

立法會
Legislative Council

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by the Administration)

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Panel on Development

Minutes of meeting
held on Tuesday, 25 March 2008, at 2:30 pm
in the Chamber 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, GBS, JP
Hon Miriam LAU Kin-yea, GBS, JP
Hon CHOY So-yuk, JP
Hon Albert CHAN Wai-yip
Hon Daniel LAM Wai-keung, SBS, JP
Dr Hon KWOK Ka-ki

Members absent : Dr Hon Philip WONG Yu-hong, GBS
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon LEE Wing-tat
Hon Alan LEONG Kah-kit, SC
Hon CHEUNG Hok-ming, SBS, JP

Public officers attending : Agenda item III

Mr WONG Ming-to
Principal Assistant Secretary (Works)2
Development Bureau

Mr YEUNG Kwok-kuen
Deputy Head of Civil Engineering Office
(Port & Land)
Civil Engineering and Development Department

Ms NG Tze-Kwun, Kathy
Senior Landscape Architect/Land Works 1
Civil Engineering and Development Department

Agenda item IV

Mr Raymond YOUNG
Permanent Secretary for Development
(Planning & Lands)

Mr Tommy YUEN
Deputy Secretary for Development
(Planning & Lands) 2

Mr CHEUNG Hau-wai
Director of Buildings

Hong Kong Housing Society

Mr WONG Kit-loong
Director (Property Management)

Agenda item V

Mr Raymond YOUNG
Permanent Secretary for Development
(Planning & Lands)

Miss Annie TAM
Director of Lands

Ms Joey LAM
Deputy Commissioner for Tourism

Clerk in attendance : Ms Anita SIT

Chief Council Secretary (1)4

Staff in attendance : Mr WONG Siu-yee
Senior Council Secretary (1)7

Ms Christina SHIU
Legislative Assistant (1)7

Action

I Information papers issued since last meeting

- (LC Paper Nos. CB(1)957/07-08(01) and (02) -- The 2008-2009 Application List and the relevant press release issued by the Administration
- LC Paper No. CB(1)1107/07-08(01) -- Information paper on "The Revitalisation of Tai O: Design competition and proposals for early implementation of improvement works" provided by the Administration)

Members noted the information papers issued since the last meeting.

II Items for discussion at the next meeting

- (LC Paper No. CB(1)1069/07-08(01) -- List of outstanding items for discussion
- LC Paper No. CB(1)1069/07-08(02) -- List of follow-up actions
- LC Paper Nos. CB(1)1007/07-08(01), (02) and (03) -- Letters from Hon LEE Wing-tat, Dr Hon KWOK Ka-ki and Hon Alan LEONG Kah-kit on "Compliance by real estate developers with land lease conditions or conditions imposed by the Town Planning Board on the provision of open space and facilities for use by the public")

2. Members agreed that the following items would be discussed at the next regular meeting scheduled for 22 April 2008 --

- (a) Hong Kong-Shenzhen cooperation on cross-boundary planning;
- (b) Compliance by real estate developers with land lease conditions or conditions imposed by the Town Planning Board on the provision of

open space and facilities for use by the public; and

- (c) Mandatory building inspection scheme and mandatory window inspection scheme.

Members also agreed to advance the starting time of the meeting by 30 minutes to 2:00 pm.

III Development and implementation of Greening Master Plans -- progress report

(LC Paper No. CB(1)1069/07-08(03) -- Information paper provided by the Administration)

3. The Deputy Head of Civil Engineering Office (Port & Land), Civil Engineering and Development Department (DHd/CEO) delivered a Powerpoint presentation to highlight the salient points of the Administration's paper and the themes of the Greening Master Plans (GMPs) in the project areas.

(Post-meeting note: The soft copy of the presentation notes (LC Paper No. CB(1)1136/07-08(01)) was subsequently issued to members on 26 March 2008.)

4. Ir Dr Raymond HO expressed support for the Administration's proposal. He commented that the proposed budget for greening was on the low side and the scope of greening could be expanded to include greening of slopes and footbridge rooftops. Vertical greening for buildings and other structures should not pose any problems because a safety factor had been built into the structural loading. More greening could help improve air quality.

5. In response, DHd/CEO said that the Administration's greening measures included greening for slopes and footbridges. A trial for greening the Rumsey Street footbridge rooftop was in progress. If the outcome was successful, greening for other footbridge covers would be carried out where feasible. For new footbridges, guidelines for greening were already in place.

6. Mr CHAN Kam-lam welcomed the Administration's proposal. He asked whether the project could start earlier instead of September 2008. He pointed out that some existing trees were blocking traffic lights and road signs, some were damaged, and some had withered and died. He asked whether the Administration would regularly inspect and trim the trees and whether there were any programmes to maintain the trees in a healthy state. He further asked whether maintenance of trees was managed by the Leisure and Cultural Services Department (LCSD) or respective District Councils. As regards tendering of greening works, he commented that the works could be divided into smaller packages so that more contractors could participate in the greening works.

7. In response, DHd/CEO said that the Administration would implement the project as soon as possible upon completion of the tender exercise. In implementing greening works, the Administration had already assessed the possible impacts of the greening works on traffic lights and road signs during the design and consultation stages. The greening works would be put out to tender according to specific requirements and the successful contractor could engage sub-contractors to carry out the greening works. As regards plant maintenance, the Principal Assistant Secretary (Works)2 (PAS/W2) said that LCSD would be responsible for most of the work. It would regularly inspect, trim and implement measures to care for the plants. To avoid visual blockage of traffic signs and traffic light, suitable species would be chosen. Nevertheless, it would be difficult to completely prevent the plants from being vandalized.

8. Ms Miriam LAU expressed support for the Administration's proposal. She was however disappointed that the visual effects of greening were not impressive. To illustrate her point, she said that the plants could be planted in such a way so as to create a specific pattern to enhance visual impact. As regards the timing for the implementation of GMPs in the New Territories, she asked whether the schedule could be advanced, especially for areas near boundary crossing points. As for the budget, she asked whether the \$9 million estimated annual recurrent expenditure covered maintenance costs of the plants. As regards the future Central waterfront, she asked whether there would be coordination between its design and the greening works in the area. She shared the view that there should be timely maintenance of trees so as to avoid visual blockage of traffic lights and road signs. She further asked whether there were any measures to prevent trees from visually blocking the signs of shops.

9. In response, PAS/W2 said that the Administration was fully aware of Members' aspirations for earlier implementation of GMPs in the New Territories. The design of some greening works, such as that for the North Lantau Highway, had been advanced and was already in progress. The \$9 million estimated annual recurrent expenditure covered the costs for items such as irrigation, maintenance and inspection. Suitable species would be chosen to avoid visual blockage of traffic lights and road signs and the Administration would ensure timely maintenance of the plants. As regards coordination between greening in Central and the design of the future Central waterfront, DHd/CEO said the Administration would give due attention to the issue and the design of the greening measures in the area could be adjusted if necessary. In developing and implementing GMPs, the Administration would organize community forums, and District Councils and shop operators concerned would be consulted.

Admin 10. Mr Albert CHAN expressed support for the Administration's proposal. He was however concerned about the greening costs. He sought information on the total greening areas of the project areas in question; the cost per square metre of greening area for the project areas in question; and the respective unit costs for planting trees and shrubs under the project. He considered that the ratio of the consultants' fees to the total budget was unacceptable because it was too high. He

also suggested that the Administration consider outsourcing greening works on a trial basis to see whether it would bring about better greening effects.

11. In response, DHd/CEO said that the cost per square metre of greening area for the project areas in question was similar to that for the completed greening works in Central and Tsim Sha Tsui. The consultants' fees included the costs for resident staff, such as engineers and supervisors. He undertook to provide the information requested by Mr Albert CHAN.

12. Prof Patrick LAU asked whether the project would include streetscape improvement work like street railings. As regards maintenance, he considered that it would be undesirable for LCSD alone to carry out maintenance of plants. In order to facilitate greening works, he asked whether the Administration would consider relocating underground utilities ducts. He also shared the view that vertical greening would be desirable.

13. In response, DHd/CEO said that the Administration would carry out vertical greening where feasible. Small scale improvement works for street railings and pavements, where appropriate, would be carried out in conjunction with the proposed greening works. However, the current budget did not make provisions for large scale improvement of railings and pavements which were usually carried out in conjunction with other public works. Maintenance of plants was mainly carried out by LCSD and some other departments were responsible for part of the work. The Administration would conduct investigations on the layout of underground utilities ducts and identify suitable locations for greening. If the actual layout of the ducts was found to deviate from the results of the investigation, the Administration would adjust its plans accordingly. The Administration had no plan to carry out massive relocation of underground utilities ducts because it would take a long time and cause serious disturbance to the public. Nevertheless, small scale relocation might be considered.

14. Mr James TO commented that in choosing locations for greening, places which were unfrequented might not be desirable even if large areas of greening could be carried out at those locations. He pointed out that greening was sometimes deliberately not carried out at certain locations because trees and plants might create visual barriers, hinder Police patrol and facilitate illegal activities such as drug trafficking. The Administration should consult the Police under such circumstances.

15. In response, Hd/CEO said that the Administration would consult District Councils, residents and the Police to collect their views. The specific characteristics of each district would be taken into consideration when designing and implementing greening works.

16. Miss CHOY So-yuk also expressed concern on the high consultants' fees and sought explanation on the need for so many resident site staff. She was dissatisfied that vertical greening for footbridges was still at the trial stage after so

Admin many years. She requested the Administration to provide the information on vertical greening for existing footbridges, the respective unit costs for planting trees and shrubs under the project; and the items covered by the consultants' fees, including the number and type of the resident site staff.

17. In response, Hd/CEO said that resident site staff from various disciplines, such as engineer, landscape architect, inspector of works and field officer, would be required. Vertical greening had been carried out for some existing footbridges in Wan Chai and Central. He undertook to provide the information requested by Miss CHOY So-yuk.

Admin 18. Dr KWOK Ka-ki expressed support for the Administration's proposal. He was however also concerned about the high consultants' fees and less than satisfactory greening effects. He requested the Administration to provide maps showing the locations where greening works would be implemented under the project and records of community forums during which various parties had been consulted. He commented that the Institute of Landscape Architects could be invited to give its views when the subject was next discussed. He shared the view that the development and implementation of GMPs in the New Territories should be expedited. To capitalize on community resources, he urged the Administration to solicit support from the private sector and voluntary organizations in implementing greening works.

19. In response, Hd/CEO said that the website of the Civil Engineering and Development Department contained information on the coverage of GMPs. The Administration would consult residents through public forums, and District Councils and professional organizations would also be consulted. Some professional organizations served as advisers in greening works and the Institute of Landscape Architects was one of the advisers of the GMP Committee. As for development and implementation of GMPs in the New Territories, the Administration had already expedited the progress. In carrying out greening works, the Administration would work in concert with non-Government bodies and some greening works had been carried out or sponsored by the private sector. He undertook to provide the information requested by Dr KWOK Ka-ki.

IV Building Maintenance Grant Scheme for Elderly Owners

(LC Paper No. CB(1)1069/07-08(04) -- Information paper provided by the Administration)

20. The Permanent Secretary for Development (Planning & Lands) (PS(PL)) highlighted the background of the Building Maintenance Grant Scheme for Elderly Owners (the Scheme) and the Director of Buildings (DB) briefed members on the details of the Administration's proposal.

21. Mr James TIEN expressed support for the Administration's concept of providing assistance to elderly owner-occupiers in maintaining their properties.

He asked whether the Hong Kong Housing Society (HKHS) would charge administrative fees for operating the Scheme. He further asked the Administration to explain how many elderly owner-occupiers would benefit from the Scheme and the basis for seeking funding approval of \$1 billion from the Finance Committee.

22. In response, PS(PL) said that the HKHS would not charge any administrative or application fees. It would employ additional staff to operate the Scheme using its own resources. Only a very small part of the \$1 billion would be used for reimbursing out-of-pocket expenses incurred by HKHS. The estimated 1 000 elderly owner-occupiers who would benefit immediately from the Scheme included those who had a charging order registered against their titles. They could repay part or all of their debts using the grant provided under the Scheme. Out of some 30 000 orders issued by the Buildings Department (BD) annually, about 3 000 or 10% were cases involving elderly owners. The \$1 billion funding was an initial estimate and the Administration would review the amount of funding after the Scheme had been implemented.

23. Mr CHAN Kam-lam welcomed the Administration's proposal because it could assist elderly owner-occupiers living in old districts. He asked whether HKHS would provide assistance to elderly owner-occupiers living in properties where there were no owners' corporations. He further asked whether HKHS would provide one-stop service by offering advice and assistance in the tendering process, such as identifying suitable professionals and consultants for maintenance works. He also pointed out that some practitioners in the building maintenance sector had worries that HKHS would dominate the market after implementation of the Scheme.

24. In response, PS(PL) said that HKHS had been operating similar building maintenance schemes and the Scheme was specifically catered for elderly owner-occupiers. The Director (Property Management), HKHS further explained that HKHS would provide a subsidy of \$3,000 to assist owners in setting up owners' corporations. It would provide subsidies and technical support in assisting owners in maintaining their properties. It would also offer loans for interior property maintenance. The existing and proposed schemes would complement each other and HKHS had over 100 technicians to provide services to residents. HKHS had set up nine Property Management Advisory Centres to provide one-stop service. Apart from HKHS, BD and the Urban Renewal Authority also offered building maintenance schemes and citizens could obtain relevant information about building maintenance by calling the hotlines.

25. Mr Albert HO said that the Democratic Party welcomed the Administration's proposal. He expressed support for the policy direction and the Administration could apply for additional funding in future if necessary. The Scheme would create a spin-off effect in enhancing amenity and creating employment opportunities. He considered the asset limit of \$338,000 reasonable. However, the salary limit of \$5,900 was too low because the limit for other similar schemes was at least \$7,900. He asked how HKHS would handle cases where the

titles of the properties concerned had been transferred by the elderly owners to their children. He further asked whether HKHS would consider exercising discretion for elderly owners who maintained their living from rental income through leasing out their properties.

26. In response, DB said that the salary limit was set by making reference to the amount of normal old age allowance and a reasonable level of living could be maintained with a salary of \$5,900. The Administration would consider Mr Albert HO's view in this regard. It was necessary to lay down clear eligibility criteria for the Scheme. Elderly who had transferred the titles of their properties to their children aged below 60 would not be eligible for the Scheme. Elderly owners who had leased out their properties to earn rental income would have to bear the maintenance costs of their properties. Mr Albert HO requested the Administration to further consider allowing discretionary treatment for the elderly who had transferred the titles of their properties to their children but had to bear the maintenance costs of the properties.

27. Prof Patrick LAU asked whether the Scheme would cover comprehensive maintenance of a whole building for various items, such as external wall and fire services. He was worried that some non-eligible owners might not be willing to share the maintenance costs for a whole building.

28. In response, DB said that the Scheme would cover a wide scope of works, such as repair works at the external walls and removal of unauthorized building works. For owners who were not eligible under the Scheme, other similar schemes would be available to assist them in carrying out maintenance works for their properties. If the proposed Mandatory Building Inspection Scheme was implemented, building maintenance would be further enhanced.

29. Ms Miriam LAU asked whether elderly owner-occupiers could make an application under the Scheme if the maintenance costs were higher than \$40,000 for each owner. She sought clarification on the cut-off date for the age criterion of 60 or above. As regards the \$1 billion funding, she asked whether the unused funds for a year would be carried over to the following year and how the Administration would handle the situation in case the \$1 billion was insufficient. She commented that HKHS should have a monitoring mechanism to ensure that the maintenance works were carried out as stated to avoid abusive use of the grant provided under the Scheme.

30. In response, PS(PL) said that applications could still be made if the maintenance costs were higher than \$40,000 for each elderly owner-occupier. However, the grant for each elderly owner-occupier would be capped at \$40,000. The cut-off date for the age criterion would depend on when the Scheme would start operation and the exact cut-off date remained to be decided. The \$1 billion funding was for five years and the Administration would review the effectiveness of the Scheme and might apply for additional funding if justified. As regards the need for a monitoring mechanism, the Director (Property Management), HKHS

said that HKHS would continue to use the existing monitoring mechanism. HKHS would vet quotations received and carry out inspections on the maintenance works.

31. The Chairman asked whether elderly owner-occupiers of small houses in the New Territories would be eligible for the Scheme. PS(PL) answered in the affirmative.

V Planning and land measures to facilitate the development of hotels
(LC Paper No. CB(1)1069/07-08(05) -- Information paper provided by the Administration)

32. PS(PL) gave a brief introduction on the Administration's paper (LC Paper No. CB(1)1069/07-08(05)).

33. Dr KWOK Ka-ki was worried that some developers would apply for lease modification of hotel sites and redevelop those sites for other more profitable uses after a period of time. He asked whether the Administration had any measures to tackle the situation, and considered that those sites should be put up for sale by auction if change of use was involved. He also asked whether the Administration would designate more sites for hotel development. As for the locations of hotel sites, he considered that tourists would prefer urban areas and some of the sites designated by the Administration were unattractive because they were located in industrial areas.

34. In response, PS(PL) said that designation of additional hotel sites would depend on the market's response to the 10 sites on the Application List. The number of hotel sites could be increased if necessary. Out of the 10 sites, seven were located in urban areas and three in the New Territories. It was necessary to provide a variety of hotels in different districts in order to cater for different market segments. The Director of Lands (D of L) said that the 10 hotel sites in the Application List would be put up for sale by auction and the process would be open and fair. If such hotel sites were successfully triggered and sold, the hotel use would form part of the lease conditions. Under the existing policy, developers should submit applications for lease modification for change of use of the sold hotel sites. Whether such applications would be approved would be decided by the Administration. As developers would need to devote considerable resources to hotel development, it was unlikely that they would apply for change of use lightly. The Application List was not the only source of supply of land for hotel developments. Even if some existing leases did not allow for hotel development, developers could apply through lease modification to develop hotels. For some other sites where the leases provided for a more general use, hotel development was allowed as one of the permitted uses.

35. Mr James TIEN said that the Liberal Party supported the Administration's proposal because there was insufficient supply of hotel rooms at present. He

pointed out that for sites with a plot ratio of 15, developers would use them for office development rather than hotel development. For hotel sites where no premium reference would be available, he asked how the Administration would assess the premium. He was worried that developers could not easily trigger hotel sites in the Application List for auction, and asked what measures the Administration would take to facilitate successful triggering. To address the concern that developers might apply for lease modification of hotel sites for other uses, he suggested that the Administration could consider specifying that those hotel sites must be used for hotel development within a specific period of time, say 20 to 30 years.

36. In response, D of L said that the Application List system was market-driven and the reserve price was set based on valuation by professional surveyors in the Lands Department. For hotel sites with no readily available reference premium, the surveyors would assess the reserve price based on their expertise and make adjustments to the reference premium figures that were available. The Application List system had been in operation for several years and was found to be an effective system. To facilitate the triggering of sites from the Application List for auction, the required deposit, which could be in the form of bank guarantee or cashier order or a certified good cheque, was only 5% of the submitted bid and subject to a maximum amount of \$25 million. Depending on the exact design, the 10 sites in the Application List could provide about 9 000 to 11 000 hotel rooms. PS(PL) added that although there was no guarantee that any particular site could be successfully triggered for auction, experience showed that the transaction price was often very much higher than the reserve price.

37. Mr CHAN Kam-lam welcomed the Administration's proposal. He was however worried that if developers were not keen to trigger hotel sites for auction, the goal of facilitating hotel development could not be achieved. The Administration should review the arrangement if there were no successful triggers within a specific period of time, say one to two years. On this point, he asked whether it was possible to supply hotel sites through regular auctions. He considered that the Administration should have policy support for the hotel industry and asked whether the Administration would consider relaxing requirements and constraints applicable to hotel developments. The Administration should create an environment under which investors would find it profitable to invest in hotel developments. He considered that the locations for hotel sites could be increased because hotels of different standards would be required.

38. In response, PS(PL) said that measures were already in place to encourage hotel developments. For instance, the plot ratio for hotel sites could be up to 15, and the floor area for facilities such as laundry room would be discounted from the calculation of gross floor area. On the suggestion of conducting regular auctions for hotel sites, he said that the present system ensured that there was market demand for a site before it was auctioned. In a regular auction, if the reserve price was not reached during the bidding and the site had to be withdrawn as a result, the

impact on the market could be huge. The Administration would monitor the market's response to the 10 hotel sites and it would consider other options if necessary. D of L added that the assessment of the hotel premiums had already taken into account that a longer time was needed for obtaining investment returns for hotel development. There were other means to supply hotel sites, such as through lease modification, in addition to the Application List.

39. Mr James TIEN said that as the construction costs for hotel developments were substantially higher than those for office developments, it was unlikely that developers would prefer hotel development over office development if the site concerned could be used for both types of development. He queried whether there would be a sufficient supply of hotel rooms in future and enquired about the number of applications for hotel developments.

40. In response, PS(PL) said that the premium for "hotel only" sites would be assessed on hotel use rather than a permitted use that would attract the highest land value and this would encourage developers to increase the supply of hotel rooms. The Administration also noticed that there were applications for changing commercial developments to hotel developments. D of L, in response to Mr James Tien's request, added that in the past five years, there were 26 applications for hotel developments, out of which three had been completed, six were being built and the remaining 17 were under negotiation.

VI Any other business

41. There being no other business, the meeting ended at 4:55 pm.