

**立法會**  
**Legislative Council**

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**Panel on Development**

**Meeting on 30 March 2010**

**Background brief on Development Opportunities Office**

**Purpose**

This paper provides background information on the Development Opportunities Office (DOO) set up under the Development Bureau on 1 July 2009, and summarizes the concerns and views expressed by Members during past discussions on the subject.

**Background**

2. The Administration's plan to set up DOO came to light when the Financial Secretary delivered the Budget Speech for 2009-2010 on 25 February 2009, which revealed that construction works completed by the public sector only accounted for about 30 to 50 per cent of the overall construction output in the past 10 years preceding 2009. The Administration considered private sector construction projects crucially important to Hong Kong in terms of their contributions to the economy and to meeting housing and other demands, and in creating jobs. Since the onset of the financial tsunami in late 2008, there had been a slow down in private sector investment in construction. While the Administration would continue to press ahead public sector infrastructure development, the public sector alone would unlikely sustain the entire construction industry and jobs in the sector. The Administration therefore found it necessary to encourage private development projects to support jobs in the construction sector and various parts of the economy.

3. According to the Administration's paper provided to the Panel on Development for the meeting on 28 April 2009, a main obstacle inhibiting development is that project proponents often find it difficult to get through various government authorities and statutory processes. Although project proponents recognise the need for development projects to go through various statutory procedures like seeking planning permission from the Town Planning Board, submitting building plans, and executing lease modification or land

exchange before construction could proceed, there is no dedicated unit to take a broad view of the proposed projects in terms of their merits. Project proponents also find it difficult to access all relevant bureaux/departments on their own. A holistic approach would be more conducive to development, particularly for more complex projects crossing traditional departmental boundaries.

4. The Administration therefore considers that a dedicated office playing a liaison and co-ordinating role will provide focused policy steer and stronger co-ordination between the relevant government bureaux and departments in the assessment of private development proposals, and allow efficient processing of such proposals. In order to better seize development opportunities and to facilitate infrastructure and building development undertaken by the private sector and non-governmental organizations (NGOs), the Administration has decided to set up DOO to provide one-stop advisory and co-ordinating support to land development proposals considered to be beneficial to the community at large.

5. The Administration briefed the Panel on Development on its proposal to set up DOO at the meeting on 28 April 2009. The Establishment Subcommittee recommended and the Finance Committee approved the Administration's proposal on 27 May 2009 and 12 June 2009 respectively.

### **Development Opportunities Office**

6. According to the Administration, projects going through DOO should meet the following criteria:

- (a) the projects are proposed by proponents in possession of land but the use of the land for the proposed project may require rezoning or town planning application and subsequently land exchange of lease modification, although some flexibility may be allowed with regard to projects by the NGO sector; and
- (b) the projects should not be exclusively residential but should contain components of wider economic value, e.g., contributing for example to tourism, logistics, services, heritage or nature conservation, community uses (elderly services, religious uses or sports), etc.

7. DOO will not replace the existing statutory procedures, public consultation and regulation. Land premium and fees, if applicable, must be paid in accordance with established government policies and generally in full. DOO is not meant to be an approving authority, but a dedicated agent to provide one-stop co-ordinated advice to the private sector as well as NGOs in respect of their land development proposals. The setting up of the DOO would also

possibly play a useful role in further promoting the development projects in the six economic areas<sup>1</sup> identified by the Task Force on Economic Challenges.

8. The specific responsibilities of DOO are as follows --

(a) *performing the first-stop in receiving land development proposals*

DOO receives proposals and attends presentations to better understand the proposals and identifies the policy and practical implications and the relevant bureaux and departments involved.

(b) *liaising with bureaux and departments*

DOO gathers and analyses the proposal against the latest information on government policies and statutory requirements and procedures with a view to providing comprehensive and co-ordinated advice to the project proponent.

(c) *servicing the Land and Development Advisory Committee<sup>2</sup>*

DOO provides secretariat service to the Land and Development Advisory Committee (LDAC). DOO refers the development proposals received together with preliminary assessments with relevant bureaux' and departments' inputs to LDAC for consideration and advice on the merits or otherwise of the proposed projects as well as any necessary follow-up measures to address any public concern. DOO also communicates the advice of LDAC to the relevant government bureaux and departments and the project proponent for consideration.

## **Members' concerns and views expressed during past discussions**

### Co-ordination within the Administration

9. At the Panel meeting on 28 April 2009, some members considered that there had been insufficient co-ordination among government departments and the Administration should tackle the problem at root. Similar views were expressed

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<sup>1</sup> The six economic areas are (1) testing and certification; (2) medical services; (3) innovation and technology; (4) cultural and creative industries; (5) environmental industry; and (6) educational services.

<sup>2</sup> The Land and Development Advisory Committee is an advisory committee advising the Government on policies and procedures in relation to planning, land and building matters; and on specific development proposals and projects initiated by non-Government or private proponents which carry a broader economic or social value. It is chaired by a non-official, and its membership comprises mainly non-officials. All non-officials are appointed on an ad personam basis, with some being nominations from related professional and trade organizations.

at the Finance Committee meeting on 12 June 2009 that the Administration should streamline the existing cumbersome land development procedures. The Administration explained that the existing procedures that a development project needed to go through were complicated, and DOO would provide one-stop service to facilitate the processing of land development proposals. The Administration would also review the policies and procedures for handling land development proposals to expedite the development process.

#### Project eligibility criteria

10. Some Panel members considered that the eligibility criteria for the projects processed by DOO should be designed in such a way that there should be no room for exploitation by project proponents. The Administration advised that DOO would not be responsible for granting approval for proposals, and the existing departments and authorities would continue to exercise their powers on matters under their purview. LDAC would include more members with expertise in relevant areas and advise on the merits of individual proposals. Noting that possession of land was one of the eligibility criteria for project proponents, a member expressed concern that enterprises without land might not be able to benefit from the establishment of DOO.

#### Fairness and transparency

11. Some Panel members were concerned as to whether the vetting of a particular project by other relevant bureaux/departments would be biased if DOO had already expressed support for it. The Administration clarified that the role of DOO was to help collate the views of departments concerned on the proposals submitted by the proponents. However, the proposals would not be given any special treatment in the subsequent vetting process by the relevant departments and authorities. As regards the concern that a bureau secretary under the political appointment system could exercise influence on the proposals submitted to DOO, the Administration clarified that as DOO would not make any policy decisions or approve proposals, it would not interfere with the administration work of government departments, and these proposals would still need to follow the necessary statutory procedures for implementation.

12. At the meeting of the Establishment Subcommittee on 27 May 2009, some members considered it imperative to ensure fairness and maintain transparency in DOO's service and work, and that a fair and level-playing field should be provided for proponents from all sectors. The Administration assured members that eligible proposals from proponents of all sectors and scales of operation would be treated on equal basis. To enhance transparency and to facilitate early community input, LDAC, comprising mainly non-officials with some being nominations from related professional and trade organizations, would consider individual proposals processed by DOO. On a member's suggestion that DOO should consider proposals for bringing in privately-run sports centres,

the Administration advised that DOO would consider proposals which contained components of wider economic value, including sports facilities.

13. As regards the need for providing an appeal mechanism for project proponents or members of the public to seek review of the project proposals processed by DOO and LDAC, the Administration advised that since DOO or LDAC would not be responsible for giving approval for project proposals, it was not necessary to put in place a mechanism for appeal in respect of their work.

14. At the Finance Committee meeting on 12 June 2009, some members expressed worries that DOO might facilitate collusion between Government and the business sector. A member opined that the setting up of DOO might set a bad precedent in that more similar offices might be set up for other policy areas. The Administration assured members that there would be appropriate safeguards in place, and explained that there had been thorough internal discussion among relevant policy secretaries of the proposed setting up of DOO. DOO was considered a feasible measure to facilitate land development and boost the economy. While DOO would assess the social benefits of the projects, the bureaux concerned would provide input according to their respective policy areas.

#### Effectiveness assessment

15. At the Panel meeting on 28 April 2009, a member suggested that DOO should continue its operation if it proved to be able to achieve its intended purposes. The Administration advised that if the results of the interim review of the operation of DOO were satisfactory, the Administration might seek support to make DOO permanent.

16. At the meeting of the Establishment Subcommittee on 27 May 2009, some members asked how the effectiveness of DOO would be assessed and whether an independent panel would conduct the relevant review. The Administration advised that possible assessment indicators included the number of land development projects successfully processed by DOO, and the reduction in lead time for going through the application procedures with the co-ordinated advice of DOO. The Administration would decide the way forward for DOO having regard to operational experience gained in the first or second year of its inception. LDAC would be consulted on the performance of DOO in the review.

#### **Latest development**

17. The Administration will brief the Panel on the progress of work of DOO on 30 March 2010.

**Relevant papers**

18. A list of the relevant papers with their hyperlinks is in the **Appendix**.

Council Business Division 1  
Legislative Council Secretariat  
26 March 2010

## Development Opportunities Office

## List of relevant papers

Council/Committee	Date of meeting	Paper
Panel on Development	28 April 2009	<p>Administration's paper on "Proposed Creation of a Supernumerary Post of Administrative Officer Staff Grade B in the Development Bureau" (LC Paper No. CB(1)1347/08-09(06))  <a href="http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0428cb1-1347-6-e.pdf">http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0428cb1-1347-6-e.pdf</a></p> <p>Minutes of meeting (LC Paper No. CB(1)2336/08-09)  <a href="http://www.legco.gov.hk/yr08-09/english/panels/dev/minutes/dev20090428.pdf">http://www.legco.gov.hk/yr08-09/english/panels/dev/minutes/dev20090428.pdf</a></p>
Establishment Subcommittee  Finance Committee	27 May 2009  12 June 2009	<p>Administration's paper on "Proposed creation of one supernumerary post of Administrative Officer Staff Grade B (D3) in the Office of the Secretary for Development under the Planning and Lands Branch of Government Secretariat: Development Bureau for a period of three years with effect from 1 July 2009 to head the new Development Opportunities Office" (EC(2009-10)6)  <a href="http://www.legco.gov.hk/yr08-09/english/fc/esc/papers/e09-06e.pdf">http://www.legco.gov.hk/yr08-09/english/fc/esc/papers/e09-06e.pdf</a></p> <p>Minutes of meeting (LC Paper No. ESC43/08-09)  <a href="http://www.legco.gov.hk/yr08-09/english/fc/esc/minutes/esc20090527.pdf">http://www.legco.gov.hk/yr08-09/english/fc/esc/minutes/esc20090527.pdf</a></p> <p>Minutes of meeting (LC Paper No. FC5/09-10))  <a href="http://www.legco.gov.hk/yr08-09/english/fc/fc/minutes/fc20090612.pdf">http://www.legco.gov.hk/yr08-09/english/fc/fc/minutes/fc20090612.pdf</a></p>