

立法會
Legislative Council

LC Paper No. CB(1)812/15-16
(These minutes have been seen
by the Administration)

Ref : CB1/PL/DEV

Panel on Development

**Minutes of policy briefing cum meeting
held on Tuesday, 26 January 2016, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex**

Members present : Hon Tony TSE Wai-chuen, BBS (Chairman)
Hon LEUNG Che-cheung, BBS, MH, JP (Deputy
Chairman)
Hon Albert HO Chun-yan
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Cyd HO Sau-lan, JP
Hon CHAN Kin-por, BBS, JP
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon Michael TIEN Puk-sun, BBS, JP
Hon James TIEN Pei-chun, GBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon CHAN Chi-chuen
Hon CHAN Han-pan, JP
Dr Hon Kenneth CHAN Ka-lok
Hon CHAN Yuen-han, SBS, JP
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan

Dr Hon Elizabeth QUAT, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP

Member attending : Hon WONG Kwok-hing, BBS, MH

Members absent : Dr Hon LAU Wong-fat, GBM, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon CHAN Hak-kan, JP

Public officers attending : **Agenda items IV and V**

Mr Paul CHAN Mo-po, MH, JP
Secretary for Development

Mr Michael WONG Wai-lun, JP
Permanent Secretary for Development (Planning & Lands)

Mr HON Chi-keung, JP
Permanent Secretary for Development (Works)

Mr Eric MA Siu-cheung, JP
Under Secretary for Development

Mr Thomas CHAN Chung-ching, JP
Deputy Secretary (Planning & Lands)¹
Development Bureau

Mr Maurice LOO Kam Wah
Deputy Secretary (Planning and Lands)²
Development Bureau

Mr CHONG Wing-wun
Deputy Secretary (Planning and Lands)³ (Acting)
Development Bureau

Mr Albert LAM Kai-chung, JP
Deputy Secretary (Works)¹
Development Bureau

Mr CHAN Chi-ming, JP

Deputy Secretary (Works)2
Development Bureau

Ms Brenda AU Kit-ying
Head of Energizing Kowloon East Office
Development Bureau

Mr HUI Siu-wai, JP
Director of Buildings

Mr Daniel CHUNG Kum-wah, JP
Director of Civil Engineering and Development

Ms Bernadette LINN, JP
Director of Lands

Mr LING Kar-kan, JP
Director of Planning

Mr Enoch LAM Tin-sing, JP
Director of Water Supplies

Agenda item VI

Mr Eric MA Siu-cheung, JP
Under Secretary for Development

Mr Thomas CHAN Chung-ching, JP
Deputy Secretary for Development (Planning and Lands)1

Mr Ivan CHUNG Man-kit
Principal Assistant Secretary (Planning and Lands)5
Development Bureau

Ms Phyllis LI Chi-miu, JP
Deputy Director of Planning/Territorial

Ms Amy CHEUNG Yi-mei
Assistant Director/Territorial
Planning Department

Mr Ambrose CHEONG Siu-yau, JP

Project Manager (New Territories West) (Acting)
Civil Engineering and Development Department

Mr LAU Wing-kam
Chief Engineer/New Territories West 1
Civil Engineering and Development Department

Clerk in attendance : Ms Sharon CHUNG
Chief Council Secretary (1)2

Staff in attendance : Mr Fred PANG
Senior Council Secretary (1)2

Ms Maggie LAU
Council Secretary (1)2

Ms Christina SHIU
Legislative Assistant (1)2

Action

I Confirmation of minutes

(LC Paper No. CB(1)453/15-16 -- Minutes of meeting on
24 November 2015)

The minutes of the regular meeting on 24 November 2015 were confirmed.

II Information papers issued since the last meeting

(LC Paper No. CB(1)395/15-16(01) -- Administration's response to the letter dated 26 November 2015 from Hon Christopher CHUNG Shu-kun on the sales arrangements for the De Novo project of the Urban Renewal Authority (LC Paper No. CB(1)222/15-16(01))

LC Paper No. CB(1)406/15-16 (01) -- Issues raised at the meeting between Legislative Council Members and Eastern

District Council members on 28 May 2015 relating to difficulties encountered by owners of old buildings in complying with requirements of the Fire Safety (Buildings) Ordinance

LC Paper No. CB(1)422/15-16 (01) -- Administration's response to the letter dated 11 December 2015 from Dr Hon Helena WONG on quality of Dongjiang water (LC Paper No. CB(1)305/15-16(01)))

2. Members noted that the above information papers had been issued since the last meeting.

III Items for discussion at the next meeting

(LC Paper No. CB(1)452/15-16(01) -- List of outstanding items for discussion

LC Paper No. CB(1)452/15-16(02) -- List of follow-up actions)

3. Members agreed that the next regular meeting scheduled for Tuesday, 23 February 2016, at 2:30 pm would be extended to end at 6:30 pm to discuss the following items proposed by the Administration --

- (a) PWP Item No. 469CL (part) -- Kai Tak Development – Stages 3B and 5A infrastructure works at north apron area of Kai Tak Airport and progress report on Kai Tak Development;
- (b) PWP Item No. 45CG -- District Cooling System at Kai Tak Development;
- (c) Proposed creation of supernumerary directorate posts in the Development Bureau (Works Branch), Civil Engineering and Development Department and Planning Department; and
- (d) Proposed Development Strategy for Lantau

(Post-meeting note: At the request of the Administration, the agenda item "Proposed creation of supernumerary directorate posts in the Development Bureau (Works Branch), Civil Engineering and

Development Department and Planning Department" was changed to "Creation and redeployment of directorate posts in Civil Engineering and Development Department and Planning Department". With the concurrence of the Chairman, an agenda item, namely "Proposed visit to Dongjiang", was added to the agenda for the meeting. Members were informed of the above arrangements vide LC Paper No. CB(1)559/15-16 on 16 February 2016.)

IV Briefing by the Secretary for Development on the Chief Executive's 2016 Policy Address

(LC Paper No. CB(1)452/15-16(03) -- Administration's paper on initiatives of Development Bureau in the 2016 Policy Address and Policy Agenda)

Relevant papers

Address by the Chief Executive at the Legislative Council meeting on 13 January 2016

The 2016 Policy Agenda booklet

V Overall situation of land supply

(LC Paper No. CB(1)452/15-16(04) -- Administration's paper on overview of land supply

LC Paper No. CB(1)452/15-16(05) -- Paper on initiatives to increase land supply prepared by the Legislative Council Secretariat (Background brief))

4. The Chairman sought members' views on the Administration's proposal to combine the discussion of agenda items IV and V at the meeting. Members did not indicate objection to the proposal.

5. At the invitation of the Chairman, Secretary for Development ("SDEV") briefed the Panel on the major policy initiatives of the Development Bureau ("DEVB") in the Chief Executive's 2016 Policy Address ("the Policy Address"). With the aid of a powerpoint presentation, Permanent Secretary for Development (Planning & Lands) and Permanent Secretary for Development (Works) ("PS/DEV(W)"), elaborated on the land

and housing supply situation; the multi-pronged strategy adopted by the Administration to increase land supply; the initiatives on enhancing the technical support for building repair and maintenance; Lantau development; Energizing Kowloon East; cost control for public works; and the recommendations of the Antiquities Advisory Board pursuant to the policy review on conservation of built heritage. Details of the DEVB's policy initiatives and the overall situation of land supply were set out in the respective Administration's papers LC Paper Nos. CB(1)452/15-16(03) and CB(1)452/15-16(04).

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)501/15-16(01) by email on 27 January 2016.)

Land and housing supply situation

6. The Panel noted that the Administration had announced in December 2015 that the total housing supply target for the ten-year period from 2016-2017 to 2025-2026 was 460 000 units, with public housing accounting for 60%, i.e. 280 000 units, and private housing accounting for 40%, i.e. 180 000 units. The Deputy Chairman was concerned whether the Administration could achieve the target. Mr IP Kwok-him said that the Administration had identified about 150 potential housing sites under its land use reviews, and only 46 sites had completed the statutory rezoning procedures so far. He enquired whether DEVB was confident that these sites could be made available for housing development as planned.

7. SDEV replied that the statutory rezoning procedures for the about 150 housing sites would be carried out in batches according to their complexity and locality. For each of these sites, relevant government departments needed to carry out internal technical assessments before the Administration could proceed with the statutory rezoning procedures. The progress of the rezoning work partly depended on whether the local communities concerned were supportive of the proposed conversion of land use. SDEV advised that of the about 150 sites, 63 had already commenced the statutory rezoning procedures.

8. In response to Mr CHAN Han-pan's enquiry about the mechanism in place to facilitate a better co-ordination among relevant bureaux/government departments in working out measures to address the residents' concerns on the traffic impacts of the Administration's rezoning proposals, SDEV replied that after a site suitable for rezoning to residential use had been identified, relevant government departments including the Transport Department would conduct technical assessments on the impacts of the proposed rezoning.

Representatives of these departments would attend relevant meetings to brief the District Council ("DC") concerned on the proposal and seek DC members' views. He said that DEVB had all along attached great importance to communicating with local communities on its initiatives, with a view to incorporating their views on relevant proposals as far as practicable.

9. Mr WONG Kwok-hing and Mr CHAN Kam-lam enquired about the impact of the recent unsuccessful tendering of residential sites (including the sites at Sai Shan Road, Tsing Yi and in Au Tau, Yuen Long) on the Administration's plan to increase housing supply. SDEV replied that when announcing the quarterly land sale programme for the fourth quarter of 2015-2016 in December 2015, the Administration had advised that the private housing land supply in 2015-2016 was estimated to have a total capacity of producing about 20 300 flats. Despite the recent unsuccessful tendering of the sites at Sai Shan Road, Tsing Yi and in Au Tau, Yuen Long, the estimated supply of private housing land still slightly exceeded the target of 19 000 private flats for 2015-2016. Moreover, the latest estimated number of flats that could be produced by private redevelopment projects was more than the relevant estimate announced in December 2015.

10. In response to Mr WONG Kwok-hing's enquiry on whether the Administration would consider converting the two sites to subsidized housing development, SDEV said that the two sites had been withdrawn merely because the tendered premiums did not meet the reserve prices for the sites as assessed by the professional valuers of LandsD. In view of the number of tenders that had been received for the two sites during the previous tendering exercises, the Administration believed that developers were interested in bidding for the sites, and would put these two sites up for sale again at appropriate time. He advised that it was important to maintain steady and sustained land supply to cater for the demand for private housing and to meet the housing supply target as set out in the Long Term Housing Strategy. While the Administration had no plan at this stage to use the two sites for providing subsidized flats, where necessary, consideration might be given to whether it was appropriate to convert suitable private housing sites to subsidized housing development.

11. Miss CHAN Yuen-han said that the Administration should continue to make every effort to optimize the use of land for providing adequate housing so as to curb the soaring property prices and rents. She opined that the unsuccessful tendering of the two sites revealed that developers had put forward low bids for the sites in order to test the reserve prices of the sites and to get the best bargains. The Administration should not sell the sites in

the cheap, and should consider converting the two sites to subsidized housing development.

12. SDEV responded that the Administration had no "high land premium policy", and to protect public revenue, the Administration had an established mechanism to guard against selling land cheap. The price at which a land site was sold reflected the prevailing market value of the land concerned.

13. Mr James TIEN declared that he was engaged in property development business in Hong Kong and the Mainland. He opined that the economic outlook for the global economy including the Mainland and Hong Kong would be challenging. The two residential sites at Sai Shan Road, Tsing Yi and in Au Tau, Yuen Long might not be successfully sold when they were put up for sale again in future if the same reserve prices would be set for these sites. Given the lead time required for site production and housing development, the Administration should continue identifying housing sites and put them up for sale at an appropriate time so as to curb the soaring property prices. Relevant government departments should also simplify the land administration process such as the procedures for approving building plan submissions.

14. In reply, SDEV said to ensure that there would be sufficient land available to meet the need of the society, DEVB would continue to take forward its initiatives to increase land supply. The Administration would consider the timing of putting up a site for sale. He cited an example that the Administration had decided not to put up a hotel site in the Kai Tak Development ("KTD") for sale after taking into consideration the performance of the tourism sector.

15. Mr CHAN Kam-lam was concerned that the unsuccessful tendering cases might convey a negative message to the market, and the Administration should review whether there was room to improve the land sale mechanism to ensure that land sites would be sold at prices that reflected their market values. SDEV replied that the Administration had noted Mr CHAN's view, and would continue to keep in view the market's response to future tendering exercises for land sites. He did not see the need to make changes to the existing mechanism at this stage.

Supply of public housing units

16. Mr LEUNG Kwok-hung said instead of increasing the supply of private housing land and hoping that developers would build flats for sale at affordable prices, the Administration should provide more public housing

units or subsidized flats. Rent control should be imposed so that property owners could not transfer the cost of their properties to tenants through exorbitant rent increases.

17. Mr WU Chi wai said that although the public-private housing ratio adopted by the Administration in a new development area ("NDA") was usually 60:40, the proportion of land used for providing public housing was less than 60%. To ensure that the public housing supply target could be achieved, the Administration should increase the proportion of land for providing public housing and relax the plot ratios of public housing developments.

18. SDEV replied that in planning an NDA, the Administration considered it appropriate to provide medium- to low-density private residential development in the fringe, and high-density public housing and private residential development near the town centre. Reducing the proportion of land for providing private housing would convey a message to the market that land supply would be reduced for the whole range of private residential development and this might build up market expectations that property prices would increase. While as a general principle, the Administration would continue to adopt the public-private housing ratio of 60:40, the ratio might be adjusted on a case-by-case basis where appropriate.

19. Mr Frederick FUNG said that in view of the Administration's latest projection on the public housing production for the next five years, about 35 000 public rental housing ("PRH") units had to be produced per year in the next six to ten years in order to meet the ten-year housing supply target. He questioned whether DEVB could make adequate land available in a timely manner for public housing development. He opined that compared with its previous forecast, the Administration's latest projection on housing production, i.e. 76 700 PRH units in the five-year period from 2015-2016 to 2019-2020 and 87 000 private housing units for the coming three to four years, revealed that the Administration would place more emphasis on the supply of private flats than that of PRH units. He opined that the Administration should clarify whether the proportion of public housing in the total housing supply would be maintained at 60%.

20. SDEV replied that housing production took time. It was not scientific to draw a conclusion that the Administration placed more emphasis on the supply of private flats than that of public housing units merely from the projected number of private and public housing units to be completed in the next few years. Under the existing practice, the number of public and private housing units to be provided at housing sites had to be mutually agreed by

DEVB, the Planning Department, the Transport and Housing Bureau ("THB") and the Housing Department, etc., taking into account relevant factors such as site conditions, infrastructural support, etc. At this stage, DEVB had identified about 90% of the land required for meeting the ten-year housing supply target of 280 000 public housing units. The Administration had yet to be able to make available land required for providing the remaining 25 500 public housing units because of various reasons, such as difficulties encountered in the relevant technical assessments, statutory plan amendments, legal challenges, etc. He advised that due to judicial review cases, certain sites for public housing developments might not be made available on schedule.

21. Mr Frederick FUNG cited the Administration's proposal to provide public housing development at a site in Sham Shui Po as an example, and said that at the relevant District Council meeting to discuss the proposal, only the DC members from the Hong Kong Association for Democracy and People's Livelihood had supported the proposal. He recalled that government officials including those responsible for land and housing development had previously claimed that they had difficulties in taking forward rezoning proposals for providing housing because of the opposition from DCs. He queried about the effectiveness of the Administration's lobbying work with the DC members from the pro-establishment camp.

22. SDEV replied that DEVB attached great importance to soliciting support from DC members for its initiatives, and would not differentiate them according to their political affiliations. The Policy Address had not mentioned that opposition from DCs had hindered the progress of achieving the housing supply target. As regards the housing site in Sham Shui Po mentioned by Mr FUNG, the implementation of the public housing development was under THB's purview.

23. Mr CHAN Kam-lam said that DC members had the responsibilities to give views on how a rezoning proposal could be improved to cater for the need of local residents, such as their aspirations for more community facilities. It was not appropriate to jump to a conclusion that DC members had opposed a proposal when they might further discuss with the Administration on it in future. Miss Alice MAK shared the view of Mr CHAN that DC members needed to consider each rezoning proposal on a case-by-case basis in light of the local circumstances, and it was important for the Administration to ensure that its land development proposals could cater for the need of local residents. She recalled that the Hong Kong Federation of Trade Union had been supportive of many public housing development projects. Mr IP Kwok-him said that DC members all along

considered a good planning for districts important, and the Administration should continue to pay heed to the local views.

24. Mr Albert CHAN and Mr Frederick FUNG opined that given the long lead time for housing construction, the public housing units to be completed in next few years were the results of the efforts of the previous-term Government, instead of the current-term Government. Mr CHAN criticized the current-term Government for planning the development of land in Hong Kong blindly. He opined that, to increase supply of housing land within a short time, the Administration should change the use of military sites, which were under-utilized, and resume the land occupied by the Fanling Golf Course for providing housing. The Administration should shelve the proposal of providing a multi-purpose sports complex in KTD and the relevant site should be used for other purposes to ensure the integration of KTD with other parts of Kowloon East.

25. SDEV replied that the current development plan for KTD was the outcome of many rounds of discussion between the Administration and community stakeholders over many years. Mr CHAN remained of the view that the Administration should propose changes to the relevant development plan where appropriate.

26. Miss CHAN Yuen-han opined that the development plan for KTD had incorporated the public views received during the relevant public consultation exercises. Members should take into account how the development plan had been worked out and the actual circumstances when considering whether it was appropriate to change the plan.

Planning and development

27. Dr Fernando CHEUNG opined that the Administration should adopt a people-oriented approach in planning the development of land in Hong Kong. Land development projects such as the project to develop the Kwu Tung North and the Fanling North NDAs, and redevelopment projects such as the Nga Tsin Wai Village project had paid little regard to the needs and expectations of the affectees and had torn down the social fabric of the local communities concerned. Under the relevant development plans drawn up by the Administration, the proportion of land reserved in NDAs for providing PRH units was small. He further said that the Administration should work out proposals to convert the vacant school premises in the rural area into

other uses, and release the sites which were originally used for providing cooked food centres for meeting the community's need for open spaces.

28. Director of Planning ("D of Plan"), replied that although the Kwu Tung North and the Fanling North NDAs had a total planning area of about 600 hectares, there were a number of constraints which considerably limit the housing development potential of the two NDAs, including hilly terrains and the presence of high-quality agricultural land. Moreover, land had to be reserved for providing infrastructural and transport facilities. He said that past experience had showed that large-scale high-density new town development in the rural New Territories could effectively increase the developable land in Hong Kong for meeting the society's need, and the Administration would adopt the same approach in future. The initiatives to transform old districts, and to conserve and revitalize historic sites and buildings would continue. He explained that many of the vacant school sites mentioned by Dr CHEUNG might not be suitable for residential development due to their remoteness and limited sizes.

29. Miss CHAN Yuen-han said that when working out development or redevelopment proposals, the Administration should make the best efforts to preserve the local characteristics of the area concerned, and to achieve a proper balance between development and conservation. Implementation of such proposals usually involved development clearance exercises. To address the needs and aspirations of affected clearances, relevant bureaux/government departments should work together to formulate special compensation and rehousing arrangements instead of relying on the established policies.

30. Dr Kenneth CHAN referred to paragraph 97 of the Policy Address which mentioned that land development was often met with resistance, and might affect vested interest. He sought clarification on what the Chief Executive meant by "resistance" and "vested interest". He said that members of the public were of the view that the current-term Government had grabbed land indiscriminately. He queried whether the Administration considered those who had expressed dissenting views on the initiatives to increase land supply had "vested interest" and were the "resistance".

31. SDEV replied that he was not in a position to interpret a statement made by the Chief Executive in the Policy Address. He said that the current-term Government had not treated any comments or criticisms on the Administration's land development proposals as "resistance". Given that the projected private housing supply from the first-hand residential property market would be about 87 000 units over the next three to four years, if the

Administration's initiatives to increase land supply would have the effect of lowering the prices of these private flats when they were put up for sale in future, the interest of certain groups of people might be affected.

32. Mrs Regina IP said that paragraph 98 of the Policy Address mentioned that the Administration needed to have long-term planning to build up a land reserve for the next generation. She enquired whether the Administration had worked out concrete plans in pursuing the matter. SDEV replied that the Administration would continue taking forward the short-, medium- and long-term initiatives to increase the land supply in Hong Kong. The study "Hong Kong 2030+: Towards A Planning Vision and Strategy Transcending 2030" would examine the feasible options for overall spatial planning and future land supply. The Administration tentatively planned to brief the Panel on the latest progress of the study by the end of the second quarter of 2016.

Building repair and maintenance

33. Mr CHAN Han-pan was concerned about the bid-rigging encountered by building owners when they engaged outside agents to undertake building repair and maintenance works. He enquired, apart from providing advice to building owners on building repair and maintenance issues, whether the Administration had other measures in place to tackle the bid-rigging problem.

34. SDEV replied that to complement the existing support for building owners by other government departments and agencies, the Urban Renewal Authority ("URA") would launch a pilot scheme to offer direct technical assistance to participating building owners who planned to carry out building repair and maintenance works. Under the pilot scheme, URA would provide participating building owners with a set of "DIY tool-kits" which comprised guidelines and pro-forma documents to facilitate the proper procurement of contractors for undertaking the works and consultants for overseeing the works. Besides, URA would line up an independent third-party advisor to offer advice to the participating building owners, which covered the general scope of building repair and maintenance works needed to be carried out and an estimate on the cost of such works, so that building owners might assess whether the tender prices received for the works were reasonable. Moreover, URA would make available an electronic tendering platform for building owners to conduct the tendering exercise for engaging contractors. By inviting and receiving expression-of-interest and issuing tender documents through the tendering platform and keeping the identity of tenderers anonymous until tender opening, the risk of the

tendering process being manipulated or interfered by axe-grinders could be reduced.

35. Miss Alice MAK declared that she was a non-executive director of the URA Board. She said that the Administration had entrusted more tasks to URA in recent years, including assisting in developing subsidized sale flats, and launching a pilot scheme to help tackle bid-rigging problem. The Administration should ensure that URA would have sufficient resources to handle these tasks effectively. SDEV replied that the Administration had noted Miss MAK's view and would continue to keep in view the resources required by URA and other statutory organizations for carrying out the programmes which were beneficial to the public.

Comprehensive Development Area

36. Miss Alice MAK and the Deputy Chairman asked about the reasons why some sites which had been designated Comprehensive Development Areas ("CDAs") had been left undeveloped. The Deputy Chairman said that according to a study released by the University of Hong Kong, there were in total 146 sites zoned as CDAs, but only 65 of them had completed development. He was concerned whether the existing development progress of CDA sites would slow down the land development and housing supply. Miss MAK enquired about the total area of CDA sites with developments not yet completed and of which, the number of housing units that could be provided by these CDA developments. She opined that, in the light of a shrinking turnover in the property market, private developers might slow down the land developments at CDA sites by making repeated applications for minor amendments of the development plans concerned. As there was an imminent need to expedite supply of land for development and meeting housing need, the Administration should consider whether it was appropriate to reduce the number of land sites to be zoned as CDA in future. The Chairman said that the Administration should keep in view the progress of CDA developments.

37. D of Plan replied that the main purpose of designating "CDAs" was to facilitate appropriate planning over sites encountering complicated issues, including land use mix, scale, design and layout of development, by taking account of various constraints such as environmental, traffic, and infrastructure support, the situation of the land and usually fragmented ownership pattern, etc. Currently, more than 70% of the land in CDA sites were privately owned. Most of these sites were not simply vacant but being used for different scales of residential or business uses. Under the existing practice, the proponent of a CDA development must submit an application to

the Town Planning Board ("TPB") in the form of a master layout plan and obtain TPB's approval before proceeding with the development. As development of these sites would usually need to overcome various complicated and difficult technical issues, it was not uncommon that after the submission of the planning application to TPB, the applicant concerned needed to carry out further studies to re-assess the impacts of the proposed development on traffic, environment and landscape, etc. and submit a revised master layout plan to TPB for approval. He said that according to the University of Hong Kong's report as mentioned by the Deputy Chairman, there was no evidence showing that developers had purposely made repeated planning applications to delay the CDA developments. Of the 65 CDA sites which had completed development, 60 had their master layout plans approved within the first year after the submission of the plans to TPB. D of Plan said that the Planning Department would continue to review the CDA sites on a regular basis and monitor the progress of CDA developments. With a view to expediting the development progress, the Planning Department might in some cases suggest to TPB that a CDA site be rezoned for other zonings or be subdivided into smaller CDA sub-zones. SDEV supplemented that after obtaining TPB's approval for a master layout plan, the developer concerned was often required to negotiate with the Lands Department ("LandsD") over the land premium payable for lease modification and this might take time.

38. The Deputy Chairman enquired whether the Administration could impose a requirement that private developers must put up residential units for sale within a designated period after the units had been completed. SDEV replied that after purchasing a residential site, the developer concerned was required to complete the construction of a minimum gross floor area specified in the conditions of sale within a period. The period usually varied from five to seven years subject to factors including the scale and complexity of the development project. The developer might apply for an extension of the time period.

Land supply for commercial, retail and hotel uses

39. Mr YIU Si-wing opined that although according to the latest statistics, the visitors arrivals number had decreased in the previous year as compared with those of the year before, it was believed that the cross-boundary transport infrastructures under construction such as the Hong Kong-Zhuhai-Macao Bridge ("HZMB"), the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL"), etc. would bring about increases in visitor arrivals in future. He enquired about the Administration's medium- and long-term plans to identify land for hotel use,

and under what conditions the Administration would make such land available for developers to undertake hotel development projects.

40. D of Plan replied that as part of the study "Hong Kong 2030+: Towards A Planning Vision and Strategy Transcending 2030", the Administration would examine options for overall spatial planning and land development including hotel development. From planning point of view, it would be appropriate to ensure that commercial sites could be used for various types of activities including retail, hotel, offices, etc., so that there would be flexibility to allow for switching uses of the sites as and when the situation warranted.

41. Mr YIU Si-wing said that hotels in Lantau were often fully booked, in particular during the days when mega events were held in Lantau. He enquired whether the Administration would reserve land in Lantau for hotel development. SDEV replied that a site in Tung Chung that could provide a hotel with about 1 000 rooms had been sold. The Walt Disney Company was planning for a new hotel development at the Hong Kong Disneyland. Subject to the decision of the Airport Authority, the proposed North Commercial District on the airport island ("NCD") would provide hotel development. Moreover, the Administration had been giving consideration to providing hotel facilities as part of the topside development at the Hong Kong boundary crossing facilities ("HKBCF") island of HZMB.

42. Mrs Regina IP opined that the plan to develop NCD had lagged behind the trend of economic development of Hong Kong. She said that the proposed retail development of some two million square feet and hotel development might become a "white elephant", taking into consideration that the airport's buildings had already provided similar facilities to cater for the demand of Mainland and non-Mainland visitors. She was concerned that there would be an oversupply of shopping arcades on the airport island.

43. SDEV replied that he would relay Mrs IP's concerns to the Airport Authority. He said that the Authority would pursue the NCD development by phases under prudent commercial principles. He did not subscribe to the view that the development plan would lag behind the trend of economic development.

44. Mr LEUNG Kwok-hung said that, to dovetail with the Administration's initiative to relocate existing government office buildings to release business sites for providing commercial offices, the Administration had taken forward many infrastructure projects, such as HZMB, XRL, etc. He opined that these projects would be getting

increasingly cost-ineffective, taking into consideration that the number of visitors to Hong Kong would continue to decrease.

45. Mr WU Chi-wai said that transport infrastructural facilities usually occupied a significant proportion of land in NDAs. He opined that, to optimize use of land resources, the Administration should consider following the overseas practices of constructing buildings above transport infrastructures.

Land supply for research and development and technology industries

46. Mrs Regina IP said it was announced in the Policy Address that the Administration would identify sites near the Liantang/Heung Yuen Wai Boundary Control Point for the development of the Science Park and industrial estates. She considered that the initiative would capitalize on the opportunities arising from the close proximity of the concerned area to Shenzhen, and would help promote collaboration between Hong Kong and the Mainland's research communities. She enquired about the progress of the planning work for the Lok Ma Chau Loop and whether the Administration would provide land for scientific research and new industrial use at the Loop. Miss CHAN Yuen-han said that land ownership issues were involved in the development of the Loop. She was concerned about the progress of dealing with such issues.

47. SDEV replied that the Lok Ma Chau Loop would be developed with higher education as the leading land use, complemented by high-tech research and development and cultural and creative industries. While the Recommended Outline Development Plan for the Loop had been finalized, the Administration had been actively liaising with the Shenzhen authorities over collaboration in the development of the land of the Loop which had been formed as a result of the training of Shenzhen River.

48. Mrs Regina IP said that more than 18 years had been spent in planning and developing the Loop. The Administration should pursue the matter in a timely manner and report the progress in due course.

Energizing Kowloon East

49. Miss Alice MAK noted that, as part of its initiatives to enhance walkability in Kowloon East, the Administration might provide incentives such as waiving land premium for any necessary lease modification to encourage private landowners to construct footbridges or subways at their own cost. She enquired whether the Administration would consider

adopting the same approach in enhancing the pedestrian environment in other districts, say, Tsuen Wan. SDEV replied that the initiative mentioned by Miss MAK had been formulated based on recommendations of relevant consultancy studies, and was undertaken by the Energizing Kowloon East Office ("EKEO") with a view to providing a convenient and comfortable pedestrian environment in Kowloon East. He said that for other districts, the Administration would adopt the same approach on a case-by-case basis if the project concerned would be beneficial to the communities.

50. In response to Mr CHAN Kam-lam's enquiry about the Administration's progress in implementing "walkability" in Kowloon East, Head of Energizing Kowloon East Office, Development Bureau advised that EKEO had commissioned consultancy studies to formulate short, medium and long-term proposals to improve the pedestrian environment at Kwun Tong Business Area ("KTBA") and Kowloon Bay Action Area ("KBAA"). The study for KTBA was underway and was anticipated to be completed by 2016. As regards KBAA, the Administration had commenced the implementation of the short-term measures recommended in the study. Funding approvals would be sought for the medium or long-term proposals, which included carrying out preliminary design for an additional footbridge next to Kowloon Bay MTR Station to enhance connectivity with the future East Kowloon Cultural Centre and nearby residential areas, improvements to the pedestrian facilities around Ngau Tau Kok MTR Station, etc. Various public open spaces and face-lifting projects such as conversion of Tsun Yip Street Playground, reprovisioning of Shing Yip Street Rest Garden as Tsui Ping River Garden were at different stages of planning and implementation.

51. Dr Helena WONG said that the Administration should take forward initiatives to enhance walkability and utilize unused spaces underneath flyovers in other districts, not just in Kowloon East. She enquired whether the Administration would formulate plans or policies on the use of spaces underneath flyovers. She said that the Food and Environmental Hygiene Department had recently proposed to the stall owners at Yen Chow Street Temporary Hawker Bazaar in Sham Shui Po that their stalls might be relocated to Tung Chau Street Temporary Market. Some owners of these stalls including newspaper stalls considered the relocation option not desirable, as Tung Chau Street Temporary Market was a place where street sleepers usually gathered. She suggested that, to address the concern of the affected stall owners, the Administration should explore alternative solutions, such as changing the use of a site at Tung Chau Street which was currently used as an open-air car park.

52. SDEV replied that DEVB would further discuss the case with Dr WONG after the meeting in order to pursue the matter. The proposed conversion of car park facilities into other uses might reduce the number of parking spaces in the district concerned. He said that although there was currently no territory-wide policy with respect to the use of spaces underneath flyovers, the Administration would on a case-by-case basis give consideration to suggestions on how such spaces could be better utilized.

53. Miss CHAN Yuen-han opined that the Administration should ensure good connectivity between old and new districts in Kowloon East in order to enhance its attractiveness to visitors. She was concerned whether the Administration would provide or keep street-front shops along Hoi Yuen Road and Lai Yip Street. Noting that the progress of the KTD project would be discussed at the next meeting, Miss CHAN suggested that the discussion should include the retention of street-front shops. The Chairman requested that the Administration should consider Miss CHAN's suggestion.

(Post-meeting note: The Administration advised the Clerk after the meeting that officers from EKEO would approach Miss CHAN Yuen-han direct to discuss her concerns, and therefore the Administration did not intend to further discuss the issues at the meeting of the Panel on 23 February 2016.)

Lantau Development

54. Mr WU Chi-wai said that he objected to the Administration's proposal of setting up a Lantau Development Office ("LDO"), taking into consideration that the proposal would give an impression that the Administration would proceed to develop Lantau in full stream according to its own plan. He opined that it was not appropriate to take forward the proposal at this stage given that the study "Hong Kong 2030+ : Towards A Planning Vision and Strategy Transcending 2030" was still underway and there was not yet a consensus on the development of an East Lantau Metropolis ("ELM") on artificial islands.

55. SDEV replied that with the establishment of the proposed LDO, all the engineering, planning and other professional resources could work closely together in a single dedicated office. Apart from the proposed development of ELM, LDO would take forward the initiatives in relation to Lantau development, including the NCD development, the topside development at the HKBCF island, the planning and development for the remaining parts of Tung Chung, the proposed reclamation at Sunny Bay and Siu Ho Wan, etc.

56. Miss CHAN Yuen-han said she agreed to the proposed establishment of LDO, taking into consideration that the office would co-ordinate the work of various government departments with respect to the development of Lantau, and provide a single point of access to members of the public who wished to give their views on the subject matter.

57. Dr KWOK Ka-ki opined that there was a lack of transparency in the work of the Lantau Development Advisory Committee ("LanDAC"), and members of the public were suspicious that members of LanDAC had taken part in the committee's work for the purpose of pursuing their self-interest. He urged that the Administration should work out the plans to develop Lantau based on a bottom-top approach, and should allow those who loved Lantau and had genuine concerns on protection and conservation of the natural environment of Lantau to take part in shaping the way forward for the island.

58. Mr Albert CHAN commented that LanDAC members were not familiar with Lantau and they took part in the work of the Committee for pursuing their own interest. He said that it would take a long time to undertake the proposals put forward by the current-term Government to develop Lantau including the reclamation projects. Some parts of Lantau to be planned for development were not suitable for providing residential units given that the Administration had yet to address public concerns over the impact of the noise pollution generated by airport operation.

59. SDEV replied that he himself and LanDAC members were keen on protecting the natural environment of Lantau, and promoting sustainable development of Lantau by balancing development and conservation needs. LanDAC had all along maintained the transparency of its work. All discussion papers for its meetings and minutes of meetings were uploaded to the committee's website for public access. An established mechanism was in place to require LanDAC members to declare interest. He advised that the Administration would brief members at the next meeting of the Panel on the proposed development strategy for Lantau.

60. Miss Alice MAK opined that the Administration needed to formulate effective measures to resolve the traffic and transport issues in Lantau as a pre-requisite for taking forward the initiatives to develop Lantau, and should brief members on these measures when discussing the proposed development strategy for Lantau at the relevant meeting.

61. Mr Michael TIEN said that it was necessary for the Administration to develop a new harbour-crossing railway to connect Hong Kong Island and the North West New Territories ("NWNT") via North Lantau or the proposed artificial islands in the central waters, in view of the anticipated overloading problem of the railway service in NWNT. Members of the public had relayed to him that the West Rail would become more congested following the implementation of the Administration's proposal to add a new West Rail railway station in the Hung Shui Kiu NDA. He said that the First-Term Work Report issued by LandAC had recommended a new railway corridor linking up the NWNT-Lantau-Metro area, but the Policy Address had not mentioned the railway proposal. He enquired whether the Administration would proceed to take the recommendation forward.

62. SDEV replied that paragraph 114 of the Policy Address had mentioned about a proposal to examine the possibility of developing ELM by constructing an artificial island near Kau Yi Chau together with other reclamations nearby. It was also mentioned in the Policy Address that the ELM would link up Hong Kong Island, Lantau and the NT West, and in developing ELM, consideration would certainly be given to providing the necessary transport infrastructure. SDEV advised that the proposed LDO would commission consultancy studies to examine, among others, the transport infrastructure for Lantau. Railway would be one of the possible transport options to be studied.

63. Mr Michael TIEN said that as many development projects were under design or in progress in NT West and North Lantau, the Administration should build the new railway line to cater for the growing population in these areas, no matter whether the proposed artificial islands in the central waters would be constructed. SDEV responded that the Administration would consider Mr TIEN's view when carrying out the relevant studies.

Re-planning of Tseung Kwan O Area 137

64. Mr IP Kwok-him said that the Administration would conduct re-planning for the development of the land at Tseung Kwan O Area 137 and examine the feasibility of providing residential, commercial and other developments in the area. Taking in view that the population of the Sai Kung District might exceed 500 000 upon completion of the development projects for Area 137, he was concerned that the additional population would put immense pressure on the external transport services of Tseung Kwan O. He said that the roads connecting Tseung Kwan O to Kowloon and the MTR Tseung Kwan O Line were already congested, and enquired whether the Administration would consider extending the MTR Tseung Kwan O Line to

Area 137. SDEV replied that the Administration would commission a consultancy study on the possible land use for Area 137 around end-2016. Under the study, the Administration would explore the transport connectivity options for the area.

Public works projects

65. Ir Dr LO Wai-kwok was concerned about the slow progress of the work of the Public Works Subcommittee ("PWSC") and the Finance Committee ("FC") in examining the funding proposals for public works projects. He said the Administration had forecast that funding proposals for as many as 72 public works projects would be submitted to PWSC in the 2015-2016 session for endorsement before they were submitted to FC, and so far, the funding proposals for only a few of these projects had been endorsed by FC and PWSC. Members of the public and the relevant industries were concerned that the public works projects which were related to livelihood or environment improvement could not commence on schedule.

66. PS/DEV(W) replied that the total approved project estimates for new public works projects endorsed by FC were \$160.7 billion, \$90.9 billion, \$3.6 billion and \$85.4 billion in 2011-2012, 2012-2013, 2013-2014 and 2014-2015 respectively. In 2015-2016, the total amount of funding approved so far for new public works projects was about \$200 million only. He advised that the public works projects to be submitted to PWSC and FC were essential to facilitate the economic development of Hong Kong and enhancement of its competitiveness, generation of employment opportunities, and improvement of the living environment of Hong Kong people. The Administration was very concerned about the progress of the work of LegCo in examining the funding proposals for public works projects.

67. Mr WU Chi-wai said it was stated in the Administration's paper (LC Paper No. CB(1)452/15-16(03)) that high tender risk premium was one of the reasons contributing to the high construction cost for public works projects. He opined that the over-concentration of implementation of such projects had pushed up the tender risk premium. Given that the number of new entrants to join the construction industry was small, and the average age of construction workers had increased to 52, he urged that the Administration should take into account the ageing of the construction workforce and ensure that the volume of construction works would not exceed the delivery capacity of the construction industry.

68. The Chairman said that as part of the initiatives to improve construction efficiency, the Administration would continue to promote the concept of 3S (standardization, simplification and single-integrated element). While standardization might help lower the cost of construction, the Administration should also encourage creativity in the design of construction projects. SDEV replied that the Administration would promote the concept of 3S mainly in the design of public works projects which were not landmark projects, such as construction of schools, government office buildings, etc.

69. The Chairman said the Administration had proposed to establish a dedicated office to draw up cost control measures and cost reduction initiatives. He enquired about the staff establishment of the office. PS/DEV(W) replied that the total number of professional staff members of the office would be less than 10 and would comprise professionals of various disciplines including engineering, surveying, architecture, etc. The Administration would brief members on the details of the proposal at a future meeting of the Panel.

Importation of construction workers

70. Miss CHAN Yuen-han said that local labour unions were gravely concerned about the statement in the Policy Address that there was a genuine need to import construction workers. She opined that the Administration should pay heed to the concerns of local workers that importation of construction workers would adversely affect their employment opportunities, keep their wages down and make them redundant. Contractors should not bypass the Labour Advisory Board for importing construction workers. Miss Alice MAK said that the Hong Kong Federation of Trade Unions objected to the statement in the Policy Address that there was a need to import construction workers. She opined that importation of workers would affect the local labour market, especially when the economy slowed down.

71. SDEV replied that the Administration understood the position of the Hong Kong Federation of Trade Unions on importation of labour. Consideration would be given to importing construction workers only under the premise of safeguarding the priority employment of local workers and their wage levels. The Policy Address had mentioned that according to a forecast of the Construction Industry Council, there would be a shortage of about 10 000 to 15 000 skilled workers in the construction industry for the coming few years. The Administration considered that public works contractors should be allowed to submit importation of labour applications under the Supplementary Labour Scheme to fill the gap of the local

construction manpower shortage in certain trades under the aforementioned premise.

72. Mr Frederick FUNG said that the Administration should clarify whether the shortage of construction worker referred to by the Chief Executive in the Policy Address would hinder the progress of its work to achieve the ten-year housing supply target. Mr James TIEN opined that a shortage of 10 000 to 15 000 skilled workers in the construction industry for the coming few years might push up the cost of building construction projects, and hence the property prices.

Small House Policy

73. Mr CHAN Kam-lam enquired whether and when the current-term Government would formulate measures to resolve the historical issues arising from the Small House Policy.

74. Dr KWOK Ka-ki said that under the Small House Policy, the Administration needed to reserve considerable amount of land for applications for building small houses. He asked whether the Administration would formulate measures to cope with the present situation so as to release more land for developing public housing, and whether the needs of those with small house concessionary rights could be met by high-rise developments. He further enquired about the Administration's position in respect of the views of some rural representatives suggesting that the Administration should draw a line at a certain point of time in future to stop granting small house concessionary rights to indigenous villagers.

75. SDEV replied that the Small House Policy involved the interests of different stakeholders, and many complicated legal, land use and planning issues, all of which required careful examination. The Administration had not come to a stance yet on any suggestions with regard to the policy, and would keep an open mind in examining every suggestion. The Administration was not aware of any view from indigenous villagers or their representatives suggesting a cutoff time after which the right of indigenous villagers to apply for small houses should be stopped. Concerning the question of high-rise developments, consideration had to be given to the number of storeys of such high-rise developments, whether all the housing units of these developments should cater for the needs of indigenous villagers only or the entire society, and whether the Village Type Development zones which scattered across the territory and were usually constrained by infrastructural and other ancillary facilities were suitable for high-rise developments. He advised that the Administration had put in place

short, medium and long-term initiatives to increase the land supply in Hong Kong. Resolving the issues arising from the Small House Policy was not a priority of DEVB.

Historic buildings

76. Mr Albert HO recalled that the Administration had preserved King Yin Lei at No. 45 Stubbs Road by way of land exchange. He enquired whether the Administration would adopt the same approach in preserving other buildings with heritage value, and whether there were other feasible options to protect these buildings from being demolished.

77. Deputy Secretary (Works)1, Development Bureau replied that there was currently only one case where the Administration was exploring with the owner of a Grade I historic building the possibility of preserving the building through land exchange. SDEV said that while land exchange was one possible means to encourage private owners concerned to preserve buildings with heritage significance, other feasible options that might be adopted by the Administration included identifying development potential within the lot boundaries of the building concerned so as to make up for the loss of development rights of the owner due to the preservation of the building. He explained that the purpose of declaring King Yin Lei as a monument was to prevent the building from being demolished. The Administration had put in place an internal mechanism to monitor any demolition of/alterations to monuments or privately-owned graded historical buildings. The monitoring mechanism enabled relevant government departments to keep alert of the possible threat which might affect these buildings and take timely follow-up action with the private owners concerned.

Pilot Scheme for Arbitration on Land Premium

78. The Chairman enquired whether and when the Administration would review the effectiveness of the Pilot Scheme for Arbitration on Land Premium in facilitating the reaching of agreements between the Administration and private land owners on land premium payable for lease modification/land exchange applications. Director of Lands replied that the Administration would adhere to its original timetable to review the pilot scheme after its implementation for a trial period of two years. So far, LandsD had invited applicants of 11 lease modification/land exchange cases to settle the premium through arbitration under the pilot scheme. One applicant had accepted the arbitration option and the Arbitral Tribunal had

issued its award in December 2015. Understandably it would take time for stakeholders to accumulate experience and build up interest in the scheme.

Safety of drinking water

79. Dr Helena WONG said it was mentioned in the Administration's paper (LC Paper No. CB(1)452/15-16(03)) that the Administration would adopt a number of measures to regain public confidence in the quality of drinking water in Hong Kong, such as stepping up the control over the use of pipes and fittings in inside service, enhancing the inspection and approval of plumbing works, and reviewing the regimes of water quality monitoring and the existing Waterworks Ordinance (Cap. 102) and Regulations. She enquired about the timetable for taking forward these measures and the Administration's position on enacting legislation on safety of drinking water. She further enquired whether the Administration would develop administrative or legislative measures to regulate the safety and use of wall-mounted thermostatic electric kettles in view of the public concern on the safety of drinking water.

80. SDEV replied that the Legislative Council had passed a motion for "Legislating for safety of drinking water" in October 2015 and the Administration was following up the motion. The Water Supplies Department had commenced a review on the Waterworks Ordinance (Cap. 102) and Regulations. The Administration would consider the findings and recommendations of the Commission of Inquiry into Excess Lead Found in Drinking Water when they were available. As regards wall-mounted thermostatic electric kettles, preliminary tests indicated the presence of lead at the welding joints of some components inside these wall-mounted kettles, and relevant government departments were conducting further investigations to ascertain any other components of wall-mounted kettles that contained lead.

81. Dr Helena WONG referred to her letter to the Chairman expressing concerns on the quality of Dongjiang water and suggesting a visit to Dongjiang (LC Paper No. CB(1)305/15-16(01)). She enquired whether the Administration would arrange such a visit for the Panel to facilitate members' understanding of the measures in place to prevent pollution to Dongjiang water. SDEV replied that the Administration was pursuing Dr WONG's suggestion of arranging a visit of the Panel to Dongjiang. The Chairman advised that the Clerk had circulated a copy of Dr WONG's letter to members in December 2015, and the Administration had provided a written response (LC Paper No. CB(1)442/15-16(01)) to the issues related to water quality raised in the letter. At the meeting of the Panel on

22 December 2015, no Panel member had followed up Dr WONG's suggestion about conducting a visit to Dongjiang. He would instruct the Clerk to issue a circular to seek members' views on whether they supported Dr WONG's suggestion.

(Post-meeting note: The circular was issued to members vide LC Paper No. CB(1)519/15-16 on 1 February 2016. In light of the views received from members, the Chairman directed that the matter be discussed at the meeting on 23 February 2016.)

VI Planning and engineering study for housing sites in Yuen Long South -- Stage 3 Community Engagement

(LC Paper No. CB(1)452/15-16(06) -- Administration's paper on planning and engineering study for housing sites in Yuen Long South -- Investigation -- Draft Recommended Outline Development Plan and Stage 3 Community Engagement

LC Paper No. CB(1)452/15-16(07) -- Paper on the planning and engineering study for housing sites in Yuen Long South prepared by the Legislative Council Secretariat (Updated background brief))

82. Under Secretary for Development ("USDEV") highlighted the background of the "Planning and Engineering Study for Housing Sites in Yuen Long South" ("the Study"). With the aid of a powerpoint presentation, Deputy Director of Planning/Territorial, Planning Department ("DD(T)/PlanD"), briefed members on the major comments collected during the Stage 2 Community Engagement of the Study and the salient points of the draft Recommended Outline Development Plan ("RODP") formulated for Yuen Long South ("YLS").

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)501/15-16(02) by email on 27 January 2016.)

Transport connectivity

83. Miss Alice MAK expressed concern on the adequacy of the transport infrastructure to be provided in YLS for meeting the transport needs of future residents in the area. She opined that the existing carrying capacity of the MTR West Rail Line ("the West Rail Line") was insufficient to cope with passengers' demand. Miss MAK called on the Administration to pay heed to improving the connectivity of YLS in taking forward the development project.

84. USDEV responded that DEVB had been communicating THB on the train services along the West Rail Line in the light of the developments in Northwest New Territories. THB was working with the MTR Corporation Limited to explore ways to increase the carrying capacity of the West Rail Line. The existing 7-car West Rail Line trains would be gradually replaced by 8-car trains from 2016 onwards, and the hourly train frequency would increase from 20 to 28. As a result, the carrying capacity of the West Rail Line would increase by 60%.

85. As regards the road network in YLS, Project Manager (New Territories West) (Acting), Civil Engineering and Development Department ("PM(NTW)/CEDD(Atg)"), advised that a dual carriageway was proposed as the main road running in a north-south direction through the Potential Development Area of YLS and connecting Kung Um Road to Yuen Long Highway through the improved Tong Yan San Tsuen ("TYST") Interchange. The Administration would study a possible new strategic highway connecting the Hung Shui Kiu ("HSK") New Development Area ("NDA") with the urban areas to cope with the anticipated traffic growth in Northwest New Territories, including YLS. As there would be about 150 000 job opportunities to be created in HSK NDA, it is expected that a considerable proportion of future residents of YLS could find work in the NDA without travelling a long distance. Moreover, the proposed Environmentally Friendly Transport Services ("EFTS") connecting YLS with HSK NDA would facilitate YLS residents travelling to the workplaces in the NDA as well as to the West Rail Tin Shui Wai Station.

86. The Chairman enquired whether the proposed EFTS connecting YLS with HSK NDA would occupy ground-level spaces. In the light of the scarcity of land resources, he opined that the Administration should take into careful consideration the amount of land required for developing EFTS in the planning of YLS.

87. The Deputy Chairman queried the effectiveness of the partial decking of Yuen Long Nullah in improving the traffic in YLS. In view of the existing

traffic congestion along Yuen Long Highway during peak hours, he was worried that the new developments in HSK and YLS would worsen the traffic conditions in Yuen Long. The Deputy Chairman suggested that a new link road connecting Yuen Long with Tai Lam via Kam Tin should be considered for alleviating the traffic congestion on Yuen Long Highway.

88. PM(NTW)/CEDD(Atg) replied that a new road connecting YLS with the area near the West Rail Yuen Long Station ("Yuen Long Station") had been proposed to reduce the traffic flow in Yuen Long New Town. The proposed EFTS and the pedestrian and cycling networks in YLS would allow connection to adjacent districts. Moreover, the possible new strategic highway connecting HSK NDA with the urban area would ease the traffic burden on Yuen Long Highway as well as Tuen Mun Road in future.

89. The Deputy Chairman considered that the public transport interchange ("PTI") to be provided near Yuen Long Station would induce additional traffic impact on Yuen Long New Town. He proposed that the PTI should instead be provided near Kam Sheung Road Station or the proposed new railway station in HSK NDA.

90. PM(NTW)/CEDD(Atg) said that upon the completion of improvement works, the Tin Shui Wai West Interchange would allow direct access to the Tin Shui Wai New Town/HSK NDA areas via Hung Tin Road, thereby reducing the traffic flow into Yuen Long New Town. A new road was also proposed to provide direct access from YLS to the PTI near Yuen Long Station instead of going through the existing roads in the town centre. The Administration considered that the area near Yuen Long Station was more suitable for the provision of a PTI.

Pedestrian accessibility

91. The Deputy Chairman considered that a pedestrian linkage network within YLS should be developed to facilitate pedestrian flows and allow direct connection between public and private housing sites. He enquired whether the improvement measures for enhancing the "walkability" of Kowloon East, such as providing more footbridges between buildings, would be introduced in YLS. The Chairman and the Deputy Chairman opined that the provision of a comprehensive pedestrian network should be taken into consideration at an early stage of the planning of YLS so as to ensure an effective implementation at the development stage.

92. DD(T)/PlanD replied that at the next stage of the Study, footbridges and/or other pedestrian linkages between different sites in the planning areas would be further examined in the preparation of the detailed layout plans as

well as the detailed design of public housing estates. PM(NTW)/CEDD(Atg) said that a number of improvement measures had been proposed to facilitate accessibility in YLS. Comprehensive road, pedestrian and cycling networks had been planned for the three residential communities of YLS. A key activity node with a PTI would be provided at each residential community. The PTI would also serve the existing residents of the nearby villages. The proposed EFTS would link up different parts of YLS.

Employment opportunities

93. Noting that the developments of HSK NDA and YLS would generate about 160 000 job opportunities altogether, the Deputy Chairman expressed doubt on whether these job opportunities could cater for different employment needs of the future population. He opined that a large number of future residents of YLS might still prefer to work in other districts.

94. The Chairman shared the Deputy Chairman's view that the Administration should not assume all the job opportunities to be created in HSK NDA and YLS would be taken up by the local working population. He opined that the commercial developments, including shopping malls, in Yuen Long New Town would attract more people from other districts. The Administration should not under-estimate the impact of the new population of YLS on the traffic and environment of Yuen Long New Town.

95. USDEV responded that the Administration aimed to increase local job opportunities in HSK NDA and YLS with a view to reducing the time for commuting of local residents. DD(T)/PlanD advised that the ratio of job opportunities to the local population in HSK NDA together with YLS was higher than that of other new towns, such as Tai Po and Tsing Yi.

Provision of commercial facilities

96. The Deputy Chairman considered that the commercial facilities to be provided in YLS, scattered over the "Urban Living" and the "LOHAS Living" Planning Areas, were inadequate. He was concerned that many YLS residents would crowd into Yuen Long New Town for shopping. DD(T)/PlanD advised that in the draft RODP, the commercial floor area to be provided in YLS had been increased to 193 300 square metres. Mixed residential and commercial developments had been planned near the TYST Interchange, which was the "gateway" to YLS. In addition, some sites had been planned as medium- to high-density residential developments, where commercial facilities would be provided to serve the residents and to add vibrancy to the areas.

Operation of the logistics industry in Yuen Long South

97. Miss Alice MAK said that the Hong Kong Federation of Trade Unions supported the Administration's proposal to develop housing sites in YLS and would provide detailed comments on the development of YLS to the Administration. She relayed the concerns of the existing brownfield operators in YLS on the possible high rents for operating their businesses in

the new multi-storey compounds to be provided in the area. Moreover, these operators had doubts on whether the proposed new road network in YLS could cope with the traffic growth brought about by the operations of the logistics industry in future.

98. USDEV advised that the Administration would conduct a study in mid-2016 to explore providing accommodation for some of the brownfield operations through development of multi-storey industrial compounds, with a view to better utilizing precious land resources. The study would cover the feasibility of conveying goods by trucks inside multi-storey buildings. The level of rent payable by the tenants of the proposed multi-storey industrial compounds and the necessary financial arrangements would also be studied. PM(NTW)/CEDD(Atg) added that the improved Tin Shui Wai West Interchange would facilitate easy access of freight traffic to the urban areas through Yuen Long Highway.

Support for agricultural rehabilitation

99. Noting that a large area of farmland in YLS would be preserved as the "Green Zone" under the draft RODP, the Deputy Chairman expressed concern on whether the owners of the concerned farmland would be willing to keep the farmland for agricultural purposes in future. He suggested that, to avoid the controversies over the preservation of private farmland, the Administration should acquire such farmland through land resumption and lease out the farmland to the farmers affected by the development project for agricultural rehabilitation.

100. DD(T)/PlanD replied that in the light of the long history of cultivation in YLS and the public views collected, the large and contiguous active agricultural land in the southern part of TYST would be preserved. The sites to be retained for agricultural use would be protected. The Planning Department would liaise with the Agriculture, Fisheries and Conservation Department ("AFCD") to work out measures to improve the infrastructure for farming.

101. In response to the Chairman's enquiry about the measures to support agricultural development in YLS, Deputy Secretary for Development (Planning and Lands)¹ said that the arrangements for agricultural rehabilitation in YLS would be worked out by making reference to the HSK NDA project and the Kwu Tung North and Fanling North NDAs project. DEVB would maintain close communication with AFCD about the assistance to be offered to the farmers in YLS who intended to continue farming. Meanwhile, the Food and Health Bureau ("FHB") had announced

the New Agriculture Policy in January 2016, and DEVB would work with FHB in identifying sites for setting up an Agricultural Park and in undertaking a consultancy study to identify "Agricultural Priority Areas" for long-term agricultural purposes.

VII Any other business

102. There being no other business, the meeting ended at 6:25 pm.

Council Business Division 1
Legislative Council Secretariat
19 April 2016