

立法會
Legislative Council

LC Paper No. CB(1)911/09-10
(These minutes have been seen
by the Administration)

Ref : CB1/PL/DEV/1

Panel on Development

Minutes of meeting
held on Tuesday, 27 October 2009, 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 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
Dr Hon Philip WONG Yu-hong, GBS
Hon Abraham SHEK Lai-him, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Albert CHAN Wai-yip
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon CHEUNG Hok-ming, GBS, JP
Hon KAM Nai-wai, MH
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king
Hon Tanya CHAN
Dr Hon Priscilla LEUNG Mei-fun
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Dr Hon Samson TAM Wai-ho, JP

Members attending : Hon IP Wai-ming, MH
Hon Paul TSE Wai-chun

Members absent : Hon WONG Yung-kan, SBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Alan LEONG Kah-kit, SC

Public officers attending : **Agenda item IV**

Mrs Carrie LAM CHENG Yuet-ngor, JP
Secretary for Development

Mr CHUI Wing-wah
Principal Assistant Secretary for Development (Works) 3

Mr Stephen CHAN Hung-cheung, JP
Director of Electrical and Mechanical Services

Mr George LING Kam-hoi
Acting Assistant Director / Gas and General Legislation
Electrical and Mechanical Services Department

Agenda item V

Mrs Carrie LAM CHENG Yuet-ngor, JP
Secretary for Development

Mr Laurie LO Chi-hong
Head/Development Opportunities Office
Development Bureau

Miss Ophelia WONG Yuen-sheung, JP
Deputy Director of Planning / District

Mr Jeff LAM Yun-tong
Assistant Director (HQ)
Lands Department

Mr MO Kim-ming
Assistant Director / New Buildings 1
Buildings Department

Agenda item VI

Miss Jennifer MAK
Director of Administration

Miss Shirley YUNG
Deputy Director of Administration

Miss Winnie WONG
Assistant Director of Administration

Mr Henry CHOI
Project Director
Architectural Services Department

Mrs Sylvia LAM
Chief Project Manager
Architectural Services Department

Mr LAM Poon-wah
Chief Building Services Engineer/3
Architectural Services Department

Clerk in attendance : Mr WONG Siu-ye
Senior Council Secretary (1)7

Staff in attendance : Ms Pauline NG
Secretary General

Mrs Percy MA
Assistant Secretary General (Special Duties)

Mr IP Ching-wan
Consultant Architect

Mr Simon CHEUNG
Senior Council Secretary (1)5

Ms Christina SHIU
Legislative Assistant (1)7

(LC Paper No. CB(1)95/09-10 -- Minutes of meeting on 15 October 2009)

The minutes of the meetings held on 15 October 2009 were confirmed.

II Information papers issued since the meeting on 28 July 2009

- (LC Paper No. CB(1)2467/08-09(01) -- Letter dated 3 August 2009 from the Environment, Hygiene and District Development Committee of the Tuen Mun District Council relating to the call for provision of complementary facilities to the development at Site 2 in Tuen Mun Area 54 and the Administration's response
- LC Paper No. CB(1)2565/08-09(01) -- Submission on proposals to lower the application threshold under the Land (Compulsory Sale for Redevelopment) Ordinance from Ms Carol FOK Lai-sim dated 11 August 2009
- LC Paper No. CB(1)2490/08-09(01) -- Submission on proposals to lower the application threshold under the Land (Compulsory Sale for Redevelopment) Ordinance from Ellen LAW Chung-yu dated 2 September 2009
- LC Paper No. CB(1)2559/08-09(01) -- Paper on proposed duty visit to Sichuan from 24 to 26 September 2009
- LC Paper No. CB(1)2594/08-09 -- Issues raised at the meeting between Legislative Council Members and Eastern District Council members on 12 March 2009 in relation to indiscriminate placement of cargo compartments and the Administration's response
- LC Paper No. CB(1)2610/08-09(01)
- LC Paper No. CB(1)2684/08-09(01)

- | | |
|-------------------------------------|--|
| LC Paper No.
CB(1)2645/08-09(01) | -- Referral from the Complaints Division regarding consultation on changes in land use and the Administration's response |
| LC Paper No. CB(1)20/09-10(01) | |
| LC Paper No.
CB(1)2645/08-09(02) | -- Referral from the Complaints Division regarding offer of rental concessions for social enterprises |
| LC Paper No.
CB(1)2705/08-09(01) | -- Submissions on issues related to Labour Relations Officers from Mr CHAN dated 19 September 2009 and the Administration's response |
| LC Paper No. CB(1)78/09-10(01) | |
| LC Paper No.
CB(1)2747/08-09(01) | -- Submission on proposals to lower the application threshold under the Land (Compulsory Sale for Redevelopment) Ordinance from K28 Sport Shoes Street Concern Group dated 5 October 2009 |
| LC Paper No.
CB(1)2760/08-09(01) | -- Issues raised at the meeting between Legislative Council Members and Kowloon City District Council members on 2 July 2009 on proposal to revitalize Ma Tau Kok Cattle Depot Artist Village into a cultural development and tourist spot |
| LC Paper No. CB(1)80/09-10(01) | -- Administration's paper on Capital Works Reserve Fund Block Allocations for 2009-10
-- Supplementary Provision for Subhead 5001BX -- Landslip Preventive Measures) |

2. Members noted that the above information papers had been issued since the meeting on 28 July 2009.

III Items for discussion at the next meeting

- | | |
|---------------------------------|---|
| (LC Paper No. CB(1)94/09-10(01) | -- List of outstanding items for discussion |
| LC Paper No. CB(1)94/09-10(02) | -- List of follow-up actions) |

3. Members agreed that the following items would be discussed at the regular meeting scheduled for 24 November 2009 and that the meeting would be extended to 6:30 pm to allow sufficient time for discussion --

- (a) Hong Kong Special Administrative Region's work in support of reconstruction in the Sichuan earthquake stricken areas;
- (b) Enhancing the delivery of Kai Tak Development and proposed creation of a D2 post;
- (c) Study on Land Use Planning for the Closed Area; and
- (d) North East New Territories New Development Areas Planning and Engineering Study.

4. Mr Abraham SHEK suggested that the Secretariat should provide Members with some videos or photographs of the recent visit to Sichuan.

IV Enhancing lift safety in Hong Kong and proposal to amend the Lifts and Escalators (Safety) Ordinance

- LC Paper No. CB(1)94/09-10(03) -- Administration's paper on update on the regulatory control on lift safety and the legislative amendment proposal to the Lifts and Escalators (Safety) Ordinance, Chapter 327
- LC Paper No. CB(1)94/09-10(04) -- Paper on lift safety prepared by the Legislative Council Secretariat (Background brief)

5. The Secretary for Development for Development (SDEV) said that the various measures to enhance lift safety had been implemented smoothly and the Administration would implement other measures recommended by the Ombudsman. The Administration intended to introduce amendments to the Lifts and Escalators (Safety) Ordinance (Cap. 327) (the Ordinance) and subject to any views from Members, the Administration would start to consult the trade and the public. The Director of Electrical and Mechanical Services (DEMS) then briefed members on the progress of the implementation the Administration's enhancement measures, including enhancement of the Code of Practice for Lift Works, disclosure of contractors' performance, stepping up inspections, strengthening publicity and audit inspections of lifts in Tenants Purchase Scheme Estates. As regards the 13 measures recommended by the Ombudsman, seven had been implemented and the other six would be implemented by the end of 2009. He then

Action

briefed members on the proposed amendments to the Ordinance, including registration of lift and escalator workers, upgrading of the qualification requirements for lift and escalator engineers and review of penalty levels under the Ordinance, procedure of disciplinary proceedings, issuance of notices for non-compliances and display of safety labels.

6. Mr WONG Kwok-hing welcomed the Administration's proposal to introduce amendments to the Ordinance in response to the public's aspiration of stepping up regulation on lift safety. In taking the matter forward, the Administration should heed the views of workers' unions and frontline workers in the trade. He learnt from frontline workers that after implementing the measure of requiring at least two workers to carry out 10 prescribed activities in lift maintenance, some unscrupulous contractors had substantially increased their workers' workload, thereby transferring the additional costs to the workers. This had defeated the original purpose of ensuring the safety of workers and the public through the measure. He was concerned about how the Administration would combat the malpractice, and urged the Administration to closely monitor the situation. As penalties would be imposed for contraventions of the Ordinance, frontline workers were worried that they would become scapegoats and expressed concern about whether there was any appeal mechanism.

7. DEMS responded that in formulating the proposed legislative amendments, the Administration had consulted representatives of workers' unions sitting on the relevant task forces and responded to their views. As regards concerns about the workload of workers, the estimated time to be spent on maintenance works for each lift had to be shown in a log book so that lift owners and management companies could have access to the maintenance information for monitoring purposes. The Administration had close contact with workers' unions and workers could raise their concerns with the Administration. The Administration would not disclose the identities of such workers. The Administration would also conduct surprise checks to ensure that the guidelines had been strictly adhered to. He confirmed that an appeal mechanism was in place under the disciplinary provisions in the Ordinance.

8. Mr IP Wai-ming said that workers' unions considered that requiring at least two workers to carry out prescribed activities in lift maintenance would enhance work safety. During lift maintenance, workers might sometimes discover that certain activities required at least two workers to carry out. Although such workers could request for an additional worker, some contractors might be reluctant to do so and it might take a long time even if an additional worker could be arranged. Under such circumstances, workers would be forced to continue with their work and bear the consequences that might arise. In this regard, he asked whether the number of prescribed activities, currently set at 10, requiring at least two workers would be reviewed. He also commented that transferring the additional costs to the workers by increasing their workload would affect work quality.

Action

9. SDEV responded that she had handled matters on enhancing lift safety personally and urged contractors to accord priority to public safety. Although the original contract sums had not made provisions for the implementation of the enhancement measures, contractors had agreed to absorb the additional costs and they would include such costs when bidding for new contracts. DEMS added that the use of log books would enhance transparency in lift maintenance. The Administration would monitor whether the staffing of the contractors was commensurate with the scale of operation and issue warnings if necessary.

10. Ir Dr Raymond HO said that the Administration should be commended for its high efficiency in identifying the roots of the problems of lift and escalator safety and in formulating enhancement measures, and its proposals were practical. He considered that there was urgency in upgrading the qualification requirements for lift and escalator engineers. In this regard, he noted that only 6% of the registered lift and escalator engineers possessed the registered professional engineer qualification and expressed concern whether continuing education courses were available to upgrade their qualifications. He suggested that sharing sessions with veterans and academics in the sector could be held for lift and escalator engineers with less experience to expedite knowledge enrichment.

11. DEMS responded that although some registered lift and escalator engineers did not possess the registered professional engineer qualification, degree-holders in suitable disciplines such as building services and electrical and mechanical engineering with sufficient relevant working experience would be eligible for registration as registered professional engineers. The Administration expected that the percentage of registered lift and escalator engineers possessing the registered professional engineer qualification would increase in future. It would consider the suggestion of conducting sharing sessions.

12. Mr Albert HO said that in the past, owners' corporations (OCs) were hesitant in engaging other contractors for lift maintenance because of concerns about whether the original contractors would withhold the necessary technical information from the new contractors. Although the Administration had indicated that the original contractors had the responsibility to provide the new contractors with the necessary information, OCs were still unclear about the bases for choosing suitable contractors other than tender price and reputation. The Administration should educate OCs on lift maintenance requirements to facilitate them in choosing and monitoring lift contractors. The Administration should also consider making lift engineering a specific academic discipline.

13. SDEV responded that the Electrical and Mechanical Services Department (EMSD) had prepared a Lift Owners' Guidebook as part of the Administration's public education efforts. A sample tender document for lift maintenance and the performance of lift contractors were available on EMSD's website. DEMS added that apart from the Lift Owners' Guidebook, a checklist of owners' responsibilities for lift maintenance was also available. EMSD would organize seminars on how to exercise the owners' role in monitoring lift

Action

maintenance and how to access information on lift maintenance. As the Administration would monitor the staffing and expertise of registered lift contractors, lift owners should feel at ease in engaging those contractors. Registered lift and escalator engineers possessed relevant academic qualifications and working experience and they were all qualified to carry out lift maintenance.

14. Mr James TO asked whether detailed information about the contractors, such as background, adequacy of technical knowhow, sufficiency of spare parts, anticipated duration for maintenance works and capability of dealing with emergencies, was available to the public to facilitate assessment of the suitability of the contractors. If lift owners could closely monitor the maintenance of their lifts, compliance with the Ordinance would be enhanced and the Administration's burden would be alleviated. He noted that the Buildings Department had been providing advisory services to building owners and asked whether EMSD also provided advisory services on lift maintenance. He considered that district-based advisory services provided by staff conversant with the situation in the district would be even more effective than general advisory services.

15. DEMS responded that EMSD also offered advisory services, including an enquiry hotline which would provide services such as technical advice on lift maintenance. EMSD would follow up if the proposed lift maintenance works on which owners sought advice were unreasonable. If the proposed works were reasonable, EMSD would express support for carrying out the works but lift owners had to make the final decision. If the circumstances warranted, EMSD would specifically assign staff conversant with the target district to provide advisory services. The reputation and suitability of the contractors could be assessed from their performance and other relevant information disseminated through EMSD's website.

V Optimising the use of industrial buildings to meet Hong Kong's changing economic and social needs

- | | |
|----------------------------------|---|
| (LC Paper No. CB(1)94/09-10(05)) | -- Administration's paper on optimising the use of industrial buildings to meet Hong Kong's changing economic and social needs |
| File Ref.: DEVB(DOO)7-01 | -- Legislative Council Brief on optimising the use of industrial buildings to meet Hong Kong's changing economic and social needs |
| LC Paper No. FS02/09-10 | -- Summary of local press reports on views of various sectors in Hong Kong on optimising the use of industrial buildings from 15 October to 22 October 2009 |

prepared by the Research &
Library Services Division)

16. Members noted the flowcharts on the typical application process for wholesale conversion of industrial buildings provided by the Administration and tabled at the meeting.

(Post-meeting note: The flowcharts (LC Paper No. CB(1)178/09-10(01)) were issued to members on 29 October 2009.)

17. SDEV advised that the Chief Executive had announced in his 2009-2010 Policy Address four new measures to revitalise vacant and under-utilised industrial buildings in non-industrial zones through redevelopment or wholesale conversion. A Legislative Council (LegCo) Brief giving details of the proposed measures had been issued on 15 October 2009. Society in general had positive response to those measures. Legislative Council Members had previously expressed the views that the Administration should adopt a proactive approach and introduce clear and effective measures with appropriate incentives as soon as possible so that owners of industrial buildings could have a clearer direction to follow in creating new development opportunities for their buildings.

18. SDEV further said that revitalisation of industrial buildings could meet economic and social needs of the community. After wholesale conversion, revitalised industrial buildings in Other Specified Uses (Business) ("OU(B)") zones could be deployed to accommodate a variety of business, institutional and social service uses, except for residential uses. Floor space would be released for a wide range of uses such as religious gatherings, social enterprises, welfare services centres, libraries, entertainment facilities and even band rooms. Such uses were always permitted in OU(B) zones and owners of the industrial buildings in these zones need not apply for planning permission for change of use. The Administration would charge a nil waiver fee for change of use of eligible industrial buildings if the application was approved.

19. As regards the concern of some existing tenants of industrial buildings that the new measures might lead to an abrupt rental increase, SDEV said mixed use of industrial buildings was undesirable, especially in terms of fire safety. The challenge of the Administration was to make use of wholesale conversion to improve the conditions of these industrial premises so that users could use them in a legal, regulated, effective and revitalised manner. The existing non-industrial uses in industrial buildings could become users of the revitalised industrial buildings. Even though there might be a slight increase in the rents of the converted industrial buildings, the rents would still compare favourably with those of commercial buildings and premises. At present, there were some 17 million square metres of industrial floor areas, with over 1.1 million square metres being vacant. The supply of converted former industrial premises would be able to satisfy the demand of existing and new users.

Action

20. On the concern that revitalising industrial buildings would involve complicated procedures, SDEV said that the relevant measures would mainly be implemented by the Lands Department, which had prepared a flowchart showing the necessary steps for wholesale conversion. As regards distorted market information that revitalised industrial premises could be used for residential purposes, she clarified that it was not allowed in OU(B) zone and application for rezoning would be required. The Administration would not tolerate inaccurate or misleading market information suggesting that industrial buildings could be used for residential purposes and would take necessary actions, including lease enforcement and requiring developers to promote their industrial buildings in an appropriate manner. The Administration would also step up publicity through different means including the setting up of a specific website and discussing with the Consumer Council on how to strengthen the disseminating of information on the sale and letting of industrial buildings. Revitalisation of industrial buildings had been discussed for years and it was the opportune time to realise it so as to inject fresh impetus into Hong Kong's economy. The Administration would consult District Councils, business associations and relevant organisations on the proposed measures in the next few months. The Administration's plan was to implement the new measures on 1 April 2010.

Measures to prevent abuses

21. Mr LEE Wing-tat said that many government measures to facilitate business operation introduced out of good intentions, such as granting gross floor area concessions, had resulted in abuses by developers. He cited a recent case involving an industrial building in Tai Kok Tsui as an example to point out that developers would make use of every opportunity to exploit loopholes to reap profits. The developer concerned engaged residential property estate agents and distributed promotional leaflets that gave the public an impression that the building could be used for residential purposes. There were even facilities such as a clubhouse in the building. He expressed concern whether the Administration had taken enforcement action on various non-compliant cases. He urged the Administration to step up policing work and consider imposing fines against developers for malpractices.

22. SDEV responded that measures to encourage a sustainable built environment such as granting gross floor area concessions were backed up by existing policies. In this regard, she mentioned that the relevant public engagement exercise conducted by the Council for Sustainable Development was expected to be concluded by the end of October 2009 and the Administration would then consider whether it was necessary to change the policy. On enforcement of lease conditions regarding issues such as public open space, the Administration would maintain rigorous enforcement work and enhance transparency by disseminating relevant information on Government websites so as to facilitate monitoring. There would also be hotlines to handle enquiries and complaints. As regards the Tai Kok Tsui case, the Administration had taken appropriate actions promptly.

Action

23. Mr James TO expressed concern that the Administration's proposed measures for relaxing the use of industrial buildings would give a false impression that existing or future non-compliance with permitted uses of industrial buildings would be tolerated. The Administration would have difficulty in enforcement if a fait accompli was established. Furthermore, if a number of cases of wholesale conversion or redevelopment had been approved leniently, it would be difficult for the Administration to reject applications in future because the applicants might seek judicial review. The Administration's measures in revitalising industrial buildings, such as charging a nil waiver fee, might become means for profiteering by developers. He urged the Administration to exercise due care in vetting applications because developers were skilful at exploiting grey areas in rules and regulations. He asked how the Administration would prevent abuses from happening.

24. SDEV assured members that in formulating the proposed measures, the Administration had made detailed and careful consideration. Nevertheless, the Administration would not preclude the possibility that loopholes could be identified. The Administration would review and fine-tune the measures from time to time in the light of experience and the feedback from society, and retain the power to terminate those measures if necessary. Each case of lease modification for revitalising an industrial building would be approved at the sole discretion of the Director of Lands. The Administration's capacity was similar to that of a private landlord and previous approvals granted by the Director of Lands would not become precedents. The Administration would ensure that the intended objectives of the measures would be achieved and that there would be no abuse.

25. Mr WONG Kwok-hing expressed support for the Administration's proposed measures because they would be conducive to creating business and job opportunities. He considered it necessary to have a stringent, effective and efficient mechanism to closely monitor the implementation of the new measures to avoid exploitation of grey areas by owners with ulterior motives. The Administration should take prompt actions under such circumstances, like what had been done for the Tai Kok Tsui case.

26. Expressing a similar concern on the need to plug possible loopholes in government policies, Mr Albert HO cited a recent incident involving floor numbering of a residential development. He expressed concern about how the Administration could ensure that staff members of the concerned departments had a good understanding of government policies and would initiate enforcement actions against developers for abusing those policies. Further, he believed that the Administration should consider offering monetary rewards to the informants if the non-compliance cases they reported could be substantiated.

27. Mr Abraham SHEK enquired whether there were measures to guard against the conversion of industrial buildings into hotels, service apartments and

Action

residential flats, and pointed out that such conversion would affect the residential property market, the commercial market and the hotel trade.

28. SDEV responded that non-compliant use of industrial premises was not uncommon at present and she believed that many tenants including those in the cultural and creative industries were operating in those premises in a non-compliant way. The Administration's proposed measures would in effect rectify such non-compliant uses in industrial buildings. The Administration would step up publicity to alert the public of misleading market information implying that industrial premises could be used for residential purposes. The chances of converting industrial buildings for residential uses were extremely slim if such conversion was incompatible with the surrounding environment. She stressed that it was definitely not the Administration's intention to increase the supply of residential units through the new measures, and the converted industrial buildings could not be used for residential purposes. Owners of industrial buildings in OU(B) zones could apply to the Town Planning Board to convert their buildings into hotels. In processing these applications, the Town Planning Board would consider various relevant factors. As regards renting hotel rooms, the land sale conditions for sites designated solely for hotel use would prescribe that the licence to occupy the hotel rooms period should not be too long. The Administration would exercise due care in implementing the measures and would try its very best to refine them in the light of experience. The Administration would be cautious and impartial in exercising its powers and it would consider introducing legislative measures where necessary. There was, however, no plan to provide monetary rewards to informants of non-compliant cases.

29. Mr Albert CHAN suggested that the Administration should prohibit the sale of redeveloped or converted industrial buildings within a specific period of time as a way to guard against profiteering. He also urged the Administration to explore whether the Tsuen Wan Abattoir could be handled in a way similar to the revitalisation of industrial buildings.

30. SDEV reiterated that the Administration would exercise due care in implementing various measures for revitalising industrial buildings. Before the implementation of those measures on 1 April 2010, the Administration would continue to fine-tune the implementation details to avoid any possible inadequacies or loopholes. A review would be carried out 18 months after implementation to evaluate the effectiveness of the measures. As for the Tsuen Wan Abattoir, she said the owner might contact the Development Opportunities Office for assistance if the case had any special needs for advice and co-ordination.

Action

Impact on rents and the property market

31. Mr WONG Kwok-hing was concerned that rents for converted industrial buildings might rise sharply and the development of the cultural and creative industries would be severely hampered. Prof Patrick LAU expressed similar concerns and considered that as wholesale conversion was costly, the Administration's intention of providing affordable space for religious bodies and non-governmental organisations in the converted industrial buildings might not be easily realised.

32. In response, SDEV said that with increased supply of suitable premises, operators in the cultural and creative industries and religious and social service sectors would be able to identify affordable premises to run their business and services.

33. Mr Abraham SHEK expressed support for the proposed measures to revitalise industrial buildings and opined that they would be able to benefit the economy, improve the environment of industrial areas and create jobs for workers. However, given that there were 1 026 private industrial buildings in non-industrial zones, he was concerned about the impact the revitalised industrial buildings might have on the property market. In this connection, he enquired whether the Administration had any plan at hand to deal with the "worst case scenario".

34. SDEV responded that while it was difficult for the Administration to precisely foresee the magnitude of the impact the revitalised industrial buildings might have on the market at present, the impact might not be as substantial as some people thought because not every industrial building could undergo redevelopment or wholesale conversion given the stringent requirements.

Improvements to and conversion of industrial areas

35. Mr CHAN Kam-lam said that Members of the Democratic Alliance for the Betterment and Progress of Hong Kong believed that the Administration should endeavour to improve the outlook of and facilities in industrial areas so as to sustain the momentum of the proposed measures. To reduce crowdedness within industrial areas, adequate incentives should be provided to owners not to develop their sites to the maximum allowable plot ratio. Improvement works for beautifying external walls of converted industrial buildings should be allowed. He urged the Administration to enhance its forward planning to improve the industrial areas and undertake relevant improvement works such as widening pedestrian ways and vehicular accesses and providing more car parks.

36. SDEV responded that the Administration could not carry out detailed planning studies for all industrial areas at one go. Nevertheless, the planning for some industrial areas like Kwun Tong had been studied in detail. In examining applications for redevelopment in this area, the Administration would duly consider how the buildings would fit in the overall planning for the area. To

Action

encourage reduction in development density, the Administration had adopted a "pay for what you build" approach in calculating the premium for lease modification. On wholesale conversion of industrial buildings, provided that there was no increase in the bulk of the buildings and the gross floor areas in excess of what were permissible, owners would be given flexibility to propose structural changes to the buildings, for instance, increasing the ceiling height for the entrance lobby through structural alterations.

37. Miss Tanya CHAN asked whether the Administration would follow the example of Taikoo Place in Quarry Bay to convert an industrial area into a commercial one. SDEV responded that it would be difficult to achieve large scale conversion as in the case of Taikoo Place because the ownership of Hong Kong's industrial buildings was highly dispersed. For areas where there was detailed planning on a district basis, the Administration would give due regard to the overall planning gains in processing applications for redevelopment or wholesale conversion of industrial buildings.

Implementation issues

38. Miss Tanya CHAN enquired about the reasons of charging a nil waiver fee for change of use under wholesale conversion of industrial buildings and the intended role of the Urban Renewal Authority in revitalising industrial buildings. In response, SDEV explained that in order to change to a use other than those set out in the lease, an owner of an industrial building had to apply for a waiver and, upon approval, pay a waiver fee to reflect the enhanced value of the building. Given the substantial amount involved, waiver fee had become a major disincentive for owners to apply for change of use. Charging a nil waiver fee for wholesale conversion of industrial buildings would incentivise owners to revitalise their buildings. It would also avoid creating uncertainties on the concerned owners about the assessed amount of waiver fees and enable the alteration works to be completed within a shorter period of time as there would not be negotiations on the waiver fee amount. As regards the role of the Urban Renewal Authority in revitalising industrial buildings, she said that the Administration had not come to any decision yet. As it now stood, the Administration would prefer leaving the task to the market.

39. Prof Patrick LAU commented that the three-year time limit for owners to complete wholesale conversion of their buildings was too short. SDEV explained that the setting of a time limit for completing the redevelopment or wholesale conversion of industrial building was to ensure that the owners would revitalise their buildings promptly. Building owners only had to submit their applications within the three-year period; they would have another three years to complete the necessary conversion works after their applications for special waiver were approved. The Administration was prepared to discuss with the sector if it saw strong needs to review the time limit.

Action

40. Dr Priscilla LEUNG believed that wholesale conversion of industrial buildings could be a catalyst for promoting the six economic areas, and enquired whether the Administration could provide further incentives such as start-up loans or rental allowances for young people or self-employed people to start off their business in these areas. She also urged the Administration to preserve district-specific features as far as possible. As regards the Sham Shui Po district, she would prefer converting the industrial buildings into commercial complexes for the garment and computer accessories industries. SDEV took note of Dr LEUNG's views and agreed to relay to the relevant Bureaux for consideration her suggestion of providing start-up loans and rental allowances.

41. Ms Starry LEE considered the Administration's plan to revitalise industrial buildings worth supporting. She enquired how the proposed measures could contribute to the development of the six economic areas identified by the Task Force on Economic Challenges, in particular the cultural and creative industries.

42. SDEV responded that the new measures would substantially increase the supply of premises released from industrial buildings. A wide range of businesses, including the six economic areas, should be able to benefit from the more competitive rents arising from the increased supply. The Administration would consider providing other appropriate measures as well to encourage and promote the development of the six economic areas.

VI Tamar Development Project

- (LC Paper No. CB(1)94/09-10(06) -- Administration's paper on Tamar Development Project
- LC Paper No. CB(1)94/09-10(07) -- Paper on Tamar Development Project prepared by the Legislative Council Secretariat (Background brief))

43. The Director of Administration (D of Admin) briefed members on the Administration's proposal to increase the approved project estimate for the Tamar Development Project (the Tamar Project) by \$359.8 million to cater for new requirements from the Legislative Council (LegCo), environmental and energy conservation measures, enhancement of barrier free access and the installation of artworks.

44. As regards the LegCo Secretariat, D of Admin pointed out that a net operational floor area (NOFA) of 1 415m² was required to meet additional space requirements arising from the expansion of certain communal facilities including the library and additional staff. As for barrier free access, the Administration had decided to incorporate all the obligatory items under the recently revised Building (Planning) (Amendment) Regulation, as well as enhancement items where

Action

appropriate. The improvement works for LegCo Complex, Central Government Complex (CGC) and Open Space in this regard would amount to some \$14.8 million. To further enhance the environmental friendliness of the Tamar Project, the Administration would incorporate further new environmental and energy conservation measures, such as the installation of occupancy sensors for lighting control in certain areas and light emitting diode (LED) for pelmet lighting. Battery charging facilities would also be installed in car parks for electrical vehicles. It was estimated that the energy efficient features would achieve an additional 3.6% energy savings in the annual energy consumption, and the average payback period was about 44 years. Both the Administration and LegCo also found it important to install artworks for display at appropriate locations. To better serve the visitors, the Administration proposed to provide a café at the fringe area of the open space and the related cost was about \$8.3 million. The Administration intended to submit the funding proposal to the Public Works Subcommittee (PWSC) and the Finance Committee before the end of 2009. If the progress of the Tamar Project was smooth, the original completion date of around mid-2011 could be maintained.

45. Mr KAM Nai-wai noted that one of the reasons for the increase in approved project estimate was to provide an additional NOFA of 952m² office space for LegCo Secretariat staff. He enquired why the requirement was not included in the original proposal. As for the Administration's proposal to switch to LED for pelmet lighting, he considered that such a move would run contrary to the Administration's policy of promoting the use of compact florescent lamps. As regards artworks, instead of spending \$32.4 million to acquire artworks from other sources, the Administration should consider borrowing the artworks from the Leisure and Cultural Services Department (LCSD).

46. The Secretary General (SG) of the LegCo Secretariat responded that the design of the LegCo Complex was based on the staffing position in 2005. The LegCo Secretariat had subsequently increased its staff complement by 26 posts in 2007 and 2008 so as to cope with additional workload. The LegCo Commission had recently approved a proposal to provide 108 posts in 2010-2011 and 2011-2012 to cope with the new services and additional communal facilities to be provided by the LegCo Secretariat. In particular, the setting up of the Constitutional Library and LegCo Archives required substantial space and additional staffing. Additional area in the LegCo Complex was therefore required for enhanced communal facilities and the increase of some 130 additional staff members.

47. As regards artworks for the CGC and Open Space, D of Admin advised that it was the intention of the Administration to borrow most of its required artworks from museums of LCSD and funding would be required for installing those artworks. At the same time, funds would be set aside for inviting artists to provide artworks, such as sculptures, for display at Tamar. On the use of LED, she explained that there had been substantial improvement to the LED technology in the past few years. Hence, LED would be used to replace compact florescent

Action

lamps at certain locations. The choice of lighting would depend on what would work best in the particular location(s). On the differences between LED and compact florescent lamps, the Chief Building Services Engineer/3, Architectural Services Department said that the light emission efficiency of LED was comparable to that of compact florescent lamps. For low power applications, the efficiency of LED had exceeded that of compact florescent lamps, but for high power applications, compact florescent lamps were better than LED. However, LED available in the market varied significantly in quality including colour steadiness, lamp life and light emission efficiency. As international testing standards for LED had yet to be developed, the Architectural Services Department would ask the supplier to provide test reports for LED to be used in the Tamar Project for quality control.

48. Prof Patrick LAU said that that while an additional NOFA of 1 415m² was proposed for the LegCo Complex, the corresponding increase in approved project estimate of \$124 million was quite sizable. The Administration should provide breakdown of the estimate for various items of works when submitting the funding proposal to PWSC. Expressing support for the Administration's environmental protection and energy saving features, he considered that the Administration should provide information on the payback period.

49. In response, D of Admin explained that construction costs had been on the rise in recent years, and the Building Works Tender Price Index had increased by 34% from 2007 to 2009. Another reason for the increase in construction costs was that the additional works had to be incorporated into the existing construction schedule while maintaining the original completion date. The contractors had to adjust the pace of work and engage, where necessary, more workers to carry out the additional works. As regards payback period, the average figure for the proposed energy efficient features was about 44 years. The payback periods for individual items varied and might be as long as several hundreds of years, e.g. measures utilizing solar energy such as photovoltaic external lighting for open space. While it would be more expensive to include new energy efficient equipment and technologies, the Administration should not focus on the costs and the payback period alone in its commitment to protect the environment. Prof Patrick LAU urged the Administration to be prudent in its negotiations with the contractor so as to keep the costs of the new items of works at a reasonable level. The details and expenditures of the Tamar Project should be kept transparent to the public. D of Admin took note of Prof LAU's views.

50. Dr Priscilla LEUNG considered it necessary for the Administration to accord high transparency to the Tamar Project and attend to the needs of the users concerned. She had earlier proposed providing an exercise room at the LegCo Complex. Apart from this, the well-being of the reporters should be looked after as well. She suggested that seats be provided at appropriate locations so that reporters need not stand for hours waiting to interview Members and Government officials. She also considered that natural lighting and greeneries should be introduced into the LegCo Complex as far as possible. Besides, there should be

Action

high technology equipment to safeguard security in the LegCo Complex. On selection of artworks, she urged the Administration and LegCo to act with high transparency.

51. The Chairman shared the view that there should be trees and greeneries so as to create a tranquil environment at the LegCo Complex.

52. In response, SG said that exercising facilities would be provided in a multi-purpose room on the fifth floor of the LegCo Complex. Having consulted reporters, the LegCo Secretariat would provide each media agency with a working desk equipped with storage and information technology facilities. Seats would be provided near lift lobbies where Members and Government officials would most likely pass by. There would also be television sets for live broadcasting of meetings. She would continue to communicate with the reporters to attend to their needs. As for selection of artworks, she assured that Members and the public would be involved in the process. She took note of the need for sufficient trees and greeneries.

53. Ms Cyd HO expressed concern that Members found it rather difficult at present to book conference rooms within the LegCo Building for meetings. She considered it necessary to have adequate conference rooms of different sizes at the LegCo Complex to cater for this purpose. SG responded that there would be seven to eight conference rooms in the LegCo Complex, each accommodating up to 15 to 30 persons.

54. The Chairman said that members' views would be reported to PWSC when it considered the Administration's funding proposal.

VII Any other business

55. There being no other business, the meeting ended at 5:11 pm.