

**立法會**  
***Legislative Council***

LC Paper No. CB(1)484/17-18  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/DEV

**Panel on Development**

**Minutes of special meeting  
held on Tuesday, 31 October 2017, at 4:30 pm  
in Conference Room 1 of the Legislative Council Complex**

**Members present** : Hon Tommy CHEUNG Yu-yan, GBS, JP (Chairman)  
Hon Kenneth LAU Ip-keung, BBS, MH, JP (Deputy  
Chairman)  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon CHAN Hak-kan, BBS, JP  
Hon CHAN Kin-por, GBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Frankie YICK Chi-ming, SBS, JP  
Hon WU Chi-wai, MH  
Hon CHAN Chi-chuen  
Hon CHAN Han-pan, JP  
Hon Alice MAK Mei-kuen, BBS, JP  
Dr Hon KWOK Ka-ki  
Dr Hon Helena WONG Pik-wan  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon Alvin YEUNG  
Hon Andrew WAN Siu-kin  
Hon CHU Hoi-dick  
Dr Hon Junius HO Kwan-yiu, JP  
Hon HO Kai-ming  
Hon LAM Cheuk-ting  
Hon Holden CHOW Ho-ding

Hon Wilson OR Chong-shing, MH  
Hon CHAN Chun-ying  
Hon Tanya CHAN  
Hon CHEUNG Kwok-kwan, JP  
Hon HUI Chi-fung  
Hon LAU Kwok-fan, MH  
Dr Hon CHENG Chung-tai  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho

**Member attending** : Hon KWOK Wai-keung, JP

**Members absent** : Hon Paul TSE Wai-chun, JP  
Hon LEUNG Che-cheung, SBS, MH, JP  
Dr Hon Fernando CHEUNG Chiu-hung

**Public officers attending** : **Agenda item II**

Ms Bernadette LINN, JP  
Permanent Secretary for Development (Planning and Lands)

Mr Raymond SY Kim-cheung  
Deputy Secretary for Development (Planning and Lands)<sup>2</sup> (Acting)

**Agenda item III**

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

Miss Joey LAM Kam-ping, JP  
Deputy Secretary for Development (Works)<sup>1</sup>

Mr José YAM Ho-san  
Commissioner for Heritage  
Development Bureau

Mr Robin LEE Hong-nin  
Chief Assistant Secretary for Development  
(Works)<sup>2</sup>

Ms Susanna SIU Lai-kuen  
Executive Secretary (Antiquities and Monuments)  
Leisure and Cultural Services Department

**Agenda item IV**

Mr Victor CHAN  
Principal Assistant Secretary for Development  
(Works)2

Mr Stephen KWOK  
Assistant Secretary for Development  
(Infrastructure Coordination)1

Mr CHOI Kwong-yin  
Deputy Head of Geotechnical Engineering Office  
(Mainland)  
Civil Engineering and Development Department

**Agenda item V**

Mr Francis LEUNG Lap-ki  
Principal Assistant Secretary for Development  
(Works)4

Mr Eric PANG Yiu-hung  
Assistant Director/Gas and General Legislation  
Electrical and Mechanical Services Department

Mr CHEUNG Kim-ching  
Chief Electrical and Mechanical Engineer/General  
Legislation  
Electrical and Mechanical Services Department

**Attendance by :  
Invitation**

**Agenda item II**

Urban Renewal Authority

Mr Victor SO Hing-woh, JP  
Chairman

Ir WAI Chi-sing, GBS, JP, FHKEng  
Managing Director

Mr Pius CHENG Kai-wah  
Executive Director (Operations)

Mr Michael MA Chiu-tsee  
Executive Director (Commercial)

Mr Daniel HO Chi-wai  
Director (Building Rehabilitation)

Mr Wilfred AU Chun-ho  
Director (Planning and Design)

**Agenda item III**

Mr Allen TONG Kam-kuen  
Project Manager  
Tai Hang Fire Dragon Heritage Centre Limited

Mr FUNG Sai-chong  
Associate Director  
PKNG & Associates (HK) Limited

Mr Philip KWOK Chi-tak  
Director  
The Pokfulam Farm Company Limited

Mr Michael SIN Ka-chung  
Executive Director  
Spence Robinson Limited

Dr James CHAN Yuk-kit  
Director  
Sik Sik Yuen Lady Ho Tung Welfare Centre  
Eco-Learn Institute Limited

**Clerk in attendance** : Ms Doris LO  
Chief Council Secretary (1)2

**Staff in attendance** : Miss Rita YUNG  
Senior Council Secretary (1)2

Mr Raymond CHOW  
Senior Council Secretary (1)6

Ms Mandy LI  
Council Secretary (1)2

Ms Christina SHIU  
Legislative Assistant (1)2

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Action

**I Matters arising from the policy briefing on 24 October 2017**

Motion proposed by Hon Michael TIEN Puk-sun

(LC Paper No. CB(1)117/17-18(01) — Wording of the motion proposed by Hon Michael TIEN Puk-sun)

The Chairman said that at the policy briefing on 24 October 2017, Mr Michael TIEN moved a motion relating to the agenda item on "Briefing by the Secretary for Development on the Chief Executive's 2017 Policy Address". The Chairman considered that the motion was directly related to the agenda item, and members agreed to deal with the motion. However, the motion was not put to vote thereat due to insufficient meeting time. Members agreed that the motion be voted on at this meeting.

2. Mrs Regina IP noted that Mr TIEN's motion proposed studying the feasibility of large-scale reclamation to increase land supply, yet, she pointed out that various near-shore reclamation projects had all along been undertaken by the Administration. She thus asked about the meaning for raising the motion. Mr Michael TIEN explained that the motion proposed the study of carrying out a large-scale reclamation at a single location outside Victoria Harbour, which was essentially different from carrying out smaller scale reclamation projects at different locations.

3. The Chairman then put to vote Mr Michael TIEN's motion:

(Translation)

"Land supply in Hong Kong is insufficient, and the Task Force on Land Supply has pointed out that there would be a shortfall of at least 1 200 hectares of land over the next 30 years. Nevertheless, the area of reclaimed land accounted for only 7% of the total developable land area of Hong Kong in recent years. As such, this Panel urges the Government to expeditiously study the

feasibility of carrying out a large-scale reclamation at a single location outside Victoria Harbour to create land, and adopt a multi-pronged approach to solve the problem of insufficient land supply, so as to tie in with the future development of Hong Kong."

4. At members' request, the Chairman ordered a division and the voting bell was rung for five minutes. Ten members voted for, eight members voted against the motion and no member abstained. The votes of individual members were as follows:

*For:*

Mr Kenneth LAU (Deputy Chairman)	Mr WONG Kwok-kin
Mr Michael TIEN	Ms Alice MAK
Dr Junius HO	Mr HO Kai-ming
Mr Wilson OR	Mr CHAN Chun-ying
Mr CHEUNG Kwok-kwan	Mr LAU Kwok-fan
(10 members)	

*Against:*

Mr WU Chi-wai	Mr CHAN Chi-chuen
Dr KWOK Ka-ki	Dr Helena WONG
Mr CHU Hoi-dick	Mr LAM Cheuk-ting
Ms Tanya CHAN	Mr Jeremy TAM
(8 members)	

*Abstain:*

(0 member)

5. The Chairman declared that the motion was carried.

(*Post-meeting note:* The wording of the motion passed was circulated to members on 2 November 2017 vide LC Paper No. CB(1)172/17-18(01).)

## **II Work of the Urban Renewal Authority**

(LC Paper No. CB(1)117/17-18(02) — Administration's paper on work of the Urban Renewal Authority

LC Paper No. CB(1)117/17-18(03) — Paper on the Urban Renewal Strategy and the work of the Urban Renewal Authority

prepared by the  
Legislative Council  
Secretariat (Updated  
background brief))

Relevant papers

- (LC Paper No. CB(1)148/17-18(01) — Submission from a deputation (崇慶里 / 桂香街重建關注組) dated 29 October 2017
- LC Paper No. CB(1)153/17-18(01) — Submission from a deputation (鶴園春田商住大聯盟) dated 30 October 2017
- LC Paper No. CB(1)153/17-18(02) — Submission from a deputation (舊區街坊自主促進組) dated 30 October 2017
- LC Paper No. CB(1)153/17-18(03) — Joint submission from deputations (社區文化關注、「土家」[土瓜灣故事館] and 紅土社區達人) dated 27 October 2017
- LC Paper No. CB(1)153/17-18(04) — Submission from a deputation (土瓜灣重建項目 KC9-KC13 受影響非住宅租戶關注組) dated 27 October 2017)

6. At the invitation of the Chairman, Permanent Secretary for Development (Planning and Lands) ("PS/DEV(PL)") said that the Administration was supportive of the work of the Urban Renewal Authority ("URA") with "Redevelopment" and "Rehabilitation" as its two core businesses. Among the various initiatives, she highlighted that URA had commenced a study for Yau Ma Tei and Mong Kok districts ("Yau Mong District Study") with a view to exploring more effective ways of addressing the urban decay problem. She also informed members that the Administration planned to launch "Operation Building Bright 2.0" ("OBB 2.0") which sought to provide technical and financial assistance to owner-occupiers of old buildings for complying with the

requirements under the Mandatory Building Inspection Scheme. The Administration proposed to commission URA as the implementation agent for OBB 2.0, and would brief members on the details of the new scheme at a Panel meeting in future.

7. Chairman, URA then briefed members on the work of URA in 2016-2017.

*(Post-meeting note: The speaking note of Chairman, URA was circulated to members vide LC Paper No. CB(1)181/17-18(01) (Chinese version only) on 3 November 2017.)*

### Redevelopment

#### *Redevelopment projects initiated by the Urban Renewal Authority*

8. Mr WU Chi-wai and Ms Tanya CHAN said that the housing units provided in the redevelopment projects of URA in collaboration with private developers were mostly expensive luxury residential units. Mr WU and Ms CHAN asked whether the Administration and URA would consider reviewing URA's role to shoulder more social responsibility by making use of the land resumed to develop subsidized sale flats under the Home Starter Loan Scheme ("HSLS") and Sandwich Class Housing Scheme ("SCHS"), or private housing with non-luxury designs that would be affordable to the general public, so as to rebuild the housing ladder. At the request of the Chairman, the Administration/URA would provide a written response on Mr WU's and Ms CHAN's views.

*(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)306/17-18(01) on 30 November 2017.)*

9. Ms Alice MAK declared that she was a non-executive director of the URA Board, and owned a property near the site of a URA's redevelopment project. Ms MAK and Mr HO Kai-ming suggested that URA should consider collaborating with the Hong Kong Housing Authority ("HKHA") or the Hong Kong Housing Society ("HKHS") to develop public housing units in its redevelopment projects in the future, with a view to increasing the housing supply for grass-root people.

10. In response, PS/DEV(PL) indicated that URA was required to ensure that its urban renewal programme was sustainable. While profit



maximization had never been an objective of URA, developing public housing in redevelopment projects would be a fundamental change in URA's scope of work and this would likely carry implications for URA's self-financing mode of operation. That said, the Administration had recently put forward the idea of "mixed development", i.e. to design and build both private and subsidized housing units in private development projects. Taking into account further developments along that front and the policy objective for URA to take forward its urban renewal programme on a self-financing basis, the Administration might explore with URA whether or not there was room to pursue different types of housing in suitable redevelopment projects in future.

11. Mr WU Chi-wai enquired whether URA would set aside those vacant residential flat units in its ownership for use as transitional accommodations for families which had been waiting for public rental housing for years or those needy households.

12. Managing Director, URA ("MD/URA") responded that of the residential flat units owned by URA, most were those acquired for redevelopment projects, and these units were generally in poor conditions and "beyond economic repair" for housing use. URA also owned four rehousing blocks with a total of 502 units. These units were generally used as interim housing for domestic tenants affected by URA's redevelopment projects before they were qualified for public rental housing. In support of the Government's community housing initiatives, URA had planned to offer 62 units in these rehousing blocks for use as transitional community housing for needy grass-root households.

13. Mr CHU Hoi-dick was concerned about the assistance offered to tenants of the many sub-divided units in the buildings affected by the five URA's redevelopment projects in To Kwa Wan launched since 2016.

14. MD/URA explained that those tenants might be assigned to the vacant units in URA's four rehousing blocks if they were not eligible for public housing units. Those who met the eligibility criteria for public housing might elect for a public housing unit provided by HKHA or HKHS. He further advised that the compensation for tenants affected by redevelopment projects had been increased.

#### *Yau Mong District Study*

15. Dr Helena WONG and Ms Tanya CHAN sought elaboration on the objectives and the key tasks of the Yau Mong District Study. Taking in

view that the Yau Mong District Study might involve sensitive information relating to property acquisition, Ms Alice MAK opined that the Administration and URA should be mindful in the disclosure of the study details. Mr CHAN Chun-ying was keen to ensure that a financially sustainable master renewal concept plan for the districts would be devised under the Yau Mong District Study.

16. In response, MD/URA advised that the Yau Mong District Study, which was just commenced in May 2017, was taken forward with a view to exploring and developing new direction and holistic strategy for urban renewal. He explained that URA had recognized the limitations of traditional mode of urban renewal in tackling urban decay, and sought to shift its focus from the traditional project-based, "pencil tower" redevelopment approach to a district-based approach with a master renewal plan. The findings and recommendations of the Yau Mong District Study would serve as the basis for URA to identify more effective and efficient ways for urban renewal. The Administration/URA had undertaken to provide further information to elaborate on the objectives and the key tasks of the Study.

*(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)306/17-18(01) on 30 November 2017.)*

17. Mr CHU Hoi-dick and Dr Helena WONG opined that the Panel should hold a special meeting to receive public views on urban renewal. Ms Alice MAK said that URA, being a public organization, should take heed of public views on its work on taking forward urban renewal projects. The Chairman noted members' views. PS/DEV(PL) said that public engagement would be pursued in the context of the Yau Mong District Study to collect public views on urban renewal.

#### *Demand-led Redevelopment Project Pilot Scheme*

18. Dr Helena WONG noted with keen concern that URA had suspended the Demand-led Redevelopment Project Pilot Scheme ("Demand-led Scheme") after the fifth round of applications was closed in May 2016. She referred to a project at Tai Kok Tsui which was approved by URA for implementation under the Demand-led Scheme, but was eventually terminated recently as the 80% condition precedent was not met (i.e. less than 80% of the undivided shares in each cluster accepting acquisition offers issued by URA). She was concerned whether it had become difficult for owners of private buildings to meet

the prevailing application and scoring criteria under the Demand-led Scheme.

19. In response, Chairman, URA said that the projects approved under the Demand-led Scheme were relatively small in scale. URA found that recent applications received had not been conducive to the scheme's objectives. As such, it was considered necessary to review the sustainability of the current mode of redevelopment under the Demand-led Scheme. URA would take the opportunity to review the Demand-led Scheme in the Yau Mong District Study.

*Disclosure of information on redevelopment projects*

20. Mr CHU Hoi-dick called on URA to disclose more detailed financial information of completed redevelopment projects, such as the costs of acquisition and compensation, sales proceeds received, rental income from leased commercial portion, etc. of individual projects. Mr CHU also suggested that URA should make available on its website the social impact assessment reports and draft development scheme plans of all proposed redevelopment projects to facilitate easy access by the public. MD/URA noted Mr CHU Hoi-dick's views.

*Redevelopment of industrial buildings*

21. Mr Jeremy TAM enquired about the details of the redevelopment plan of the Yu Chau West Street Project (IB-2) under the Pilot Scheme for Redevelopment of Industrial Buildings. MD/URA responded that the subject site was zoned for Other Specified Uses for "Business" Only. Acquisition of the project had continued since December 2013 and around 67% of owners had accepted URA's offer. URA was exploring how the units acquired could be better utilized.

22. Mr Jeremy TAM further enquired whether the owners of the subject industrial building of the Yu Chau West Street Project had undertaken building maintenance works after URA had acquired part of the building's property ownerships, and whether URA had paid for the relevant works. MD/URA undertook to provide a written response to Mr TAM's question after the meeting.

*(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)306/17-18(01) on 30 November 2017.)*

## Rehabilitation

### *"Smart Tender" Building Rehabilitation Facilitating Services Scheme*

23. Mr LAM Cheuk-ting asked if URA would consider extending the scope of the "Smart Tender" Building Rehabilitation Facilitating Services Scheme ("Smart Tender Scheme") to assist owners' corporations of private buildings in the procurement of consultancy services for carrying out building rehabilitation works, including arranging an independent adviser to offer professional and technical advice and to give an assessment on the market price of the tender. Mr CHAN Han-pan asked, apart from the Smart Tender Scheme, how URA could step up the efforts in combating bid-rigging in building maintenance works. The Administration/URA was requested to provide a written response to Mr LAM's and Mr CHAN's questions after the meeting.

(*Post-meeting note:* The Administration's written response was circulated to members vide LC Paper No. CB(1)306/17-18(01) on 30 November 2017.)

24. Mr CHAN Han-pan was of the view that to speed up redevelopment of old districts and more effectively address the urban decay problem, URA should review its compensation mechanism, and introduce more attractive and sustainable approaches, such as "shareholding" approach, for taking forward redevelopment projects. MD/URA noted Mr CHAN's views.

## Revitalization and preservation

25. Mr KWOK Wai-keung enquired about the latest revitalization plan of the Central Market. In his view, the revitalized Central Market should provide affordable retail facilities and eateries, rather than expensive branded stores.

26. In response, MD/URA advised that the Central Market Revitalization Project would be implemented on the basis of the public consensus achieved from the extensive public engagement exercise conducted between 2009 and 2011. The revitalized Central Market would provide diversified uses for public enjoyment. It would adopt an operation model aiming to provide a variety of choices for affordable goods and services with the provision of greenery and public space. MD/URA further said that a committee had been formed under the URA Board to provide advice on related implementation matters. It would

suitably adopt the views on the revitalized Central Market's operation and management received during the public engagement exercise. Also, a consultancy study had been commenced to work out the detailed operation arrangements, and URA would regularly update relevant stakeholders the progress in due course.

27. Mr KWOK Wai-keung noted that the Lands Department had granted approval on the holding over of the land lease of the Western Market until February 2019. On this, he called on URA to work out a better future plan for the preservation of the Western Market as soon as practicable. MD/URA noted Mr KWOK's views.

#### Financial matters

28. Ms Alice MAK said that while redevelopment projects could generate income for URA, its other activities including rehabilitation and preservation of buildings with heritage value were not-for-profit and might result in financial losses. Apart from the capital injection of \$10 billion, she called on the Administration to provide financial support to URA where necessary. Mr CHAN Chun-ying asked whether URA would consider issuing green bonds to finance its redevelopment projects.

29. MD/URA responded that URA had put in place suitable external financing arrangements to ensure that it had sufficient funding in place to meet the needs of its extensive work programme over the next few years. These arrangements were kept under constant review. URA had no plan to issue green bonds at the moment.

*[At 5:16 pm, at the invitation of the Chairman, the Deputy Chairman took over the chair.]*

#### Motions proposed by members

30. The Deputy Chairman advised that he had received two motions proposed by members, one from Mr WU Chi-wai and Mr WAN Siu-kin, and the other from Mr CHAN Han-pan. Ms Alice MAK had proposed amendments to Mr WU's and Mr WAN's motion. The Deputy Chairman considered that the proposed motions and amendments to motion were directly related to the agenda item under discussion. Members agreed that the motions and amendments be proceeded with at the meeting. The Deputy Chairman then ordered that the voting bell be rung for five minutes.

*Motion proposed by Mr WU Chi-wai and Mr Andrew WAN and amendments proposed by Ms Alice MAK*

31. Ms Alice MAK explained that her amendments were to suggest that URA should, apart from developing housing units under HSLS and SCHS as proposed in the original motion, make use of the land resumed under its urban renewal projects to also develop public housing in the urban area for grass-root people. Mr WU Chi-wai responded that the development of public housing should be under the purview of HKHA. The wording of the motion proposed by Mr WU Chi-wai and Mr Andrew WAN as amended by Ms Alice MAK was as follows:

(Translation)

"The Urban Renewal Authority Ordinance stipulates that the purposes of the Urban Renewal Authority ("URA") are to 'improve the standard of housing of Hong Kong' and 'achieve better utilization of land in the dilapidated areas of the built environment of Hong Kong and to make land available to meet various development needs'. As such, this Panel urges the Government to:

review URA's role, the relevant policies and legislation, and allow URA to shoulder more social responsibility by making use of the land resumed to develop public housing (including building public rental housing units as well as housing units developed under the Home Ownership Scheme, Green Form Subsidized Home Ownership Pilot Scheme, Home Starter Loan Scheme and Sandwich Class Housing Scheme) in response to the demand of the society for different types of housing, and rebuild the housing ladder."

32. The Deputy Chairman put Ms Alice MAK's amendments to vote. At members' request, the Deputy Chairman ordered a division. Sixteen members voted for, six members voted against the amendments and no member abstained. The votes of individual members were as follows:

*For:*

Mr CHAN Hak-kan  
Dr Priscilla LEUNG  
Mr CHAN Han-pan  
Ir Dr LO Wai-kwok

Mr CHAN Kin-por  
Mr Michael TIEN  
Ms Alice MAK  
Mr Alvin YEUNG

Mr CHU Hoi-dick  
Mr HO Kai-ming  
Mr CHAN Chun-ying  
Mr LAU Kwok-fan  
(16 members)

Dr Junius HO  
Mr Holden CHOW  
Ms Tanya CHAN  
Mr Jeremy TAM

*Against:*

Mr WU Chi-wai  
Mr Andrew WAN  
Mr HUI Chi-fung  
(6 members)

Dr Helena WONG  
Mr LAM Cheuk-ting  
Mr KWONG Chun-yu

*Abstain:*

(0 member)

33. The Deputy Chairman declared that Ms Alice MAK's amendments to the motion proposed by Mr WU Chi-wai and Mr Andrew WAN were carried. Members agreed that there was no need for the Panel to take a separate vote on the original motion as amended, which should be deemed to be carried.

*Motion proposed by Mr CHAN Han-pan*

34. Mr CHAN Han-pan read out his motion:

(Translation)

"This Panel requests the Urban Renewal Authority to review the compensation mechanism for redevelopment and introduce more attractive and sustainable development approaches, such as 'shareholding' approach for projects, so as to expedite the redevelopment exercise of old areas."

35. The Deputy Chairman put the motion to vote. At members' request, the Deputy Chairman ordered a division. Sixteen members voted for, and no member voted against the motion. Six members abstained. The votes of individual members were as follows:

*For:*

Mr CHAN Hak-kan  
Dr Priscilla LEUNG  
Mr CHAN Chi-chuen  
Ms Alice MAK

Mr CHAN Kin-por  
Mr Michael TIEN  
Mr CHAN Han-pan  
Mr Dr LO Wai-kwok

Mr Alvin YEUNG  
Mr HO Kai-ming  
Mr CHAN Chun-ying  
Mr LAU Kwok-fan  
(16 members)

Dr Junius HO  
Mr Holden CHOW  
Ms Tanya CHAN  
Mr Jeremy TAM

*Against:*  
(0 member)

*Abstain:*  
Dr Helena WONG  
Mr CHU Hoi-dick  
Mr HUI Chi-fung  
(6 members)

Mr Andrew WAN  
Mr LAM Cheuk-ting  
Mr KWONG Chun-yu

36. The Deputy Chairman declared that the motion was carried.

37. In response to Ir Dr LO Wai-kwok's enquiry, the Clerk explained that while a voting bell might be rung before a matter was voted upon the Chairman's direction or upon request of a member of the Panel, there was no provision in the Rules of Procedure or the House Rules requiring for the ringing of a division bell before the Panel proceeded with each division.

*Motion proposed by Ms Alice MAK*

38. Ms Alice MAK read out her proposed motion:

(Translation)

"Given that buildings in Hong Kong will age rapidly in future, it is necessary to speed up urban renewal. Nevertheless, as the Urban Renewal Authority ("URA") is currently bound by the need to achieve fiscal balance and its various building rehabilitation projects, the pace of urban renewal has slowed down, and URA's aim to make profit has also created various problems for its projects.

In this connection, this Panel requests the Government to review its redevelopment policy, including a review of the Urban Renewal Strategy, and examine the role, mission and functions of URA as well as its approaches in utilizing land, so as to enable land resumed by URA to be used in a more effective and fair



manner. Besides, this Panel also requests URA to review the compensation packages for redevelopment and introduce more attractive and sustainable development approaches, so as to expedite the redevelopment of old areas."

39. The Deputy Chairman put the motion to vote. The motion was voted on and carried.

*(Post-meeting note: The wording of the three motions passed was circulated to members on 2 November 2017 vide LC Paper Nos. CB(1)172/17-18(02) to (04). The Administration's response to the motions was circulated to members on 30 November 2017 vide LC Paper No. CB(1)305/17-18(01).)*

### **III Progress report on heritage conservation initiatives**

(LC Paper No. CB(1)117/17-18(04) — Administration's paper on progress report on heritage conservation initiatives

LC Paper No. CB(1)117/17-18(05) — Paper on heritage conservation initiatives prepared by the Legislative Council Secretariat (Updated background brief)

#### Relevant paper

LC Paper No. CB(1)163/17-18(01) — Submission from Central and Western Concern Group dated 31 October 2017)

40. At the invitation of the Deputy Chairman, Permanent Secretary for Development (Works) ("PS/DEV(W)") briefed members on the latest progress of the Administration's heritage conservation initiatives. He said that the Administration would seek funding approval from the Public Works Subcommittee ("PWSC") and the Finance Committee in the 2017-2018 session for three Batch IV projects under the Revitalizing Historic Buildings Through Partnership Scheme ("the Revitalization Scheme"), viz, No. 12 School Street, Old Dairy Farm Senior Staff

Quarters, and Lady Ho Tung Welfare Centre. With the aid of a powerpoint presentation, Commissioner for Heritage, Development Bureau ("C for H/DEVB") further elaborated on the relevant initiatives.

*(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)160/17-18(01) by email on 1 November 2017.)*

41. The Deputy Chairman reminded members that in accordance with Rule 83A of Rules of Procedure of the Legislative Council, they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion before they spoke on the subjects.

42. Ms Tanya CHAN was disappointed that Secretary for Development ("SDEV") and Under Secretary for Development ("USDEV") were both not present at the meeting to answer members' questions on heritage conservation initiatives. PS/DEV(W) relayed that SDEV and USDEV were not able to attend the meeting due to other official commitments. He said that SDEV was currently out of town.

#### Conservation of privately-owned graded historic buildings

##### *Hung Lau*

43. Dr Junius HO was keenly concerned about the preservation of Hung Lau after expiry of its declaration as proposed monument for 12 months until March 2018. He stressed the pressing need for the Administration to finalize the assessment of Hung Lau's heritage value, taking into account its historical significance in particular. He enquired about the current progress of and timetable for concluding the assessment by the Antiquities and Monuments Office ("AMO"). Sharing similar concerns, Mr CHU Hoi-dick asked whether the Administration could ensure that the owner of Hung Lau would not demolish Hung Lau or transfer its ownership within 10 years after having obtained the subsidies under the Financial Assistance for Maintenance Scheme ("FAS") for carrying out maintenance works of Hung Lau.

44. Executive Secretary (Antiquities and Monuments), Leisure and Cultural Services Department ("ES(A&M)/LCSD") responded that AMO had been pressing ahead with the in-depth evaluation of the heritage value of Hung Lau, and reviewing all existing materials and any new information from various sources. The evaluation would cover not only the architectural value of the tangible building, but all relevant factors

relating to the historical and social values associated with the building. AMO would complete the evaluation as soon as possible, and submit the updated appraisal report on Hung Lau to the Antiquities Advisory Board ("AAB") in accordance with the established procedures.

45. As regards the liaison with the owner of Hung Lau, PS/DEV(W) advised that the Commissioner for Heritage's Office ("CHO") and AMO had been actively exploring preservation-cum-development options for Hung Lau with its owner's representatives in the past few months. Consensus had been reached that Hung Lau would be preserved and would not be demolished. Further, he advised that the owner's application for FAS was currently being processed. As a condition of FAS, the owner should not demolish Hung Lau or transfer its ownership within 10 years from the completion of the maintenance works.

46. The Deputy Chairman appreciated the Administration's efforts in liaising with the owner concerned on preservation-cum-development options for Hung Lau and preventing it from being demolished. That said, he considered it necessary to review the effectiveness of the existing mechanism in conserving privately-owned historic buildings. He was worried that historic buildings would become the bargaining chips of their owners or developers requesting the Government for compensations or land exchanges, hence creating a heavy burden on the public coffer given the large number of historic buildings requiring conservation. He further asked how the Administration would strike a balance between the protection of private property rights and the proper use of public money in the context of conserving privately-owned historic buildings.

47. PS/DEV(W) stressed that under the prevailing heritage conservation policy, the Government recognized that on the premise of respecting private property rights, appropriate economic incentives would be offered to encourage private owners to conserve historic buildings in their ownership. Towards this end, the Government would explore with these owners preservation-cum-development options to encourage them to preserve their historic buildings. There had been a number of successful cases of built heritage conservation using this approach, such as King Yin Lei (No. 45 Stubbs Road) and Jessville (No. 128 Pokfulam Road), etc. From past experience, the owners concerned were generally conscious of the need to preserve their historic buildings.

*Hong Kong Sheng Kung Hui Central Compound under the "Conserving Central" Initiative*

48. Ms Tanya CHAN asked about the details of the modifications of the original preservation-cum-development proposal of the Hong Kong Sheng Kung Hui ("HKSKH") Central Compound ("the Central site") and the development of a 25-storey non-profit-making private hospital with 300 bedspaces at the site. She queried about the justifications for HKSKH to increase the Gross Floor Area to be built from 48 000 square metres ("m<sup>2</sup>") to 50 959 m<sup>2</sup> in the modified proposal for developing the hospital of such a large scale, and whether the associated traffic impact on the nearby areas had been duly assessed. She further asked if the related in-situ land exchange for HKSKH's site at Clementi Road, Mount Butler had already been completed.

49. PS/DEV(W) and C for H/DEVB explained that HKSKH had all along been exchanging views with the Central and Western District Council ("C&WDC") and the local communities in respect of the redevelopment proposal at the Central site. The idea of modifying the original proposal to develop a private hospital had first been brought to the attention of C&WDC in March 2013. In early 2017, C&WDC was consulted on the modified proposal, and members generally acknowledged the need for developing a non-profit-making private hospital in the district. The scale of the hospital development was determined with a view to achieving necessary economies of scale. Taking in view the possible impact of the hospital development on the vehicular and pedestrian flow in the nearby areas, HKSKH had conducted or would conduct relevant assessments in due course to the satisfaction of respective government departments. At the request of Ms Tanya CHAN, the Administration agreed to provide a further response on the justifications for the proposed development of the 25-storey private hospital in the Central site.

*Union Church Hong Kong*

50. Mr CHU Hoi-dick demanded the Administration to take urgent actions to preserve the Union Church Hong Kong (the Sanctuary and Bell Tower of which were both accorded Grade 3 status) which was facing demolition threats. He was disappointed that AMO had only required conservation of parts but not the whole of the Church building. He queried if the Administration had liaised with the Church leaders on preserving the Church.

Admin 51. PS/DEV(W) said that the planning application of the Union Church Hong Kong had been approved by the Town Planning Board about 10 years ago. In accordance with an approval condition imposed by the Board, the Church had agreed to preserve certain historic items of the Church for incorporation into the new development, and to provide photographic and architectural records. The Administration had been actively exploring conservation options with its owner since 2014. He said that AMO would monitor the redevelopment process of the Church and ensure that the preserved items would be incorporated into the new development. ES(A&M)/LCSD supplemented that upon the request of some members of the Church in around September 2017, AAB was reviewing its grading status. Mr CHU Hoi-dick requested the Administration to provide a further response regarding whether it would liaise with the Church leaders to request them to put on hold the redevelopment plan of the Church while pending AAB's reassessment of its grading taking in view the public's request.

Suggestions of improving the statutory monument declaration system

52. Ms Tanya CHAN commented that the current policy statement on heritage conservation was brief, and the relevant policy had not been reviewed over the years despite the advancement of heritage conservation measures in many places including Mainland China.

53. Mr CHAN Chi-chuen asked how the Administration would learn from the experience of the conservation of Hung Lau. He asked if the Administration would consider improving the existing monitoring mechanism including drawing up a list of historic buildings requiring close monitoring in order to enable prompt actions to prevent the buildings from being damaged or demolished. He also asked if there was any yardstick for measuring the progress of assessing the heritage value of a Grade 1 historic building for the purpose of monument declaration, and how AMO could expedite the relevant progress.

54. PS/DEV(W) advised that the Administration had established an internal mechanism to monitor any demolition of/alterations to declared monuments/proposed monuments or graded historic buildings/buildings proposed to be graded. Under the mechanism, the Buildings Department, Lands Department and Planning Department would alert CHO and AMO in case they received enquiries or plans for demolition or redevelopment of any privately-owned graded historic buildings. CHO and AMO would then follow up with the owners concerned. As in the case of Hung Lau, immediate actions were taken once unauthorized

works that might damage the building had been detected. While the grading of historic buildings was administrative in nature, he said that monument declaration involved rigorous assessments on whether the historic buildings had reached the "high threshold" for such declaration. Also, for privately-owned buildings, an agreement would in practice be reached with the relevant owner before declaring the building as monument.

55. Mr CHU Hoi-dick queried about the criteria for assessing whether a historic building had reached the "high threshold" for monument declaration. For example, he doubted why the Bishop's House (a Grade 1 historic building) within the Central site was not declared as a monument despite its longer history compared to the Government House, which was a declared monument. Noting that the assessments for 25 of the existing graded historic buildings were not further processed due to their demolition or substantial alteration, he requested the Administration to give an account of when these buildings were demolished or altered despite the monitoring mechanism currently in place.

56. Mr HUI Chi-fung also criticized that the assessments of historic buildings by AMO were lacking transparency with no account of the reasons why a historic building was declared or not declared as monument. He was disappointed that the Administration was lacking in resolution with respect to built heritage conservation. In many cases, the Administration was acting with hindsight until after the building concerned was already in a dilapidated condition or even in danger of demolition, or the case was brought up by some conservation groups and drawn wide public concerns. He also pointed out the public impression that many built heritage had been demolished to make way for urban renewal. He urged the Administration to review the inadequacy of its heritage conservation policy and the assessment mechanism of historic buildings, including reviewing the composition of AAB to ensure adequate representation of expert views in the assessments.

57. PS/DEV(W) could not agree that the Administration was not putting in sufficient efforts and not taking enough initiatives in built heritage conservation. In fact, CHO and AMO had spared no efforts in taking forward the tasks of conducting professional and independent assessments on the heritage value of historic buildings. Since 2005, AAB had adopted six criteria to assess the heritage value of historic buildings, i.e. historical interest, architectural merit, group value, social value and local interest, authenticity, and rarity. It would also consult the views of an independent Historic Buildings Assessment Panel, the

views and additional information received from members of the public and the owners of the buildings concerned during public consultation in the assessments. The AAB meetings to discuss the grading of historic buildings were open to the public. He further said that as the policy review on the conservation of built heritage conducted by AAB was completed not long ago in end 2014, the Administration considered it unnecessary to conduct another review at the present stage.

58. Mr LAU Kwok-fan was concerned that in the lack of attractive incentives, many private owners of historic buildings would hesitate in giving consent to proposals of monument declaration of the historic buildings they owned. Many of them would rather sell their historic buildings to developers before the buildings were declared monuments. He suggested the Administration to, making reference to its initiative of earmarking \$1 billion for promoting sustainable development of remote countryside, consider setting up a dedicated fund for promoting the preservation of privately-owned graded historic buildings.

59. PS/DEV(W) advised that, as recommended by AAB in its Report on the Policy Review on Conservation of Built Heritage released in 2015, given the diverse views in the community, the option of using public funds to purchase or resume privately-owned historic buildings should not be pursued. Instead, it recommended that the Administration should provide appropriate economic incentives such as minor relaxation of plot ratio to facilitate private owners to preserve their buildings.

### Conclusion

60. The Panel raised no objection for the Administration's submission of the funding proposal for the three Batch IV projects under the Revitalization Scheme to PWSC for consideration.

## **IV Revision of Fees and Charges under Mines (Safety) Regulations (Cap. 285B), Dangerous Goods (General) Regulations (Cap. 295B), and Dangerous Goods (Government Explosives Depots) Regulations (Cap. 295D) under the Purview of the Civil Engineering and Development Department**

(LC Paper No. CB(1)1163/16-17(01) — Administration's paper on revision of fees and charges under Mines (Safety) Regulations, Cap 285B, Dangerous Goods

(General) Regulations,  
Cap 295B, and  
Dangerous Goods  
(Government Explosives  
Depots) Regulations, Cap  
295D under the purview  
of the Civil Engineering  
and Development  
Department)

61. At the invitation of the Deputy Chairman, Principal Assistant Secretary (Works)2, Development Bureau ("PAS(W)2/DEVB"), briefed members on the Administration's proposal to revise 26 out of 27 items of fees and charges related to services provided by the Civil Engineering and Development Department in respect of (a) mine blasting, (b) manufacture, storage and discharge of dangerous goods, and (c) explosives storage and delivery. These fee items did not directly affect people's livelihood or general business activities. He informed members that the Administration planned to proceed with the relevant legislative amendments in the coming few months.

62. Dr Junius HO pointed out that the 26 fee items were last increased not long ago on 1 January 2017. Yet, he noted with disappointment that even with the proposed increase this time, the cost recovery rates of a number of the items would still be on the low side. Given that these fee items were not directly related to people's livelihood, he suggested that the Administration should consider a bigger increase to achieve full cost recovery in one step.

63. PAS(W)2/DEVB explained that in achieving full cost recovery, the Administration had adopted a progressive approach to avoid any drastic increase that the trade could not accept. In line with this approach, the fee levels had been reviewed annually for adjustments as necessary.

64. Mr Jeremy TAM expressed support for increasing the above fees and charges. However, he considered it rather time-consuming and not cost-effective to conduct the related legislative exercises too frequently to give effect to the fee adjustments. He suggested that the Administration might explore the possibility of revising the fees every two to three years instead. PAS(W)2/DEVB undertook to relay Mr TAM's suggestion to the relevant government departments for consideration.



**V Lifts and Escalators Ordinance (Cap. 618) Commencement Notices under Sections 14, 15, 19, 20, 21, 23, 25 and 26 of Schedule 16 in respect of Recognized Qualifications for Registered Engineer and Registered Worker**

(LC Paper No. CB(1)1167/16-17(01) — Administration's paper on Lifts and Escalators Ordinance (Cap. 618) Commencement Notices under Sections 14, 15, 19, 20, 21, 23, 25 and 26 of Schedule 16 in respect of Recognized Qualifications for Registered Engineer and Registered Worker)

65. At the invitation of the Deputy Chairman, Principal Assistant Secretary (Works)4, Development Bureau ("PAS(W)4/DEVB"), briefed members that upon enactment of the Lifts and Escalators Ordinance (Cap. 618) ("LEO") in 2012 to, among others, strengthen the registration regime of personnel engaged in lift and escalator works, the Administration had put in place transitional arrangements for implementing the enhanced qualification requirements for the registration of lift/escalator engineers and workers under LEO.

66. PAS(W)4/DEVB further said that taking in view the gradual upgrade of the qualifications of the relevant personnel in the trade, the Administration planned to commence sections 14, 15, 19, 20, 21, 23, 25 and 26 of Schedule 16 to LEO by means of commencement notices, thereby phasing out the said transitional arrangements ("the phasing-out arrangements"). As detailed in paragraphs 3.1 and 3.2 of the Administration's paper, those qualifications recognized under the transitional arrangements would be repealed upon the serving of the relevant commencement notices under LEO. He informed members that the Administration intended to submit the commencement notices to the Legislative Council for negative vetting in early 2018.

67. Dr Junius HO and Mr Jeremy TAM shared similar concerns over the impact of the phasing-out arrangements on existing registered lift/escalator engineers. Dr HO enquired about the current number of registered lift/escalator engineers who had sought registration using the qualification of a higher diploma ("HD"), higher certificate ("HC") or equivalent, i.e. the qualifications that would no longer be recognized for

registration under the phasing-out arrangements. Mr TAM asked if there were any non-degree holders having registered as lift/escalator engineers on the strength of their HD, HC or equivalent qualification after the enactment of LEO in 2012. He was concerned that there would be opposition against the phasing-out arrangements.

68. PAS(W)4/DEVB explained that the registration acquired by those registered engineers with the qualifications recognized under LEO prior to the repeal would remain valid. Assistant Director/Gas and General Legislation, Electrical and Mechanical Services Department ("AD(G&GL)/EMSD"), added that the trade was well aware of the timetable for the repeal of HD, HC or equivalent qualification for registration as registered lift/escalator engineers when LEO came into operation in December 2012. The Administration noted that the number of newly registered lift/escalator engineers with the qualification of HD/HC had decreased since then and dropped to zero in 2016. No opposition to the phasing-out arrangements had been noted so far.

69. Mr Jeremy TAM further asked if a person who had only attained HD, HC or equivalent qualification but had already been a professional engineer in an overseas country would still be eligible for registration, by way of mutual recognition of qualifications between Hong Kong and the relevant overseas country, as a registered lift/escalator engineer in Hong Kong after implementation of the phasing-out arrangements.

70. PAS(W)4/DEVB and AD(G&GL)/EMSD advised that according to LEO, Registered Professional Engineers ("RPEs") under the Engineers Registration Ordinance (Cap. 409) could apply for registration as registered lift/escalator engineers if they had not less than two years of relevant working experience in lift/escalator works. The Hong Kong Institution of Engineers ("HKIE") had entered into mutual recognition agreement with some overseas professional bodies, so that professional members of such overseas bodies may become members of HKIE and be registered as RPEs in Hong Kong. This registration route would remain unchanged upon implementation of the phasing-out arrangements. At the request of Mr Jeremy TAM, the Administration agreed to provide a written explanation on the said registration arrangement.

*(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)222/17-18(01) on 16 November 2017.)*

**VI Any other business**

71. There being no other business, the meeting ended at 6:52 pm.

Council Business Division 1  
Legislative Council Secretariat  
15 January 2018