

The Legislative Council meeting on 9 October 2013
Motion on “Formulating long-term infrastructure planning to
promote sustainable development”

Progress Report

At the Legislative Council meeting on 9 October 2013, the motion on “Formulating long-term infrastructure planning to promote sustainable development” moved by Hon LO Wai-kwok was carried. The wording of the motion carried is at **Annex**.

2. This report consolidates the comments from relevant policy bureaux and sets out the Administration’s position and the follow-up actions taken in respect of the aforementioned motion.

Land supply

3. To meet the growing housing and other development needs of the Hong Kong community, the Chief Executive gave a clear account of the overall policy blueprint of the current-term Government on increasing land supply in his inaugural Policy Address in 2013. The Policy Address clearly set out the guiding principle of facilitating social and economic developments, and the vision of improving the living space of the people of Hong Kong through increasing land supply. The Government will continue to adopt a multi-pronged strategy to increase land supply in the short, medium and long term, through the continued and systematic implementation of a series of measures, including the

optimal use of developed land as far as practicable and creating new land for development.

4. The 10 initiatives put forward in the 2013 Policy Address will increase the supply of housing land in the short to medium term. These 10 initiatives cover a broad range of areas in increasing land supply, including reviewing various land use zonings for identification of suitable sites for conversion to residential use, such as converting suitable Government, Institution or Community and other Government sites, Green Belt (GB) sites, as well as industrial sites to residential use; and increasing the development density of residential sites as far as allowable in planning terms, etc.

5. Creating new land supply is an essential source of land in the long term. The Government is determined to develop new land extensively and build up a land reserve so that land can be used to meet future demand in a timely manner. Therefore, the Government is expeditiously taking forward a number of long-term land supply projects including the North East New Territories New Development Areas (NDAs), Hung Shui Kiu (HSK) NDA, development of Lantau Island (including the Tung Chung New Town Extension), review of deserted agricultural land in North District and Yuen Long (including the Planning and Engineering Study for Housing Sites in Yuen Long South), developing the New Territories North, reclamation on an appropriate scale outside Victoria Harbour, as well as rock cavern and underground space developments, etc. These long-term land supply projects will be our focus in meeting future population growth, providing land resources for economic developments and improving people's living space and environment.

6. Apart from the 10 initiatives put forward in the 2013 Policy Address to increase the supply of housing land in the short to medium term, and the various long-term land supply projects, the Government has also been carrying out various land use reviews on an on-going basis, including reviewing the vacant government sites, or those currently under short term tenancies or other government uses; the next stage of review on GB sites and the new round of review on industrial sites, etc., and these reviews have started to bear fruits. We have identified a number of suitable sites in various districts throughout the territory which could be considered for conversion to residential use. Upon completion of studies to confirm feasibility of developing these sites, we will consult stakeholders and proceed with the town planning and other relevant procedures to convert the suitable ones for residential and other uses as quickly as possible.

7. On public housing, the Government has identified sufficient land to produce 179 000 public rental housing units in 10 years (i.e. 2012-13 to 2021-22) in accordance with the production target, and to provide about 17 000 Home Ownership Scheme (HOS) units over the four years starting from 2016-17 onwards. The Government also pledges to produce on average 5 000 HOS flats per annum in the following years.

8. In addition to increasing public housing supply, the Government and the Hong Kong Housing Authority (HA) also attach importance to the corresponding infrastructure and supporting facilities. When planning for public housing programmes, the HA makes reference to the Hong Kong Planning Standards and Guidelines and consults relevant government departments and organizations, including District Councils,

in developing suitable facilities. Other factors such as the circumstances of individual sites, existing facilities in the district, the feasibility and appropriateness of proposed facilities, etc will also be taken into account, so that suitable facilities could be provided to suit the needs of the local community while at the same time providing public housing.

9. As regards private housing, as at end September 2013, it is expected that 72 000 first-hand residential units would be available in the next three to four years. This figure is the highest since the third quarter of 2006.

10. However, we need to work hard to increase land supply in order to meet the housing supply target of 470 000 units in the next 10 years as recommended by the Long Term Housing Strategy Steering Committee. As mentioned above, the Government will continue to adopt a multi-pronged strategy to increase land supply through a series of short, medium and long term initiatives, as well as the various on-going land use reviews, with a view to providing sufficient land to tie in with the housing supply target of the Steering Committee.

Making of a new metropolitan area – New development areas

11. Apart from housing land supply, Kwu Tung North and Fanling North NDAs could provide development space for different types of commercial, office, hotel, retail and services, as well as research and development uses (with a total gross floor area of about 838 000 sq.m.), so as to satisfy the demand for other land uses. Together with the employment opportunities from other community facilities, about 37 000 new jobs will be provided in these two NDAs.

12. We also plan to develop HSK NDA into a multi-functional development node with a variety of housing types, business and employment opportunities. Given its unique strategic location, major economic activities in HSK NDA could include industrial and commercial uses such as offices, hotels, special industries, as well as logistics facilities, etc. Upon full development, HSK NDA will provide about 100 000 new employment opportunities for the district and the existing residents in nearby new towns, including Tin Shui Wai, Yuen Long and Tuen Mun.

Making a quality and green living environment and promoting sustainability development

13. The Environment Bureau unveiled "Hong Kong: Blueprint for Sustainable Use of Resources 2013-2022" in May 2013, which maps out a comprehensive strategy, targets, policies and action plans for waste management for the coming 10 years with a view to reducing the per capita disposal rate of municipal solid waste by 40 per cent by 2022. An important measure under the blueprint is to allocate resources to enhance waste-related infrastructure, including organic waste treatment facilities, waste-to-energy integrated waste management facilities and extension of the 3 existing landfill sites. The concerned items will be submitted to the LegCo for funding approval in the 2013-14 LegCo session.

Transportation

14. The consultant of the study for the Review and Update of the

Railway Development Strategy 2000 is collating the public comments holistically, refining the railway schemes in response to some requests from the public, and conducting further analysis on the more preferred proposals, so as to optimise the planning for the major regional railway corridors and local enhancement schemes in a coordinated manner.

15. The Government will consider the consultant's overall recommendations in formulating the railway development blueprint for the next stage, having regard to transport demand, cost-effectiveness and development needs of NDAs. We will report to the public the way forward for the railway projects in 2014. When individual projects are taken forward in future, we will still need to carry out in-depth study, including public consultation, on the projects.

Green construction

16. In 2011 and 2012, DEVB conducted a study on greenhouse gases emissions from construction activities in public and private works projects. The results of the study indicated that the amount of greenhouse gases emitted from construction activities is about 700,000 tonnes, or about 1.7% of the annual emissions in Hong Kong. We will progressively promote low carbon emission measures applicable to construction activities aiming to achieve low carbon construction. In 2011, a joint circular was issued by DEVB and ENB to promote the use of recycled materials and other green materials in public works projects.

After that, we have promoted a series of green procurement items including the use of electric vehicles in works contracts and the use of concrete paving blocks containing recycled glass specified in all road maintenance contracts and some of the new capital works contracts.

Creating opportunity and job for new generation to enhance upward mobility

17. On education infrastructure, the Government will, in accordance with established policies and calculation criteria, continue to provide funding support on the construction of teaching facilities and student dormitories, and other infrastructure projects with educational policies to support the long term development of education in Hong Kong.

Construction manpower – progress of increasing manpower supply

18. In the long term, we can cope with the forecast manpower demands through training and re-training of local skilled workers, and attracting new entrants. The Construction Industry Council (CIC) has significantly increased the training places from about 2,000 per year in 2009 to about 7,500 to 8,500 annually in each of 2013 and 2014. From 2009 to September 2013, there have been about 3,900 trainees who have joined ECMTS. About 55% of the ECMTS trainees were aged below 35 and most of the ECMTS trainees were new entrants, indicating that ECMTS has attracted more young people to join the industry. About 2,900 ECMTS trainees have graduated.

19. To provide more training places, CIC has collaborated with

contractors to launch the Contractor Cooperative Training Scheme (CCTS), whereby contractors hire trainees and train them on-site. CCTS facilitates trainees to acquire early on-site experience. CIC has launched various new training initiatives since mid 2013 including extension of the CCTS to specific E&M trades and sub-contractors' trades.

20. To have a good grasp of the manpower situation, CIC, in collaboration with us, has been conducting a manpower study for construction personnel in a ten-year horizon. Further, CIC collaborates with the industry to conduct manpower surveys to gauge the medium and short-term manpower situation. CIC will adjust its training programmes from time to time to better meet the manpower needs.

21. We collaborate with CIC to launch "Build-Up Publicity Campaign" to uplift the image of the construction industry. Recent image tracking surveys have revealed that the percentage of young people who were willing to join the industry has been significantly increased as compared with the situation before its launch. The number of registered construction workers has been increased over the past two years, reflecting the effectiveness of the publicity work. We are collaborating with CIC to take forward the next wave of promotional and publicity activities to attract more new blood to join the industry through building up of the youthful, energetic and professional images of the industry.

Enhancing the functions of Hong Kong as an economic hub and boosting the economy

22. The Chief Executive mentioned in his Policy Address that Hong

Kong should diversify its industries to meet the needs of our people for start-up initiatives, investment, business operation and employment. To deepen and expand our industries, the Government needs to formulate a holistic industrial policy. Led by the Chief Executive, the Economic Development Commission (EDC) has held three meetings since its establishment in January 2013 and has discussed a number of important issues, including the work directions of the EDC and its four working groups; supply and demand of manpower; as well as land supply. The four working groups underpinning the EDC which cover transportation; convention and exhibition industries and tourism; manufacturing industries, innovative technology, and cultural and creative industries; and professional services respectively are also discussing the possible policies and measures to foster and promote the industries concerned. Relevant bureaux have also been working closely with the working groups, and are taking follow-up actions or conducting studies in detail on the issues that the working groups have raised. We believe that the formal recommendations to be submitted by the EDC to the Government would help promote the long term development of the economy of Hong Kong.

Logistics, port and Airport's three-runway system

23. To meet the development needs of the logistics industry, the Government has set aside a total of 10 hectares of land in Tuen Mun West for the development of modern logistics industry logistics facilities. In addition, consultancy study for Hung Shui Kiu NDA has initially proposed to set aside 62 hectares of land for the purpose logistics facility, the public consultation is completed.

24. On port development, funding has been approved for the Dredging works for Kwai Tsing Container Basin and its Approach Channel for accommodating new generation of large container ships to access Kwai Tsing Container Terminals without tidal restrictions, the works commenced in August 2013 and is scheduled for completion in 2016.

25. The Government is conducting a preliminary feasibility study on the development of Container Terminal number 10 in Southwest Tsing Yi and the "Hong Kong Port Development Strategy 2030 study" to determine the need for the development of No. 10.

26. The Hong Kong International Airport (HKIA) is crucial in promoting Hong Kong's logistics and tourism development. Owing to the increasing air traffic demand, the airport's existing two-runway system will reach its capacity within the next few years. In view of this, the Government and the Airport Authority (AA) have been upgrading the airport's facilities and capacity. To cope with the short and medium run air traffic demand, AA started its midfield expansion project in late 2011. In the long run, the Government has given in-principle approval in March 2012 for AA to adopt the three-runway system (3RS) as the future airport development option for planning purpose.

27. At present, AA is taking forward the necessary planning works for the project, including the statutory environmental impact assessment (EIA), scheme designs and financing arrangements. The EIA process is expected to be completed around Q3 in 2014.

28. Subject to the successful completion of the EIA process and the

necessary planning works, we hope the construction works can commence early for the completion and commissioning of 3RS in 2023.

29. With 3RS, the capacity of HKIA will increase from 420,000 flight movements per year to 620,000 per year and meet the air traffic demand until at least 2030. By then, the HKIA will handle no less than 97 million passengers and 8.9 million tonnes of cargo annually.

Tourism

30. Regarding the tourism industry, the Government will continue to ensure the healthy development of the industry through exploring more tourist attractions as well as encouraging the increase of hotel supply and enhancement of service quality. The EDC's Working Group on Convention and Exhibition Industries and Tourism has also commenced its work, including the participation in preparing the "Kai Tak Fantasy" – International Ideas Competition on Urban Planning and Design with Energizing Kowloon East Office of Development Bureau, and the exploration of a number of tourism-related issues such as Hong Kong's capacity to receive tourists, and the demand for convention and exhibition facilities. The Working Group will further discuss the policies relating to tourism and convention and exhibition industries, and the development of the hotel industry. We look forward to the submission of concrete recommendations by the EDC on the directions and necessary measures for the further development of tourism for the Government's further consideration.

Population policy

31. The Steering Committee on Population Policy (SCPP) chaired by the Chief Secretary for Administration released its consultation document entitled "Thoughts for Hong Kong" on 24 October 2013 on population policy and launched a four-month public engagement exercise to run until 23 February 2014. Based on the three main areas in the consultation document, namely existing population, new sources and the ageing population, the SCPP has proposed policy strategies to deal with the challenges. Since the launch of the public engagement exercise, two public forums and a number of consultation sessions with district councils, advisory bodies and chambers of commerce have been held. As of end November 2013, more than 400 submissions have been received.

Chief Secretary's Office

Commerce and Economic Development Bureau

Development Bureau

Education Bureau

Environmental Bureau

Transport and Housing Bureau

December 2013

Motion on
“Formulating long-term infrastructure planning
to promote sustainable development”
to be moved by Ir Dr Hon LO Wai-kwok
at the Council meeting of 9 October 2013

Wording of the Motion

That, given the changes in the global economic environment as well as the development needs and social aspirations in Hong Kong, this Council urges the SAR Government to expeditiously formulate long-term infrastructure planning, properly conduct public consultation, correspondingly allocate resources, and ensure the timely provision of adequate land and various supporting infrastructure facilities, so as to enhance the functions of Hong Kong as a regional economic hub, boost the economy and promote employment, bring forth a quality environment and green living, promote sustainable development, and create more opportunities of upward mobility for the new generation.