

**立法會**  
**Legislative Council**

LC Paper No. CB(1)454/06-07  
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by the Administration)

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**Panel on Planning, Lands and Works**

**Minutes of special meeting  
held on Friday, 20 October 2006, at 10:40 am  
in the Chamber of the Legislative Council Building**

**Members present** : Hon LAU Wong-fat, GBM, GBS, JP (Chairman)  
Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)  
Hon James TIEN Pei-chun, GBS, JP  
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP  
Hon James TO Kun-sun  
Hon CHAN Kam-lam, SBS, JP  
Hon WONG Yung-kan, JP  
Hon Miriam LAU Kin-ye, GBS, JP  
Hon CHOY So-yuk, JP  
Hon Timothy FOK Tsun-ting, GBS, JP  
Hon Albert CHAN Wai-yip  
Hon Vincent FANG Kang, JP  
Hon LEE Wing-tat  
Hon LI Kwok-ying, MH, JP  
Hon Daniel LAM Wai-keung, SBS, JP  
Dr Hon KWOK Ka-ki  
Hon CHEUNG Hok-ming, SBS, JP

**Member attending** : Hon WONG Kwok-hing, MH

**Members absent** : Hon Albert HO Chun-yan  
Dr Hon LUI Ming-wah, SBS, JP  
Hon Bernard CHAN, GBS, JP  
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP  
Hon Abraham SHEK Lai-him, JP  
Hon Alan LEONG Kah-kit, SC

**Public officers attending : Agenda item I**

Dr Sarah LIAO Sau-tung, JP  
Secretary for the Environment, Transport and Works

Mr C K MAK, JP  
Permanent Secretary for the Environment, Transport and Works (Works)

Miss Janet WONG, JP  
Deputy Secretary for the Environment, Transport and Works (Works) 1

Mr C S WAI, JP  
Deputy Secretary for the Environment, Transport and Works (Works) 2

**Agenda item II**

Mr Michael SUEN  
Secretary for Housing, Planning and Lands

Mrs Rita LAU  
Permanent Secretary for Housing, Planning and Lands (Planning and Lands)

Mrs Ava NG  
Director of Planning

Mr CHEUNG Hau-wai  
Director of Buildings

Mr Robin IP  
Deputy Secretary for Housing, Planning and Lands (Planning and Lands) 1

Ms Olivia NIP  
Deputy Secretary for Housing, Planning and Lands (Planning and Lands) 2

**Clerk in attendance :** Ms Anita SIT  
Chief Council Secretary (1)4

**Staff in attendance** : Mr Noel SUNG  
Senior Council Secretary (1)4

Ms Guy YIP  
Council Secretary (1)1

Ms Christina SHIU  
Legislative Assistant (1)7

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Action

**I. Briefing by the Secretary for the Environment, Transport and Works on relevant policy initiatives in the Chief Executive's Policy Address 2006-07**

(LC Paper No. CB(1)19/06-07(01) — Policy Initiatives of the Environment, Transport and Works Bureau)

At the invitation of the Chairman, the Secretary for the Environment, Transport and Works (SETW) briefed Members on the new initiatives in the 2006-07 Policy Agenda relevant to the works portfolio of the Environment, Transport and Works Bureau (ETWB) as well as the progress of on-going initiatives in the 2005-06 Policy Agenda.

*(Post-meeting note: SETW's speech was circulated to members vide LC Paper No. CB(1)136/06-07 on 23 October 2006.)*

Wage protection in public works projects

2. Mr WONG Kwok-hing referred to the various new measures mentioned in the Administration's paper (LC Paper No. CB(1)19/06-07(01)) to monitor and control payment of workers' wages and reduce non-value added multi-layer subcontracting in public works projects, and asked whether the Administration had plans to extend these measures to the entire construction industry. Mr WONG also referred to the On-demand Bond Requirement (ODBR) of the Housing Authority (HA), under which contractors were obliged to procure On-demand Bonds amounting to 3-10% of the total contract value and the bonds would be utilized to effect payment of outstanding wages to workers in proven cases of default. He considered the ODBR an effective measure, and asked if the Administration would consider applying it to public works contracts.

3. In reply, SETW explained that the Administration had taken progressive measures to enhance wage protection over the past years. In the light of the wage default incident involving Dickson Construction Company Limited, the Administration had implemented a host of protective measures in all new public works contracts scheduled to tender from May 2006 onwards. Before

consideration was given to extending these measures to the entire construction industry, it was incumbent for the Administration to review the effectiveness of the measures taking into account feedbacks of relevant stakeholders.

4. Regarding the ODBR being implemented by HA, the Deputy Secretary for the Environment, Transport and Works (Works)2 (DS/ETW(W)2) advised that the Administration had considered the suitability of implementing the ODBR to public works contracts as early as 2002. Having duly considered the merits and demerits of various protective measures, the Administration had decided to adopt a more comprehensive approach to tackle wage defaults. He pointed out that at present, HA mainly followed the relevant statutory requirements to safeguard payment of two-months' due wages to workers in wage default cases, while the protective measures being implemented in public works contracts would safeguard payment of due wages in full. Hence, the Administration considered that with the full implementation of the various protective measures, there should be no need to resort to the ODBR. Nevertheless, the Administration would closely monitor the situation and consider the suitability of adopting the ODBR for public works projects in the light of HA's experience.

5. Mr LI Kwok-ying pointed out that in the situation where the contractor was in liquidation or under winding up, the measures adopted by the Administration for public works projects would be in vain as all claims, including claims for workers' overdue wages, were bound by the insolvency law. The purpose of ODBR was to overcome constraints imposed by the insolvency law such that payment of wages in arrears of the workers would be secured even when the contractor was in liquidation or under a petition for winding up. He therefore considered that the ODBR should also be adopted for public works projects. In response, SETW stressed that the Administration would take into consideration all possible measures to tackle the wage default problem and would review the suitability of adopting the ODBR for public works contracts in the light of HA's experience.

6. Noting from the Administration's paper that there were increasing incidents on wage disputes in public works contracts, Mr LI Kwok-ying enquired about the number and gravity of the incidents. DS/ETW(W)2 clarified that the trend of increasing wage disputes in public works contracts had been observed before the Administration implemented a host of wage protective measures in early 2006. He did not have the relevant figures on hand but pointed out that public works projects only accounted for about 2-3% of the territory's overall construction works. Despite this relatively small proportion, the Administration considered that its efforts on tackling wage disputes in public works contracts would be useful for promoting good practices in the construction industry.

7. Mr CHAN Kam-lam opined that multi-layer subcontracting was the root of wage disputes and asked if the Administration had devised any measures to tackle the problem at source. SETW replied that the Administration attached great importance to addressing the problems associated with the long-established

practice of multi-layer subcontracting in the construction industry. In public works projects, the Administration exercised vigilant monitoring over subcontracting. The relevant measures included the prohibition of subcontracting certain specified works and restriction on subcontracting layers on specified work elements and administrative sanctions on contractors with poor records in wage payment. Furthermore, all layers of subcontractors were required to be recorded under a subcontractor registration system.

8. Mr Patrick LAU referred to the measure on the appointment of Labour Relation Officers (LROs) and enquired about the rationale for putting the responsibility of the appointment of LROs on consultancy firms. DS/ETW(W)2 explained that the Administration's original proposal was for the contractors of public works contracts to appoint LROs. Having considered the feedback from labour unions and the industry on possible drawbacks arising from LROs being required to monitor their employers' payment of wages, the Administration had adjusted the measure by requiring the relevant consultancy firms to appoint LROs. He clarified that the arrangement would not result in consultancy firms being held accountable for wages defaulted by contractors.

#### Measures to assist the construction industry

9. In reply to Mr Patrick LAU's enquiry on the progress of and measures to expedite the implementation of public works projects, the Permanent Secretary for the Environment, Transport and Works (Works) (PSETW(W)) explained that Hong Kong being a well developed city, the pace of infrastructural development had relatively slowed down after the completion of major projects such as the Hong Kong International Airport at Chek Lap Kok and the related infrastructural facilities. In order to remedy the slow pace of public investment, he said that the Administration planned to increase the number of Category A projects in the coming year. For comparison, the number of public works projects submitted to the Public Works Subcommittee in 2004-05 and 2005-06 were 48 and 58 respectively. This would be increased to more than 100 in 2006-07.

10. Expressing concern on the difficulties encountered by construction-related personnel in conducting their professional activities independently in the Mainland, Mr Patrick LAU enquired about the Administration's assistance in this regard. In response, SETW said that over the past four phases of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), the Administration had secured various market liberalization measures for Hong Kong's construction industry to facilitate contractors and consultants to establish businesses in the Mainland. The Administration's role was to pave way for market liberalization leaving the venturing of business opportunities to the private sector. Given the different political and social settings in Hong Kong and the Mainland, she considered it a practical approach for Hong Kong's professionals to enter into partnership with Mainland individuals or organizations for starting up their business. The Administration would continue to assist the industry stakeholders in making the

best use of the CEPA concessions to explore the business opportunities in the Mainland.

Billing of water consumption

11. Mr WONG Kwok-hing said that he had received numerous complaints from citizens about wrong water bills in the past year and enquired about the measures to improve the billing system. SETW and the Deputy Secretary for the Environment, Transport and Works (Works)1 (DS/ETW(W)1) advised that the Administration had been constantly reviewing the water billing system of the Water Supplies Department. The development of the Customer Care and Billing System had recently been completed. Although some teething problems had emerged when the system started operation, the situation had been improving gradually. To ensure the accuracy of water consumption recorded by a meter, a mechanism was maintained to check any drastic fluctuations in water consumption. The Water Supplies Department would alert the consumers through various means including the issuing of notices when anomalies were identified, and if necessary, followed by on-site visits. She further explained that in some cases, wrong water bills were due to technical reasons such as defected water meters or human errors such as misreading blurred water meters. While pointing out that the number of such cases accounted for a very small percentage of the total number of water bills, she assured Members that the Administration had been taking due care in following up each and every case.

Environmentally responsible development

12. Mr Albert CHAN commented that, compared with the Mainland cities in the Pearl River Delta where greening strategies had been successfully implemented, there was much room for improvement in the greening and beautification of cement-built footbridges and carriageways in Hong Kong. SETW replied that the Administration had strived to uplift the quality of Hong Kong's living environment through implementation of strategic greening plans and was fully committed to maximizing greening opportunities in public works projects with guidelines issued for contractors' observation. The greening of footbridges and carriageways had been implemented in a progressive manner. In the past year, more than 11 million plants had been provided. She pointed out that most Mainland cities were bigger than Hong Kong and thus had more space for greening. Moreover, as urban development in these cities took place only in the recent decades, modern development concepts with an emphasis on greening could be brought into play. On the contrary, Hong Kong was very much constrained by the existing built-up urban environment characterized by dense cement-built buildings and structures and congested underground utilities. To ensure the sustainability of greening efforts, the Administration would devise Greening Master Plans (GMPs) in phases. The Administration aimed to complete the GMPs for the vast majority of urban areas in around four years. She assured Members that the Administration would continue its strenuous efforts on greening through pursuing a comprehensive greening strategy.

13. Pointing out that in the greening works implemented in major infrastructure projects, about 70-80% of the plants used were foreign species, Mr Albert CHAN expressed concern on whether and how the Administration had prioritized the use of native plant species. SETW explained that exotic plant species might not necessarily be domineering and they were brought into Hong Kong to help improve the local ecology. For example, Taiwan Acacia had been brought into Hong Kong for about a century. It was a fast growing plant species and could help reduce soil erosion. It could also bring about nitrogen fixation resulting in more fertile soil for surrounding vegetation. On the other hand, the Administration had spared no effort on conserving native species. However, some native plant species were vulnerable to infectious diseases. For example, "山松樹" had died out in Hong Kong except on Lantau Island where they were not infected due to geographical separation. To preserve this plant species, the Administration had made strenuous efforts on identifying curable methods.

14. Miss CHOY So-yuk said that although the Administration had planted a vast number of trees in recent years, she doubted that most of them were planted in the country parks or for compensating trees felled in public works projects. She urged that greening works be expedited and extended to cover new towns such as Yuen Long, Tuen Mun and Tsuen Wan within the next few years. On the selection of plants, she considered that *Parthenocissus Himalayana* should be planted along the footbridges and sought information in this regard. She also referred to her proposal made three years ago to introduce a private bill to protect old and valuable trees and commented that although her proposal was in line with the Administration's policy, the Administration had persistently rejected her proposal without good reasons.

15. In response, SETW said that given the close proximity of Hong Kong's urban and rural areas, the greening works would inevitably cover the country parks. Indeed, Hong Kong had made very good achievement in greening in the past few years. By way of illustration, it took many years for Los Angeles to plant 1 million trees, while Hong Kong had completed the planting of 14 million trees, shrubs and annuals in 2004-05, and the planting of another 11 million in 2005-06. She advised that *Parthenocissus Himalayana* had already been planted in many places. Regarding Miss CHOY's proposal to introduce a Member's Bill on the conservation of old and valuable trees, she clarified that it had never been the Administration's intention to disrespect the proposal. Instead, the Administration considered it probably more cost-effective to tackle the issue through administrative measures. In this connection, a register of old and valuable trees had been established and a comprehensive protection plan had been devised for the preservation of old trees.

### Landslip preventive measures

16. Mr CHAN Kam-lam referred to paragraph 48 of the Administration's information paper which stated that selected slopes formed with old technologies (e.g. slopes formed in the late 1970's and 1980's without the use of robust stabilization measures) showing signs of deterioration/instability and posing a risk to the community were included in the Landslip Preventive Measures Programme (LPMP) for investigation and necessary improvement works. Expressing concern that these slopes would pose risk to nearby residents, he requested the Administration to provide information on these slopes. In reply, PSETW(W) explained that the Administration regularly inspected and maintained all government slopes including those formed with old technologies with a view to formulating a suitable strategy and programme for landslide prevention. He undertook to provide members with the information on these "old technology" slopes after the meeting. He elaborated that the current LPMP under the charge of Civil Engineering and Development Department (CEDD) was aimed at improving slope safety and was targeted for completion by 2010. In the past years, CEDD had made vigorous improvement works on the safety of man-made slopes. As recent developments had moved towards the natural terrains, the Administration had identified more than 1 500 catchments with known historical natural terrain landslides for further investigation and mitigation actions where necessary.

*(Post-meeting note: The Administration's written response (LC Paper No. CB(1)242/06-07(01)) was issued to members on 7 November 2006.)*

### Hong Kong-Zhuhai-Macao Bridge

17. Mr LEE Wing-tat enquired about the progress of the Hong Kong-Zhuhai-Macao Bridge (HZMB) project. He was also concerned that if the HZMB project was delayed, as reported by the press, whether the development of transport infrastructure within the territory would be affected and hence needed to be adjusted.

18. In response, SETW pointed out that the HZMB project was still in the preparatory stage and yet to become a public works project. HZMB was the first large-scale cross-boundary joint project involved the Mainland and two special administrative regions governed under the "one country, two systems" principle. The governments of Hong Kong, Guangdong, Macao and relevant authorities had set up the HZMB Advance Work Co-ordination Group (AWCG) to tackle unprecedented problems. To ensure successful construction of HZMB, feasibility studies on 26 related issues had been thoroughly conducted. Apart from the construction issues, two other issues related to boundary crossing facilities (BCF) and financing arrangements would also need to be properly addressed. On BCF, the AWCG had agreed to adopt the mode of "separate locations of BCF". Hence, feasibility study had to be conducted afresh on the detailed arrangements for and possible locations of the BCF. On financing arrangements, project estimates would need to be worked out based on HZMB's construction plan and therefore



could not be calculated precisely at an earlier stage. Given the complexity of the project, the large project value, the necessity of governmental co-operation and its regional implication, the implementation schedule of the HZMB project could hardly be determined at this point in time. Regarding project works for in-territory transport infrastructure, SETW assured Members that the Administration would closely monitor the progress of HZMB and related transport infrastructure would be planned in the light of in-territory development.

## **II. Briefing by the Secretary for Housing, Planning and Lands on relevant policy initiatives in the Chief Executive's Policy Address 2006-07**

(LC Paper No. CB(1)19/06-07(02) — Policy Initiatives of Housing, Planning and Lands Bureau in the Policy Agenda 2006-07)

19. At the invitation of the Chairman, the Secretary for Housing, Planning and Land (SHPL) briefed Members on the four new initiatives and 12 on-going initiatives in the 2006-07 Policy Agenda under the purview of the Housing, Planning and Lands Bureau (HPLB).

*(Post-meeting note: SHPL's speech was circulated to members vide LC Paper No. CB(1)136/06-07 on 23 October 2006.)*

### Development of the Frontier Closed Area

20. Miss CHOY So-yuk said that she understood that the Shenzhen authority was interested in developing a special industrial zone for creative industries at one of the border areas with potential for development such as the river-loop area of Shenzhen River or Sha Tau Kok. She asked if the Administration had any plan for such a development. SHPL and the Permanent Secretary for Housing, Planning and Lands (Planning and Lands) PSPL advised that the Administration had set up a joint study group with the Shenzhen authority to look into the possibility of developing the Lok Ma Chau Loop. A major constraint of development was the mud contamination in the area and its proximity to a natural wetland, and thus an environmental assessment study would have to be conducted first if development at the area was to be pursued. Meanwhile, the Administration was conducting a comprehensive planning study to examine the development potential and constraints of the areas to be released from the Frontier Closed Area (FCA). They assured members that planning of the border areas would complement the policy initiatives of other Government bureaux and, where appropriate, the Administration would liaise with the Shenzhen authority concerning the development of the areas.

### Development of the Eastern Crossing

21. Mr LI Kwok-ying referred to the new initiative of conducting a joint study with the Shenzhen Municipal Government to establish the need, function and benefits of developing the Eastern Crossing (Liantang/Heung Yuen Wai Control Point), and in parallel proceed with an internal study on the Hong Kong side for the new crossing. He pointed out that the existing linkage road between Fanling and Sha Tau Kok was one of the main thoroughfares for land transport between Hong Kong and Shenzhen, and the traffic flow had been increasing. The setting up of a new cross-boundary control point at Heung Yuen Wai would bring about further additional traffic between Fanling and Sha Tau Kok. The existing linkage road was however relatively narrow, and a number of fatal accidents had occurred in the past years. He therefore enquired whether the Government would consider widening the existing linkage road between Fanling and Sha Tau Kok, or building another road to link up the two places.

22. In reply, SHPL and the Director of Planning (DP) advised that the planning study for the Eastern Crossing focused on examining the relevant planning, environmental, traffic and engineering issues of the new cross-boundary control point at Liantang/Heung Yuen Wai, including its connecting roads with major highways. As far as the connecting road between Fanling and Sha Tau Kok was concerned, the capacity of the road and future use of its catchment area would be examined in the planning study for the FCA.

### Development of Lantau

23. Mr WONG Kwok-hing expressed concern that although the Chief Executive had mentioned in his Policy Address about the development of community and recreation facilities in Tung Chung, the Government had no plan to expedite the projects. For example, in the case of the public hospital in Tung Chung, the Government would not start the building works until 2008. He also expressed concern that the Government's Policy Agenda did not mention about the development of Lantau. He was particularly concerned about the development of the southern part of the island and enquired about the status of the relevant planning.

24. SHPL replied that the Government planned to build a hospital in Tung Chung despite the fact that the existing population in Tung Chung did not fully meet the usual criteria for the provision of a district hospital in the area. As regards the development of Lantau, DP advised that the Planning Department was evaluating the views from concerned parties regarding the Concept Plan for Lantau. The revised Concept Plan was expected to be released by the end of 2006 or early 2007. She pointed out that the implementation of individual proposals on the Plan would be subject to the work programme of the respective bureaux and the availability of funds.

### Kai Tak Development

25. Mr CHAN Kam-lam referred to the Administration's pledge that apart from the on-going Central Reclamation Phase III, the proposals for Wan Chai Development Phase II and the Kai Tak Development, there would be no more reclamation within the Harbour. He enquired why the Administration had all along used the assumption of "zero reclamation" in drawing up the development plans for Kai Tak for public consultation, notwithstanding that a small extent of reclamation might permit better development of the Kai Tak area.

26. SHPL explained that in accordance with the Court of Final Appeal's ruling handed down on 9 January 2004, any reclamation in the Victoria Harbour must satisfy the "overriding public need test". This ruling applied to the Kai Tak Development as well. To justify any reclamation in Victoria Harbour, the Administration must explore the feasibility of other reasonable alternatives. Hence, despite the concern about the pollution issue of the Kai Tak Approach Channel, the Administration had been planning the Kai Tak Development based on a "zero reclamation" scenario.

### Small House Applications

27. In reply to Mr CHAN Kam-lam's enquiry about the measures to speed up the processing of small house applications, SHPL advised that after discussion with Heung Yee Kuk, the Lands Department had streamlined the procedures and deployed additional staff for processing small houses applications, with a view to processing not less than 2 300 applications each year and starting the processing of all new applications in not more than one year's time. The Administration would closely monitor the situation and would address problems encountered along the way in collaboration with Heung Yee Kuk.

### Private sector's participation in urban renewal

28. Mr CHAN Kam-lam enquired about the progress of the proposal to lower the compulsory sale application threshold for three specified classes of lots under the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545). PSPL advised that the public consultation on the proposal had been completed and there were diverse views over the proposal. The Government was analyzing the views collected and aimed to come up with a proposal which could strike a balance between safeguarding private property interests and facilitating private sector participation in urban renewal. The Administration would report to the Panel on the subject matter and planned to introduce the relevant legislative proposal to the Legislative Council within the current legislative session.

### Measures to facilitate environmentally-friendly building designs

29. Miss CHOY So-yuk enquired about the measures to be taken to encourage environment-friendly building designs, including designs conducive to saving of energy, use of renewable energy, insulation of noise, rubbish classification, use of natural light and use of environment-friendly building materials.

30. In response, the Director of Buildings (DB) said that to promote the construction of green and innovative buildings, the Government had been providing incentives to encourage the incorporation of green features, such as balconies and communal sky gardens, in building developments by exemption of the green features from the calculation of gross floor area. The Buildings Department was reviewing the existing incentives and examining other possible measures jointly with the Planning Department, bearing in mind the need to strike a balance between the promotion of environment-friendly designs and the effects of the measures on the bulk, height and intensity of building developments. The Buildings Department had also conducted a study jointly with the Environment Protection Department on the feasibility of compulsory installation of rubbish categorisation facilities in buildings, and a relevant proposal would be announced by the Environment Protection Department shortly.

### Measures to expedite pre-construction certification procedures

31. Mr Patrick LAU enquired about the measures that would be taken by the Administration to expedite the pre-construction certification procedures for building developments. SHPL replied that as several departments were involved and each had its own area of responsibilities, efforts had been made to better co-ordinate the work and streamline/synchronize the procedures. Instructions like Joint Practice Notes had been issued with a view to further improving the system. Sometimes the certification process was delayed because of insufficient information provided by the applicants. PSPL supplemented that the Business Facilitation Advisory Committee had been formed and a consultant had been engaged to look into the matter. A consultant report would be completed by the end of the year for consideration by the concerned parties.

32. Ir Dr Raymond HO said that the proposal for private certification of building submissions was last discussed by the Panel in July 2006. A task force established under the Provisional Construction Industry Co-ordination Board had proceeded to commission a consultant to study the subject despite objection from various stakeholders. At the Panel meeting, many relevant professional associations and civil service staff associations raised objection to the proposal. He enquired as to when the consultant report would be completed and whether the Administration would revert to the Panel before proceeding with the proposal. Ir Dr HO pointed out that the existing certification system had operated efficiently and effectively for many years and many overseas authorities had come to Hong Kong to study the system. A major issue regarding the proposal was about the independence of private certifiers, especially in view of the small construction

community in Hong Kong. He opined that the Government should handle the subject very carefully in view of the possible repercussions.

33. DB replied that the consultant report was near completion and would first be submitted to the relevant committee for consideration. He pointed out that the various issues relating to the private certification proposal such as the independence of private certifiers, insurance coverage and public confidence in the system would first have to be sorted out. The Government had noted the reservations of the relevant industries and would take into consideration the views of all concerned parties in handling the proposal.

#### Enhancement of harbour-front areas

34. Dr KWOK Ka-ki was of the view that Hong Kong people had suffered from the high land price policy and many families had to live in small living units, despite that Hong Kong still had large areas of land for development. Over the years, the living environment of the general public had deteriorated. He asked about the measures to be taken by the Government in the coming year to better develop Hong Kong, especially the enhancement of the harbour-front areas from Kennedy Town to North Point.

35. SHPL stated that under the "Small Government, Large Market" policy, the Government formulated policies to facilitate the market to develop a good living environment for the people, and it would take time for Government's policies to take effect. The Government had formulated plans for enhancement works at the harbour-front, covering the Central and Wan Chai areas. However, some development works could not commence before the relevant reclamation works were completed.

36. Dr KWOK Ka-ki said that it was unrealistic to expect the private developers whose aim was profit-making to build up a good living environment for Hong Kong people. He asked about the work undertaken by the Administration in improving the environment and public accessibility of those harbour-front areas which did not require reclamation. PSPL responded that the Administration had been working closely with the Harbour-front Enhancement Committee (HEC) and the relevant District Councils in mapping out the enhancement of harbour-front areas. For instance, works were being carried out to improve the environment of the waterfront areas in Central and Wan Chai.

#### Use of idled farm lands

37. Mr Albert CHAN pointed out that many developers bought in farm lands in areas like Tin Sui Wai, Tuen Mun and Yuen Long, and left them undeveloped for years. Many owners of farm lands no longer farmed on their lands but they found it expensive and time-consuming to apply to the Town Planning Board (TPB) for change of usage of their lands. As a result, many lands were left idle. Quoting the proposal from the Buffalo Society to set up a Buffalo Village in Pui O

as an example, he said that the TPB did not approve the proposal because people in the village objected to the project, probably due to the fact that the villagers would not gain any benefits from the project. He opined that if the TPB could be more flexible in granting the change of usage of farm lands for recreational and other worthwhile purposes, it would be a "three-win" situation as the Government and the owners could earn incomes from the lands and the public could have more places for recreational activities.

38. In response, PSPL explained that the TPB had a very transparent and objective system to consider any planning applications, including change of land use. In considering the applications, TPB would take into account all relevant factors including the environmental impact of the proposal and the views of the locals. In fact, the TPB had in the past approved many such proposals.

#### Unauthorized extension of shops to pavement

39. Mr James TO expressed concern about unauthorized occupation of government land by extension of shops to pavement. He pointed out that persons who had uninterrupted and unchallenged possession and occupation of a piece of land for 20 years might claim for adverse possession. He requested that the Administration should step up enforcement actions to recover such land and conduct a comprehensive survey to ascertain the extent of the problem in the territory. SHPL replied that the Government had taken enforcement actions against shop-front obstructions. He said that the Administration would provide information on the work done by Government to combat the problem and the number of successful cases on clearance of unauthorized attachments to ground floor shops in the past year.

*(Post-meeting note: The Administration's written response (LC Paper No. CB(1)270/06-07(01)) was issued to members on 15 November 2006.)*

#### Triggering mechanism of the Application List System

40. Mr James TIEN was concerned that so far the Government had only sold two small pieces of land in the first half of the financial year which might adversely affect the revenue of the Government. He asked whether the Government would consider further lowering the existing requirement under the Application List System that a triggering bid must reach 80% of the assessed Open Market Value of a site in order to initiate a public auction or tender for the site. He considered that this would not affect the revenue of the Government because the lands would eventually be sold at the market price.

41. SHPL explained that Government's land revenue did not only come from the sale of land but also the payment of premium for lease modification/land exchange. Apart from the sites available for sale from the Application List, the two railway corporations and the Urban Renewal Authority also provided opportunity for property development projects. The developers also built up their

own land reserves through acquisition of private land. The 80% triggering bid threshold was set in June 2005 to facilitate the triggering of sites from the Application List after discussions with the property development sector. To further lower the threshold would lengthen the bidding process and might have other undesirable implications. Mr James TIEN opined that by lowering the threshold, more land could be made available for public auction, and he believed that the bidding process would not be lengthened too much. SHPL said that he noted but did not agree with the suggestion.

**III. Any other business**

42. There being no other business, the meeting ended at 12:10 pm.

Council Business Division 1  
Legislative Council Secretariat  
7 December 2006