

立法會
Legislative Council

LC Paper No.
CB(1)1712/09-10
(These minutes have been seen
by the Administration)

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Panel on Development

Minutes of meeting
held on Tuesday, 23 February 2010, at 2:30 pm
in Conference Room A of the Legislative Council Building

Members present : Hon LAU Wong-fat, GBM, GBS, JP (Chairman)
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)
Hon 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 WONG Yung-kan, SBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
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
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 Frederick FUNG Kin-kee, SBS, JP
Hon Ronny TONG Ka-wah, SC

Dr Hon PAN Pey-chyou

Member absent : Hon Timothy FOK Tsun-ting, GBS, JP

Public officers attending : **Agenda item IV**

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

Mr Thomas CHOW Tat-ming, JP
Permanent Secretary for Development
(Planning and Lands)

Ms Winnie SO Chui-ying
Principal Assistant Secretary for Development
(Planning and Lands) 4

Agenda item V

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

Mr Thomas CHOW Tat-ming, JP
Permanent Secretary for Development
(Planning and Lands)

Mr Tommy YUEN Man-chung, JP
Deputy Secretary for Development
(Planning and Lands) 2

Mr AU Choi-kai, JP
Director of Buildings

Mr HUI Siu-wai
Assistant Director / Existing Buildings (2)
Buildings Department

Agenda item VI

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

Mr Thomas CHOW Tat-ming, JP
Permanent Secretary for Development
(Planning and Lands)

Mr Tommy YUEN Man-chung, JP
Deputy Secretary for Development
(Planning and Lands) 2

Mr AU Choi-kai, JP
Director of Buildings

Mr HUI Siu-wai
Assistant Director / Existing Buildings (2)
Buildings Department

Attendance by invitation : Agenda item IV

Mr Quinn LAW Yee-kwan
Managing Director of the Urban Renewal Authority

Ms Iris TAM Siu-ying, JP
Executive Director of the Urban Renewal Authority

Clerk in attendance : Mr WONG Siu-yee
Chief Council Secretary (1)4

Staff in attendance : Mr Daniel SIN
Senior Council Secretary (1)5

Ms Christina SHIU
Legislative Assistant (1)7

Action

- I Confirmation of minutes**
(LC Paper No. CB(1)1124/09-10 -- Minutes of meeting on
24 November 2009)

The minutes of the meeting held on 24 November 2009 were confirmed.

II Information papers issued since last meeting

(LC Paper No. CB(1)1061/09-10(01) -- Issues raised at the meeting between Legislative Council Members and Sham Shui Po District Council members on 7 January 2010 relating to public rental housing development project on Site 6 of Northwest Kowloon Reclamation

LC Paper No. CB(1)1145/09-10(01) -- Submission on Shun Ning Road redevelopment project from a deputation (順寧道重建關注組) dated 5 February 2010

LC Paper No. CB(1)1161/09-10(01) -- Administration's paper on 76WC -- Improvement to Hong Kong Central mid-level and high level areas water supply -- remaining works

LC Paper No. CB(1)1170/09-10(01) -- Referral from the Complaints Division regarding suggestions to amend the Town Planning Ordinance (Cap.131) and the Administration's written response)

2. Members noted that the above information papers had been issued since the meeting on 26 January 2010.

III Items for discussion at the next meeting

(LC Paper No. CB(1)1157/09-10(01) -- List of outstanding items for discussion

LC Paper No. CB(1)1157/09-10(02) -- List of follow-up actions)

3. Members agreed that the following items should be discussed at the regular meeting scheduled for 30 March 2010 --

- (a) Progress report on heritage conservation initiatives; and
- (b) Work progress of the Development Opportunities Office.

IV Review of the Urban Renewal Strategy

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| (LC Paper No.
CB(1)1157/09-10(03) | -- Administration's paper on review of the Urban Renewal Strategy |
| LC Paper No.
CB(1)1157/09-10(04) | -- Paper on review of the Urban Renewal Strategy prepared by the Legislative Council Secretariat (Updated background brief)) |

4. The Secretary for Development (SDEV) said that new approaches and media were used to gauge community views during the public engagement stage of the review of the Urban Renewal Strategy (URS). These included on-line discussion forums in addition to the conventional methods of road show exhibitions, public forums and topical discussions. Professional institutes, youth organizations, community groups, district councillors' offices and schools were subsidized to implement public engagement projects. Seven District Councils (DCs) in the nine target areas of the Urban Renewal Authority (URA) had been invited to launch a District Aspirations Study (DAS) in their respective district to explore the future urban renewal processes. SDEV added that the URS review adopted an evidence-based approach which provided data and information for future planning. In addition to conducting a study on urban renewal experience in six Asian cities, five topical studies were commissioned, including a building conditions survey (to be completed in end 2010), a tracking survey on redevelopment projects of URA (to be completed in early 2011), and studies on building maintenance programmes, economic impact assessment on the URA's urban regeneration projects, and the achievement and challenges of urban renewal in Hong Kong. The latter three studies were scheduled for completion in the first quarter of 2010.

5. SDEV further said that the URS review had progressed to the consensus building stage. The Steering Committee on Review of the Urban Renewal Strategy (Steering Committee), having considered the public views collected, accepted that urban regeneration should be bottom-up, and a community consensus should be sought on what and where urban renewal projects should be planned. Urban renewal should be district-based rather than project-based, where local views would be reflected. The current practice of withholding planning information on URA's redevelopment projects to avoid speculative activities should be reviewed. The 4Rs strategy (i.e. redevelopment, rehabilitation, preservation and revitalization) should continue to be adopted for urban regeneration, and URA could perform a facilitator role. On compensation policies, the Steering Committee considered that the suggestion of offering a wider choice than cash payment to affected parties should be further explored. The perceived conflicting roles of social workers in the social service teams providing

support to affected parties would need to be addressed. The URS review would be completed by mid-2010 and a revised URS would be prepared by the end of 2010.

General issues

6. Mr WONG Kwok-hing supported the broad principles and directions of the URS review, but said that housing issues faced by affected residents, including the supply of accommodation and rental levels, arising from an urban renewal project should be examined. In older districts like Tsuen Wan, owners and tenants of old buildings had diverse views and interests towards urban redevelopment. He asked how the Administration would establish a platform that stakeholders could participate and form a consensus. SDEV responded that the Administration was seeking a consensus on the overall strategy for urban renewal rather than individual projects. However, through its District Aspirations Study, Tsuen Wan District Council had explored and identified the direction and potential of redevelopment; and the process would help reduce resistance to the future implementation of the revised URS. In response to a further question by Mr WONG, SDEV said that members would be consulted on a draft of the revised URS before it was finalized.

7. Mr CHAN Kam-lam considered it unnecessary for URA to withhold information on its planned urban renewal projects to avoid speculation activities. The approach to urban renewal should be bottom-up, and the Administration and URA should further explore how this could be achieved. A bottom-up approach in urban renewal, coupled with the lowering of the application threshold for compulsory sale for redevelopment, would allow sufficient owners' participation. The discussion on urban renewal had focused on worries about how large developers might take advantage of small property owners in a redevelopment project. In reality, redevelopment could hardly proceed without a developer, and property owners in fact welcomed the participation of large scale developers as they might offer better terms, and owners were more confident of materialization of the redevelopment. As regards compensation options, the Administration should bring the "flat-for-flat" and "shop-for-shop" options up for open discussion so that the public would realize that the options, which might appear just and equitable, might turn out exposing owners and shop operators to higher risks.

8. Ir Dr Raymond HO welcomed the Administration's initiative to involve community groups in the public engagement process. He said that the Administration should be more creative in developing compensation options for affected property owners, and involving their participation in redevelopment. For example, cash could be paid upfront to an affected owner to meet the immediate cost of temporary accommodation. The owner could then be offered a unit of the same size in the redeveloped property when it was completed. He believed that the approach would not only speed up urban renewal, but also reduce resistance.

9. SDEV responded that the Administration would examine how the bottom-up approach would be put into practice, as it was a key comment received during the public engagement stage. The Administration was working on feasible alternative compensation options for projects undertaken by URA. Where redevelopment was undertaken by private sector, the "flat-for-flat" compensation option was only feasible in cases where the redevelopment potential was high taking into account the plot ratio and the land leases. These conditions were often not present in many redevelopment projects. However, as URA was tasked to perform a social mission and to provide community facilities during urban renewal, it had to undertake projects that might involve a deficit. With this social objective in mind, there was little room for URA to commit on offering a unit of comparable size to affected owners upon redevelopment. Cash payment of an equivalent value might be a more practical approach.

10. Prof Patrick LAU supported the bottom-up and district-based approaches in urban renewal. However, he found a clear government leadership missing in setting the overall planning direction for Hong Kong. The planning output from the various District Aspirations Studies should complement the overall territorial planning. Planners should have a grasp of the local history and current situations of each district before its development potential could be evaluated. He suggested that a three-dimensional model should be developed for each district to facilitate the public in visualizing, for example, which particular areas could be redeveloped with a higher intensity.

11. SDEV responded that the Administration was proceeding in a similar direction in urban renewal. A three-dimensional model was developed to aid heritage conservation efforts in Central, and District Aspirations Studies were conducted to identify the district aspirations for the 4Rs strategy in URA's target areas. Whether a three-dimensional model could be built for each district would depend on availability of resources.

12. Mr LEE Wing-tat said that the progress of urban renewal was too slow, as only a very small portion of the 225 target redevelopment projects were implemented so far. Mr Albert HO said that URA lacked transparency in withholding information on the income, expenditure and profit of individual projects. The information would reveal how surplus from an urban renewal project in one district might be used to finance other projects in a different district. Some residents might hold the view that the surplus, or at least a certain percentage of the surplus, from a redevelopment project in a district should be used to serve the local needs of that district. Mr LEE and Mr HO considered that these issues should be addressed in the URS review.

13. As regards whether affected tenants or shop operators should be relocated within the same district, Dr Priscilla LEUNG said that the option to allow shop operators to continue operations in the redeveloped area, at a concessionary rent,

should be considered. However, she doubted whether tenants must be relocated within the same district if this arrangement necessitated the implementation of more public rental housing developments in the redeveloped area, because such developments would increase intensity. If transportation issues were adequately addressed, relocating the tenants to another district should not be too much of a problem as there would still be adequate provision of community facilities to serve the needs of these tenants in other districts.

14. Ms Cyd HO said that urban renewal aimed to improve the living conditions of residents in an old area. Living conditions meant not only the physical conditions of living quarters, but also the social network. The latter could be preserved by providing more public rental housing within the redeveloped area so that affected tenants could remain in the neighbourhood. The Administration had the responsibility to provide affordable accommodation to those in need. The responsibility could not be passed on to the market, nor should the Administration refrain from providing further public rental housing just because District Councils did not support new public rental housing developments in their districts. She suggested that the Administration should, in the next population census exercise, gather information about the household income of grassroots families, their expenditure on rents, and the number of these households who were living in old buildings aged over 50 years. The Administration could then conduct studies to determine the speed of supplying public rental housing.

15. SDEV noted members' various views on urban renewal. She said that URA relied on the Hong Kong Housing Society and the Housing Authority to provide public rental housing units for affected residents with housing needs. While URA would make an effort to preserve the social network, given the limited supply of public rental housing units and the local resistance towards proposals for new public rental housing developments, it was difficult for URA to commit on offering rehousing to affected residents in the original district. She would relay Ms HO's views to the Secretary for Transport and Housing and the relevant departments.

16. As regards tracking surveys, Ms Cyd HO asked whether they covered small shop operators. As small operators often experienced difficulties in setting up their businesses again following redevelopment, the surveys would provide clear evidence on the extent of the impact of redevelopment on them. She was also concerned whether the households who participated in the surveys were among the first or the last batch of affected residents to leave after accepting the compensation package, because their response towards urban renewal would likely to be very different.

17. Ms Iris TAM Siu-ying, Executive Director of URA, advised that two tracking surveys were underway. The stage 1 survey for the Hai Tan Street project covered over 170 households including owners, tenants and commercial operators.

Tenants were more responsive and they were mostly concerned about where they were to be relocated. The stage 1 survey for the Kwun Tong Town Centre project covered more than 400 respondents from about 300 households with unexpectedly large number of residents already moved away before the survey commenced. The survey did not include any commercial operators at this stage.

Acquisition cost of old properties and selling price of redeveloped properties

18. Mr LEE Wing-tat said that there was often a wide gap between the acquisition cost of old properties and the selling price of the redeveloped properties. The huge differential motivated developers to stockpile units in old buildings. The Administration should address the problem. SDEV responded that Hong Kong was a market economy; it was only natural that economic activities, including redevelopment, were profit-driven. Government would intervene only if there were inequitable or unjust practices. The proposal to lower the application threshold for compulsory sale would increase the cost of stockpiling real estate properties and deter speculation activities.

19. Expressing a similar concern, Mr KAM Nai-wai said that there was a substantial difference between the acquisition cost and the selling price of units of URA's joint redevelopment projects. He asked how the revised URS would address that inequitable situation and suggested that a mechanism could be introduced so that small property owners could share the profits of redevelopment. SDEV said that URA, being a public organization with a social mission, could not guarantee the affected owners that they could always achieve their expected level of return from redevelopment. However, the compulsory sale for redevelopment mechanism, together with URA as a facilitator, would enable owners to participate in redevelopment.

20. Mr Frederick FUNG said that the phenomenon of substantial disparity between acquisition cost of old properties and selling price of redeveloped property also occurred in Sham Shui Po. Furthermore, shop operators were unable to buy another shop of comparable size within the district using the compensation they received. He criticized the Administration as being self-contradictory when it claimed it would not use public funds to facilitate redevelopment just to enable small owners to profit from the redevelopment, while the compulsory sale for redevelopment mechanism benefited large developers substantially. He also criticized that a profit-driven attitude towards urban renewal had helped push poor residents and shop operators alike towards desperation. He added that residents in Sham Shui Po were the happiest among all districts because of their strong social ties and mutual care, but the community network was rapidly eroded with urban renewal.

21. SDEV said that under a market economy, property developers would only be motivated to participate in an urban renewal project if it was profitable. On the

other hand, URA had to achieve a social mission through urban renewal by offering reasonable compensation to affected owners, assisting tenants to relocate, improving the environment, and providing community facilities and open space. These measures would not generate profit, and the relevant costs should be taken into full consideration.

Proposal to lower the application threshold for compulsory sale for redevelopment

22. Mr CHAN Kam-lam said that as a major concern was how profits from redevelopment should be shared among developers and affected property owners, the latter should be involved in the planning process, and a more equitable system should be introduced for them to share the profits upon completion of a redevelopment project. SDEV responded that the Land (Compulsory Sale for Redevelopment) Ordinance (LCSRO) provided a legal framework under which owners could organize themselves to redevelop their properties, usually in collaboration with a property developer, and share the profits. Some small property owners, however, preferred the assistance of a professional intermediary or a facilitator instead, and URA could play such a role.

23. Ms Starry LEE said that while there were merits in the Administration's proposal of lowering the application threshold for compulsory sale for redevelopment, especially for areas with many dilapidated buildings, she doubted whether the lower threshold should apply across the board. For areas where the land values or rental values were high, many of the properties therein would have already been acquired. The proposal would only end up increasing land supply for developers to profit. SDEV explained that setting too many restrictions in the proposal would defeat the intent of the LCSRO. Contrary to the common notion that small owners would object to the proposal, many small property owners in fact hoped to redevelop their properties as early as possible in order to improve their living conditions. The Administration would consider whether URA could assume a facilitator role to help small property owners, subject to the conditions that URA's involvement would not affect its other initiatives and resources were available. The bottom-line was that no public funds should be used to satisfy owners' desired level of profits from redevelopment.

24. Mr James TO criticized that the LCRSO could not allow small property owners to share the profits of redevelopment. Developers acquired owners' properties at a low price, and made a huge profit after redevelopment. The proposal to lower the application threshold should be deferred until the completion of the URS review. He suggested that the Administration should consider introducing a mechanism similar to windfall tax, so that a certain portion of the profits from a redevelopment project would be distributed among affected property owners. Alternatively, owners could be given an opportunity to participate in the redevelopment project. It was up to owners to decide whether to participate, but at least they should be given a chance to do so. As regards the use

of public funds when URA was invited to participate in a redevelopment project, he asked whether URA would still offer compensation according to the existing policy even if this would make the project not viable financially. Alternatively, URA could offer affected property owners compensation up to two or three times the current property value or an equivalent property unit with the proviso that the owners would forfeit any claim of the profits from redevelopment.

25. SDEV said that the LCRSO provided the legal basis if owners wished to share the profits of redevelopment, and URA could play a facilitator role. Resumption of land by Government required approval from the Chief Executive in Council. While being ready to make such a recommendation to implement an urban renewal project for improving the local environment or achieving wider community benefits, SDEV said that careful consideration and strong justifications would be required to invoke the statutory authority just to enable individual private property owners to share the profits of redevelopment. While URA might in future perform the role of a facilitator in a redevelopment project initiated by the owners, owners must comply with the relevant requirements, including making proper arrangements for relocating tenants, under those circumstances. She stressed that public rental housing resources should not be made available to owners who only wished to share the profits of redevelopment but were unwilling to undertake the responsibility of relocating the affected tenants. The precise roles of each party under different redevelopment modes would still need to be worked out.

26. Mrs Regina IP said that the LCSRO was enacted during the economic downturn in 1999 to encourage the private sector to participate in redevelopment. The circumstances at present were entirely different, with widening gap between the wealthy and the poor and soaring of property price. Small property owners often found themselves unable to buy another comparable property with the proceeds they received from a compulsory sale. It was unfair to small property owners to undermine their interests by making it even easier for their properties to be acquired. The proposal would also give the public an impression that the Administration was trying to protect developers' interests only. The principles underpinning the URS could equally apply to other private redevelopment projects. As the URS review had proceeded to the final stage where a community consensus on the approach to urban renewal would soon be established, she suggested that the proposal to lower the application threshold should be considered after the completion of the URS review. As the Administration had indicated on another occasion that building safety was not a consideration for the proposal, there should be no urgency to implement the proposal at this stage.

27. Mr Albert HO considered that the compulsory sale mechanism should be reviewed because the recent discussion on the proposal to lower the application threshold had exposed many problems with the mechanism; but there had not been any review since the enactment of the legislation in 1999.

28. Dr Priscilla LEUNG said that community views on the proposal to lower the application threshold were quite equally divided. However, she was more supportive of early redevelopment of old buildings following the building collapse incident in Ma Tau Wai. In Tai Kok Tsui, for example, many properties in old buildings were held by developers or investors who would not care about the conditions of the buildings. These buildings became a potential safety hazard. More local residents were shifting towards supporting early redevelopment.

29. SDEV clarified that the proposal was not made hastily, and was not intended to benefit developers. She had not received specific advice from developers on the matter. It was after consultation and opinion surveys conducted back in 2006 that the Administration decided to propose to lower the application threshold for lots with all buildings aged 50 years or above, as those buildings represented the majority of the buildings served with repair orders by the Buildings Department. Many small property owners were already questioning why the Administration had taken so long to put up its proposal. They had been denied of the opportunity to improve their living conditions through redevelopment just because some of the properties in their old buildings were held up for speculation. The proposal would redress the obstacle and the Subcommittee on Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage) Notice would deliberate on the subject further. It was time to decide on the matter, and the Administration would need to give the public an explanation if it did not take the proposal forward.

V Building safety concerns arising from the collapse incident

(LC Paper No. CB(1)1157/09-10(05) -- Administration's paper on building safety

LC Paper No. FS11/09-10 -- Fact sheet on "A summary of local press reports on building safety concerns arising from the collapse incident at Ma Tau Wai Road from 30 January to 19 February 2010" prepared by the Research and Library Services Division)

30. SDEV said that the approach to enhancing building safety would cover four major areas, namely, legislation, enforcement, support services and public education. The Director of Buildings (DB) said that following the building collapse incident in Ma Tau Wai on 29 January 2010, immediate inspections were conducted on the adjoining buildings. Temporary strengthening works were completed by 11 February 2010 to protect these buildings and the public. By 13

February 2010, the most dangerous sections of the remaining parts of the partially collapsed buildings had been cleared, while further investigation on the cause of the incident was being conducted.

31. Mr WONG Kwok-hing said that the expected increase in workload arising from the implementation of various building safety measures could be met by those non-civil service contract (NCSC) staff whose contracts would expire with the completion of the ten-year clearance programme of unauthorized building works (UBWs) in March 2011. These contract staff, who had accumulated useful experience from their involvement in various enforcement duties, should be retained. SDEV said that some 500 contract staff members were employed using a time-limited one-off allocation provided specifically for tackling UBWs. She agreed to review the work priorities of the Buildings Department (BD) and the manpower required to enhance building safety.

32. As regards registration of minor works contractors, Mr WONG Kwok-hing was concerned whether the small number of registered minor works contractors could meet the market demand. He considered that the Administration could boost registration through collaboration with labour unions. DB responded that the number of applications was not high during the initial registration period. As more than 1 500 contractors had enrolled in or were attending the relevant training courses required for registration, the Administration expected that they would apply for registration after completion of the training courses. By that time, the number of registered minor works contractors would increase.

33. Mr WONG Kwok-hing suggested that the Administration should keep a record of new advertisement signboards on external walls of buildings, and their installation should only be approved with the consent of the respective owners' corporations. DB explained that many people did not follow the existing statutory procedures by seeking prior approval for installation of advertisement signboard. The new minor works control system would simplify the procedure by dispensing with the need for prior approval for small to medium sized advertisement signboards, provided that the construction works were carried out by a registered professional and/or registered contractor, who would have to notify BD about the works with the notification signed by the owner. The procedure would enable BD to trace the ownerships of advertisement signboards if required.

34. Mr Frederick FUNG said that there was no conclusive evidence so far that attributed the lack of repair and maintenance to the building collapse in Ma Tau Wai. Members should not leverage on the incident to push through the Buildings (Amendment) Bill 2010. He criticized that the bill was inadequate in that it did not address UBWs within individual units, interior alteration works or leakage of pipes or drains as a result of such alterations. UBWs and alteration works often caused building defects and affected safety, but the proposed inspection schemes might not be effective to solve such problems. The building collapse in Ma Tau

Wai also revealed a building management issue, which must be addressed together with enhancing building safety. He considered that policies on building management and building safety should be handled by one bureau to achieve better integration. Consideration should also be given to entrusting building management of individual or groups of old buildings to non-governmental organizations.

35. SDEV responded that the Administration would actively support Members in examining the bill carefully. On the scope of the bill, the Permanent Secretary for Development (Planning and Lands) (PSPL) explained that registered inspectors would need to report to the Building Authority (BA) if he discovered any UBWs and to assess their safety. BD staff had the power under the current legislation to enter private premises to conduct a closer examination and to order rectification as circumstances warranted. As regards management of old buildings, PSPL said that the Hong Kong Housing Society (HKHS) provided technical and financial support to owners' corporations. The Development Bureau was working with the Home Affairs Bureau on measures to strengthen management of old buildings.

36. Ms Starry LEE criticized the Administration's current policy on tackling UBWs as being too rigid. As a result, there was little control against UBWs and interior alteration works even when they caused building defects such as leakage in drains and pipes. As BD accorded priority to clearing UBWs that posed imminent danger, it might take several years before any action was taken for certain UBWs, even at the request of the respective owners' corporations. The policy would only encourage proliferation of UBWs.

37. SDEV responded that the current enforcement policy against UBWs was developed after thorough public discussion and consultation. The ten-year programme of priority clearance of UBWs would be completed by March 2011, and the Administration would consider the next stage of action to be taken and the improvement measures that should be introduced. DB added that alteration works carried out inside individual flats did not necessarily breach the regulation or cause structural damage to buildings. In the event that the adding of partitioning or raised floor slabs had overloaded the floor causing structural safety problems or any alteration of drainage pipes had resulted in water seepage and health nuisance problems, BD would take enforcement actions.

38. Ms Starry LEE said that when the proposal to lower the application threshold for compulsory sale took effect, more old buildings were expected to be redeveloped and piling works among old building clusters would increase. Currently, affected tenants or owners were not given sufficient information or warning about the possible impact of piling on their buildings. She was concerned about the extent to which old buildings could survive the vibration, and whether BD had imposed safeguards on piling activities to protect old buildings from

damage. DB responded that stringent conditions that specified an upper limit on vibration intensity were imposed when BD approved a piling application. The limit was determined taking into account the conditions of buildings in the vicinity of the piling site, and piling activities were frequently monitored to ensure compliance with the relevant requirements.

39. Mr LEE Wing-tat said that priority should be accorded to taking enforcement actions against unauthorized plumbing works as they were prone to leakage. Property owners had high incentives to split their flats into suites in order to receive more rental income. The large number of pipes and sanitary facilities in buildings with split suites would increase the risk of leakage. BD should collaborate with the Home Affairs Department to take joint action against splitting of flats into suites. DB responded that building safety was one of the primary objectives of the Buildings Ordinance (Cap. 123), BD would take enforcement actions when such works caused problems of structural safety or water seepage resulted in health nuisance but not against the division of flats per se.

40. Mr LEE Wing-tat remarked that the relevant policy should then be reviewed, as the Administration's tolerance would only encourage proliferation of splitting of flats. SDEV said that from her recent inspection to buildings in Ma Tau Wai, the problem of splitting of flats was widespread, and the situation reflected a high demand for individual suites. She had, accordingly, instructed BD to run a few test cases to examine the extent to which the current legislation and BD's authority were sufficient to tackle the problem, and to identify measures that needed to be explored.

41. Mr CHAN Kam-lam said that there was a need to expand BD's establishment to cater for the increasing workload because there were still about 600 buildings that did not comply with repair orders, and BD could not spare the manpower on enforcement. PSPL said that property owners served with a repair order had to complete the required repair works within the specified time limit. The Administration was considering how BD could take up the repair works earlier in cases where the owners were unable to carry out the works themselves.

42. To improve building management, Mr CHAN Kam-lam suggested that formation of owners' corporations or owners' committees should become mandatory for all new buildings. He also suggested that if it was not practical to engage a management company for a building, one company, possibly with the assistance of HKHS, might be engaged to undertake management of buildings in the whole street block. HKHS should be more proactive in raising owners' awareness of their responsibilities in building maintenance and management. PSPL said that most new buildings had a management company to handle day-to-day management matters. Besides, HKHS operated ten Property Management Advisory Centres which could provide technical and financial assistance to owners and the public. As making the formation of an owners'

corporation a statutory requirement for each new building involved a major policy change, further discussion with the Home Affairs Bureau would be necessary.

43. Prof Patrick LAU enquired about the cause of the building collapse in Ma Tau Wai, and the number of old buildings inspected thereafter by BD that were given repair orders involving structural damage or other structural problems. He queried whether BD staff could identify the structural defects of buildings by inspecting the common areas and external walls only. He was disappointed that the Construction Industry Council (CIC), which was set up as a forum to address construction safety issues, had not yet put forward any views on the collapse incident.

44. DB responded that the investigation into the collapse incident was still in progress, and was expected to be concluded in mid-March 2010. As BD's inspectors had to complete the inspection of some 4 000 buildings within a short time, attention was focused on the common areas and external walls. They could enter private premises to conduct further investigation if there was a need to do so. Up to 22 February 2010, 2 938 old buildings were inspected and repair orders were recommended to be issued in respect of 682 (or 23%) of the buildings. No structural danger in any of the buildings had been found. SDEV added that as BD and the Police were conducting investigations on the incident, CIC might not consider it appropriate to comment on the possible cause of the incident at this stage. CIC would be invited to participate in improving the training of and raising awareness among construction workers on construction safety.

45. Mr KAM Nai-wai said that the Administration should help co-ordinate property owners to clear all UBWs in their buildings in one go when some of them received an order from BD to remove certain UBWs. Although BD's Co-ordinated Maintenance of Buildings Scheme was quite effective, only about 150 cases could be handled each year. He asked if the scheme could be expanded. In particular, he found the social worker team deployed under the scheme particularly useful.

46. SDEV said that the Co-ordinated Maintenance of Buildings Scheme was indeed very labour-intensive as it covered a wide range of services such as helping owners to set up owners' corporations and had its own in-house social worker team. As it already took a lot of resources to handle 150 cases a year, it would be difficult to further expand the scheme. That said, she would personally review the overall manpower provision of BD in the light of the expected increase in workload, the suggestions from members, and the expiry of the contract of the some 500 NCSC staff by March 2010.

47. Mr KAM Nai-wai considered the 60-installment interest-free Building Rehabilitation Loan Scheme offered by URA commendable and suggested that the Administration should, likewise, waive the interest from the repayment under the Comprehensive Building Safety Improvement Loan Scheme, because while the

interest income was relatively small, the encouraging effect was large. SDEV said that the Administration provided various support, including different loan schemes and building materials support to encourage property owners to maintain their properties. The Administration would consider consolidating the best of different schemes together. Any change to the Comprehensive Building Safety Improvement Loan Scheme would require internal scrutiny within the Administration and support from Members.

48. Mrs Sophie LEUNG said that building maintenance and management depended on property owners' initiatives and awareness of their own responsibility. The Administration should consider establishing a building maintenance fund so that property owners would bear greater responsibility towards the cost of building repairs. Owners would be more conscious in managing their properties in order to reduce maintenance expenses. SDEV subscribed to Mrs LEUNG's views and agreed to address the issues with the Home Affairs Bureau.

49. In connection with the inspection of old buildings following the building collapse incident in Ma Tau Wai, Mr James TO asked whether BD staff had exercised the authority under section 22 of the Buildings Ordinance (Cap. 123) and entered individual private premises to investigate whether there were any structural problems. DB responded that the inspections were mainly focused on common areas and external walls. Nevertheless, staff were reminded of the need to enter individual private premises if it facilitated their investigation into suspected structural problems.

Admin

50. Mr TO requested the Administration to provide information on the number of buildings, among the 2 463 buildings inspected after the collapse incident, where staff of BD had entered individual premises of those buildings to carry out inspection.

VI Progress of enforcement action against unauthorized building works
(LC Paper No. CB(1)1157/09-10(06) -- Administration's paper on progress of enforcement action against unauthorized building works
LC Paper No. CB(1)1157/09-10(07) -- Paper on unauthorized building works prepared by the Legislative Council Secretariat (Background brief)

51. Members noted the submission from 屋宇署非公務員合約僱員工會 tabled at the meeting.

(*Post-meeting note:* The soft copy of the submission (LC Paper No. CB(1) 1235/09-10(01)) was issued to members by email on 24 February 2010.)

52. SDEV invited members' views on the Administration's future enforcement strategies against UBWs. She said that members' input would assist her review of the overall manpower needs in BD following the completion of the ten-year UBW clearance programme in 2011.

53. Mrs Regina IP criticized that the ten-year UBWs clearance programme still failed to redress many problems caused by UBWs. Citing Kwan Yick Building in Central and Western District, Mrs IP said that UBWs had created many management and hygiene problems and BD had been slow in tackling the matter. She was concerned that it would be even more difficult for public complaints on UBWs to receive the Administration's attention when the clearance programme was completed.

54. SDEV said that it was ultimately a question of resources as to how much the Administration could do against UBWs, and the time-limited resources could not be extended indefinitely. As regards Kwan Yick Building, SDEV said that BD would need to investigate whether the structures in question fell within one of the seven types of UBWs that warranted priority clearance under established policy. Any enforcement action taken outside the priority clearance policy would create a precedent that should be supported by policy, and should apply equally to other buildings with similar problems. The case would be taken into consideration in the Administration's review on the way forward.

55. Ms Cyd HO said that some civil servants had concerns about whether BD's contract staff had the professional competence to assess the risks of UBWs. Apart from raising concerns on professional standards, Ms HO also expressed concern whether adequate equipment was provided to aid BD staff in carrying out inspection of old buildings. SDEV said that the Administration would review BD's staffing provision. Being a multi-discipline department, BD required staff from relevant disciplines to perform tasks related to building safety and building maintenance. The Administration would not compromise on the professional quality of staff, whether or not they were civil servants.

56. Ms Cyd HO asked how the Administration would handle the situation where UBWs were stacked one upon the other, and whether BD would help co-ordinate owners or work with the owners' corporations to carry out clearance in an orderly manner. Expressing similar concerns, Mr James TO said that he was aware of cases where UBWs protruded from a building and stacked one upon another. He was concerned about which party would be liable if UBWs at the lower floors tumbled while those at the upper floors were being cleared. He was also concerned that elaborated and expensive support would be necessary to

prevent UBWs from tumbling during clearance, and that owners had to bear the relevant cost. He suggested that BD should provide professional input to owners to ensure safe clearance operation, and co-ordinate the clearance among owners to remove all UBWs in one operation. The cost could be shared among the owners.

57. DB responded that owners were expected to co-ordinate clearance among themselves, although BD would assist if requested. While removal orders would be served on all concerned owners at the same time, flexibility was allowed in the course of enforcement. For example, in the situation of multi-storeyed UBWs, deferral of the removal of the UBWs at the lower floors would be tolerated until those at the upper floors were cleared. In case where removal orders were not complied with, owners of UBWs at the upper floors would be prosecuted first.

VII Any other business

Proposal to set up a subcommittee on building safety and related issues

(LC Paper No. CB(1)1119/09-10(01) -- Letter dated 4 February 2010 from Prof Hon Patrick LAU Sau-shing proposing the setting up of a subcommittee on building safety and related issues

LC Paper No. CB(1)1157/09-10(08) -- Proposed terms of reference, work plan and time frame of the proposed subcommittee provided by Prof Hon Patrick LAU Sau-shing)

58. At the invitation of the Chairman, Prof Patrick LAU said that his proposal of setting up a subcommittee aimed to provide a dedicated forum to monitor how the Administration implemented measures to improve building safety and related issues, in terms of legislation, enforcement, support and public education. In anticipation that the Administration would complete the investigation of the Ma Tau Wai building collapse incident by mid-March, the proposed subcommittee could also follow up on the building safety concerns arising from the investigation and improvement measures identified.

59. Ms Cyd HO expressed support for setting up a subcommittee and suggested that the proposed subcommittee should also discuss complementary measures for redevelopment or demolition of an unsafe building. These would include how affected owners or displaced tenants should be handled and the social impacts of redevelopment projects.

60. Mrs Sophie LEUNG considered that Ms Cyd HO's suggestion would stretch the proposed subcommittee's scope too far, and pointed out that issues related to urban renewal could continue to be discussed by the Panel. Mr James TO concurred that the subcommittee should focus on building safety issues, but it could still discuss matters such as compensation and relocation when they were related to building safety issues. Ms Cyd HO agreed to this approach and added that issues such as relocation of affected residents during clearance of unsafe buildings could not be ignored and should be examined in connection with building safety issues.

61. Members agreed to Prof Patrick LAU's proposal of setting up a subcommittee under the Panel to study building safety enhancement and related issues. The Chairman instructed that a paper be provided to the House Committee to seek its agreement for activating the subcommittee.

(Post-meeting note: A draft paper for the House Committee was circulated to Panel members after the meeting. The House Committee agreed on 12 March 2010 to activate the Subcommittee on Building Safety and Related Issues to allow it to commence work immediately.)

62. There being no other business, the meeting ended at 5:45 pm.

Council Business Division 1
Legislative Council Secretariat
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