

立法會
Legislative Council

LC Paper No. CB(1)2304/06-07
(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 June 2007 at 2:30 pm
in Conference Room A of the Legislative Council Building

- Members present** : Hon LAU Wong-fat, GBM, GBS, JP (Chairman)
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Hon Albert HO Chun-yan
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 Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon CHOY So-yuk, JP
Hon Abraham SHEK Lai-him, 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
Hon Alan LEONG Kah-kit, SC
Dr Hon KWOK Ka-ki
Hon CHEUNG Hok-ming, SBS, JP
- Members attending** : Hon CHAN Yuen-han, JP
Hon Audrey EU Yuet-mee, SC, JP
- Members absent** : Dr Hon LUI Ming-wah, SBS, JP
Hon Bernard CHAN, GBS, JP
Hon WONG Yung-kan, JP
Hon Timothy FOK Tsun-ting, GBS, JP

**Public officers
attending**

: Agenda item IV

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

Ms Ivy LAW
Principal Assistant Secretary for Housing, Planning and
Lands (Planning and Lands) 4

Ms Esther LEUNG
Deputy Secretary for Home Affairs (3)

Dr Louis NG
Assistant Director of Leisure and Cultural Services
(Heritage and Museums)

Agenda item V

Miss Annie TAM Kam-lan
Deputy Secretary for Housing, Planning and Lands
(Planning and Lands) 1

Mrs Ava NG TSE Suk-ying
Director of Planning

**Attendance by
invitation**

: Agenda item IV

Urban Renewal Authority

Mr Quinn LAW
Executive Director (Commercial & Corporate)

Ms Iris TAM
Executive Director (Planning & Development)

Mr Joseph LEE
District Development Director

Mr Ian WONG
General Manager (Property & Lands)

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

Staff in attendance : Miss Monna LAI
Assistant Legal Adviser 7

Mr WONG Siu-yee
Senior Council Secretary (1)7

Ms Christina SHIU
Legislative Assistant (1)7

Action

I Confirmation of minutes

- (LC Paper No. CB(1)1934/06-07 -- Minutes of special meeting on
23 April 2007
LC Paper No. CB(1)1936/06-07 -- Minutes of meeting on
24 April 2007)

The minutes of the meetings held on 23 and 24 April 2007 were confirmed.

II Information papers issued since last meeting

- (LC Paper Nos. CB(1)1689/06-07(01), (02) and (03) -- Issues raised at the meeting between Legislative Council Members and Kwun Tong District Council members on 1 February 2007 relating to Kai Tak Planning Review and the Administration's response
LC Paper Nos. CB(1)1690/06-07(01), (02) and (03) -- Issues raised at the meeting between Legislative Council Members and Kwun Tong District Council members on 1 February 2007 relating to private building management problems and the Administration's response
LC Paper No. CB(1)1714/06-07(01) -- Information paper on "PWP Item No. 713CL - Tai Po development - Formation and servicing of Areas 12 (part) and 39, phase 2A" provided by the Administration

- LC Paper Nos.
CB(1)1752/06-07(01) to (21) -- Letters from 21 members of the public expressing support for the Administration's proposal to lower the compulsory sale threshold for specified classes of lots under the Land (Compulsory Sale for Redevelopment) Ordinance
- LC Paper Nos.
CB(1)1755/06-07(01) and (02) -- Issues raised at the meeting between the Legislative Council Members and Central & Western District Council members on 1 February 2007 relating to urban planning in Kennedy Town

2. Members noted the information papers issued since last meeting.

III Items for discussion at the next meeting

- (LC Paper No. CB(1)1940/06-07(01) -- List of outstanding items for discussion
LC Paper No. CB(1)1940/06-07(02) -- List of follow-up actions)

3. Members agreed that the following items proposed by the Administration would be discussed at the next meeting scheduled for 24 July 2007 –

- (a) Mandatory Building Inspection; and
- (b) Construction Industry Council.

IV Work of the Urban Renewal Authority

- (LC Paper No. CB(1)1940/06-07(03) -- Information paper on "Responses to Questions raised by the Legislative Council Panel on Planning, Lands & Works at its Meeting held on 23 April 2007" provided by the Administration
LC Paper No. CB(1)1184/06-07(07) -- Information paper on "Work of the Urban Renewal Authority" provided by the Administration

- LC Paper No. CB(1)1184/06-07(08) -- "List of relevant events and papers" prepared by the Legislative Council Secretariat
- LC Paper No. CB(1)1254/06-07(01) -- Letter dated 26 March 2007 from Hon WONG Kwok-hing on the work of the Urban Renewal Authority
- LC Paper No. CB(1)1277/06-07(01) -- Submission dated 29 March 2007 from K28 Sport Shoes Street Concern Group on the work of the Urban Renewal Authority
- LC Paper No. CB(1)1934/06-07 -- Minutes of special meeting on 23 April 2007)

4. The Deputy Secretary for Housing, Planning and Lands (Planning and Lands) 2 (DS/P&L2) highlighted that a comparison of the gross floor areas (GFAs) of the respective sites before and after redevelopment was given in Appendix C of LC Paper No. CB(1)1940/06-07(03). While the total GFA after redevelopment would be tripled, the GFA for community facilities and open space would also be substantially increased. She emphasized that one of the missions of the Urban Renewal Authority (URA) was to provide community facilities and bring improvement to the living environment in redeveloped districts. As regards the review of the Urban Renewal Strategy (URS), the Secretary for Housing, Planning and Lands, in response to relevant questions raised by Members at the Finance Committee meeting in March 2007, had already explained to Members that it was not appropriate to initiate a review of the URS at this stage. Nevertheless, URA would continue to fine-tune its implementation strategy in the light of the community's concerns.

5. Noting that there was a substantial increase in GFA after redevelopment, Mr Abraham SHEK enquired about the GFA designated for "Government, Institution or Community" (G/IC) use for each URA project, the land premium exempted and the plot ratio for each project. He said that it was regrettable that URA had not provided the financial information in respect of individual projects on the grounds of commercial sensitivity. The public had a right to know whether the Government's \$10 billion injection into URA had been well spent. He reiterated his request that URA should provide information on the financial results/status (profit/loss) of the individual completed/on-going projects launched by URA, and said that he would continue to pursue the matter if URA could not answer his questions satisfactorily. He informed the meeting that at a time when he was the Chief Executive of the former Land Development Corporation (LDC), he had provided the Legislative Council with financial information on individual projects of the LDC.

6. In response, DS/P&L2 explained that the notes of Appendix C of LC Paper No. CB(1)1940/06-07(03) showed that for those projects launched by URA with confirmed planning parameters but including the Kwun Tong Town Centre project, the existing and proposed GFAs for G/IC use were 19 988 m² and 45 088 m² respectively. The corresponding figures for Open Space were 2 985 m² and 12 300 m² respectively. As regards land premium, the land premium exempted by the Government amounted to several billion dollars within the period of URA's five-year Corporate Plan. Information on individual projects was only a rough estimation and would have to be collated before passing to Members for information.

7. Dr KWOK Ka-ki sought an explanation on why the Managing Director of URA did not attend the meeting. He said that URA had been trying to keep acquisition prices as low as possible notwithstanding the substantial increases in GFA for its redevelopment projects. URA's claim that many of its projects would incur losses was unfounded. Neither was the claim fair to the affected parties. Substantial increase in GFA would bring about planning blunders, such as Langham Place and Hanoi Road where bulky buildings had been erected. These developments did not fit in the local building morphology nor live up to the aspirations of the local residents. Revitalization was also one of the missions of URA and as such, it should not destroy community characteristics. The Administration should have a monitoring role in URA's work and planning to ensure that public aspirations were met. He asked what the Administration had done in this regard.

8. In response, Mr Quinn LAW, Executive Director (Commercial & Corporate) of URA, explained that the Managing Director of URA was out-of-town and therefore was unable to attend the meeting. As regards the financial status of URA, it had a surplus of some \$1.5 billion and \$3 billion respectively for 2005-2006 and 2004-2005. However, prior to 2004-2005, URA had recorded deficits for several years. Its net asset value as at 31 March 2006 was \$9.5 billion, including an accumulated surplus of \$1.5 billion. URA would submit its annual report, which contained clear information on its financial status, to the Legislative Council in September every year. As regards GFA, Ms Iris TAM, Executive Director (Planning & Development) of URA, explained that the increase in GFA was due to the difference between the GFA of the existing developments and the allowable GFA under the relevant Outline Zoning Plans (OZPs). The existing developments had not attained the allowable development intensity.

9. In relation to the Administration's role of monitoring the URA, DS/P&L2 explained that the Corporate Plans and annual Business Plans of URA had to be approved by the Financial Secretary. In the course of examining the draft Plans submitted by the URA, the Administration would take into consideration the need to respond to public calls for a balanced urban renewal programme, comprising redevelopment, preservation, rehabilitation and revitalization. There were also comprehensive and transparent planning procedures under the Urban Renewal

Authority Ordinance and the Town Planning Ordinance whereby the public could participate in the planning process, such as submitting views and objections on URA's redevelopment projects. Public demands would be addressed as far as practicable with the aim of arriving at an arrangement that was acceptable to concerned parties.

10. Mr CHAN Kam-lam declared that he was a member of the URA Board. He pointed out that Appendix A of LC Paper No. CB(1)1940/06-07(03) provided the respective GFAs for various G/IC uses. He commented that urban renewal was not an easy task. Although redevelopment might affect the local characteristics of a community, it could bring about enhancements to a community. For the Kwun Tong Town Centre project, there were many calls from residents for early implementation of the project because the properties there were unfit for dwelling, selling or renting. Criticisms that the project would destroy the local characteristics of the community would put URA into a dilemma in considering whether to implement the project. Similarly, for the Nga Tsin Wai Village project, the residents urged for early implementation of the project and were concerned about whether URA was facing obstacles in implementing the project. The relevant District Council also supported the project. URA should listen extensively to the views of the residents living in districts announced or being considered for redevelopment and provide them with more detailed explanations on its work. Apart from redevelopment, some 300 buildings had benefited from rehabilitation initiatives launched by URA and this was a fruitful achievement.

11. In response, Ms Iris TAM, Executive Director (Planning & Development) of URA, said that URA had been listening extensively to the views of the public even before the planning stage. For instance, URA had been in contact with residents of the Nga Tsin Wai Village and had explained to them that there would be a slight delay because discussions with the majority owner who owned a substantial proportion of lots in the Village and the drawing up of conservation plans were in progress.

12. Miss CHAN Yuen-han criticized that URA had stirred up a lot of disputes among the affected parties of redevelopment projects. She queried whether the Administration was trying to destroy harmony in society. She opined that URA should first announce its redevelopment projects before proceeding with the planning and other necessary work. Conflicts arose in the past because URA had carried out planning work before announcing its projects. For the Sai Yee Street, Kwun Tong Town Centre and Nga Tsin Wai Village projects, there were different calls from various stakeholders, such as residents and shop owners, with some expressing support for and others raising objection to the projects. She considered that the Kwun Tong Town Centre project should not be implemented in phases and the Nga Tsin Wai Village project should be implemented as soon as possible. If it was the legislation that posed the major constraints to urban renewal work, legislative amendments should be introduced.

13. In response, DS/P&L2 said that the Administration accorded top priority to achieving social harmony. She explained that under the existing legal framework, the URA should complete the statutory planning procedures before making acquisition offers. During the planning process, URA would fully gauge public views on how to enhance the environment of an area and strive to arrive at a community consensus before a project was implemented. As regards the Nga Tsin Wai Village project, URA was discussing with the major owner in the Village having regard to public concerns over the heritage preservation angle.

14. Mr Albert CHAN pointed out that urban renewal work was bureaucratically led and the URA Board was lagging behind the times in responding to trends and changes in society. He called for a full review of the URS and URA's work progress, and was disappointed that the Administration's paper did not touch on the subject. He commented that the URS had failed to address the public's contemporary aspirations towards urban renewal, such as preservation of heritage that embraced collective memories. He suggested that the item should be discussed again and the new Secretary for Development, the relevant Permanent Secretary and the Managing Director of URA should attend the meeting. The Administration's paper did not provide complete information on community facilities and URA's financial status. In contrast, Mr Abraham SHEK had disclosed financial information on 10 former LDC projects to the Legislative Council in the 1990s in response to his enquiry. If the former LDC found this practice acceptable, he queried why it was not possible for URA to do so. URA was emphasizing the losses to be incurred for some of its projects but downplaying the profits to be gained from other projects. This was irresponsible and misleading.

15. In response, DS/P&L2 said that the Administration and URA would be happy to further discuss URA's work and its strategy again. It should be noted that the detailed financial information on individual URA projects bore certain degree of commercial sensitivity. The Administration could not locate any records of the Legislative Council on the disclosure of the financial information of individual redevelopment projects by the former LDC. The Administration would try further in consultation with the Legislative Council Secretariat. Mr Quinn LAW, Executive Director (Commercial & Corporate) of URA, added that URA had tried to search its own records but failed to locate any record that the former LDC had disclosed such information to the Legislative Council. URA would also search again for the information.

16. Mr James TO said that he could not understand why some members had such grave dissatisfaction with URA's work. He considered that the overall framework for urban renewal and the existing mode of operation of URA were workable. He fully appreciated that projects such as Kwun Tong Town Centre, Sai Yee Street and Ngai Tsin Wai Village each had its own difficulties in implementation. Nevertheless, he considered that URA should strive to implement the Kwun Tong Town Centre project successfully as a showcase. Unless an arrangement that could satisfy different stakeholders could be identified

within a short time, URA should be decisive in implementing the long-awaited Sai Yee Street project. Otherwise it would be unfair to the residents. For the Nga Tsin Wai Village project, URA should explain to Members any difficulties in relation to the relevant developer and those parties who might have a vested interest. As regards financial information on individual URA projects, unless there were very special reasons, he could not see why URA could not disclose such information. URA should also clarify the public's perception that non-profitable projects were launched by the Hong Kong Housing Society and profitable ones by URA itself.

17. Mr LEE Wing-tat commented that it was rare for a subject matter to have drawn so many complaints from the public and so much dissatisfaction from Members. The slow progress of URA's work was unacceptable. URA was prone to adopt a delay tactic for projects which faced obstacles. He doubted whether URA could sustain its work by adopting such an approach because the demands of different stakeholders were often in conflict and one would envisage that disputes would increase in future projects. Given the volatility of the property market, it was difficult to predict the financial outcome of redevelopment projects and thus there was a need to continuously update the financial projections in planning for redevelopment projects. He disagreed to the view that the existing mode of operation of URA was workable and considered that a comprehensive review was required for URA to continue with its work in future.

18. In response, DS/P&L2 said that the Administration was aware that there were criticisms on URA's urban renewal work and there was room for URA to improve. However, it should be noted that urban renewal was not an easy task in view of the diverse stakeholders' demands and aspirations. As regards the pace of urban renewal, the former LDC had completed 16 projects and launched 10 projects in 10-odd years. URA had been established for six years and it had launched 31 projects. As the planning and acquisition process took time, many URA projects were still in progress. While the pace of urban renewal was in fact faster than before, there was still room for improvement. The Administration would assess the financial status of URA when scrutinizing its five-year Corporate Plans and would adopt an open mind in examining the financial arrangements for individual redevelopment projects.

19. Mr Alan LEONG said that he had been a non-executive director of URA for two years. Even though URA had made an effort in carrying out its work, it had not been able to cope with it because its mode of operation had failed to keep pace with the changes in demands and aspirations of society. He in particular pointed out that the present arrangements that URA had to be self-financing and would not pay compensation before completion of planning work required a fundamental review. For instance, for the Kwun Tong Town Centre project, it would be ridiculous to discuss planning parameters with the affected property owners and tenants because they knew that they had to leave as they could not afford to purchase a flat or a shop in the same district after redevelopment. There was a large gap between the reality and URA's ideal of adopting a people-oriented approach and enhancing quality of life. In recognition of this, he moved a motion

in May 2006 and asked the Administration to review the URS because an outdated URS could not meet the aspirations of society. The Administration should not be evasive and should conduct the review before it was too late. He asked when the Administration would conduct the review.

20. In response, DS/P&L2 said that there was a reason for the existing arrangement of making acquisition offers after the statutory planning procedures had been completed. Although many affected parties would wish to receive compensation first, it would be difficult for the URA to acquire the properties and offer compensation in a redevelopment project before the project boundary had been finalized. She reiterated that the Administration was of the view that it was not an opportune time to conduct a review on urban renewal at this stage.

21. Mr Albert HO said that as a public body, URA should not think of making huge profits in carrying out urban renewal work. URA should also reckon that rehousing, compensation and heritage conservation were its public duties. URA should have seized the opportunity during the downturn of the property market and used the \$10 billion Government injection for acquiring properties. This could have boosted the economy and created job openings. It was ridiculous for URA to say that the financial information of individual projects could not be disclosed to members on the grounds that such information was sensitive information. More transparency in URA's financial status and operation was needed. The public should be engaged to resolve conflicts and more choices could be provided to affected property owners, such as equity participation. URA should explain the slow progress of some of its major projects.

22. In response, Mr Quinn LAW, Executive Director (Commercial & Corporate) of URA, clarified that the provision of the \$10 billion was spread over several years starting from 2002-2003, with \$2 billion for each financial year. In preparing its five-year corporate plan, URA had no intention of making huge profits from its projects. According to the latest projections, URA might not even be able to recover the \$10 billion injection. One of the major reasons why URA could attain a surplus in the past two years was that it had acquired properties in 2003 during the downturn of the property market, leading to an improvement in URA's financial status in recent years.

23. Prof Patrick LAU commented that the views expressed by members at the meeting could serve as a reference for the review on urban renewal. He was disappointed that the Administration refused to conduct a review. He shared the view that URA had failed to capitalize on the downturn of the property market in 2003. With the recovery in the property market, it was now more difficult to find professionals to undertake urban renewal projects. For the Sai Yee Street project, if URA adopted a people-oriented approach, it should offer affected parties a choice on whether to stay or move out. Although rehabilitation programmes had their merits, the most important point in urban renewal was to enhance the environment by offering compensation early to allow affected parties to move out as soon as possible. Private developers also undertook urban redevelopment

projects but they did not have so many problems. He enquired whether URA had any plan regarding the conservation of the Wan Chai Market.

24. In response, Ms Iris TAM, Executive Director (Planning & Development) of URA, explained that the former LDC had signed the agreement for the redevelopment of the Wan Chai Market with the developer concerned and the premium had already been paid. The agreement was still in force and URA had to respect contractual obligations. The developer concerned had no intention to vary the agreement or exchange the site. Prof Patrick LAU queried why URA did not take the initiative to discuss with the relevant developer to explore options, such as negotiating for a supplemental agreement or land exchange, to preserve it if URA claimed that heritage conservation was one of its objectives.

25. Mr Abraham SHEK was dissatisfied with URA's response with regard to the Wan Chai Market. Land exchange would provide a solution for conserving the Wan Chai Market. Unlike the former LDC which conducted planning before acquisition because of insufficient funds, URA was provided with \$10 billion and therefore there was no justification for it to adopt the same approach. He considered it a dereliction of duty for URA not to have seized the opportunity of the downturn of the property market to acquire properties. Otherwise, the value of its assets would have been greatly increased. He pointed out that Appendices A and C of LC Paper No. CB(1)1940/06-07(03) did not contain information on G/IC facilities for some of the projects included therein.

26. Mr CHAN Kam-lam said that URA should explain to the public the rationale for not announcing its projects before planning was completed. In fact, URA had discussed whether its work flow could be enhanced so as to reduce conflicts. URA should provide further information as requested by members because more understanding would mean less misunderstanding. Criticisms were often a result of misunderstanding. For those who were not in charge of implementing the projects and managing the finances, criticisms would be easy. Although a member of the URA Board, he would adopt an unbiased stance and a rational approach. Fair comments would be conducive to discussion. If the view that redevelopment would necessarily lead to destruction of communities was maintained, then all redevelopment projects would come to a halt. However, many residents in fact wanted early implementation of redevelopment projects. It would take some time before achievements in urban renewal could be seen and not until then, it would be too early to conclude whether a project had enhanced or destroyed a community.

27. Mr LEE Wing-tat said that the responses given by the Administration and URA were not comprehensive enough. Conflicts would arise because what was acceptable in the past, such as high plot ratios, had become unacceptable nowadays. Adopting a delay tactic would only lead to increasing conflicts. The Administration's financial projections made in the past based on high plot ratios might not be realistic anymore. Society should be aware that a price had to be paid for lowering plot ratios and preserving heritage. He queried whether URA was

under financial pressure to maximize plot ratios for its projects. The URS should be revised and further financial support from the Government might be necessary if funds were still insufficient after URA had tried its best in its work.

28. In response, DS/P&L2 said that despite the \$10 billion capital injection, the Administration would continue to examine URA's financial status and adopt an open mind in examining URA's further financial needs. As regards the Kwun Tong Town Centre project, URA had carried out extensive community engagement work. The plot ratio had been reduced in response to the community views. The local community generally supported URA's proposal. The Administration had no intention to press for a high plot ratio.

Admin 29. Members agreed that a special meeting would be held in September 2007 to further discuss the subject. The Chairman requested that a more comprehensive paper with the information requested by members be presented when the subject was discussed again.

V Amendments made by the Town Planning Board to Outline Zoning Plans to impose development restrictions

(LC Paper No. CB(1)1643/06-07(04) -- Information paper provided by the Administration

LC Paper No. CB(1)1643/06-07(05) -- Background brief on "Amendments to Outline Zoning Plans made by the Town Planning Board to impose development restrictions" prepared by the Legislative Council Secretariat

LC Paper No. LS96/06-07 -- Paper entitled "Compensation for diminution of development rights due to planning actions" prepared by the Legal Service Division

LC Paper No. CB(1)1985/06-07(01) -- Referral from the Complaints Division in relation to proposed amendments to the Wong Nai Chung Outline Zoning Plan and the Administration's response

LC Paper No. CB(1)1985/06-07(02) -- Submission dated 22 June 2007 from The Incorporated Owners of Winfield Gardens)

30. The Director of Planning (DPlan) briefed members on the Administration's paper (LC Paper No. CB(1)1643/06-07(04)), including policy objectives of stipulating development restrictions, land use zones subject to

development restrictions, public consultation during the plan-making process, development rights under land leases and implications of imposing development developments in relation to the Basic Law. She pointed out that imposing development restrictions in the public interest would not necessarily amount to deprivation of property.

31. Prof Patrick LAU expressed concern on whether the Administration would conduct a comprehensive review for all the areas within an OZP before imposing development restrictions or whether restrictions were imposed based on other factors. Imposing restrictions selectively would be unfair because while some might benefit, the rights of some others might be affected. There should be a comprehensive review on issues such as landscape and air ventilation for all the areas within an OZP before imposing restrictions. He asked whether the density zoning established in the 1960s would still be applicable nowadays when circumstances had changed. He further asked whether the plot ratios of all districts in Hong Kong would have to comply with the density zoning if it was still applicable and whether the density zoning would be reviewed.

32. In response, DPlan said that a review on an OZP would be for the whole planning scheme boundary concerned in general, with priority given to areas facing development pressure or having special conditions for development within the district. Reviews on OZPs would be conducted in phases and this had been the established practice over the years. Density zoning would be reviewed from time to time and it had been included in the Hong Kong Planning Standards and Guidelines. It was one of the considerations in defining development restrictions for individual zones in the planning process, but not the sole consideration. In imposing planning parameters on the Wong Nai Chung OZP, priority was given to areas of medium density because they faced higher development pressure, while development restrictions for low density areas had been imposed some years ago. A review on the development density of other areas in that OZP, including Government sites, was also in progress.

33. Referring to LC Paper No. LS96/06-07, Mr Daniel LAM said that Heung Yee Kuk had prepared a questionnaire for soliciting the views of affected parties on the issue of whether imposing development restrictions would be in breach of Article 105 of the Basic Law. Heung Yee Kuk would make a submission to the Administration in due course.

34. Ms Audrey EU asked whether the Administration would review all the OZPs to prevent the emergence of buildings creating the "wall effect" and, if so, how long it would take to complete the review. She was worried that developers would rush through their development projects before the review was completed and restrictions were imposed. She asked whether there were measures to prevent this from happening. Referring to the imposition of height restrictions on the site of the former North Point Estate, she queried why no restrictions on plot ratio were imposed at the same time because given the same GFA, the buildings could be panel like if the heights of the buildings had to be reduced.

35. In response, DPlan said that rather than specifically addressing the sole concern about "wall effect", the Administration was conducting an overall review on those OZPs without adequate planning parameters such as restrictions on building height or plot ratio with a view to imposing such restrictions. It would be difficult to set a concrete timetable for the review because of the voluminous work involved. As other factors such as landscape, traffic, air ventilation and infrastructure capacity had to be studied as well, it would take several years to complete the review of all statutory plans. The opportunity would also be taken to implement the Urban Design Guidelines in Chapter 11 of the Hong Kong Planning Standards and Guidelines. Although height restrictions had been imposed on the North Point OZP, the buildings would not be very low and bulky because the height restrictions allowed a reasonable limit. There would be a gradation of height profile for the buildings in the district. Development intensity would also be reviewed later but it would be more complicated and thus require more time because lease conditions had to be considered as well in striking a balance between public and private interests. Also, the medium-density areas in the mid-level of North Point had already been subject to intensity and height restrictions. A phased approach had to be adopted in conducting an in-depth review of the OZP. In general, priority would be given to impose height restrictions on OZPs covering waterfront areas to respond to calls from the public for low-rise developments in these areas. Information about the order of the OZPs to be reviewed would be kept confidential, otherwise the effectiveness of imposing development restrictions would be compromised.

Admin 36. Ms Miriam LAU considered that there should be objective criteria for imposing development restrictions, otherwise it would give the public an impression of unfairness. Criteria such as character and amenity were too vague. The Administration should ensure that it would not be criticized as selective in imposing development restrictions. For the Wong Nai Chung OZP, only four areas were selected for imposition of development restrictions and nearby areas were unaffected. Furthermore, a 37-storey development had been approved in the district. She asked why development restrictions could not be imposed on all areas at the same time and queried whether the Administration was imposing development restrictions on areas with less resistance first. She requested the Administration to provide a supplementary paper on the Wong Nai Chung OZP, with information on the background, historical development and future work.

37. In response, DPlan said that in imposing development restrictions, the Administration would follow the Urban Design Guidelines in the Hong Kong Planning Standards and Guidelines. All amendments to OZPs would have to go through the statutory planning process, including exhibition of the relevant OZPs, consideration of representations, and approval by the Chief Executive in Council etc. Lease conditions of the relevant sites would also have to be studied and imposing development restrictions would not necessarily affect the rights of the owners. The building plans of the 37-storey development had been approved by the Buildings Department in the past before the imposition of development

restrictions. The Administration had to set priorities in imposing development restrictions. Development restrictions were imposed on the four remaining areas in Density Zone 2 so that the whole Zone 2 area in the district would be subject to development restrictions. Since restrictions had already been imposed on low-density areas, the review for other areas covered by the same OZP for the purpose of imposing development restrictions was in progress.

38. Mr CHAN Kam-lam commented that whether developments in newly developed districts would create undesirable environmental effects on old districts would need detailed discussion in society. By way of illustration, he queried whether a new 16-storey development next to an existing 6-storey development would really create the "wall effect". If the community considered that such a view was justified, then Hong Kong's town planning would have to be conducted afresh. If the community considered that such a view was not in the wider public interest, the existing mechanism and legislation should be respected. The OZPs had already taken into account the interest of various parties. With regard to the review of OZPs to facilitate redevelopment of old urban industrial districts into commercial and business districts, he considered that there should be comprehensive re-planning to enhance the overall environment of those districts, such as layout of roads and buildings and provision of open space. Otherwise, the review would merely be a change in land use zoning. A flexible policy would be required to offer incentives, such as land exchange or compensation for affected owners, so as to expedite the redevelopment of old urban industrial districts. He also urged the Administration to review the redevelopment of San Po Kong, Kwun Tong, To Kwa Wan and Kowloon City.

39. In response, DPlan said that there was good integration between new and old districts. Lower development intensities and height restrictions had been adopted in the planning for new areas. Review of the OZPs for old urban industrial districts would aim at revitalizing those districts with local enhancement measures, such as landscape improvement and roads widening. For example, the land use of old industrial district like Wong Chuk Hang was reviewed with introduction of height restrictions.

40. Mr Abraham SHEK shared the view that the Administration's paper did not include sufficient background information on the Wong Nai Chung case. He considered that the Administration lacked objective criteria in imposing development restrictions and some members of the public did not understand the plan-making process. The Panel should consider discussing the issue of restructuring the composition of the Town Planning Board in that its chairman should not be a Government official and the secretariat should be independent. Town planning should not be led by the Planning Department.

41. Mr Albert CHAN pointed out that town planning work was bureaucratically led and those who could exert influence on Government officials would benefit. While agreeing that priority should be accorded to reviewing districts of high development intensity, he considered it unreasonable for the

Administration to keep the timetable for the review of the OZPs confidential. The Administration should be transparent and announce a clear timetable so that there would be a level playing field. Otherwise, some large developers, especially those who could exert influence on the Administration or who were familiar with the Administration's operation, would have their developments approved before restrictions were imposed. Small developers and individual property owners would be disadvantaged. He also urged the Administration to impose restrictions on building height and development intensity at the same time, especially for sites zoned as Comprehensive Development Area, because the two parameters were inter-related. For some sites, tall buildings would be more desirable because they would occupy less footprint areas. While it took time to complete the review of the development parameters of all existing OZPs, the Administration should in the meantime impose development restrictions through other measures. For property development projects of the two railway corporations, the Administration could adopt administrative measures to reduce their environmental impacts. For other sites, the Administration could impose restrictions on building height and development intensity through land sale conditions or land lease modifications.

VI Any other business

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