

# 立法會 *Legislative Council*

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## **Report of the Panel on Development for submission to the Legislative Council**

### **Purpose**

This report gives an account of the work of the Panel on Development for the 2016-2017 session. It will be tabled at the meeting of the Legislative Council ("LegCo") on 12 July 2017 in accordance with Rule 77(14) of the Rules of Procedure of LegCo.

### **The Panel**

2. The Panel was formed by the resolution of LegCo on 8 July 1998, as amended on 20 December 2000, 9 October 2002, 11 July 2007 and 2 July 2008 for the purpose of monitoring and examining Government policies and issues of public concern relating to lands, buildings, planning, water supply, development-related heritage conservation, Public Works Programme and other works matters. The terms of reference of the Panel are in **Appendix I**.

3. For the 2016-2017 session, the Panel comprises 45 members. Hon Tommy CHEUNG Yu-yan and Hon Kenneth LAU Ip-keung were elected Chairman and Deputy Chairman of the Panel respectively. The membership list of the Panel is in **Appendix II**.

### **Major work**

#### Increasing housing land supply

4. Shortage of land supply for housing developments in the past few years has resulted in soaring property prices and a long waiting list for public rental housing ("PRH"). The private domestic property price index

of the Rating and Valuation Department was 327.4 (provisional figure) in April 2017 (an increase of 227.4% from 100 in 1999). As at end-March 2017, there were about 147 300 general applications for PRH. Against this background, the Administration's work in boosting land supply for private and public housing became one of the major focuses of the Panel's discussion in the 2016-2017 session.

5. Throughout the session, the Panel was consulted on studies and funding proposals for implementing land development initiatives and updated on the progress of land development plans. Through the discussions with the Administration on these proposals and plans, Panel members drew the Administration's attention to issues of public concerns and made suggestions for improvements.

#### *Land use reviews*

6. One of the main short- to medium-term measures adopted by the Administration to increase housing land supply is conducting land use reviews of existing land to identify potential sites suitable for housing development. The Panel noted that, since July 2012, the Administration had identified some 190 potential housing sites through land use reviews, and most of these sites would be made available in the five years from 2014-2015 to 2018-2019 for housing development with a view to providing over 250 000 flats, with over 70% of them for public housing, subject to timely amendments to their statutory plans and/or completion of the necessary procedures. As of mid-January 2017, 93 sites had been zoned or rezoned for housing development. In addition, as part of its on-going efforts to identify more developable sites for housing and other uses, the Planning Department had identified, as at January 2017, some 25 more housing sites. These sites were mostly estimated to be available for housing development in the next five years from 2019-2020 to 2023-2024, capable of providing over 60 000 flats, with over 80% of them for public housing.

7. While members generally welcomed the identification of more potential housing sites to meet the acute demand for housing, they noted that among the newly identified some 25 potential housing sites, some were Green Belt sites or relatively small sites surrounded by existing housing developments. Some members stressed that the Administration should exercise caution in rezoning Green Belt sites into housing sites, given that this would possibly lead to destruction of the buffers between the urban areas and country parks, thus affecting the ecological environment. Some members pointed out that the Administration should strike a balance

between the provision of housing and community facilities, and to address local residents' concerns, in particular those about traffic and environmental impacts, in rezoning a site for housing development.

8. The Administration assured members that it would maintain close communication with local communities on its land supply initiatives. As regards the additional some 25 potential housing sites, they were subject to detailed studies/assessments, amendments to the relevant statutory plans and/or completion of the necessary procedures to ensure that the development would not bring insurmountable problems and unacceptable difficulties to the community.

*Development of the Anderson Road Quarry site*

9. The development of the Anderson Road Quarry ("ARQ") site is another short- to medium-term initiative to increase housing land supply. The Panel noted that the development would cater for the housing need of a population of 25 000 with the production of about 9 400 private and subsidized housing units. It is anticipated that these housing units will be ready for occupation progressively from 2023-2024. In April 2017, the Administration sought the Panel's support for a funding proposal for carrying out road improvement and infrastructure works to support the development of the ARQ site.

10. Panel members in general supported the development of the ARQ site and the implementation of the proposed works. They urged the Administration to take effective and timely measures to address the aggregate impact of the development at the ARQ site and the PRH development at Anderson Road, which would together accommodate a population of 73 300, on the traffic in Kowloon East, in particular, the anticipated heavy vehicular flow in future on Sau Mau Ping Road, Clear Water Bay Road and Tseung Kwan O Road. Moreover, members called on the Administration to accelerate the construction of pedestrian connectivity facilities for the commuting of residents between the Sau Mau Ping area (covering the developments at the ARQ site and Anderson Road) and Kwun Tong town centre.

11. The Administration advised that the traffic impact assessment ("TIA") report for the ARQ site development had recommended several road/junction improvement works to alleviate the impact of the traffic generated from the ARQ site development on the traffic in Kwun Tong. The Administration would carry out improvement works as recommended. The TIA findings also indicated that the east-west traffic condition of the

Kowloon urban area would be effectively improved upon the completion of Route 6, which comprised the Tseung Kwan O — Lam Tin Tunnel, Trunk Road T2 and Central Kowloon Route. As regards pedestrian connectivity facilities, the Administration had proposed to construct nine sets of pedestrian connectivity facilities, comprising footbridges, lift towers and/or escalators, in the area. Funding for the first four sets had been approved by the Finance Committee ("FC") in June 2016 and their construction would commence soon.

12. Members were concerned that before the completion of Route 6, the proposed road/junction improvement works were not adequate to address the possible traffic impact of the developments at the ARQ site and at Anderson Road. The Panel passed a motion requesting that the bottleneck section at the Sau Mau Ping Road roundabout be widened and an elevated carriageway be constructed there. The Administration undertook to explore the proposal of enhancing the Sau Mau Ping Road roundabout at the next stage and would consult members and the local community on the proposal.

#### *Tung Chung New Town Extension*

13. The Tung Chung New Town Extension ("TCNTE") project is one of the Administration's medium- to long-term measures to increase housing land supply. TCNTE would cover areas on the eastern and western flanks of the existing Tung Chung New Town, providing 49 400 flats to house a population of about 144 400, and a total gross floor area of about 877 000 square metres ("m<sup>2</sup>") for office, retail and hotel uses. The TCNTE project is expected to fully complete in 2030, with the first population intake scheduled for 2023.

14. In April 2017, the Administration sought the Panel's support for a funding proposal for carrying out reclamations works at Tung Chung East and advance works for TCNTE. Among the 130 hectares ("ha") of land to be formed by reclamation at Tung Chung East, about 121 ha would be provided for development of about 40 800 housing units for a planned population of about 118 900 as well as for other uses, including commercial uses, government, institution and community ("G/IC") facilities, etc. The target schedule for the first population intake for the new development at Tung Chung East was 2023.

15. The Panel noted that, of the 40 800 housing units to be provided at the land to be reclaimed at Tung Chung East, 63% would be subsidizing housing and 37% would be private housing. While some members

supported that the proposed reclamation works should be carried out as soon as possible to create land for housing, some members were opposed to the reclamation works due to environmental and cost concerns. Some held the view that, given the long waiting list for PRH, more subsidized housing units, in particular PRH units, should be provided at Tung Chung East. The Administration advised that in formulating the public-to-private housing ratio for the development at Tung Chung East, reference had been made to the same ratio under the Long Term Housing Strategy, i.e. 60:40. The proposed housing ratio would be reviewed in the future if there were major changes in planning circumstances, including adjustments to the overall housing policy and target of housing supply.

16. The external connectivity of Tung Chung East was one of members' concerns regarding the development of Tung Chung East. The Panel passed a motion urging the Administration to provide good transport links for the additional some 30 000 working population who would still need to look for jobs outside Tung Chung East (out of the 70 000 working population of Tung Chung East) to commute between Tung Chung and the third runway of the airport, the Hong Kong-Zhuhai-Macao Bridge and the North Commercial District of the airport island, and to expeditiously explore with the Transport and Housing Bureau ("THB") the implementation of the "Tung Chung East Rail Link" between 2023 and 2030, thereby making use of the idle time of the Airport Express Link ("AEL") to provide train services between the proposed MTR Tung Chung East Station and the airport island.

17. In response to the abovementioned motion, the Administration advised that the proposed MTR Tung Chung East Station was anticipated to be in operation by 2026 and THB had invited the MTR Corporation Limited in January 2017 to submit a proposal for the implementation of the proposed Station. Meanwhile, the Airport Authority Hong Kong had embarked on a consultancy study in June 2016 to review the technical feasibility, financial viability and operation strategy for a shuttle service running between Tung Chung East and the airport island using the spare capacity of the existing AEL tracks. Besides, the connectivity among Tung Chung, the airport island and the Hong Kong Boundary Crossing Facilities ("HKBCF") Island was also being explored under the Planning, Engineering and Architectural Study for Topside Development at HKBCF Island of Hong Kong-Zhuhai-Macao Bridge — Feasibility Study. The Development Bureau was working closely with THB and relevant departments during the study process and would follow up on the study findings and the way forward upon the completion of the above studies.

*Hung Shui Kiu New Development Area*

18. The Administration plans to develop the Hung Shui Kiu New Development Area ("HSK NDA") to a next-generation new town with a total population of about 218 000 (including a new population of about 176 000). The first population intake is expected to take place in 2024. In November 2016, the Administration briefed the Panel on the Revised Recommended Outline Development Plan ("Revised RODP") for the proposed HSK NDA.

19. Under the Revised RODP, HSK NDA would provide about 61 000 additional residential units and 6 370 000 m<sup>2</sup> of industrial and commercial floor area, and create 150 000 job opportunities. The detailed design for the initial phase of the proposed HSK NDA is scheduled to commence in 2017, whereas the whole NDA project is expected to complete by 2037-2038.

20. The proposed HSK NDA project covers some 190 ha of existing brownfield sites being used for container storage, warehouses, construction materials/machinery storage, car repair workshops, recycling yards and rural workshops, intermingled with some squatters and other temporary structures. The Administration aimed to transform these brownfield sites into an integral part of HSK NDA, removing such sites and their incompatibilities. While members were supportive of releasing the land occupied by brownfield operations for new town development to enhance land use efficiency and improve the overall environment, they were concerned about the relocation of the brownfield operations to be affected by the development. Though 24 ha of land would be reserved at the northern fringe of the proposed "Logistics, Enterprise and Technology Quarter" at the northwestern part of the proposed NDA for port back-up, storage and workshop uses, members had doubt on whether the land was sufficient to accommodate the affected brownfield operations in the area.

21. The Administration advised that it would explore feasible measures to accommodate some of the brownfield operations through land efficient means such as multi-storey buildings ("MSBs"), taking HSK NDA as a pilot case. To this end, the Civil Engineering and Development Department ("CEDD") has commissioned MSBs feasibility studies to tie in with the proposed development projects of HSK NDA and Yuen Long South, which were large-scale medium- to long-term development projects involving vast extent of brownfield sites. The MSBs studies were expected to complete in mid-2018. The Administration would not rule out the possibility and need for accommodating certain operations which could

not be practically feasible to move into MSBs on suitable open-air sites with provision of proper infrastructure and segregation from sensitive receivers. In addition, the Planning Department was in the process of commissioning consultants to conduct the "Study on Existing Profile and Operations of Brownfield Sites in the New Territories", which was aimed to survey the distribution and uses of brownfield sites in the New Territories ("NT"), in order to facilitate the Administration to formulate appropriate policies for tackling brownfield sites, including devising appropriate planning and consolidation strategy for brownfield sites in different areas, and exploring feasible and viable measures to accommodate those brownfield operations which were still needed locally, with a view to achieving the objectives of optimizing land utilization, releasing brownfields' potential and improving the rural environment. The Study was expected to commence in the first half of 2017 for completion by end-2018.

22. About 7 ha of existing farmland and 1 600 households, mostly living in squatters and other tolerated structures in the area, would be affected by the proposed development of HSK NDA. In this connection, members urged the Administration to render adequate assistance to the affected farmers and households. The Administration advised that, for the farmers, proactive and priority assistance in matching of farmers and agricultural land owners would be provided to facilitate the farmers to continue agricultural practice in the vicinity. Moreover, the Administration had identified a cluster of abandoned agricultural land zoned "Agriculture" suitable for agricultural rehabilitation in the Lau Fau Shan area immediately adjacent to the proposed NDA. For the affected households, a local rehousing site to the west of Hung Fuk Estate had been reserved on the Revised RODP for the eligible clearers. The Administration was working on the details of compensation and rehousing arrangements.

23. The Panel noted that the Administration was finalizing a technical feasibility study and a TIA on the proposed HSK NDA. It passed a motion urging the Administration to complete the aforesaid study and assessment expeditiously and submit the relevant reports to the Panel for discussion without delay. The Administration undertook to provide copies of the relevant documents to the Panel when the Final Report of the Planning and Engineering Study for HSK NDA, which included an analysis of the TIA, was completed.

### Increasing supply of land for economic uses

24. According to the Administration's estimation, there was an anticipated overall land shortfall for economic uses of over 300 ha (excluding land for transport, infrastructure and community facilities to support the population) in the medium to long term against the estimated land requirement for supporting various market-driven and policy-driven economic uses. Throughout the session, the Panel was consulted on the Administration's various proposals on developing land resources to meet the demand for space for economic development.

### *Energizing Kowloon East*

25. The "Energizing Kowloon East" ("EKE") initiative, first announced in the 2011-2012 Policy Address, aimed to transform Kowloon East (including Kai Tak Development Area ("Kai Tak"), Kowloon Bay Business Area and Kwun Tong Business Area) into an attractive core business district to support Hong Kong's economic development. Under this initiative, the Administration has been facilitating the provision of new commercial/office land in Kowloon East.

26. In November 2016, the Administration updated the Panel on the progress made under the EKE initiative and sought members' support for extending the operation of the Energizing Kowloon East Office ("EKEO") in the Development Bureau for a further period of four years and nine months. Members drew the Administration's attention to the fact that many arts workshops and art studios had been forced to move out from Kowloon East because of the rising rentals of the shops and industrial premises caused by the transformation of Kowloon East. Some members urged that the Administration should provide alternative space in Kowloon East, such as earmarking some space in the land for sale for private development in future, for arts practitioners to continue their operation in the district and, at the same time, develop additional open space for public arts activities. Some called on EKEO to actively approach and communicate with those arts practitioners who had different views with the Administration on the EKE initiative to address their concerns.

27. The Administration advised that EKEO had been in close communication with different arts and community groups to collect their views on the project. EKEO would explore the reservation of space for art, cultural and creative uses when formulating the development plans for the Kowloon Bay Action Area and Kwun Tong Action Area. In line with EKEO's strategy to promote diversity in Kowloon East, EKEO would seize



every opportunity to provide suitable spaces, such as the "Fly the Flyover 01" site beneath Kwun Tong Bypass, for arts, culture and creative uses. Moreover, works were being carried out to convert the adjacent "Fly the Flyover 02 and 03" sites into similar uses.

28. Members stressed that, in developing Kowloon East into a core business district of Hong Kong, the Administration should attach importance to the integration and connection between the new development areas and the already built-up areas in the district. The Administration advised that it had taken forward the planned linkages on the Kai Tak Outline Zoning Plan through detailed design and implementation by phases. Of the 25 planned at-grade crossings/footbridges/subways connecting Kai Tak with Kowloon City, Wong Tai Sin and Kwun Tong, eight had already been completed, while the remaining ones were at different stages of planning, design and implementation. In the Administration's studies on the built-up areas of Kowloon East, proposals had been formulated to enhance the linkages of Kowloon Bay Business Area to Kai Tak as well as other adjoining built-up areas. EKEO had also recommended improvement schemes along four major east-west corridors and six north-south corridors to improve connectivity within Kwun Tong Business Area and its connectivity with Kowloon Bay Business Area and the adjacent residential areas in Kwun Tong. The improvement schemes would be taken forward progressively.

*Relocation of three Vehicle Examination Centres in Kowloon East to Tsing Yi*

29. One of the measures of the Administration to facilitate the provision of new commercial/office land in Kowloon East is through relocating or rationalizing the existing government facilities in the Kowloon Bay and Kwun Tong Action Areas. The existing Kowloon Bay Vehicle Examination Centre ("VEC") and New Kowloon Bay VEC of the Transport Department are located within the Kowloon Bay Action Area. Under the Conceptual Master Plan for EKE, the Kowloon Bay Action Area is planned to be developed into a commercial/office hub which could provide about 480 000 m<sup>2</sup> of commercial floor space. According to the Administration, relocating these two VECs would release the development potential and facilitate comprehensive development of the Kowloon Bay Action Area. The relocation of the existing To Kwa Wan VEC could make way for the planned development at Kai Tak, including a continuous waterfront promenade for public enjoyment. In December 2016, the Administration sought the Panel's support for a funding proposal for relocating the three

aforesaid VECs to a site at Sai Tso Wan, Tsing Yi and for constructing a new 4-storey VEC at the said site.

30. The Panel noted that the three existing VECs in Kowloon East were handling around 800 inspections per day. If all these three VECs were to be relocated to one single centre in Tsing Yi, the number of vehicles using the new centre every day might be around 800. Members were concerned that the commissioning of the proposed new VEC would cause traffic congestion in the vicinity. Moreover, the proposed project site in Tsing Yi was currently occupied by a temporary vehicle park for commercial vehicles under a Short Term Tenancy ("STT"). During the peak periods, about 250 vehicles were parked on the site. Members asked about the alternative parking spaces for these vehicles, which would be affected by the construction of the new VEC.

31. The Administration explained that, as indicated by the results of the supplementary traffic study for the proposed new VEC carried out between September and November 2016, the traffic impact to be induced by the new VEC on the road network near the project site would be insignificant. The proposed project would include road widening works of approximately 485 metres in length along the eastern side of Sai Tso Wan Road to allow two lanes towards the proposed new VEC and one lane away. A traffic signal control system would be installed near the ingress/egress of the proposed new VEC on Sai Tso Wan Road. The egress point of the VEC would be further widened to regulate the eastbound traffic. With the proposed improvements implemented, it was anticipated that Sai Tso Wan Road would operate well within capacity upon the commissioning of the new VEC.

32. As regards alternative parking spaces for the vehicles currently using the carpark at the proposed project site, the Administration had identified two nearby STT sites which could provide about 160 vacant parking spaces. Another site adjoining the proposed project site would soon be tendered for temporary vehicle parking purpose and would provide 160 parking spaces. Moreover, the Administration was considering the feasibility of using the temporary queuing area for the new VEC for public vehicle parking during nighttime when the new VEC was not in operation. The area could provide 40 parking spaces. The Administration considered that the vehicle parking spaces to be made available would sufficiently cater for the affected temporary parking spaces.

33. Members remained concerned about the impact of the relocation project on the traffic in the vicinity of the site for the new VEC at Sai Tso Wan, Tsing Yi. The Panel did not support the relocation proposal.

*Other works projects under the Energizing Kowloon East initiative*

34. During the session, the Administration sought the Panel's support for the funding proposals for another two works projects to be carried out under the EKE initiative: (a) reprovisioning of the facilities at the Tsun Yip Street Playground to Hong Ning Road Park and Ngau Tau Kok Fresh Water Service Reservoir; and (b) improvement to Hoi Bun Road Park and the adjacent area. Members raised no objection to the Administration's submission of these proposals to the Public Works Subcommittee for consideration.

*Reclamation at Sunny Bay*

35. In March 2017, the Administration sought the Panel's support for a funding proposal for carrying out a planning and engineering study on reclamation at Sunny Bay and the associated site investigation works. It was recommended that the reclamation site be mainly used for recreation and tourism-related developments, particularly those targeting the mass-tourism market. This site, together with Hong Kong Disneyland, could be developed into a recreation and tourism gateway for Northeast Lantau by establishing new tourist attractions, recreational or leisure facilities, themed hotels, as well as retail, catering and entertainment facilities.

36. Some members queried whether there was a genuine land demand for developing tourism-related facilities, and whether the Development Bureau had consulted the Hong Kong Tourism Board and other concerned parties on such land demand. The Administration advised that the Planning Department concluded the "Consolidated Economic Development Strategy for Lantau and Preliminary Market Positioning Study for Commercial Land Uses in Major Developments of Lantau" in early 2017. The study confirmed that it would be appropriate to develop the proposed reclamation site at Sunny Bay for leisure, entertainment and tourism uses. The Development Bureau had communicated with the Tourism Commission and the Hong Kong Tourism Board in preparing the blueprint for Lantau development and the proposal of reclaiming land at Sunny Bay for leisure, entertainment and tourism developments. The proposed planning and engineering study would develop detailed development proposals for the reclaimed land.

37. The Panel supported the submission of the funding proposal for the planning and engineering study to the Public Works Subcommittee for consideration. It passed a motion requesting the Administration: (a) to allow flexibility in the proposed planning and engineering study for the development of different leisure and entertainment facilities at Sunny Bay in the future as far as possible, including but not limited to the development of multi-purpose venues for holding road events, resort hotels, large-scale entertainment and performance complexes, commercial and business facilities as well as projects in leisure agriculture and fisheries trades, so as to enable the provision of the most suitable leisure and entertainment facilities in response to prevailing market developments and public expectations; and (b) to examine comprehensively the impacts caused by the planning and engineering works of various reclamation projects on the fisheries industry, fisheries resources, marine ecology and various industries, and to review expeditiously the relevant mechanisms, so as to avoid causing any adverse impact on existing resources and industries.

38. In response to the above motion, the Administration undertook to consider under the proposed planning and engineering study various appropriate and related land uses, conduct market research and assess the financial viability and business potentials of the various uses in order to formulate land use proposals that would be cost-effective and beneficial to the general public. In addition, the Administration would carry out an Environmental Impact Assessment ("EIA"), including impact assessment on fisheries resources and marine ecology, pursuant to the EIA Ordinance, and assess the overall impacts on the nearby existing facilities and relevant industry operations arising from the proposed reclamation works.

*Demolition of the existing buildings within a site at Caroline Hill Road*

39. In February 2017, the Administration sought the Panel's support for a funding proposal for the demolition of the existing buildings within a site of about 26 300 m<sup>2</sup> situated at the junction of Caroline Hill Road and Leighton Road in Causeway Bay. The buildings include the ex-Electrical and Mechanical Services Department Headquarters, a 6-storey ex-Civil Aid Service building, a 1-storey building for the Post Office Recreation Club and a 3-storey building for the Pacific Century Cyber Works Recreation Club. Upon the clearance of the site, the Administration plans to apply for rezoning of the site for commercial development and other uses (including G/IC uses) to optimize the use of government land in core business districts.

40. Given that there were residential buildings, schools, a sports centre and the Hong Kong Stadium in the vicinity of the site, members were concerned about the traffic implications of the proposed demolition works. The Administration advised that a traffic impact study for the demolition works had been carried out. The assessment results, as agreed by the Transport Department, indicated that the anticipated traffic impact to be brought about by the demolition works on the existing road network would be acceptable with the implementation of mitigation measures in place. During the demolition period, the Administration would implement temporary traffic management measures to minimize the traffic impact on the existing road network. The works contractor would be required to take into account the traffic conditions of the nearby area when planning for site access and arrangement for material/machinery delivery and disposal of demolition waste from the site. The works departments would maintain close liaison with the Hong Kong Police Force and the Transport Department prior to any special events to be held in the Hong Kong Stadium and, if necessary, to adjust the vehicular site access schedule.

41. Some members were opposed to demolishing the existing buildings and developing the site for commercial use. They held the view that, since a large area of land in Causeway Bay was being used for commercial purposes, there was no reason why the Administration should plan to rezone the site for commercial use without first consulting the local community. Some members asked about the respective floor areas to be allocated for commercial and G/IC uses at the site. The Administration explained that the rezoning of the site was still at the planning stage and the allocation of floor areas for commercial and G/IC uses had yet to be decided, subject to the views of Wan Chai District Council and the agreement of the Town Planning Board. The Administration would make use of the time required for the demolition of the existing buildings within the site to consult Wan Chai District Council on the rezoning proposal and would brief the Panel on the development proposal for the site in due course.

#### Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030

42. Since the 1970s, the Administration has reviewed the territorial development strategy around once every decade to take into account new needs and aspirations. The last review, entitled "Hong Kong 2030: Planning Vision and Strategy" ("HK2030"), was promulgated in 2007 and set out the broad directions for land supply and town planning up to 2030. In the light of the rapid social, economic and technological changes in

Hong Kong since 2007, the Planning Department commissioned the study "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" ("HK2030+") in January 2015 to provide an update to the HK2030. According to the Administration, HK2030+ aims to work out a vision-driven, pragmatic and action-oriented strategic plan to guide planning, land and infrastructure development, as well as the shaping of the built and natural environment of Hong Kong beyond 2030. HK2030+ commenced in early 2015 and is scheduled for completion by early 2018. The Administration conducted a public engagement exercise in October 2016 for six months on the key findings and recommendations of HK2030+. The Panel discussed these findings and recommendations with the Administration in December 2016 and held a special meeting to receive public views on the subject in March 2017.

### *East Lantau Metropolis*

43. The Panel noted that the proposed conceptual spatial framework under HK2030+ focused on future development with one metropolitan business core, two strategic growth areas (namely the East Lantau Metropolis ("ELM") and NT North ("NTN")) and three development axes. The basic concept of ELM was to create artificial islands by reclamation in the central waters near Kau Yi Chau and the Hei Ling Chau Typhoon Shelter, and to make better use of the under-utilized land in Mui Wo, with the aim of creating a smart, liveable and low-carbon development cluster with a "Core Business District 3" of Hong Kong. It was suggested that the proposed ELM could have a potential developable area of about 1 000 ha and accommodate a population of about 400 000 to 700 000, supported by at least about 200 000 job opportunities. The proposed development of the two strategic growth areas aimed to plan in advance to meet the outstanding land demand beyond 2030. Some members queried the need to develop 1 000 ha of land by reclamation. Some enquired about the estimated cost of the infrastructure works related to the proposed artificial islands in the central waters and other planning proposals under HK2030+.

44. The Administration explained that HK2030+ had only proposed a conceptual spatial planning framework for Hong Kong beyond 2030. Taking into account the public views to be collected during the six-month public engagement, the Administration would formulate preferred spatial development option(s) for further technical assessments to broadly evaluate the social, economic and financial impacts thereof. The updated territorial development strategy would be finalized having regard to the findings of the technical assessments and public views. Proposals on individual works projects would be worked out after further planning and engineering

studies and submitted to the relevant committees of LegCo for consideration in accordance with the established practice in the future. At the present stage, it would not be scientific to make an estimation on the costs of the broad development proposals.

#### *New Territories North*

45. The Administration advised that, through comprehensive planning and more efficient use of the brownfield sites and abandoned agricultural land in NTN, developing NTN would provide land for building new communities and developing modern industries and industries preferring a boundary location, while improving the living environment of the existing area. It was suggested that new developments in NTN could accommodate a population of about 255 000 or 350 000, and generate about 215 000 job opportunities.

46. Some members pointed out that, before developing NTN, the Administration should first improve the transport infrastructure in the North District to enhance the connectivity of NTN. Moreover, the Administration should create more jobs in NTN, so as to help provide local employment, reduce long distance commuting, and ease the congestion caused by the growing traffic from the NT to the urban areas. Some members asked whether the Administration would consider resuming the land occupied by the Fanling Golf Course for housing purpose.

47. The Administration advised that it would promote wider use of public transport and explore opportunities for strategic transportation initiatives and better connectivity between NTN and the urban areas, including examining possible new railway lines to enhance the accessibility of NTN to unleash the potential for development. The Administration would also enhance the spatial distribution of population and jobs through the creation of economic activities and employment nodes in NTN to create jobs for a range of skills, thereby bringing jobs closer to homes and lowering peak-hour traffic demand. As regards the site occupied by the Fanling Golf Course, the Home Affairs Bureau was conducting a review on the policy on Private Recreational Lease. The Administration would take into account the outcome of the policy review in considering the way forward for the site.

#### Housing development at Wang Chau

48. Wang Chau in Yuen Long has been identified by the Administration for possible public housing development. In July 2012, the

Administration and the Hong Kong Science and Technology Parks Corporation jointly entrusted the Hong Kong Housing Authority to commission a Planning and Engineering Study on the feasibility of the Wang Chau Housing Development and Yuen Long Industrial Estate Extension ("the P&E Study"). In 2013, while the P&E Study was yet to be completed, data and analyses gradually became available. At that time, the plan announced to the public was that the Administration would proceed concurrently with all three phases of the public housing development at Wang Chau to provide 17 000 units. According to the Administration, during the internal discussions in late 2013, various departments noted the views collected during the lobbying sessions, and at the same time, reached some conclusions based on technical considerations, including that it would take time for the proper handling of the large area of brownfields in Phases 2 and 3 sites. Based on these considerations, the Administration decided to proceed first with Phase 1 Development to provide 4 000 units, and to develop Phases 2 and 3 at later periods.

49. In September and October 2016, there was wide media coverage about the reduction of public housing units from 17 000 to 4 000 at Wang Chau, the rezoning of Green Belt areas for such development instead of clearing the brownfield sites, alleged "government-business-rural-triad collusion" over the reduction of the public housing units to be developed at Wang Chau, etc. Meanwhile, it was also reported that Ove Arup & Partners Hong Kong Limited ("OAP"), a consultancy firm commissioned by CEDD to undertake a study on infrastructural works for the Wang Chau Phase 1 public housing development, had quoted information obtained from the government consultancy agreement, i.e. data from the Planning Department's Territorial Population Employment Data Matrix, in the planning application of a private development project. The Panel held three joint meetings (including one to receive public views) with the Panel on Housing to discuss the issues related to the scale and schedule of the public housing development, consultation approach, impact of land clearance on the residents, handling of brownfield operations and illegal occupation of government land at Wang Chau, the alleged misconduct of OAP, etc.

50. The Administration explained that the decision to adopt the phased development approach was based on the consideration that as compared to proceeding with Phases 1 first, developing the three phases concurrently would involve more complicated problems in respect of infrastructures, environmental mitigation measures, and the handling of brownfield operations, and require a longer time to formulate and implement relevant measures. The Administration had never dropped its plan to pursue the



remaining 13 000 public housing units. As regards informal consultation and lobbying with local stakeholders, the Administration reiterated that public consultation in planning public housing projects would not be replaced by informal lobbying.

51. With regard to the case of OAP, the Consultants Review Committee of CEDD invoked a regulating action on 7 November 2016 against the company on the ground that it did not comply with the "confidentiality" and "conflict of interest" provisions in the government consultancy agreement, and did not follow strictly the company's internal procedure in preventing improper use of information, by suspending the company from bidding for all categories of consultancy agreements under the jurisdiction of the Engineering and Associated Consultants Selection Board for three months, i.e. from 7 November 2016 to 6 February 2017. Some members considered the penalty disproportionate to the misconduct of OAP. Some suggested that the Administration should seek legal advice on whether the case involved criminal conduct. The Administration noted members' views and undertook to review within 2017 the relevant issues on the suspension period invoked on engineering consultants associated with poor performance and non-compliance of contract provisions.

Ex-gratia allowance for business undertakings affected by the Government's land development clearance exercises

52. In May 2017, the Administration sought the Panel's support for a proposal to extend the current ex-gratia allowance ("EGA") arrangement for eligible business undertakings affected by the Government's land development clearance exercises to cover, among others, (a) outdoor-open-air business operations on private agricultural land not in breach of the lease and operating for at least 10 years immediately preceding the date of the relevant Pre-Clearance Survey ("PCS"); and (b) business operations on government land under STTs first granted at least 10 years immediately preceding the date of the relevant PCS and not in breach of the relevant tenancy conditions.

53. Some members supported the proposal as it would provide the eligible business undertakings with an alternative to the elaborate and time-consuming process of statutory claims for disturbance payments (i.e. business loss due to the removal of the business), and would likely smoothen the brownfield resumption and clearance exercises. Some members were concerned that the proposed extended EGA would be abused by unlawful occupiers of government land. The Administration advised that, pursuant to an announcement of the Lands Department on

28 March 2017, the Department would no longer accept regularization applications made by unlawful occupiers of government land if the unlawful occupation commenced on or after 28 March 2017.

54. Some members stressed that, in addition to providing EGA to brownfield operations affected by development clearance exercises, the Administration should formulate a comprehensive policy on re-accommodating brownfield operations, including the measures to re-provision the affected operations in the same district. The Panel passed a motion urging the Administration, in its review of the EGA allowance arrangement, to adopt the overriding principle of "reprovisioning in the same district" when carrying out development clearance exercises affecting brownfield operations, so as to prevent more agricultural lands in other districts from becoming brownfield sites and protect the livelihood of workers. The Panel held a special meeting in June 2017 to receive public views on the proposed extension of EGA.

#### Water supply and waterworks

55. During the session, the Administration consulted the Panel on a number of legislative/funding proposals related to the installation of pipes and fittings in premises, technical standards of pipes and fittings for plumbing works, mainlaying works for the proposed desalination plant at Tseung Kwan O ("TKO"), and improvement to the existing water supply system.

#### *Proposed amendments to the Waterworks Ordinance (Cap. 102) and the Waterworks Regulations (Cap. 102A)*

56. The Administration proposed that the Waterworks Ordinance ("WWO") and the Waterworks Regulations ("WWR") be amended to revise the requirements relating to the carrying out of works on fire services and inside services, taking into account the recommendations made in the Report of the Commission of Inquiry into Excess Lead Found in Drinking Water ("CoI"). The Administration would set out clearly in WWO the qualifications of persons designated to carry out the construction, installation, maintenance, etc. of plumbing systems, taking into account the relevant provisions of the Construction Workers Registration Ordinance (Cap. 583). Among other proposed amendments, WWO would be amended to the effect that the construction, alteration, repair or removal of a fire service or inside service may be carried out not only by a licensed plumber or a public officer authorized by the Water Authority, but also by a registered plumbing worker, a registered plumbing worker (provisional) or

a person who carries out specified plumbing works under the instruction and supervision of a licensed plumber or registered plumbing worker. It was proposed that WWR be amended, inter alia, to update Schedule 2 to WWR to cover all applicable technical requirements and standards (including the British Standard and other international standards recognized by the British Standards Institution) for plumbing materials.

57. Members supported the proposed amendments to WWO and WWR. Noting that these proposals had been put forward in view of CoI's recommendations, members urged the Administration to speed up its follow-up actions on CoI's other recommendations, such as completing a holistic review on the legislative framework and regulatory regime for safeguarding the quality of drinking water in Hong Kong. The Administration advised that the Development Bureau and the Water Supplies Department had been following up the recommendations of CoI, including conducting a holistic review of the water quality regulatory regime and issuing circular memoranda to the relevant trades on the latest requirements of plumbing materials. It was expected that the result of the holistic review would be announced in 2017 and the relevant bureaux/departments would collaborate to take forward the enhancement measures. To introduce the proposed amendments to WWO and WWR, the Administration subsequently submitted the Waterworks (Amendment) Bill 2017 and the Waterworks (Amendment) Regulation 2017 to LegCo. A bills committee and a subcommittee were formed to examine the Bill and the Amendment Regulation respectively.

#### *Works projects related to water supply*

58. The Administration sought the Panel's support for funding proposals for: (a) the laying of a 10-kilometre water main to convey the fresh water to be produced at a proposed desalination plant at TKO to the TKO Fresh Water Primary Service Reservoir; (b) upgrading the disinfection facilities in 11 major water treatment works and Tai Lam Chung No. 2 Chlorination Station; and (c) upgrading works for the Tung Chung fresh water supply system to cope with the anticipated increase in fresh water demand in Tung Chung.

59. When discussing the proposal for (a) above, members enquired whether the Administration would take measures to reduce the cost of seawater desalination (estimated to be about \$12 to \$13 per cubic metre at 2016 price level) over time. The Administration advised that with the advancement of the reverse osmosis technology, the cost of seawater desalination would decline gradually over time. The Administration

would study various options for optimizing the energy consumption of desalination, such as installing advanced energy recovery systems for greater energy efficiency. Moreover, as the proposed desalination plant at TKO Area 137 was adjacent to the Southeast NT landfill, which generated the methane gas, the Administration had been discussing with the Hong Kong and China Gas Company Limited the feasibility of making use of the methane gas to provide electricity supply to the proposed desalination plant, with a view to reducing the energy cost.

60. The uprating works for the Tung Chung fresh water supply system involved the construction of the Tung Chung No. 2 fresh water service reservoir, which was planned to cope with the increasing water demand arising from the proposed housing and commercial developments in Tung Chung New Town in 2020. Members were concerned how the Administration would further enhance the capacity of the fresh water supply system in Tung Chung to cope with the water demand arising from the continued population growth in the area beyond 2020, say, up to 2026. The Administration advised other works projects for carrying out engineering infrastructure works supporting the development of TCNTE would include the construction of a fresh water service reservoir for the new population at TCNTE. Furthermore, one hillside site near Siu Ho Wan water treatment works had been reserved for the construction of a new fresh water service reservoir.

#### Regulatory control over lift and escalator safety

61. Following an escalator incident at Langham Place, Mong Kok, in late March 2017 causing injuries to 18 people, the Panel held a special meeting in April 2017 to discuss with the Administration the regulatory control over lift and escalator safety.

62. The Panel noted that, since the full operation of the Lifts and Escalators Ordinance (Cap. 618) on 17 December 2012, a series of new and enhanced regulatory control measures on lift and escalator safety had been introduced by the Administration. The measures included setting out the duties of responsible persons (owners of lifts/escalators and any other persons who have the management or control of the lifts/escalators), registered contractors, registered engineers and registered workers for lifts/escalators. Responsible persons shall ensure that maintenance of their lifts/escalators is undertaken by registered contractors. Periodic maintenance shall be carried out by registered contractors at intervals not exceeding one month.

63. In light of the increasing numbers of lifts and escalators in Hong Kong, members were concerned about the manpower shortage in the lift/escalator maintenance industry and the heavy workload for the maintenance technicians. The Panel passed a motion requesting the Administration to review expeditiously the development of the lift and escalator maintenance industry, raise the levels of training allowances for attendees of apprentice training programmes and other relevant courses, so as to attract young people to join the industry, and improve the remuneration packages for and working environment of lift and escalator maintenance technicians. In response, the Administration advised that since the Vocational Training Council and the Construction Industry Council jointly introduced the "Earn & Learn" Scheme in 2014, the number of new apprentices joining the industry had significantly increased from about 70 a year to over 250 in 2016. Currently, the Electrical and Mechanical Services Department ("EMSD") was working with the Vocational Training Council to review the training allowances of apprenticeships and other relevant courses to attract more young people to join the industry. They would also continue to explore with the trade on ways to improve the remuneration packages and working environment for the workers.

64. The business competition in the maintenance works market of lifts/escalators was another concern of members. The Panel passed a motion urging EMSD to formulate codes of practice or guidelines to require lift and escalator manufacturers to provide spare parts to maintenance contractors who were not the original manufacturers at reasonable prices and within reasonable time, so as to facilitate market competition and improve maintenance quality. The Administration advised that EMSD was liaising with the Competition Commission in preparing a guideline to remind the lift/escalator manufacturers to strictly comply with the relevant requirements of the Competition Ordinance when supplying spare parts to other maintenance contractors for lifts/escalators. EMSD would issue the guideline after completion of the drafting work and trade consultation.

#### Legislative and staffing proposals

65. In addition to the legislative proposals mentioned in the earlier part of this report, the Panel gave views on the proposed enactment of an Exemption Regulation and addition of three new trade divisions under the Construction Workers Registration Ordinance (Cap. 583), and the proposed amendments to the Buildings Ordinance (Cap. 123) for strengthening enforcement action against illegal domestic use in industrial buildings.

66. The Administration consulted the Panel on the following staffing proposals before submitting them to the Establishment Subcommittee:

- (a) Creation of four supernumerary directorate posts to lead a new dedicated Sustainable Lantau Office and re-organization of the existing Development Offices of CEDD;
- (b) Creation and redeployment of directorate posts in the Development Bureau and the Planning Department to strengthen support for land use initiatives and district planning work;
- (c) Regrading of the post of Assistant Director of Water Supplies; and
- (d) Creation of a permanent post of Chief Landscape Architect in the Architectural Services Department.

#### Other subjects discussed

67. During the session, the Panel also discussed the Administration's proposal to encourage property owners to participate in the Smart Tender Scheme, etc. The Panel held a joint meeting with the Panel on Commerce and Industry and Panel on Information Technology and Broadcasting on 6 March 2017 to discuss the development of the Hong Kong/Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop.

#### Work of Joint Subcommittee

68. The Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project formed under the Panel on Development and the Panel on Home Affairs has deliberated various issues, including the overall progress of the West Kowloon Cultural District ("WKCD") project (hardware and software), the development of M+, Xiqu Centre and the Lyric Theatre Complex, the enhanced financial arrangement for WKCD, outcome of the public consultation exercise on the Hong Kong Palace Museum project, funding proposals for the implementation of the integrated basement and public infrastructure works, etc.

### Meetings and visits

69. Up to the end of June 2017, the Panel held a total of 18 meetings (including 4 joint meetings with other Panels) during the current session. The Joint Subcommittee held a total of six meetings.

#### *Visit to the Dongjiang River Basin*

70. A delegation of the Panel comprising 16 Panel members and two non-Panel members conducted a duty visit to the Dongjiang River Basin in Guangdong Province from 14 to 15 April 2017. The purpose of the duty visit was to learn about the operation of the Dongjiang-Shenzhen Water Supply System as well as the measures taken by the Guangdong Provincial authorities in safeguarding the quality of Dongjiang water supplied to Hong Kong. A report on the duty visit has been issued separately.

#### *Visit to Yuen Long*

71. The Panel paid a visit to Yuen Long in March 2017 to obtain information about the current situations of the land sites for public housing development at Wang Chau.

#### *Visit to Muk Wu Raw Water Pumping Station and Tai Po Water Treatment Works*

72. The Panel conducted a visit to Muk Wu Raw Water Pumping Station and Tai Po Water Treatment Works in May 2017 to better understand the treatment of water imported from Dongjiang.

**Legislative Council**

**Panel on Development**

**Terms of Reference**

1. To monitor and examine Government policies and issues of public concern relating to lands, buildings, planning, water supply, development-related heritage conservation, Public Works Programme and other works matters.
2. To provide a forum for the exchange and dissemination of views on the above policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.
4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.



**Panel on Development**

**Membership list for the 2016-2017 session\***

<b>Chairman</b>	Hon Tommy CHEUNG Yu-yan, GBS, JP
<b>Deputy Chairman</b>	Hon Kenneth LAU Ip-keung, BBS, MH, JP
<b>Members</b>	<div>Hon Abraham SHEK Lai-him, GBS, JP</div> <div>Hon WONG Ting-kwong, GBS, JP</div> <div>Hon CHAN Kin-por, GBS, JP</div> <div>Hon WONG Kwok-kin, SBS, JP</div> <div>Hon Mrs Regina IP LAU Suk-yee, GBS, JP</div> <div>Hon Paul TSE Wai-chun, JP</div> <div>Hon LEUNG Kwok-hung</div> <div>Hon Michael TIEN Puk-sun, BBS, JP</div> <div>Hon Frankie YICK Chi-ming, SBS, JP</div> <div>Hon WU Chi-wai, MH</div> <div>Hon YIU Si-wing, BBS</div> <div>Hon MA Fung-kwok, SBS, JP</div> <div>Hon CHAN Chi-chuen</div> <div>Hon CHAN Han-pan, JP</div> <div>Hon LEUNG Che-cheung, SBS, MH, JP</div> <div>Hon Kenneth LEUNG</div> <div>Hon Alice MAK Mei-kuen, BBS, JP</div> <div>Dr Hon KWOK Ka-ki</div> <div>Hon KWOK Wai-keung, JP</div> <div>Dr Hon Fernando CHEUNG Chiu-hung</div> <div>Dr Hon Helena WONG Pik-wan</div> <div>Ir Dr Hon LO Wai-kwok, SBS, MH, JP</div> <div>Hon Alvin YEUNG</div> <div>Hon Andrew WAN Siu-kin</div> <div>Hon CHU Hoi-dick</div> <div>Dr Hon Junius HO Kwan-yiu, JP</div> <div>Hon HO Kai-ming</div> <div>Hon LAM Cheuk-ting</div> <div>Hon Holden CHOW Ho-ding</div> <div>Hon SHIU Ka-chun</div>

Hon Wilson OR Chong-shing, MH  
Hon CHAN Chun-ying  
Hon Tanya CHAN  
Hon CHEUNG Kwok-kwan, JP  
Hon HUI Chi-fung  
Hon LUK Chung-hung  
Hon LAU Kwok-fan, MH  
Dr Hon CHENG Chung-tai  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho  
Hon Nathan LAW Kwun-chung  
Dr Hon YIU Chung-yim  
Dr Hon LAU Siu-lai

(Total: 45 members)

**Clerk** Ms Sharon CHUNG

**Legal Adviser** Ms Vanessa CHENG

\* Changes in membership are shown in Annex.

## **Annex to Appendix II**

### **Panel on Development**

#### **Changes in membership**

<b>Member</b>	<b>Relevant date</b>
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP	up to 24 October 2016
Hon Christopher CHEUNG Wah-fung, SBS, JP	up to 26 October 2016
Hon Claudia MO	up to 4 November 2016
Prof Hon Joseph LEE Kok-long, SBS, JP	up to 6 November 2016
Hon YUNG Hoi-yan	up to 9 November 2016
Hon IP Kin-yuen	up to 10 November 2016
Hon Martin LIAO Cheung-kong, SBS, JP	up to 24 November 2016
Dr Hon CHIANG Lai-wan, JP	up to 24 November 2016
Hon Jeffrey LAM Kin-fung, GBS, JP	up to 29 November 2016
Hon Starry LEE Wai-king, SBS, JP	up to 29 November 2016
Hon Dennis KWOK Wing-hang	up to 7 December 2016
Hon LEUNG Yiu-chung	up to 18 December 2016
Hon Jimmy NG Wing-ka, JP	up to 12 January 2017
Hon Steven HO Chun-yin, BBS	up to 15 January 2017
Dr Hon Elizabeth QUAT, BBS, JP	up to 15 January 2017
Hon James TO Kun-sun	up to 5 February 2017
Hon CHAN Hak-kan, BBS, JP	up to 13 March 2017
Hon Charles Peter MOK, JP	up to 22 March 2017