

**Alteration Works for Hunghom Peninsula**

1. **MR RONNY TONG** (in Chinese): *Madam President, according to the sale and purchase agreement signed by the Government and the developer of Hunghom Peninsula, the latter must obtain the former's permission before conducting any major renovation and alteration works for the said estate. It has been reported that the Building Authority (BA) has approved the developer's second alteration plans. The approved alteration plans involve merging and converting a number of horizontally or vertically adjacent units into duplex or double duplex flats, as well as enlarging the kitchens, toilets and windows of such flats. In this connection, will the Government inform this Council:*

- (a) of the details of such alteration plans, and how they differ from those submitted in the first instance;*
- (b) whether the developer has submitted to the Environmental Protection Department (EPD) any detailed waste management programme for such alteration works; if it has, of the details of the programme; and*
- (c) whether the Lands Department (LandsD) has received and approved any application for lease modification from the developer, and whether the developer has been required to pay any regrant premium; if there is such a requirement, of the amount of the premium?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Chinese):  
Madam President, my reply to the three-part question is as follows:

- (a) In May and June 2005, the developer of Hunghom Peninsula submitted to the BA a number of plans for alteration and addition works to the estate. As some proposals in the plans did not comply with the relevant regulations under the Buildings Ordinance, the BA was unable to approve the plans and had informed the developer in writing in August 2005. Subsequently, the developer submitted revised building plans for the alteration and addition works for the estate on 31 August 2005. The revised building plans were approved on 29 September 2005. The approved alteration and

addition works include the addition of lifts, escalators and covered walkways; combination of some flats into larger, duplex or triplex units; revision to internal layout; enlargement of bathrooms, kitchens and windows; renovation of external walls; revision to shop and carpark layout; addition of recreational facilities and alteration to emergency vehicular access.

There are three major areas of differences between the approved alteration and addition works and those proposed in the first application. Firstly, there were changes in carpark and shop layout in the non-residential portion. Secondly, voids were designed in duplex or triplex flats in the first application. In the revised building plans, the voids in the duplex or triplex flats were cancelled. Thirdly, the layout of kitchens and bathrooms in some flats was revised.

- (b) The environmental impact due to the construction waste generated in the alteration works is of particular concern to the EPD as well as to the public because all existing installations are brand new and have never been used. The EPD has requested the developer to adopt the best practice, as well as to submit a comprehensive waste management plan. This is to ensure that measures are undertaken to reduce the generation of construction wastes requiring disposal, to manage construction waste properly and to reuse and recycle useful materials. The developer has committed to submitting the plan after the details of the alteration works are finalized. To date, the EPD has not received any waste management plan yet but once it is received, the Department will consider it and advise the developer accordingly.
- (c) The Government considers that any alteration which constitutes deviation from the approved Master Layout Plan would necessitate lease modification. If there is any enhancement in value of the development arising from the lease modification, premium would be payable by the developer.

Since March 2005, the LandsD has informed the developer and his legal representatives of the abovementioned requirement in writing and orally on a number of occasions. In response to the

developer's revised Master Layout Plan submitted to the LandsD, and the developer's revised building plans submitted to and finally approved by the BA, the LandsD once again wrote to the developer on 7 October 2005, pointing out that "should the developer wish to alter the Master Layout Plan to accommodate the alteration works proposed in the building plans, a lease modification is required". So far, the LandsD has not received any application for lease modification from the developer. The LandsD would conduct premium assessment after the application for lease modification has been received and approved.

**MR RONNY TONG** (in Cantonese): *Madam President, although the alteration works now comply with the requirements of the Buildings Ordinance, could the Secretary undertake that the Government will not approve any application for lease modification from the developer before the EPD has given its formal approval to any alteration and waste disposal plans?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, these are in fact two different matters, though they are of course related when consideration is made. We will handle these two matters separately according to the law and when we handle them, we will of course also consider various factors together, but we cannot make this as the only factor for consideration. So in this regard I can answer Mr TONG that we will try to consider all the factors as much as we can but before we are to make any decision, we must make it in accordance with the relevant provisions in law.

**MR CHEUNG MAN-KWONG** (in Cantonese): *Madam President, the main reply shows that it was only in 29 September that the Government approved the revised building plans. However, as far as I know after contacting schools near Hunghom Peninsula, the developer had actually begun demolition works in July and even though the building was encased by tarpaulin, the noise and air pollution caused was still seriously affecting teachers and pupils in the schools nearby. From the main reply, it is known that works will be carried out later on the internal layout and external wall, so it can be anticipated that the impact on teachers and pupils will be even greater. Therefore, the problem so caused will not just be waste disposal but will also a problem of air and noise pollution.*

*May I ask the Government if it will require the developer to undertake some on-site noise and air monitoring to ensure that the works will meet environmental protection requirements and that pupils and residents nearby will not be affected, as well as causing no adverse impact on the air and the environment?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, this is exactly one of the factors to be considered by the EPD. In the main reply, I have informed Members that the EPD has requested the developer to submit a comprehensive waste management plan. The plan will of course not be confined only to the parts to be demolished as mentioned before, but nuisance of all kinds caused during the course of the demolition works must also be considered, such as the problems of dust and noise pollution which Mr CHEUNG Man-kwong has mentioned.

**DR RAYMOND HO** (in Cantonese): *Madam President, the Secretary said in the main reply that approval from the Government must be sought in respect of the environmental impact management effort by the developer. Does this mean that there is a need to apply for environmental protection permits and that applications for approval should be made with respect to the amount of construction waste produced by the demolition and the methods of disposal? May I ask the Government if it will permit the developer to carry out the related works only after an environmental protection permit is issued?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, as I said in answering the first supplementary question, we will certainly take this factor into consideration together with various other factors. But we would also allow a very great degree of flexibility in our consideration so that we may take all the issues well into account. If in the end no solution can be found to certain procedures, then we will have to resort to the relevant legislation.

**MS MARGARET NG** (in Cantonese): *Madam President, the Secretary mentioned in part (c) of the main reply that the developer is required to pay a premium in respect of lease modification. May I ask the Secretary, apart from money, what are the other factors that the authorities would consider? Could*

*the Secretary list out each one of these factors? In other words, if these conditions are not fulfilled, the authorities will not grant approval.*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, we all know that a developer can apply for a great variety of works on a building and now the developer has acted according to the requirements in law and applied to the authorities to carry out various kinds of works. With respect to lease modification, it depends mainly on the terms and conditions in the land lease. As a matter of fact, in the previous Legislative Session, there were a couple of oral questions on restrictions imposed by the lease. Basically, a request for modification from a developer is permitted and we may approve it. After an approval is given, a premium assessment will be conducted to determine if there has been any growth in land value and the assessment made will be used to determine the regrant premium payable. Therefore, as a matter of procedure, we will act according to the relevant requirements in the lease.

**MS MARGARET NG** (in Cantonese): *Madam President, I did not ask the Secretary about procedural matters. The Secretary did not answer the part about the factors he had to consider. I asked him to list out the factors he should take into consideration.*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, as I have said just now, we must act according to the provisions in the lease and the factors we need to consider are those factors as set out in the relevant provisions of the lease. With respect to the consideration of these provisions in law, we made an explanation last year and so I will not repeat on this occasion.

**MR ALBERT HO** (in Cantonese): *Madam President, the Secretary said in the main reply that the revised building plans had been approved on 29 September, that is, just two or three weeks ago. However, some demolition works has been going on for some time and according to the complaint received by Mr CHEUNG Man-kwong, the works concerned may have been going on for two months already. May I ask the Secretary, first, is approval required for this kind of*

*demolition works and has the developer been given any approval? Second, if no approval has been given to the revised building plans, will the authorities give approval to this kind of demolition works? If there is any breach of the law, would the Secretary undertake that investigation and enforcement action will be conducted?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, as far as I know, presently the external walls of the housing estate are indeed surrounded by barbed wire and other facilities and the works now being undertaken is only on the external walls. This kind of alteration made to the external walls does not require our approval. In other words, the developer does not have to wait until clearance is given to all the internal alteration works before such kind of works can commence. Works which does not require prior approval can be handled separately. What we are talking about now is only on internal alterations. That is why my earlier reply was about things like combination of some flats into larger, duplex or triplex units, enlargement of bathrooms and kitchens, and so on, which all require our approval. As an application from the developer is required, the related works has not yet commenced. In addition to this, with respect to environmental protection management, the developer has not yet submitted an application to us and so they cannot carry out any works in this respect. The kind of works presently being carried out is only confined to the external walls.

**MR LEUNG KWOK-HUNG** (in Cantonese): *Madam President, it is unfortunate that Secretary Dr Sarah LIAO is not here, otherwise she could answer this question. As a matter of fact, Mr TONG was asking whether or not the EPD had any power not to approve works that may affect the environment, but Secretary Michael SUEN only said that it would have to depend on a lot of factors. When Miss Margaret NG asked about what these factors were, Secretary Michael SUEN did not give any reply. I am a tenant of a public housing estate. If I dispose of a bag of litter at my door, I would be deducted seven points and if this happens on two occasions, I would be asked to move out of my flat. The Secretary has given his approval to some financially strong consortium to alter Hunghom Peninsula so that it will add to its value, but that is affecting the schools nearby — the place is very crowded and I am not sure if the Secretary has been there or not. Does Secretary Michael SUEN not think that it is not proper? Has Secretary Michael SUEN ever discussed with Secretary Dr*

*Sarah LIAO about this? Have the three Principal Secretaries and the 11 Directors of Bureaux not discussed this issue? Have you asked Secretary Dr Sarah LIAO for opinions expeditiously and has she said that no approval will be given to the developer? Has the Secretary done this? Has Secretary Dr Sarah LIAO told you her views and said that this is not proper? The department under the charge of Secretary Michael SUEN is very harsh to tenants of public housing estates, for those who dispose of litter not properly will have seven points deducted and they will be evicted out of their flats if they do it again. Now this.....*

**PRESIDENT** (in Cantonese): Mr LEUNG, have you asked your supplementary question?

**MR LEUNG KWOK-HUNG** (in Cantonese): ..... *I think this is very improper. Has the Secretary ever asked Secretary Dr Sarah LIAO whether or not this is proper?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, I hope the President could give me her consent so that I can respond to the part of Mr LEUNG's question on public housing, though this part does not actually fall into the scope of the question today. This is because he has sent a wrong message.

**PRESIDENT** (in Cantonese): Secretary, I have no powers to intervene in this. Please reply.

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Of course, I do not think Mr LEUNG would be so lacking in civic-mindedness as to dump garbage out of his flat. Though seven points will be deducted for each dumping of rubbish, it would only add up to 14 points if a person is found doing so twice. And when 14 points are deducted, there is no need to move out of a flat. This only happens when 15 points are deducted. So I wish to clarify this here and I hope Members will know the truth. With respect to the question asked by Mr LEUNG, we certainly have communicated with Secretary Dr Sarah

LIAO. As a matter of fact, part (b) of the main reply is supplied by colleagues of Secretary Dr Sarah LIAO. We have actually made it clear that the developer will be required to submit a comprehensive waste management plan and this plan will include various factors listed by Members earlier. Up to now, we have yet to receive the plan and we will give due consideration to it once we have received it.

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, has your supplementary question not been answered?

**MR LEUNG KWOK-HUNG** (in Cantonese): *No. My question was: Should Secretary Dr Sarah LIAO indicate in her report that the works will affect the environment, then would the Secretary inform this Council whether or not he will ask the developer to stop the renovation works on the external walls of Hung Hom Peninsula? He has got such powers.*

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, the follow-up question you have asked does not bear any direct relevance to the supplementary question initially asked by you.

**MR LEUNG KWOK-HUNG** (in Cantonese): *Then it is up to the Secretary to make a reply or otherwise.*

**PRESIDENT** (in Cantonese): Never mind. Please sit down first. Let me see if the Secretary has anything to add. Secretary, do you have anything to add?

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, I do not think we can make any assumption now and assert how the Government will handle it when the plan is received. This is because we need to look at the contents of the plan. We can only assure Members that we will act strictly and cautiously and in accordance with the law, and we will consider the plan comprehensively when we have received it. We will not leave out any consideration.



**PRESIDENT** (in Cantonese): We have spent more than 18 minutes on this question. Last supplementary question.

**MR PATRICK LAU** (in Cantonese): *Madam President, given that the revised building plans have been submitted to the Buildings Department for centralized co-ordination, as far as I know, the Secretary or the LandsD may be aware of the contents of the changes. But the Secretary pointed out in part (c) of the main reply that the LandsD did not know whether or not the developer would make any alterations to the Master Layout Plan. May I ask the Secretary if he is aware of any alterations which have been made to the Master Layout Plan to accommodate alteration works proposed in the building plans?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, as I have said in the main reply, the developer is required to make a separate application to the LandsD. The centralized application submitted by the developer only serves to inform other departments of the progress of each of the working procedures. But that cannot replace the formal application required by law. It follows that the developer must submit a formal application. According to the existing plans, of course, we know that there will be alterations. What I mean is that although we know that there will be alterations and that the developer should make an application, to date the developer has not made any application.

**PRESIDENT** (in Cantonese): Mr Patrick LAU, has your supplementary question not been answered?

**MR PATRICK LAU** (in Cantonese): *Madam President, I would like to ask a short follow-up. As far as I know, in order to save time, developers will as a general rule tender an application for alteration works at the same time to the LandsD. Since the developer in this case has not tendered any application, does it mean that there may be much delay in time before the application is approved?*

**PRESIDENT** (in Cantonese): Sorry, Mr Patrick LAU, please sit down first. The follow-up question which you have just raised is not part of the supplementary question you have asked earlier, so I will not ask the Secretary to answer it. Perhaps you may follow up through other channels. Second question.

### **Procedures for Processing Licence Applications**

2. **MR JEFFREY LAM** (in Cantonese): *Madam President, it has been reported that the World Bank (WB)'s recent report on the global business environment points out that the licensing procedures in Hong Kong are complicated, for example, an application for a licence to build a warehouse has to go through 22 procedures and take an average of 230 days. In this connection, will the Government inform this Council of:*

- (a) *the reasons for the complicated procedures and long time required for processing applications for a licence to build a warehouse, and the new measures adopted by the authorities to simplify such procedures and abolish unnecessary regulations and restrictions for the business sector, in order to tie in with the implementation of the Mainland/Hong Kong Closer Economic Partnership Arrangement and to grasp any other new opportunities;*
- (b) *when it will implement the composite licensing scheme, and whether the composite licences will be applicable to all trades; and*
- (c) *the procedures and time needed to apply for a composite licence, with examples to illustrate?*

**FINANCIAL SECRETARY** (in Cantonese): Madam President,

- (a) Regarding Hong Kong's ranking in the recently released WB's "Doing Business Report 2006", the Administration is actively studying it with a view to improving any areas where we have not done so well and aiming even higher in areas where we have a