

立法會
Legislative Council

LC Paper No. CB(1)468/10-11
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Panel on Development

Minutes of meeting
held on Thursday, 21 October 2010, at 5:30 pm
in the Chamber of the Legislative Council Building

Members present : Prof Hon Patrick LAU Sau-shing, SBS, JP (Chairman)
Hon LAU Wong-fat, GBM, GBS, JP (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Frederick FUNG Kin-kee, 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, JP
Dr Hon Priscilla LEUNG Mei-fun
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun
Hon Tanya CHAN
Hon Albert CHAN Wai-yip

Members attending : Hon IP Wai-ming, MH
Hon CHEUNG Kwok-che

Members absent : Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, SBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon IP Kwok-him, GBS, JP
Hon Alan LEONG Kah-kit, SC

Public officers attending : **Agenda item I**

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

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

Mr WAI Chi-sing, JP
Permanent Secretary for Development (Works)

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

Mr Enoch LAM Tin-sing, JP
Deputy Secretary for Development (Works) 2

Miss Annie TAM Kam-lan, JP
Director of Lands

Mr Jimmy LEUNG Cheuk-fai, JP
Director of Planning

Mr LAM Siu-tong
Director of Buildings (Acting)

Clerk in attendance : Mr Stephen LAM
Chief Council Secretary (1)4

Staff in attendance : Mr Simon CHEUNG
Senior Council Secretary (1)1

Ms Sharon CHUNG
Senior Council Secretary (1)5

Action

- I Briefing by the Secretary for Development on relevant policy initiatives in the Chief Executive's Policy Address 2010-2011**
(LC Paper No. CB(1)40/10-11(01) -- Administration's paper on initiatives of the Development Bureau in the 2010-2011 Policy Address and Policy Agenda)

Opening remarks by Secretary for Development

The Secretary for Development (SDEV) said that the major initiatives of the Development Bureau (DEVB) in the 2010-2011 Policy Address and Policy Agenda were focused on the following four areas:

- (a) increasing land supply for housing development;
- (b) review of urban renewal strategy;
- (c) enhancing building safety; and
- (d) promoting quality and sustainable built environment including the regulation of "inflated buildings".

2. SDEV added that the Administration would brief members in greater details on (b) and (d) above at the meeting of the Panel on 26 October 2010. On (c), she suggested that the Subcommittee on Building Safety and Related Issues appointed by the Panel could follow up the subject. She welcomed members' questions on the DEVB's initiatives.

GFA concessions

3. Miss Tanya CHAN asked whether Mr Victor LEE Tzar-kuoi, currently a member of the Council for Sustainable Development (SDC), had submitted building plans for approval before the new measures against

"inflated flats" were announced. She noted that the Building Authority's approval of the building plan of Hopewell Centre II Project, which had been drawn up more than a decade ago, would still be valid by way of submitting minor revisions repeatedly to avoid contravening the requirements of section 16(3)(d) of the Building Ordinance (Cap. 123). While the meaning of revisions of building plans could be found in APP-055 of the relevant practice note, she was concerned about the lack of definition of "commencement of building works" in the provision. She asked whether the Administration would issue a practice note on the definition of "commencement of building works".

4. In response, SDEV clarified that the review of the regulation of "inflated buildings" was a transparent process well known to the public. The SDC studied the issues involved, conducted a public engagement exercise on "Building Design to Foster a Quality and Sustainable Built Environment" and published a report on the subject in June this year. The Administration gave a full response to the recommendations in the report in four months. SDC had only made in-principle recommendations, without being specific on figures, like the cap on GFA concessions, nor the timing or method of implementation. There should be therefore no concern about "insider information" exploited by SDC members. If developers wished to take pre-emptive actions in anticipation of any policy changes, they could be done at any time.

5. SDEV further advised that two measures had been announced on the day before the meeting concerning the regulation of "inflated buildings" to prevent the abuse of the current GFA concessions policy. One was that applications for approval of building plans must be submitted with proof of ownership or proof of realistic prospect of control of the concerned land. Another was that when the Building Authority was exercising the modification power under section 42 of the Buildings Ordinance, he would impose a condition of validity period of two years for the GFA concessions he had granted for a building plan with green and amenity features. Any granted GFA concessions would become invalid if no building works were commenced within two years from the imposition of the condition under section 42.

6. Director of Buildings (Acting) (Acting DB) added that "commencement of building works" referred to the commencement of that part of the building works utilizing the GFA concessions which is normally the superstructure of a building. In general, a building project was composed of various stages including the demolition of existing structures, the laying of the foundation and the construction of the superstructure.

Under the new measures, a developer must obtain the consent to commence the superstructure within two years, otherwise the GFA concessions granted would become invalid. The new requirements would be stated clearly in the approval letters and the specified form in granting the GFA concessions.

7. Mr LEE Wing-tat expressed support for the Administration's measures to control building height and bulk. He opined that the Administration should not be strict to private developers but lenient to the Mass Transit Railway Corporation Limited (MTRCL) and the Urban Renewal Authority (URA), as some of their building plans had been submitted before the announcement of the new measures. As a major shareholder of MTRCL and a key member of URA, the Administration should take the factors of reasonableness and public expectation into consideration when formulating its policy. The Administration should also reduce the number of "inflated buildings" and minimise the wall effects of the developments of such organisations. The buildings of some of the developments of MTRCL in Tsuen Wan were too tall, causing a wall effect on the Tsuen Wan town centre. While developments in Nam Cheong and Yuen Long had the floor areas reduced, he queried why the developments of MTRCL in Tsuen Wan and those of URA could not follow suit.

8. SDEV stressed that the Administration was fair to all property developers, including MTRCL, in the implementation of the new measures. However, the new measures had no retrospective effect. Building plans already approved should not be overturned arbitrarily. To meet public expectation, the Administration took the initiative in 2007 to review the development intensity of the above-rail developments at Nam Cheong and Yuen Long West Rail Stations. As a result, irrespective of the issue on "inflated buildings", the Administration improved the built environment by adjusting downwards the plot ratios, building heights and number of blocks for the two projects. However, at present, public demand for increased supply of housing units was great. It would therefore be difficult for the Administration to make use of the topic on "inflated buildings" to review the property development projects in Tsuen Wan, Tin Shui Wai and Long Ping. The Nam Cheong project alone would be providing about 3,300 residential units, which were much needed by the public.

Land supply for housing

9. Mr LEE Wing-tat expressed doubts on whether the Administration could achieve the housing supply target of roughly 20,000 units a year in the coming five years. He believed that the Administration might be able to meet the target in the longer term, say, in 2013 to 2015, but not in the next

two years, when housing supply would be very tight. He asked about the exact numbers of residential units to be supplied in the next two years.

10. SDEV advised that the supply of land that could produce on average 20,000 private residential units a year over the next 10 years was not a fixed target. The supply would come from three sources: (a) the land to be provided under the Application List system, (b) land tenders to be carried out by MTRCL and URA, and (c) private new development and redevelopment projects which might or might not involve lease modifications. In the past 10 years, the land from the latter two sources had provided about 8,500 to 9,000 private residential units a year on average. To achieve the level of 20,000 units a year, 11,000 to 12,000 units from the Application List system would be needed. This year's Application List had the capacity to provide about 9,000 units. The Administration was confident that the Application List next year would have a higher capacity but it was difficult to give the exact figure at this time.

11. Mr CHAN Kam-lam said he hoped the Administration would honour the promise of supplying 20,000 housing units a year. He asked whether a list would be published to show the locations of the land to be provided for housing so that the public could monitor the progress of the implementation of this initiative.

12. In reply, SDEV said that the Administration might not be able to list out all the information about individual sites to be supplied for housing, especially in the case of a 10-year forecast. Only when the annual plan for the land to be made available under the Application List had been worked out could the Administration provide the information to the public. For instance, it was already made known in the CE's Policy Address that the sites to be put under the Application List next year included those at the former North Point Estate, Tseung Kwan O and Tung Chung. The Administration could provide such information on an annual basis. On the other hand, the Administration had from time to time made announcements about the sources of land supply for housing, in particular medium to long term supply. In general, long-term land supply came from newly developed areas, such as North-east N.T., Hung Shui Kiu and further development of Tung Chung.

13. Ms Cyd HO pointed out that according to the statistics, the population of the age from 25 to 35 were about 950,000. This group of people were at the age for marriage and they would need 47,000 new residential units each year. However, the Policy Address only stated a target of 35,000 units a year, comprising 15,000 public housing units and 20,000

private residential units. The housing need would be 50,000 units per year, if the population of the age from 15 to 25, which were about 1 million, were also counted. While many Hong Kong people would be working and living on the Mainland, in Hong Kong there were a mobile population who came from the Mainland. She asked why it was so difficult to find land for developing public housing, in particular on the Hong Kong Island. She further said that at a meeting of the Central and Western District Council in 2006, the then Director of Housing had mentioned that the site of the Police Married Quarters at Ka Wai Man Road was one of the sites targeted for developing public housing but there were competitive requests from other Government departments. She noted that the site had not been allocated for public housing, though the Central and Western District Council had been strongly requesting supply of land to increase public housing units in the district. She stressed that the housing needs of grass-root level residents could not be ignored and enquired about the mechanism for deciding the use of land among Government departments, for example, whether certain sites would only be allocated to commercial or luxury property developments.

14. SDEV replied that she was not in a position to respond on behalf of the Secretary for Transport and Housing to Ms Cyd HO's questions about housing needs. She advised that her Bureau was responsible for the supply of land to meet the requirements and policy targets of various policy bureaux as far as possible. In fact there were rarely barriers within the Government for the allocation of land for public housing, for which there was a clear target of providing 15,000 units a year on average, with a waiting time of around three years for applicants. However, there were oppositions at district level to the building of public housing estates on a number of sites. The Administration was trying its best to convince the residents in certain areas to accept the development of public housing. As regards the use of the site of the Police Married Quarters at Ka Wai Man Road, the Administration would provide a written response after the meeting.

(Post-meeting note: The Administration's response was received on 28 October 2010 and circulated to members vide LC Paper No. CB(1)276/10-11(01).)

15. Citing the site of the former North Point Estate, which was designated for private housing, as an example, Ms Cyd HO reiterated her concern for the decrease in supply of land for public housing. The Chairman remarked that over 10,000 units were recovered by the Housing Authority each year and these units were supplied to public housing applicants.

Building Safety

16. Mr KAM Nai-wai noted that the Administration had launched a series of new initiatives to enhance building safety in the light of the building collapse incident in Ma Tau Wai. One of the measures was to make it a criminal offence if a property owner refused to pay the relevant share of the repair costs for the common areas of his/her building. He considered this a draconian approach and asked if the Administration had considered alternative action.

17. Mr Albert CHAN also expressed concern about criminalisation of refusal to share the repair costs. He considered that there were a number of reasons for some owners of old buildings to disagree to carry out repair works, such as unsatisfactory organisation and operation of Owners' Corporations (OCs) and improper tendering processes. There were alleged collusions among OCs, consultancy companies and building contractors in the organisation of repair works, resulting in unreasonably large payments and unsatisfactory services. He urged the Administration to be cautious in proposing this legislative measure, as this would give rise to abuse by unprofessional consultants and contractors. He held the view that repairs of old buildings could be taken up only by statutory bodies such as the Hong Kong Housing Society (HKHS) and URA, and that each owner should pay part of the costs according to the percentage of undivided shares of the concerned lot that he/she had.

18. SDEV said that the multi-pronged package of measures to enhance building safety demonstrated the Administration's determination to tackle building safety problems. The legislative proposal under the package aimed to amend the Buildings Ordinance to impose appropriate penalties on individual unco-operative owners/persons who refuse to pay the relevant share of the repair costs for the common areas for works required under statutory orders. In making this proposal, the Administration had considered the comments of a number of OCs which had been much troubled by unco-operative owners. She added that the present proposal had taken reference from similar penalties against unco-operative owners under the proposed Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme, which were being considered by the Bills Committee on the Buildings (Amendment) Bill 2010. The Administration proposed to further amend the legislation to extend the arrangements under the two Schemes to all repair works related to dilapidated buildings, being taken by OCs. A cautious and reasonable approach would be taken in drafting the relevant legislation which would include defence provisions to ensure that owners would not be prosecuted just because they had no money

to pay. SDEV assured members that the Administration would listen to views of all parties concerned before introducing the new legislation. Apart from the new legislation, there were a number of measures to assist the property owners in need. SDEV suggested that more discussions on this subject be made at the Subcommittee on Building Safety and Related Matters and the Bills Committee on the Buildings (Amendment) Bill 2010.

19. On the management of buildings, SDEV advised that paragraph 47 of the Policy Address stated that the Administration would consider amending the law to effectively require the owners or OCs concerned to employ property management companies if necessary. Paragraph 48 of the Policy Address also stated that the Administration would propose that a statutory licensing regime for the property management industry be established to ensure the quality of their services. These proposals concerning building management fell under HAB's purview and the Bureau would consult the public shortly and make a decision within the first half of 2011.

20. Mr WONG Kwok-hing enquired about the Administration's measures to tackle the problems of unauthorised subdivision of flats and unauthorised building works (UBWs). He said that he had been urging the Administration for some years to maintain a database on UBWs so that better priorities could be set for enforcement action and the property owners concerned could be fairly treated. As vigorous enforcement action against UBWs was a major initiative under the Policy Address, he asked if the Administration would allocate resources to set up such a database.

21. Ms Starry LEE also expressed concern about the increased loads on the building as a result of sub-division, though the Administration had advised that the weights so increased would not cause safety problems. She suggested that the database on UBWs, which would cover unauthorised sub-division of flats, could provide a better picture on the problem. She also enquired whether information about signboards would be included in the database.

22. SDEV advised that the measures against unauthorised sub-division of flats and related problems would include making legislation and enforcement action. Having discussed with members at previous Panel meetings, she understood that members supported bringing such sub-division works under control. The Administration would therefore propose to amend the Buildings (Minor Works) Regulation (Cap. 132 sub. leg. N) to require that certain works for sub-division of flats be categorised as minor works and should only be carried out by qualified persons and

registered contractors. The Administration would also launch large-scale operations to tackle the problems of UBWs and unauthorised sub-division of flats. As there was great difficulty in gaining entry into these flats for investigation, it was proposed that the Buildings Department should be empowered to apply for a court warrant to enter private premises for carrying out investigation, inspection and repair works.

23. SDEV further said that the Administration would seek resources to step up enforcement action against UBWs in the next Budget. Furthermore, a comprehensive stock-taking exercise would commence shortly to build up a record of all UBWs in Hong Kong. Acting DB supplemented that a consultancy firm had been appointed to perform a comprehensive survey on external UBWs covering all the buildings in the territory. The firm would conduct inspection, take photographs and compile reports on UBWs. These records would form an electronic database that would strengthen the existing records and support future enforcement action.

24. On unauthorised signboards, SDEV advised that the Administration's plan was to introduce a control system. A validation scheme would be introduced for signboards, similar to the scheme for supporting frames for air conditioners and drying racks under the minor works control system. If a signboard was not validated by a qualified person within a specified period, it could be removed by the Buildings Department. Validated signboards would need to be re-validated after a period of time.

25. On the concern about overloading caused by unauthorised sub-division of flats, SDEV said that while sub-division might cause blockage to fire escape routing, building professionals had advised that the buildings in Hong Kong generally had very high load-carrying capacities.

26. Ms Starry LEE said that water seepage was also an irritating problem to the public. Recently, she had received a number of complaints against the Joint Office (set up by the Food and Environmental Hygiene Department and the Buildings Department to deal with complaints of seepage in buildings) for its failure to enter the units above the complainants' to conduct colour water tests. She asked about the Administration's measures to tackle water seepage problems.

27. SDEV acknowledged that water seepage was a very annoying problem and was difficult to solve. However, as these were basically disputes between property owners, it might not be the most cost-effective way for the Administration to put in more resources in this area as this would mean less resources for other areas that were of greater concern to the

public. She looked forward to discussing with members how to more effectively deal with such disputes between property owners. Meanwhile, the Administration had proposed three actions to deal with the problem, i.e. by enhancing the efficiency of the Joint Office; implementing a mediation mechanism to settle these disputes, introducing legislation similar to that in Singapore, to presume the liability of the owner of the unit above the floor where there was water seepage so that the owner concerned would be more co-operative with the investigation.

Review of urban renewal strategy

28. Dr Priscilla LEUNG welcomed the Administration's policy initiative to set up a District Urban Renewal Forum (DURF). She agreed to implement a pilot scheme for DURF in Kowloon City because there were serious problems related to dilapidated buildings in the district. The collapse of the building at No. 45J, Ma Tau Wai Road was an example. While she was basically in support of the proposed composition of the DURF, she was concerned about the cost-effectiveness of DURF, which would be financially supported with a trust fund of \$500 million. She hoped the DURF would gauge the views of the District Council and other local representatives concerned.

29. SDEV said that Kowloon City had most dilapidated buildings among all districts, therefore it was selected for establishing the first DURF. With members to be appointed by SDEV, DURF would operate independently from the District Councils and URA. She believed that DURF would perform its functions to strengthen urban renewal planning at the district level through a wide range of activities including studies, surveys and public engagement activities. She stressed that the Urban Renewal Trust Fund would not only finance the operation and activities of DURF, but also would also finance the engagement of social service teams for providing assistance to those affected by URA redevelopment projects, and also heritage preservation and district revitalisation initiatives proposed by bodies other than URA.

30. Mr Frederick FUNG was of the view that DURF, being a district advisory platform, should operate under the District Councils. He did not consider it appropriate to set up other district advisory platforms for individual policy areas.

31. SDEV noted Mr FUNG's views and reassured members that local views would be represented at the DURF. She had met with the Chairmen

and Vice-chairmen of the 18 District Councils and they had no strong views about the proposed arrangement.

32. Mr FUNG commented that the results of redevelopment in Sham Shui Po were more acceptable than those in other districts. The features of the old Sham Shui Po community were largely retained, and old small shops co-existed well with new ones. There were no serious conflicts during the redevelopment process. He hoped the Administration could consider taking the redevelopment of Sham Shui Po as a "model" for similar projects to follow.

33. In response, SDEV suggested that Mr FUNG might consider providing a paper on the "model" for the Administration's consideration. She added that HKHS and URA had put a lot of efforts in the redevelopment at Sham Shui Po.

34. Mr FUNG said that tenants' needs should not be ignored in the process of urban redevelopment. He asked if URA could lease the residential units of its redevelopment projects to tenants affected by such projects. He also queried the selection of East Kowloon as the location for building residential units for the "flat for flat" arrangement. He opined that residents of other districts would be reluctant to move to East Kowloon.

35. SDEV explained that residential units to facilitate the "flat for flat" arrangement would be provided on a rolling basis in future in locations other than Kai Tak. For instance, the second batch of such units might be provided in a redevelopment project in To Kwa Wan for residents from Central Kowloon, and the third batch might be located in West Kowloon for residents in the vicinity. While Hong Kong's communities were close to one another geographically, it would not be difficult for residents affected by redevelopment projects to maintain their original social networks after they moved to another area.

36. SDEV further advised that URA was required under the law to release the properties it had redeveloped for sale. However, the Administration would study whether such properties could be deployed for other uses.

37. Mr FUNG enquired whether the Administration would help owners of properties developed more than 40 years ago by Co-operative Building Societies formed by civil servants to redevelop their buildings, where URA and private developers were not interested in these projects.

38. SDEV pointed out that there were precedents of redevelopment of buildings previously developed by Co-operative Building Societies formed by civil servants. When URA took on the role of facilitator in future, as proposed under the new urban renewal strategy, URA could render assistance to the owners of these buildings, provided that a certain number of titles were successfully collected. One barrier to such redevelopment might be the need to seek approval for lease modifications. URA could seek clarifications with concerned Government departments, through the Development Bureau, on the potentials for such buildings to be redeveloped via lease-related arrangements.

Compulsory sale for redevelopment

39. As regards compulsory sale of properties for redevelopment, Mr KAM Nai-wai enquired whether measures would be taken to enhance the transparency of the acquisition status of buildings so that affected owners would be better informed, for example, to require concerned developers to regularly publish information about the number of undivided shares they have acquired in a building. He opined that transparency of acquisition status, in particular relevant figures, could reduce disputes.

40. Permanent Secretary for Development (Planning and Lands) said that since the Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage) Notice had come into effect in April this year, the Administration had done a lot of work with HKHS, and had discussed with the Estate Agents Authority (EAA) the conduct of estate agents in the acquisition of flats in old buildings for redevelopment. As a result, EAA had issued a practice circular providing guidelines on estate agents' conduct and the rules that agents would need to comply with when involved in the acquisition of such flats. Agents were required to give accurate information about acquisitions to property owners, including who was the prospective purchaser and the percentage of ownership already acquired.

Infrastructure projects

41. With reference to the initiative of commencing a feasibility study for the proposed further development of Tung Chung upon finalization of the detailed planning of the related infrastructure projects of the Hong Kong – Zhuhai – Macao Bridge, Mr Paul TSE asked if the further development in Tung Chung would focus on housing. He was concerned that too great an emphasis on housing developments might destroy the potential of Lantau in developing into a tourist resort island, like Sentosa in

Singapore. He said the precious tourism resources in Lantau, being the backyard and tourist city of Hong Kong, should be further developed. It would not be easy to achieve a balanced development for both housing and tourism in Lantau. He would like to know the views of SDEV on this and the direction of the feasibility study.

42. SDEV replied that the Administration had adopted a balanced development approach in land planning. No single economic objective should outstrip others in the use of land. The Administration would consider seriously the development of tourism resources in Tung Chung.

43. Director of Planning (DP) said that the Administration would commence the Planning and Engineering Study for Remaining Development in Tung Chung in 2011 subject to the Legislative Council's funding approval. The focus of development would be on housing. Environmental Impact Assessment will be included in the Study to ensure that any developments would not adversely affect the environment. The development of tourism resources had been studied and incorporated in the revised Lantau Concept Plan including the long-term option of developing a theme park or major recreational uses in East Tung Chung and green/eco-tourism in other parts of Lantau capitalizing on the natural, cultural and heritage resources of the island.

44. On the two studies on the development of the North East New Territories (NENT) and Hung Shui Kiu (HSK), Mr CHEUNG Hok-ming enquired about the ratio of land for housing in the new development areas and whether it could meet the objective of increasing the supply of small-to-medium-sized residential units to the public. In particular, he would like to know the development concept for the HSK New Development Area (NDA). On the Liantang/Heung Yuen Wai Boundary Control Point Project, he said that the work at the preparatory stage had good progress and the Legislative Council had approved of the funds for land resumption. While the construction of the coastal highway in Huiyang and the Liantang checkpoint in the Mainland had been completed, and the works of the Hong Kong-Zhuhai-Macao Bridge and the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link had commenced, he was worried that the Liantang/Heung Yuen Wai Boundary Control Point Project had been delayed or shelved. He requested for information about the timetable for this project from SDEV.

45. SDEV confirmed that the Liantang/Heung Yuen Wai Boundary Control Point Project, being a major cross-boundary infrastructure project,

would definitely proceed. The construction of a resite area for Chuk Yuen Village, which was affected by the Project, had already started.

46. DP advised that the second public consultation exercise for the Planning and Engineering Study for the NENT NDAs (Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling) had been completed. The NDAs could accommodate a population of about 130,000. Subject to further technical assessments, there was scope to increase the development intensity and population. The Study was expected to complete in 2011. Subject to funding approval, the Planning and Engineering Study for the HSK NDA was scheduled to commence in August 2011 and would last for 30 months. Apart from housing development, the Study would also look into the feasibility of developing office and commercial developments with a view to providing local job opportunities for the local residents.

47. In regard to road access to Liantang, Permanent Secretary for Development (Works) said that a feasibility study was being conducted on the phased completion of the road. Construction would commence in 2013, and was targeted for completion in 2018 to tie in with the operation of the Control Point.

General Issues

48. Mr LEE Cheuk-yan raised questions about the use of Areas 112 and 115 in Tin Shui Wai which had been granted a few years ago to provide economic activities and employment opportunities for local residents. He said that the residents were disappointed that in these two areas no economic activities had been provided to benefit them. In one area, HKHS would develop Senior Citizen Residences and a hotel for visitors to the Residences. In the other area, namely Area 112, HKHS planned to provide a wellness centre, an elderly resources centre and vocational training facilities. All these did not bring significant economic activities and employment opportunities to local residents. He considered the arrangement a waste of land resources and asked if the Administration could resume the land to implement the original plans. Otherwise, if HKHS could use the land for economic activities rather than housing, he could discuss with HKHS on the activities to be provided, such as the operation of gala points or "Tai Pai Tong". He would like to know whether HKHS could arrange non-housing economic activities.

49. SDEV clarified that one of the areas mentioned by Mr LEE Cheuk-yan was for HKHS to develop a housing project for the elderly, while the other area had been granted on short-term lease to HKHS to promote

economic activities and create job opportunities in Tin Shui Wai. This arrangement had been made between the Administration and HKHS, with the endorsement of the Board of HKHS. In the area on short-term lease (Area 112), HKHS intended to provide retail space for small shops and offer vocational training facilities, which could bring about economic activities and job opportunities in the area. On the use of Area 112, the Administration had invited "expression of interest" from the public and conducted an assessment exercise on the proposals received. However, results of the assessment showed that the proposals were not feasible. For a piece of land to be suitable for economic activities, such as the operation of "Tai Pai Tong", a large amount of money would have to be invested in construction works at the preparatory stage to provide facilities like drainage and water supply systems. It would be difficult to put up a strong business viability case.

50. Mr Albert CHAN declared that he was a member of one of the five parties which had submitted business proposals to the Administration. His proposal was about setting up a centre for catering, wine, pets and entertainment at Area 112. Eventually the Administration had decided not to proceed with the selection of any proposals. He urged the Administration not to take a single tender approach in appointing the operator for the economic activities in that area. His party was willing to consider the same conditions as those set out in the agreement between the Administration and HKHS.

51. Drawing reference to the issues on the transactions involving 24 units at 39 Conduit Road and different views on the application of clause 11(3) and clause 16 of the Agreements for Sale and Purchase, Mr CHAN Kam-lam enquired whether the Administration would make a clear stance on which clause to apply in various scenarios, including the cancellation of agreements, for purchasers, developers and the general public to have a better understanding of related matters and to avoid the repetition of disputes on those matters.

52. Director of Lands replied that the Consent Scheme administered by the Lands Department had been run for a number of years and the arrangements were quite well established. The real estate industry had largely adopted the standard Agreements for Sale and Purchase prescribed under the Consent Scheme for pre-sale of flats. The Lands Department had relevant practice notes and the professionals, notably lawyers, were familiar with the standard document and the provisions. They should have little difficulty in deciding which clauses to apply under different situations.

II Any other business

53. There being no other business, the meeting ended at 6:43 pm.

Council Business Division 1
Legislative Council Secretariat
22 November 2010