planning Consultants Ltd.

Ms Iris TAM
Managing Director

Maunsell Consultants Asia Ltd.

Mr Eric MA
Executive Director

Clerk in attendance : Miss Odelia LEUNG
Chief Council Secretary (1)4

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

Ms Christina SHIU
Legislative Assistant

Action

I Confirmation of minutes

- (LC Paper No. CB(1)1329/04-05 -- Minutes of special meeting on
31 January 2005
LC Paper No. CB(1)1320/04-05 -- Minutes of meeting on 22 March
2005)

The minutes of the meetings held on 31 January and 22 March 2005 respectively were confirmed.

II Information papers issued since last meeting

- (LC Paper No. CB(1)1146/04-05(01) -- Memorandum dated 17 March 2005 from the Complaints Division referring to the Panel the suggestion raised by the Kwun Tong District Council members at the meeting with Legislative Council Members on 24 February 2005 on regular report by the Administration on recreation

- and leisure space in individual districts
- LC Paper No. CB(1)1262/04-05(01) -- A reply from the Secretary, Lantau Development Task Force to Mr Ruy BARRETTO S.C.'s letter dated 28 February 2005 concerning Concept Plan for Lantau
- LC Paper No. CB(1)1285/04-05(01) -- Information paper on PWP Item No. 741TH - Northern Access to Area 86, Tseung Kwan O
- LC Paper No. CB(1)1286/04-05(01) -- Information paper on PWP Item No. 177CL - Sha Tin New Town – remaining engineering works
- LC Paper No. CB(1)1321/04-05(01) -- Information paper on Replacement of Computerized Land Information System for the Lands Department
- LC Paper Nos. CB(1)1340/04-05(01)–(06) -- Submissions from organizations on the Concept Plan for Lantau
- LC Paper No. CB(1)1376/04-05(01) -- Public Consultation Report on the Pedestrian Plan for Causeway Bay
- LC Paper No. CB(1)1377/04-05(01) -- Administration's response to the suggestion raised by Kwun Tong District Council members at the meeting with Legislative Council Members on 24 February 2005 on regular report by the Administration on recreation and leisure space in individual districts)

2. Members noted the above information papers issued since the last monthly regular meeting of the Panel on 22 March 2005.

III Items for discussion at the next meeting

- (LC Paper No. CB(1)1319/04-05(01) -- List of outstanding items for discussion
- LC Paper No. CB(1)1319/04-05(02) -- List of follow-up actions)

3. Members agreed to schedule a joint meeting with the Panel on Financial Affairs for 24 May 2005 from 2:30 pm to 3:30 pm to discuss land grant policy and its impact on Government revenue. The next regular meeting of the Panel would follow immediately after the joint meeting. Members agreed to discuss South East Kowloon Development (SEKD) at the regular meeting. In this regard, Mr Patrick LAU Sau-shing suggested and members agreed that the development of cruise pier would be considered in the context of SEKD. He also opined that the outstanding item for discussion on “Member’s bill on conservation of trees” might be discussed in conjunction with the item on “implementation of Greening Master Plan”.

IV Application List for land sale

(LC Paper No. CB(1)1319/04-05(03) -- Information paper provided by the Administration

LC Paper No. CB(1)1319/04-05(04) -- Background brief on “Application List System” prepared by the Legislative Council Secretariat)

4. The Secretary for Housing, Planning and Lands (SHPL) briefed members on the Administration’s information paper on the 2005-06 Application List.

Land supply in general

5. Ir Dr Raymond HO Chung-tai enquired whether factors other than demand would be considered in determining land supply. In response, SHPL advised that the Administration would closely monitor the flat supply situation and provide sufficient land for housing development in a timely manner. In addition, it would also make reference to the market situation.

6. In reply to Mr Alan LEONG Kah-kit on the criteria for assessing the land supply and demand situation, SHPL elaborated that in monitoring land supply, regard would be given to the number of flats completed but yet to be sold, flats under construction and yet to be offered for sale, and flats on sites already granted to developers with construction likely to commence at any time. As for the demand, reference would be made to statistics from the Census and Statistics Department on the projected population growth, the family size of households etc. At Mr LEONG’s enquiry on whether and how these statistics were made available to members of the public, SHPL said that the supply statistics were made available on HD’s website regularly. As regards the demand figures, he undertook to provide a written reply.

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7. Mr Patrick LAU sought details on how the Government took stock of flat supply from various sources, in particular from change of land use and from land resources presently held by the two railway corporations and the Urban Renewal Authority (URA). In reply, SHPL explained that since additional premium would

need to be negotiated for change of land use, the Government could estimate the quantity of supply from this source according to the progress of the relevant premium negotiations. The Government had also reached a consensus with the two railway corporations on railway-property developments and would liaise with them to co-ordinate the timetable for the disposal of their developments. Since they and URA would regularly report on their plans of housing development, the Administration could estimate the flat supply from this source.

The Application List

8. Ir Dr Raymond HO indicated support for the resumption of the Application List system. He however highlighted the importance of ensuring the provision of more choices of land in terms of size, location and variety of uses to facilitate participation by more developers. He also opined that, if the Administration had no intention to pursue a high land price policy, it should send a clear message to the market that additional land would be included in the List as and when necessary.

9. In response, SHPL reported that more land had been included and greater choices provided in the new 2005-06 Application List, which comprised a total of 35 sites. They included 29 residential sites and six commercial/business sites. The residential sites, with a total area of about 22.1 hectares, were evenly distributed in Hong Kong Island, Kowloon and the New Territories including the outlying islands. Altogether, they could produce 11,000 flats. Moreover, apart from sites in prime locations such as Repulse Bay, South Bay and the Peak for the development of luxury properties, the majority (24) of the sites were relatively small (less than one hectare in size) to facilitate participation by small developers as well. As such, a right balance of land supply had been ensured.

10. Responding to Ir Dr Raymond HO's points on land prices, SHPL denied the pursuit of a high land price policy. He pointed out that while there had been comments from developers that land prices were too high, there had also been allegation from other parties that Government was selling land at pathetic prices. Government exercised care to ensure the proper protection of Government revenue and use of public resources and the fairness and transparency of the land sale process. However, while efforts would be made to achieve the full open market price from land sales, land prices were essentially determined by market forces, as evidenced by the much higher sale prices of sites in the Application List than the relevant upset prices. The market would determine the amount, timing and type of additional land required.

11. Mr Alan LEONG enquired about the criteria for determining what sites to be included in the Application List, in particular their sizes and uses, and whether regard would be given to the impact of applications for change of land use or private treaty grant on flat supply. In response, SHPL advised that in arriving at the new Application List, the Administration had mainly taken into account the prevailing market conditions and other relevant factors such as the size, location,

attractiveness and choice of sites to meet the needs of the community and the aspirations of developers. The objective was to maintain an overall steady supply to bring about a stable and healthy development of the property market.

12. Mr Daniel LAM Wai-keung supported the adoption of a market-driven approach in land supply as elaborated above, and asked why the Application List had not included more sites on the outlying islands in keeping with the rapid development there. In reply, SHPL explained that in determining the number of sites on the outlying islands to be included in the Application List, the Administration considered factors such as the plot ratio of land and the transport infrastructure, and the public's aspirations to move to the outlying islands. In response to Mr LAM's call to improve the infrastructure of Lantau, in particular Mui Wo, to support further development, SHPL advised that, there were divergent views on the development of Lantau. It was more appropriate to examine the issue in detail when the Panel later discussed the Concept Plan for Lantau.

Application for change of land use

13. Mr CHEUNG Hok-ming highlighted developers' complaints about the long time taken to determine the amount of additional premium payable for change of land use and about overcharging. He enquired if there was any room to review the timetable for processing applications for change of land use. In response, SHPL and the Director of Lands (Acting) explained that in some cases the longer time required was caused by frequent changes to the applications in response to market trends, which necessitated revaluation and reopening of premium negotiation. Even in straightforward cases, the negotiation of additional premium would take time because it was in essence a private negotiation of contract terms, and agreement was inevitably hard to come by. When the land prices were falling, the developers would wish to reach a deal in shorter time, in the hope of paying a lower premium for lease modifications. The Administration was already exercising flexibility to expedite the process to improve the business environment. It was also studying the feasibility of working out an agreed method of resolving disagreement, and examining how market movements could be more closely followed during the negotiation process.

14. Mr Albert CHAN Wai-yip expressed concern that two-thirds of the land used for private housing development was made available through land exchange and change of land use but the procedures involved were not transparent and sufficiently monitored, to prevent the possibility of the Administration colluding with developers to transfer benefits to them. In particular, there was no way to monitor the relevant premium determination process. The additional premium payable for change of land use was always under-estimated at the expense of the public coffers, giving rise to unfairness and grievances of developers who paid high prices for land acquired through open bidding. He therefore saw a need to enable the public to comment on the amount of premium being negotiated before it was finalized, and to set some objective criteria to improve the premium determination mechanism.

15. In response, SHPL pointed out that in view of the changing demands of the market and the community, there was a need to allow developers to apply for change of land use. He then clarified that such applications were subject to town planning procedures involving the Town Planning Board and the public. When determining the additional premium payable for change of land use, Lands Department (Lands D) would make reference to open market information and have regard to the development potential of the land concerned and other relevant factors. After the additional premium had been determined, Lands D would also disclose its amount to ensure transparency and accountability. He considered the present mechanism appropriate. It was undesirable to require the departments concerned to report to the public on every step taken in processing lease modification applications. He further emphasized that the determination of additional premium involved negotiation of contract terms and hence should not be conducted openly or involving the general public, otherwise the smooth running of development activities in Hong Kong would be adversely affected. Moreover, there were already complaints that the statutory procedure of publication of planning applications for representations and comments had unduly prolonged the development process. He further stated that while reference would be made to individual transactions in determining the additional premium, Lands D's main focus was the general market trend.

16. Mr Abraham SHEK Lai-him did not agree that the determination of additional premium was black-box operation. He however saw a need to provide for an independent appeal or arbitration mechanism for premium determination. The provision of such a mechanism could speed up the lease modification process. This would in turn facilitate development and improve the employment situation in the construction industry and hence Hong Kong's economy. SHPL undertook to consider his views.

V Wan Chai Development Phase II Review – Harbour-front Enhancement Review – Wan Chai and Adjoining Areas: A Public Engagement Exercise

(LC Paper No. CB(1)1319/04-05(05) -- Information paper provided by the Administration

LC Paper No. CB(1)921/04-05(02) -- Background brief on “Central and Wan Chai reclamation” prepared by the Legislative Council Secretariat

LC Paper No. CB(1)1117/04-05 -- Minutes of meeting on 22 February 2005)

17. With the aid of power-point, Mr LEUNG Kong-yui, Chairman of the Sub-committee on Wan Chai Development Phase II (WDII) Review (the Subcommittee) under the Harbour-front Enhancement Committee (HEC), Mr Vincent NG, Member of HEC, and Ms Iris TAM, Managing Director of City

Planning Consultants Ltd., briefed members on the public engagement exercise entitled “Harbour-front Enhancement Review – Wan Chai and Adjoining Areas” (HER) to be launched by HEC.

18. While not objecting to the need to resolve the traffic congestion problem, Mr CHEUNG Hok-ming expressed concern that unlike the old HER Public Engagement Kit (the old Kit), which clearly set out the extent of reclamation involved in each of the three options presented therein, there was no mention of the extent of reclamation involved in the five options outlined in the new HER Public Engagement Kit (the new Kit) for building the trunk road to complete the missing link of the strategic road network along the north shore of the Hong Kong Island (the Trunk Road). He considered that such information was necessary to facilitate understanding and discussion of the five options by members of the public.

19. In response, Mr LEUNG Kong-yui explained that the new Kit contained further elaboration on the public engagement process and issues related to harbour-front enhancement, accessibility and vibrancy. Noting the comments expressed by some sectors of the community on the old Kit, more ideas on building the trunk road (some provided by consultants of the Administration and some conveyed to the Subcommittee by members of the public) had been set out in the new Kit without going into details on area of reclamation, construction cost etc. in order to avoid the impression that the public were being presented with options to choose. He and the Project Manager (HK Island & Islands), Civil Engineering and Development Department (PM(HKI&I)/CEDD) also pointed out that the Subcommittee decided to replace the old Kit because the concepts of the three Trunk Road possibilities contained therein had given rise to the impression of being the final options with the result that the original objective of issuing the old Kit for public engagement was not fully comprehended by the community. Through the new Kit, the Sub-committee hoped that the community would understand that, unlike the conventional practice of Government preparing concept plans and asking the public to comment on them, the envisioning exercise would engage the public in identifying problems and setting visions for improvement at an early stage and the Administration would, based on the collected information, develop concept plans for further consideration and agreement with the community. The Subcommittee was open-minded and did not want to pre-empt any vision the public might have on the way forward. Details on area of possible reclamation had not been mentioned in order to encourage ideas from the public.

20. Mr CHEUNG Hok-ming was unconvinced. He and Dr KWOK Ka-ki stressed the importance of highlighting the extent of reclamation in the new Kit to enable the public to make an informed choice. In response, PM(HKI&I)/CEDD explained that there might well be public’s visions not involving reclamation. For example, some members of the public might wish to propose the adoption of other traffic management measures for tackling the traffic congestion problem along the Connaught Road Central/Harcourt Road/Gloucester Road Corridor in lieu of building the Trunk Road. For those agreeing to the need of the Trunk Road, there

might be different views on how the Trunk Road should be built and connected to the existing road network, hence impacting on the extent of reclamation required. To promote discussions on these aspects, no figures on the extent of reclamation had been provided in the new Kit. Notwithstanding, information on the constraints and opportunities available for harbour-front enhancement had been provided to stimulate views and ideas of the public.

21. Mr CHEUNG Hok-ming expressed concern about how the public could express views on the extent of reclamation should it subsequently be found necessary. In response, Mr LEUNG Kong-yui and PM(HKI&I)/CEDD elaborated that the HER project comprised three stages and the public would be involved throughout the process. At the present Envisioning Stage, the purpose was to engage the public at start to solicit their “visions” on the types of harbour-front developments they aspired for at Wan Chai and the adjoining areas, while acknowledging the opportunities available and the constraints for development. A preliminary list of sustainability principles and indicators would be compiled at this stage to guide subsequent works. Based on the findings of the Envisioning Stage, Concept Plans would be developed at the Realization Stage for evaluation with the public using the agreed sustainability principles and indicators with a view to arriving at a consensus on the preliminary development proposals. For Concept Plans with the Trunk Road, the extent of reclamation and construction cost for the Trunk Road would be presented to the public. At the Detailed Planning Stage, based on the consensus arrived at in the Realization Stage, the draft Outline Zoning Plan would be prepared in accordance with the statutory requirements and procedures of the Town Planning Ordinance (Cap. 131), and the public would be consulted through the established arrangements.

22. Mr CHEUNG Hok-ming remained unassured. He maintained that to facilitate meaningful consultation, some basic information, in particular details of the implications of each of the options highlighted should be provided as early as possible. His views were shared by the Chairman and Dr KWOK Ka-ki. In response, Mr LEUNG Kong-yui assured members that effective public participation and engagement would be attained in the course of the WDII Review through various planned activities. He also commented that, as experienced in the public engagement for the Kai Tak Review, given a free hand, the public could come up with very good proposals. This had been proven by public submissions made in response to the old Kit. PM(HKI&I)/CEDD supplemented that to ensure an open and inclusive engagement process, a number of organizations, including the relevant DCs, community groups, business groups, green groups as well as the academic and professional institutions, had already been invited to act as collaborators to engage the public in the HER project. To reach out to the public, five public forums and two community design charrettes would be held in May/June 2005 and opinion surveys would also be conducted. He further assured members that the Administration was ready to provide supplementary information to the public opportunely throughout the process.

23. Dr KWOK Ka-ki found the response from the HEC unsatisfactory.

Pointing out that HEC seemed to have made little efforts to protect the Harbour, he was skeptical that the HER was a cosmetic exercise and that HEC had been established to justify reclamation along the Harbour rather than to protect it. He then referred to his earlier call upon the Administration to genuinely explore alternatives of building the Trunk Road without any reclamation, and asked whether the Administration had made any efforts in this regard. In reply, PM(HKI&I)/CEDD advised that the Administration's review noted the need of some reclamation if the Trunk Road had to be built according to the alignment, level and layout to effectively relieve traffic congestions along the concerned road corridor. Whilst there had been suggestions that the Trunk Road could be built without any reclamation, the Administration had not yet received any concrete details or justifications. The HEC would like to solicit further views from the public through the Envisioning process. Detailed study of the options for development of Concept Plans would be conducted in the Realization Stage.

24. Miss CHOY So-yuk opined that the Trunk Road should not be used as the bottom line in considering the way forward for the harbour-front because its need was questionable having regard that the population on Hong Kong Island was decreasing. In her view, in consideration of grave public concern about reclamation, alternatives other than road construction that necessitated reclamation should be explored to relieve traffic congestion. For example, electronic road pricing, development of a public transport interchange under Victoria Park, etc. She therefore urged HEC to examine the need for the Trunk Road independently instead of simply following Government's instructions.

25. Due to time constraints, Dr KWOK Ka-ki proposed that the present agenda item be further examined at a special Panel meeting. He also opined that SHPL should be invited to attend the meeting. Miss CHAN Yuen-han supported his proposal in recognition that the need for the Trunk Road warranted further discussion.

(Post-meeting note: At the request of the Administration and with the consent of members, it was agreed that the item be further discussed in June 2005.)

26. Members noted PM(HKI&I)/CEDD's advice that consultation with DCs and the planned public forums and community design charrettes highlighted in paragraph 22 above would proceed.

VI Any other business

27. There being no other business, the meeting ended at 4:35 pm.

Council Business Division 1
Legislative Council Secretariat
20 May 2005