

Legislative Council Panel on Development

**Initiatives of Development Bureau
in the Chief Executive's 2017 Policy Address and Policy Agenda**

INTRODUCTION

The Chief Executive delivered her Policy Address entitled “We Connect for Hope and Happiness” on 11 October 2017. This is supported by the Policy Agenda which sets out the Government’s new and on-going initiatives. This paper elaborates on those initiatives under Development Bureau (DEVB).

POLICY ADDRESS AND POLICY AGENDA INITIATIVES

2. An extract of all the new and on-going initiatives under DEVB as contained in the Policy Agenda is at **Annex I**. The major items are highlighted in the paragraphs below.

Initiatives under the purview of Planning and Lands Branch

Task Force on Land Supply

3. We are taking a multi-pronged approach to increase land supply. Subject to the completion of necessary studies and statutory processes, we hope to deliver land supply capable of producing some 380 000 housing units in the short to medium term and some 220 000 housing units in the medium to long term. Land use planning and development require sustained efforts, catering not only to imminent demands but also future needs. According to the projections promulgated under the Hong Kong 2030+ Study to examine the strategic planning blueprint for Hong Kong, there would be an estimated shortfall of at least 1 200 hectares of land for housing, economic and Government, Institution or Community facilities over the next 30 years.

4. While continuing with on-going efforts, the Government wishes to engage all sectors of the community to consider the difficult questions of land supply in an inclusive, open and rational manner. To this end, the Chief Executive appointed the Task Force on Land Supply in September 2017 to lead a major public engagement exercise aiming at examining the pros and cons of different land supply options in a thorough and macro manner, with a view to achieving the broadest consensus. The Task Force is examining the different land supply options and sizing up the situation. Tentatively, the Task Force is planning to carry out public engagement from March to July 2018, and to submit its recommendations on an overall land supply strategy to the Chief Executive by the end of November 2018.

Operation Building Bright 2.0

5. It has all along been Government's position that owners should take primary responsibility for the proper maintenance of their properties. That said, we recognise that some owners, though willing, may have genuine difficulties in carrying out the necessary maintenance due to their lack of financial means, technical knowledge and organisation ability, especially those of "three-nil" buildings¹. Dilapidated buildings will pose immediate danger not only to inhabitants therein but also to passers-by.

6. For public safety considerations, we plan to roll out "Operation Building Bright (OBB) 2.0" with funding of around \$3 billion covering an estimated 2 500 buildings to provide technical and financial assistance to eligible owners. Our current thinking is that OBB 2.0 would have the following major features –

- (a) to adopt a risk-based approach such that the scheme would focus on residential and composite buildings aged 50 years or more, having regard to the fact that these buildings given their age pose relatively higher building safety risks;
- (b) to focus on raising the safety standards of target buildings, the subsidies should primarily be used for undertaking inspection and repairs works required under the Mandatory Building Inspection

¹ Buildings which do not have an owners' corporation or any residents' organisation, and without engaging any property management company.

Scheme (MBIS) in both the common and private areas. For cases where the owners fail to comply with issued MBIS orders, the Buildings Department would exercise its power under statute to carry out the relevant inspections and works, and the subsidies could be used to offset the amount charged for those works in default; and

- (c) to ensure that public resources would be allocated to the most needy, subsidies would only be granted to owner-occupiers who live in buildings under the target category in (a) above with average rateable values not exceeding \$162,000 in the urban area and \$124,000 in the New Territories (excluding Sha Tin, Kwai Tsing and Tsuen Wan, which are counted as urban areas). It is estimated that 80% of over 5 000 target buildings aged 50 years or more would fall within the brackets of these average rateable values. For non-elderly owner-occupiers of eligible buildings, we are planning on the basis of a subsidy level set at 80% of the cost of relevant works for common areas (subject to a ceiling of around \$40,000 per flat); plus 50% of the cost of relevant works for private areas (subject to a ceiling of around \$6,000 per flat). In respect of works in the common areas, we intend to grant a higher rate of subsidy to elderly owner-occupiers, viz. 100% of the cost subject to a ceiling of around \$50,000.

7. We propose to commission the Urban Renewal Authority (URA) as the administration agent for OBB 2.0. Separately, URA has commenced a study on Building Rehabilitation Strategy to formulate appropriate and sustainable measures to prolong building life and reduce the pace of urban decay. With substantial knowledge and connections culminated over the years, the URA is also developing a Building Rehabilitation Platform in conjunction with relevant professional bodies and the industry. The platform seeks to provide one-stop comprehensive information to owners who wish to pursue building rehabilitation and is expected to be rolled out before mid-2018.

8. We will work out further implementation details along the direction of the above framework and consult the Panel on Development in a few months' time. We plan to launch the proposed scheme in the latter half of 2018.

Harbourfront Development

9. Pending further deliberations on the proposal of establishing a statutory Harbourfront Authority, the Government will continue to partner with the Harbourfront Commission (HC) and implement harbourfront enhancement initiatives through a dedicated office and with dedicated funding of \$500 million. The aim is to further extend the waterfront promenade along both sides of the Victoria Harbour, beautify areas in the vicinity and improve the accessibility to the waterfront for the enjoyment of all.

10. We will work in partnership with the HC to take forward this area of work, including the identification of suitable harbourfront sites for non-governmental organisations to operate community facilities or events. In this regard, taking into account the views of the Central and Western District Council and the HC, we aim to make available a site in Kennedy Town for the running of a community garden and related uses through a short-term tenancy in the first quarter of 2018.

Revitalising Industrial Buildings as a Source of Land Supply for Economic Development

11. We are exploring the reactivation of the revitalisation scheme for industrial buildings, under which incentives would be offered to encourage redevelopment or wholesale conversion. In the process, we will consider how operating space can be provided legally and safely under the scheme for certain industries with development potential (such as cultural, arts and creative industries) and for appropriate community facilities. We will also continue to study the possibility of facilitating the conversion of the lower floors of some industrial buildings for non-industrial purposes, subject to fire safety and building safety requirements. We will consider ways to facilitate the assembly of titles to address the issue of fragmented ownership in certain old industrial buildings, including examining the threshold of “compulsory sale” applicable to old industrial buildings. We will also review the definition and coverage of “industrial” and “godown” uses in land leases.

Streamlining Development Control

12. A steering group will be formed under the Planning and Lands Branch of DEVB to explore how best to consolidate and rationalise the

standards and definitions adopted by the relevant departments under the bureau (namely Buildings Department, Lands Department and Planning Department) in scrutinising development proposals, such that the approval process can be streamlined without prejudicing the relevant statutory procedures and technical requirements. The relevant professional groups will be engaged in the process.

Initiatives under the purview of Works Branch

Energizing Kowloon East

13. We continue to keep up our efforts to facilitate the transformation of Kowloon East into another core business district to support Hong Kong's economic development. At present, Kowloon East has about 2.4 million square metres of commercial/office floor area, with potential to further supply approximately 4.6 million square metres in future (including 1.8 million in Kai Tak Development and 0.56 million from the two Action Areas). The Energizing Kowloon East initiative has already built up the urban transformation momentum in Kwun Tong and Kowloon Bay. We will extend the initiative to San Po Kong, particularly focusing on enhancing connectivity, improving the environment, and promoting vibrancy and diversified development.

14. We continue to implement the concept of walkability in Kowloon East to improve the pedestrian environment. These include carrying out detailed design for an additional footbridge next to MTR Kowloon Bay Station Exit B to enhance connectivity with the future East Kowloon Cultural Centre and nearby residential areas, studying the design of the extension of the pedestrian subway network connecting to Ngau Tau Kok Station, and investigating the feasibility of providing a new footbridge near Kowloon Bay Station Exit A and another one across Wai Yip Street near Siu Yip Street.

15. In addition to the ongoing open space projects of Tsun Yip Street Playground and Tsui Ping River Garden, we will take forward other public open space improvement projects in Kowloon East.

Adopting Innovative Construction Method

16. The construction industry in Hong Kong has been facing the

challenges of high construction cost, shortage in skilled labour and declining productivity. The Government is proactively promoting innovative construction methods and advanced technology to enhance productivity and cost-effectiveness.

(a) Construction Innovation and Technology Application Centre

17. The Construction Industry Council (CIC) will establish a new Construction Innovation and Technology Application Centre (CITAC) by the end of this year to provide latest information on local and overseas construction technologies with a view to supporting their adoption by small and medium enterprises. It strives to become an industry-led and demand driven innovation centre linking businesses, universities, research and development centres and, where appropriate, the public sector to support innovation transformation for the entire construction industry. In the long run, the CITAC aims at establishing a global research network to promote interdisciplinary research and application on enhancement of productivity.

(b) Building Information Modelling Technology

18. Building Information Modelling (BIM) technology allows construction professionals to carry out design and construction works in a virtual environment, which helps avoid changes in the construction process as far as possible, reduce risks and render clarity to project costs in various stages including the operation and facility management stages. In addition to adopting BIM technology in the design and construction of major government capital works projects scheduled to start in 2018, we will also collaborate with the CIC to strengthen BIM training for relevant professionals, develop related technical standards and guidelines, and encourage the use of this technology in private construction projects.

(c) Prefabricated Steel Reinforcement Components

19. The Government is assisting the industry to establish large-scale, highly automated steel reinforcing bar prefabrication plants for production of prefabricated steel reinforcement components. We will encourage the industry to use it widely in construction projects.

(d) Modular Integrated Construction

20. We will collaborate with the construction industry to promote “Modular Integrated Construction (MiC)”. By adopting the concept of “factory assembly followed by on-site installation” and the mode of manufacturing, conventional labour-intensive site operations, such as fitting-out and building services works, etc., will be industrialised and completed in off-site prefabrication yard. The prefabricated and prefinished modules will then be transported to construction site for installation. MiC could uplift productivity, shorten construction time, enhance construction safety and improve quality of the works. We are considering piloting MiC in public building projects to play an exemplary role in promoting MiC in Hong Kong.

Construction Manpower Development

21. Infrastructure development will continue at a high level. Together with the demand for construction services in the private sector, CIC forecasts a total construction volume of over \$250 billion per annum in the coming 10 years. In collaboration with the CIC, we have embarked on a host of multi-pronged measures to maintain a construction workforce of sufficient strength and quality to meet the industry’s manpower demand in future.

22. With the approval of the Legislative Council Finance Committee, we have allocated a total of \$420 million since 2010 for the CIC to strengthen the training of local construction personnel and step up promotion to attract new blood. From January 2009 to August 2017, the CIC has trained about 27 000 semi-skilled and skilled workers. The total annual training output of CIC in 2009 and 2016 are 900 and 5 200 respectively, representing an increase of 470%. Based on the findings of the CIC’s image tracking surveys, young interviewees willing to join the industry has increased significantly from about 8% in 2011 to about 24% in 2017. During the same period, the number of registered general and skilled/semi-skilled workers has also increased by 35% and 115% respectively. Progress of the various training and promotion measures is detailed at **Annex II**.

23. The CIC is strengthening its effort to enhance collaborative training schemes and upgrade the skills of in-service general workers including ethnic minority workers. To encourage contractors and their subcontractors to enhance in-service skills training, we have introduced a new technical score on

worker training in the tender evaluation mechanism for public works contracts since August 2017.

24. To train more high-calibre and professional construction practitioners, the CIC will establish the Hong Kong Institute of Construction (HKIC) in the first half of 2018. Apart from upgrading the current skill training programmes to reflect technological advancements, HKIC plans to provide a clear career pathway for skilled workers and practitioners. Programmes leading to qualifications recognised by the Qualification Framework (QF), such as diploma courses (QF Level 3), will be offered. Upon the establishment of HKIC, the CIC targets to increase its annual training output from about 5 000 to over 8 000 graduates. Meanwhile, the Government is exploring the use of a piece of land in Tai Po for the CIC to construct a multi-storey campus to tie in with the establishment of HKIC.

25. For public sector projects, we estimate that the annual capital works expenditure would exceed \$100 billion in a few years' time. With ever-increasing project complexity and rising aspirations from the public, there is an imminent need to reinforce project management competency and leadership skills of government major project leaders. Drawing on overseas experience, we will study the establishment of a major project leaders academy to provide sustained high-level leadership professional training so as to equip major project leaders in the Government with world-class leadership skills in the delivery of public works projects.

CONCLUSION

26. We welcome Members' feedback and undertake to work closely with Legislative Council in taking forward DEVB's policy initiatives.

Development Bureau
16 October 2017

**List of Development Bureau's Initiatives
in the Policy Agenda**

A list of Development Bureau's initiatives in the Policy Agenda is appended below. We have 28 new initiatives and 76 on-going initiatives mainly under the Chapters of "Reinforcing Our Strengths, New Style of Governance", "Diversified Economy, Better Jobs", "Professional-led Quality Education", "Home Ownership, Liveable City" and "Building a Caring, Inclusive Society, Improving People's Livelihood".

Reinforcing Our Strengths, New Style of Governance

New Initiative

- Fully support and accommodate the resource requirements of the Judiciary. The Government is working with the Judiciary on the planned construction of a Judicial Complex for the High Court at the new Central Harbourfront, as well as a District Court Complex at Caroline Hill Road to house the District Court, the Family Court and the Lands Tribunal. This aims to address the long-term accommodation needs of courts at the High Court and District Court levels.

Diversified Economy, Better Jobs

New Initiatives

- Promote and lead the adoption of Modular Integrated Construction in the construction industry. By adopting the concept of "factory assembly followed by on-site installation" and the mode of manufacturing, labour intensive processes can be accomplished in off-site prefabrication yard with a view to enhancing productivity and cost-effectiveness.
- Drawing on overseas experience, we will study the establishment of a major project leaders academy to provide high-level leadership professional training on a continuous basis so as to equip major project leaders in the Government with world-class leadership skills in the delivery of public works projects.

- Facilitate the utilisation of industrial buildings for engaging in technology and/or mechanisation-based agricultural productions including new agro-technology such as hydroponics and aquaculture as well as taking a more proactive role in encouraging the research and promotion of new agro-technology.

On-going Initiatives

- Continue to discuss with the Mainland the mutual recognition of professional qualifications and deepening of co-operation between Hong Kong and Qianhai, Nansha and Hengqin, according to the Agreement on Economic and Technical Co-operation under CEPA signed on 28 June 2017.
- Drawing reference from the successful examples of Hong Kong’s construction consultant companies participating in the country’s foreign aid construction projects in Nepal and Cambodia, we will continue to pursue with the Ministry of Commerce for provision of further opportunities for Hong Kong’s consultant companies to take part in more and different types of construction projects, and expansion of their scope of work by allowing them to perform “full-range” Hong Kong-style services from project planning to completion.
- Seizing the opportunities brought by the Central Government’s Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Bay Area, we will continue to promote the strengths of the construction and related professional services sectors (including good knowledge of international construction standards, extensive experience in the areas of design, project management, infrastructure maintenance, etc.) to provide world-class professional services to the Bay Area development plan, and to co-operate with the Bay Area cities to jointly open up the infrastructure market of the Belt and Road countries.
- Continue to collaborate with the Construction Industry Council (CIC) and other key stakeholders to monitor the manpower situation in the construction industry and implement measures to maintain a construction workforce of sufficient strength and quality to meet the industry’s manpower demand in the future.
- Continue to prepare the Construction Industry Security of Payment Bill for introduction into the Legislative Council in 2018.

The new legislation aims to enhance the security of payment in construction-related contracts to improve cash flow of the supply chain in the construction industry.

- In addition to adopting Building Information Modelling technology in the design of major government capital works projects scheduled to start in 2018, the Government will collaborate with the CIC to strengthen Building Information Modelling training for relevant professionals and promote the use of the technology in private construction projects.
- The new Construction Innovation and Technology Application Centre of the CIC will be in operation by the end of this year to provide the latest information on the local and overseas construction technologies with a view to supporting small and medium enterprises for adoption. The centre aims at establishing a global research network to promote interdisciplinary research and application on enhancement of productivity and safety performance in the long run.
- Enhance our management capability to resolve cross-bureau and cross-departmental issues relating to the delivery of major infrastructure projects, and address strategic issues which might impede the progress in such projects.
- The Project Cost Management Office established in 2016 will continue to keep the cost of public works projects under strict control and enhance the project management performance, striving to minimise the risk of project cost overrun or delay.
- Strengthen the cost control and management of public works projects, enhance constructability, increase productivity, encourage innovation and continue to review and improve the current procurement system to promote fair competition with a view to allowing participation by more contractors.
- Continue to undertake statutory planning procedures for the Lok Ma Chau Loop area according to the proposed land use planning in order to support the development of the Hong Kong/Shenzhen Innovation and Technology Park.
- Continue to encourage car park operators in Kowloon East to provide real-time parking vacancy information for the

convenience of motorists, thereby also helping to reduce traffic. Currently, real-time information of over half of the hourly parking spaces in the area is available to the public.

- Proceed to establish a Common Spatial Data Infrastructure, a geo-platform for the integration, exchange and sharing of geographic spatial data, to support the development of a smart city.
- Further carry out proof-of-concept trials relating to smart city development in Kowloon East to examine the effectiveness of different innovative concepts and their implementation modes and strategies. These trials will cover a kerbside loading/unloading bay monitoring system, illegal parking monitoring system, multi-functional smart lampposts, smart rubbish bin system, energy efficiency data system, and sharing of real-time roadworks information, etc.
- Continue to collaborate with different research and academic institutions, using Kowloon East as a major component in investigating smart city development, on subjects including a common digital platform with geographic information system functionality, tree health alert system, data mining techniques, and environmental air quality forecast, etc.
- Complete the feasibility study for topside development at the Hong Kong Boundary Crossing Facilities Island of the Hong Kong-Zhuhai-Macao Bridge and prepare for the design and site investigation works for the associated infrastructure to support the topside development.
- Invest in infrastructure development to improve people's livelihood, promote economic growth, create employment opportunities and enhance the long-term competitiveness of Hong Kong.
- In the context of the "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" study, we will examine the strategic planning blueprint for Hong Kong beyond 2030, aligning with the objectives of our population policy from the perspectives of creating capacity for improved living space and better quality of life, enhancing economic competitiveness and facilitating sustainable development.

Professional-led Quality Education

New Initiative

- Explore the use of a site in Tai Po for construction of a multi-storey campus for the Construction Industry Council to train more high-calibre and professional construction practitioners, to keep pace with the use of cutting-edge technologies in the construction industry for enhancing productivity and to attract more new entrants.

Home Ownership, Liveable City

New Initiatives

- Establish a cross-sector Task Force on Land Supply to take an overall macro review of our land supply options, engage the community in discussions on the pros and cons of different options and their priorities thereby facilitating consensus-building.
- Through a steering group set up within the Planning and Lands Branch of the Development Bureau, we will explore how best to consolidate and rationalise the standards and definitions adopted by the relevant departments under the Development Bureau (namely the Buildings Department, the Lands Department and the Planning Department) in scrutinising development projects such that the approval process can be streamlined without prejudicing the relevant statutory procedures and technical requirements, and to engage the trade in the process.
- Consider ways to facilitate the implementation of a “single site, multiple use” model in multi-storey development on government land in order to consolidate and provide more Government, Institution or Community facilities, so as to make optimal use of the limited land resources.
- With a view to better understanding the profiles and needs of the business establishments in Kowloon East, we will conduct a survey on them, including those in the arts, cultural and creative sectors.

- Formulate a policy framework to tackle brownfield sites in a holistic manner, with the objectives of optimising land utilisation, rationalising land uses, supporting the development of industries that are needed in Hong Kong, and improving the rural environment. We will also strive to complete the survey on the existing profile and operations of brownfield sites and the consultancy studies on the feasibility of accommodating brownfield operations in multi-storey buildings within 2018.
- Carry out a strategic study to explore the preliminary feasibility of reclamation at the southern part of the Central Waters. The proposed reclamation will help create the necessary conditions for future development which mainly rely on marine transport.
- The Energizing Kowloon East initiative has already built up the urban transformation momentum in Kwun Tong and Kowloon Bay. We will extend the initiative to San Po Kong, particularly focusing on enhancing connectivity, improving the environment, and promoting vibrancy and diversified development.
- Review the land uses of a site at Lai Yip Street near the Kwun Tong harbourfront, which includes studying the possibility of providing space for arts, culture and creative industries uses.
- To further enhance walkability in Kowloon East, we will investigate the feasibility of providing a new footbridge across Kwun Tong Road near MTR Kowloon Bay Station Exit A, and another one across Wai Yip Street near Siu Yip Street in addition to the footbridge already planned for connecting Exit B of Kowloon Bay Station with the future East Kowloon Cultural Centre. We will also look into the possibility of providing travelators along Lai Yip Street and Sheung Yee Road to cater for the forecast increase in pedestrian flow.
- Select suitable non-profit-making organisation to operate a weekend flea market on the Tourism Node site at the former airport runway tip to bring more vibrancy to the area when the site is pending land disposal, providing opportunities for participation by those who are interested, young people in particular.
- Explore the reactivation of the revitalisation scheme for industrial buildings to offer incentives to encourage redevelopment or wholesale conversion. In the process, we will consider how

operating space can be provided legally and safely under the scheme for certain industries with development potential (such as cultural, arts and creative industries) and for suitable community facilities.

- Continue to study the possibility of facilitating the conversion of the lower floors of some industrial buildings for non-industrial purposes, subject to fire safety and building safety requirements.
- Review the definition and coverage of “industrial” and “godown” uses in land leases.
- Consider ways to facilitate the assembly of titles to address the issue of fragmented ownership in certain old industrial buildings, including examining the threshold of “compulsory sale” applicable to old industrial buildings.
- Launch “Operation Building Bright 2.0” to subsidise owner-occupiers for undertaking rehabilitation works in respect of aged buildings in need of repair. In parallel, subsidise eligible owners to strengthen the fire safety measures for old composite buildings for compliance with the requirements of Fire Safety (Buildings) Ordinance (Cap. 572).
- We aim at reducing the per capita fresh water consumption by 10% by 2030 at the earliest, using 2016 as the base year. To achieve this, we will take forward a host of measures, including enhancing collaboration with various stakeholders; implementing the Mandatory Water Efficiency Labelling Scheme through legislative amendments; making wider use of Automatic Meter Reading systems to enhance awareness of water conservation; establishing the Water Intelligent Network and replacing and rehabilitating aged government water mains; and taking specific measures to deal with the leakage problem at private water mains, including provision of necessary technical advice and support to property owners and management agents and assistance to the market in developing expertise, stepped up monitoring and enforcement actions, and exploring imposing water charges on property owners according to the amount of estimated water loss from their private mains through legislative amendments.
- In addition to taking forward specified harbourfront development initiatives through the dedicated funding, the Government will

further partner with the Harbourfront Commission to engage stakeholders in the community, including District Councils and non-governmental organisations (NGOs), to undertake pilot projects to activate the harbourfront. These include considering the provision of suitable harbourfront sites for NGOs to organise and operate appropriate short-term events or facilities.

- Apply smart technology in tree management for overall enhancement of quality and efficiency of tree risk assessment.
- Collaborate with experts and research institutions on Brown Root Rot disease to conduct research on its diagnosis and prevention, with a view to developing a more comprehensive, proactive and effective management strategy.
- Continue to organise street carnival activities at the Hollywood Road area under “Heritage Vogue · Hollywood Road”.
- Conduct a comprehensive investigation on ageing pipelines in phases for timely identification of pipelines at high risk of structural failure; and strive to implement a risk-based programme for rehabilitation of aged stormwater drains and sewers.
- Review and evaluate the revitalisation potential of the major nullahs in Hong Kong with a view to identifying suitable nullahs for revitalisation. The aim is to enhance their ecological value, provide a greener environment, promote water friendliness and improve the community environment for building a liveable city.

On-going Initiatives

- Continue with the study on “Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030” to examine the strategic planning blueprint for overall spatial planning and for land and infrastructure development of Hong Kong beyond 2030, with a view to planning for a liveable high-density city, embracing new economic challenges and opportunities, and creating capacity for sustainable growth.
- In the light of the findings of the Preliminary Feasibility Study on Developing the New Territories North and the views received during the public consultation on the New Territories North strategic growth area conducted within the framework of “Hong

Kong 2030+”, explore the scope for further developing a new town of similar scale as Fanling/Sheung Shui in New Territories North.

- Having completed the Stage 1 Public Engagement on the Pilot Study on Underground Space Development in Selected Strategic Urban Areas, we are formulating suitable conceptual schemes for potential Underground Space Development sites, including Kowloon Park, Victoria Park and Southorn Playground in the four Strategic Urban Areas, namely Tsim Sha Tsui West, Causeway Bay, Happy Valley and Admiralty/Wan Chai with due consideration to the public views received. We expect to launch the Stage 2 Public Engagement in 2018 to gauge public views on the relevant conceptual schemes.
- Continue to implement the Pilot Scheme for Arbitration on Land Premium to facilitate agreement between the Government and private land owners on land premium payable for lease modification and land exchange transactions through arbitration.
- Continue to rezone the more than 210 suitable sites with development potential as identified in land use reviews to residential or other uses for which the community has more pressing needs. We will also appropriately increase the development density of individual residential sites.
- Continue to implement the construction works of Tsun Yip Street Playground and Tsui Ping River Garden, and to take forward the improvement works of other public open spaces in Kowloon East to cater for the development needs of the area.
- Kowloon East currently has 28 buildings which are accredited with Building Environmental Assessment Method (BEAM) Plus Gold or above ratings. To continue developing Kowloon East into a green and smart neighbourhood, related land sales conditions such as requiring building design to achieve BEAM Plus Gold or above ratings, provision of smart water meter system and electric vehicle charging facilities are stipulated for land sale sites for private development. We will also require real-time parking vacancy information to be provided for commercial car parks at appropriate sites.

- Continue with the implementation of new development areas and new town extensions:
 - press ahead with the implementation of the plans for the Kwu Tung North and Fanling North New Development Areas as an extension to the Fanling/Sheung Shui New Town;
 - press ahead with the implementation of the development of Tung Chung New Town Extension to tie in with the development of Lantau, turning Tung Chung into a distinct and more comprehensively developed new town;
 - press ahead with the implementation of the plans for the Hung Shui Kiu New Development Area as a regional hub in the North West New Territories to complement the new towns of Tin Shui Wai, Yuen Long and Tuen Mun, providing housing, employment opportunities and civic facilities; and
 - press ahead with the implementation of the plans for deserted or damaged agricultural land and rural-based industrial sites in Yuen Long South as an extension to the Yuen Long New Town to meet housing and other development needs and improve the local rural environment.

- Continue with the planning and engineering study for Tseung Kwan O Area 137, including exploration of residential, commercial and other suitable land uses, as well as the need for the originally reserved uses.

- Strive to complete the site investigation, detailed impact assessments and detailed design for the relocation of Sha Tin Sewage Treatment Works to caverns as soon as possible for early commencement of cavern construction works and relocation of existing sewage treatment works. We will also proceed with the next phase of work and commence feasibility studies on relocating the service reservoirs at Tsuen Wan and Yau Tong to caverns in the light of the public consultation results related to the development options of the six hectares of land released from the relocation of the Diamond Hill Fresh Water and Salt Water Service Reservoirs, Sai Kung Sewage Treatment Works and Sham Tseng Sewage Treatment Works to caverns.

- Continue to implement the recommendations of the study on the long-term strategy of cavern development, including the technical study on underground quarrying for cavern development, and identify suitable strategic cavern development areas for carrying out planning and engineering feasibility studies.
- Continue to provide the market with more prime office and commercial space to support economic activities. To this end, the Government will convert suitable government sites and offices in the Central Business Districts into commercial use and reduce as far as possible the leasing of commercial office space in Central and Admiralty for government use.
- Take forward the proposed development of public housing at six government sites (including the five sites in Pok Fu Lam South and the redevelopment of Wah Fu Estate), which are expected to provide about 11 900 additional public housing units, and carry out the statutory procedures for amending the relevant outline zoning plans following the partial lifting of the administrative moratorium on the development of Pok Fu Lam. The site formation and infrastructure works of the five sites in Pok Fu Lam South are scheduled for commencement in 2019. Assuming all procedures to be completed timely, the earliest batch of the reception units for the redevelopment of Wah Fu Estate is expected to be completed in 2025.
- Establish a Sustainable Lantau Office under the Civil Engineering and Development Department to progressively take forward various studies, development projects and conservation work in accordance with the “Sustainable Lantau Blueprint”, including the strategic studies for constructing artificial islands in the Central Waters between Hong Kong Island and Lantau Island (including the East Lantau Metropolis); formulating and implementing measures to conserve nature, antiquities and monuments, and cultural heritage on Lantau; and continuing to collaborate with organisations and stakeholders in the relevant fields.
- Deploy different resources to take forward various appropriate countryside conservation initiatives in selected pilot areas on Lantau, such as Tai O, Shui Hau and Pui O, to support the efforts in developing and conserving Lantau. The Environment and Conservation Fund has earmarked funding and will invite applications for undertaking environmental education and

community action projects on nature conservation in South Lantau.

- Continue to take forward near-shore reclamation projects, including progressive conduct of district consultation and planning and engineering studies for Ma Liu Shui and Lung Kwu Tan reclamation; and planning and engineering study for Sunny Bay reclamation; and completion of technical study for Siu Ho Wan reclamation on Lantau Island. In particular, the Ma Liu Shui reclamation study will take into account the planning of the adjoining site vacated after relocation of the Sha Tin Sewage Treatment Works to caverns, with a view to providing land for development of high technology and knowledge-based industries, housing and other uses.
- Continue to take forward the development project at Siu Ho Wan Depot Site and continue to actively explore in collaboration with the MTR Corporation Limited the development potential of other stations and railway-related sites along existing and future rail lines.
- Review the future use of the land released upon the relocation of the Ngau Tau Kok Divisional Police Station, which is expected to take place around 2020.
- After the public consultation on the recommendation of further increasing the residential development intensity of the Kai Tak Development Area, we are amending the Kai Tak Outline Zoning Plan in accordance with the Town Planning Ordinance with completion of the relevant procedures expected in 2018.
- Keep up the efforts to facilitate transformation of Kowloon East into another attractive core business district. At present, Kowloon East has about 2.4 million square metres of commercial/office floor area, with potential to further supply another 4.6 million square metres approximately in future, bringing the total supply in the district to about 7 million square metres. About 550 000 square metres of commercial/office floor area can be provided from the seven sites sold since 2012, and a similar amount of floor area will be provided in the coming five years from committed private redevelopments and wholesale conversion projects. We are taking forward the studies on the Kowloon Bay Action Area and the Kwun Tong Action Area.

The two Action Areas can provide about 560 000 square metres of commercial/office floor area.

- We have completed the first phase of public consultation on the detailed feasibility study for the Environmentally Friendly Linkage System (EFLS) for Kowloon East and confirmed the adoption of elevated mode EFLS. We are carrying out the next phase of the study, including the proposals for detailed alignment options, station and depot locations, future extension, operation and procurement approaches, cost and financial analysis, etc. Public consultation on the recommended proposal is scheduled to be conducted in 2018.
- Continue to implement the concept of “walkability” in Kowloon East with a view to improving the pedestrian environment and traffic conditions. This includes carrying out detailed design for an additional footbridge next to Kowloon Bay MTR Station to enhance connectivity with the future East Kowloon Cultural Centre and nearby residential areas. In parallel, we are working on the design for the extension and face-lifting of the pedestrian subway network connecting to Ngau Tau Kok MTR Station, face-lifting of a public transport interchange and improvement of pedestrian facilities to create a comfortable walking environment for pedestrians heading for the business area and the promenade. We will continue to take forward the Back Alley Project to improve the pedestrian network.
- Continue to take forward a detailed consultancy study on transforming the King Yip Street nullah into a green and vibrant Tsui Ping River with environmental and landscaping upgrading of the vicinity to achieve synergy effect.
- Strengthen the prosecution action against owners who fail to comply with statutory orders in the context of enforcement actions against illegal domestic use in industrial building premises and continue to explore introducing new legislative provisions to strengthen enforcement efforts.
- Continue to examine the implementation of the small house policy and related matters.
- Engage key stakeholders to refine the proposed amendments to the Land Titles Ordinance.

- Optimise the development potential of each public housing site by suitably relaxing the maximum domestic plot ratio and other development restrictions where planning and infrastructure permit and environmental quality will not be compromised to an unacceptable extent, and provide additional staff and resources for the relevant departments, so as to maximise and expedite flat production as far as possible.
- Continue to enforce the Lifts and Escalators Ordinance to exercise regulatory control over lift and escalator safety, and continue to draw the attention of Responsible Persons on the need to fulfil their obligations under the ordinance and to timely modernise their aged lifts and escalators to enhance their safety and reliability, through education and publicity.
- Continue with the efforts to enhance maintenance of private buildings through public education, publicity and participation of professional bodies.
- Work closely with the Hong Kong Housing Society and the Urban Renewal Authority (URA) to assist building owners in need to carry out repair and maintenance works through various schemes, including:
 - the Building Maintenance Grant Scheme for Elderly Owners;
 - the Integrated Building Maintenance Assistance Scheme;
 - the Mandatory Building Inspection Subsidy Scheme; and
 - “Smart Tender” Building Rehabilitation Facilitating Services.
- Work closely with the URA to support its implementation of redevelopment projects under a holistic and district-based approach with a view to enhancing overall planning benefits for the community. Meanwhile, we will support the URA in conducting a district planning study to explore how to enhance the efficiency of existing land use and redevelopment potential of Yau Ma Tei and Mong Kok districts, with a view to identifying more effective and efficient ways for urban renewal as well as a practical and feasible modus operandi for adoption in other districts.

- Continue to implement the Pilot Scheme on Outreach Support Service for Minority Owners to provide relevant information and appropriate support services to owners of old buildings affected by compulsory sale.
- Conduct a consultancy study on the formulation of a set of design standards for seismic-resistant buildings, with a view to further enhancing building safety in Hong Kong.
- Continue with the arrangement of waiving the land premium for lease modification to encourage private landowners to construct footbridges or subways at their own cost.
- Continue to establish “bicycle-friendly” new towns and new development areas to reduce carbon emissions from vehicles by such measures as continuing to improve existing cycle tracks and cycle parking facilities in new towns in phases (100 of these sites are expected to be improved by end 2018).
- Continue to take forward the development of the cycle track network in the New Territories by constructing the Tuen Mun to Sheung Shui section; commencing the detailed design of the Tuen Mun to So Kwun Wat section and Tsuen Wan to Bayview Garden section (advance works); and reviewing the alignment of the remainder of the Tsuen Wan to Tuen Mun section.
- Continue to oversee the construction of the Liantang/Heung Yuen Wai Boundary Control Point on Hong Kong side and go full steam ahead with the construction of the connecting road and the Passenger Terminal Building, with a view to completing the Boundary Control Point in end 2018.
- Continue with the consultancy study to review the current arrangement under which a development project is only required to register for BEAM Plus as a prerequisite for application for gross floor area concession for amenity features, with a view to further promoting green buildings in the private market. The consultancy study is expected to complete in 2019.
- Continue with the review of the Total Water Management Strategy to ensure sustainable use of precious water resources and timely introduction of new initiatives to strengthen our resilience and preparedness against challenges brought about by climate

change.

- Take forward the tendering exercise for the desalination plant at Tseung Kwan O and commence the construction of its associated infrastructure. We will also continue to take forward the initiative of the use of reclaimed water for non-potable purposes in North East New Territories (including Sheung Shui and Fanling). The advance infrastructure works have commenced while the development of an appropriate financial and legal framework for the supply of reclaimed water in Hong Kong is underway.
- Pending further deliberations on the proposal of establishing a statutory Harbourfront Authority, the Government will continue to partner with the Harbourfront Commission and implement harbourfront enhancement initiatives through a dedicated team and with dedicated funding of \$500 million for the first stage. The aim is to further extend the waterfront promenade along both sides of the Victoria Harbour, beautify areas in the vicinity and improve accessibility to the waterfront for the enjoyment of all.
- Formulate an urban forestry management strategy and develop proper urban arboricultural practices with a holistic approach. We will continue to develop sustainable urban landscapes, promote vegetation diversity, and draw up a practice note on urban arboriculture.
- Deliver higher quality landscape planning and design through a multi-pronged approach and proactive strategy for enriching vegetation diversity and create community spaces to enhance the outdoor environs, while undertaking more diligent vegetation management and maintenance.
- Promote capacity-building for the arboriculture and horticulture industry and assist the Arboriculture and Horticulture Industry Training Advisory Committee in developing a qualification framework.
- Raise awareness among the general public on urban forestry, including lifecycle planning and life expectancy for trees and the concept of “Right Tree, Right Place”.

- Implement a more effective risk management strategy for stonewall trees.
- Endeavour to facilitate hosting of mega events and activities in Kowloon East that are popular with the general public and tourists, and co-use of the Kwun Tong Typhoon Shelter water body for water recreation activities.
- Under the Built Heritage Conservation Fund, continue to work closely with selected non-profit-making organisations to implement the first four batches of projects under the Revitalising Historic Buildings Through Partnership Scheme and processing applications under the Financial Assistance for Maintenance Scheme and the funding schemes for public engagement projects and thematic research.
- Take forward Batch V of the Revitalising Historic Buildings Through Partnership Scheme.
- Continue to take forward the conservation and revitalisation of the Central Police Station Compound in partnership with the Hong Kong Jockey Club.
- Continue to implement the Action Plan for Enhancing Drinking Water Safety in Hong Kong announced in September this year to restore public confidence in drinking water safety. The plan includes:
 - establishing a set of drinking water standards tailored for Hong Kong and monitoring consumers' drinking water quality so as to review the drinking water standards;
 - strengthening regulation on plumbing materials and the commissioning requirements for new plumbing installations;
 - actively promoting the implementation of Water Safety Plan for buildings to facilitate proper cleansing and maintenance of pipes and fittings by property management agents;
 - enhancing public education and publicity on safe use of drinking water;
 - setting up an independent dedicated team in Development

Bureau to take up the role of a water quality regulator, and conducting detailed study to establish a drinking water safety regulatory regime suitable for Hong Kong; and

- setting up an Advisory Committee on Drinking Water Safety to advise the Development Bureau on water safety issues and studies related to water safety regime.
- We have commenced a holistic review on the Waterworks Ordinance and Waterworks Regulations. We are also continuing with the following measures: consulting relevant stakeholders on the roles and responsibilities of the persons responsible for the design and construction of inside service (including developers, professionals, contractors, licensed plumbers and plumbing workers) and their registration systems, etc.; reviewing the need to regulate the suppliers of plumbing materials and to control the sale of plumbing materials in retail market; reviewing the penalty level of the offences with a view to increasing the deterrent effect; and enhancing the approval process for plumbing systems. We will submit our proposal for amending the Waterworks Ordinance and its subsidiary regulations in due course.
- Continue with the consultancy study for exploring the practicable options for applying the concept of revitalising water bodies to nullahs and river channels when carrying out large-scale drainage improvement works and drainage planning for new development areas. Apart from achieving efficient drainage, the initiative will promote greening, biodiversity, beautification and water friendliness; build sustainable drainage facilities; and provide a better living environment.
- Continue with the design of the improvement works for the Yuen Long Town Centre Nullah to enhance the quality of the local environment and the ecological value of the nullah.
- Continue with the Landslip Prevention and Mitigation Programme to:
 - upgrade and landscape government man-made slopes;
 - mitigate the landslide risk of natural terrain with known hazards; and

- conduct safety screening studies for private slopes.
- Complete the phase 2 construction works of an underground stormwater storage tank in Happy Valley as well as the reconstruction and rehabilitation works of the Kai Tak River to alleviate the flood risks in the areas.
- Continue to review the Drainage Master Plans of Sha Tin, Sai Kung, Tai Po, Lantau and the outlying islands, Tuen Mun, Tsuen Wan, Kwai Tsing, North Hong Kong Island, Repulse Bay and Tai Tam to assess the flood risks in these districts and propose improvement measures.

Building a Caring, Inclusive Society, Improving People's Livelihood

New Initiative

- Explore measures that would encourage private developers to provide various welfare facilities, including day child care centres, residential child care centres, day care centres for the elderly and residential care homes for the elderly in their development projects.

On-going Initiative

- Continue to implement the pier improvement programme to enhance the structural and facility standard of a number of public piers in remote areas in order to respond to public requests and improve the accessibility to some remote scenic spots and natural heritages. For the first phase of the programme, we have conducted district consultations for about 10 public piers in the New Territories and outlying islands, and are pursuing the consultancy studies for the engineering investigation and design of the improvement works, with a view to commencing them in 2019 if funds are available.

Training for Construction Practitioners and Promotion Activities

We obtained approval from the Legislative Council in 2010 and 2012 to allocate a total funding of \$320 million to the Construction Industry Council (CIC) to enhance training and trade testing for new and in-service construction personnel and to step up promotion activities to attract more people to join the industry. In 2015, we created a further commitment of \$100 million to support CIC in launching new measures under a pilot scheme to upgrade semi-skilled construction workers to skilled workers. Progress of these training and promotion measures is set out below.

\$320 million for Investing in Construction Manpower

(I) Enhanced Construction Manpower Training Scheme

The “Enhanced Construction Manpower Training Scheme” (ECMTS) aims at training semi-skilled workers for trades with projected labour shortage with enhanced training allowances. As of end 2015, 9 200 semi-skilled workers were trained under ECMTS, exceeding the target of 7 600 by 20%. In view of its effectiveness, CIC continues the ECMTS initiative using the Construction Industry Levy and has trained about 4 700 semi-skilled workers from 2016 to end August 2017.

(II) Enhanced Construction Supervisor/Technician Training Scheme

The “Enhanced Construction Supervisor/Technician Training Scheme” (ECSTS) aims to attract more young people to join the industry as construction supervisors and technicians. As of end August 2017, 884 trainees had undertaken the training courses. Of them, 641 trainees had graduated. CIC expects that the target of training 1 000 construction supervisors and technicians will be met by end 2018 and plans to continue this programme afterwards.

(III) Subsidies for In-service Workers Attending Skill Enhancement Training Courses and Trade Tests

To attract in-service workers with adequate skills and experience to register as semi-skilled or skilled workers, subsidies were provided for a target of 12 500 in-service workers to attend skill enhancement training courses and trade tests. The target was met in early 2015. Since then, CIC has been using the Construction Industry Levy to continue to provide the subsidies. From 2010 to August 2017, the percentage of registered skilled/semi-skilled workers has increased from 40% to 50% of total registered construction workers.

(IV) Promotion Activities

From 2011 to 2015, we collaborated with CIC to conduct the “Build-Up Publicity Campaign”¹ to project a positive image of the industry. Based on the findings of CIC’s image tracking surveys, young interviewees willing to join the industry has increased significantly from about 8% in 2011 to about 24% in 2017. The number of registered construction workers has also increased by about 65% in the same period. In June 2017, the average age of newly registered construction workers is 38 (versus 46 for all registered workers), showing that our promotion efforts have effectively attracted more young people to join the industry.

\$100 million for Pilot Scheme of Training Skilled Workers

(V) Advanced Construction Manpower Training Scheme – Pilot Scheme

The “Advanced Construction Manpower Training Scheme – Pilot Scheme”² (ACMTS) was launched in September 2015 for lifting the skills of semi-skilled workers to the level of skilled workers. Sufficient supply of skilled workers is essential to the timely delivery of various major infrastructure and public housing projects.

¹ Major initiatives under the “Build Up Publicity Campaign” included launching two series of RTHK TV drama “Dreams Come True” on the construction industry, launching the Build Up Ambassadors, displaying of selected trade and industry posters, organising roving exhibitions, outreaching to schools, arranging visits to the Construction Industry Resource Centre, etc.

² CIC has budgeted with \$217 million for the Pilot Scheme which includes the amount of \$100 million to be funded by the Government. The commitment of \$100 million covers part of the training allowance for structured on-the-job training while CIC funds the other costs and outstanding balance for training allowance.

There are two training modes under this scheme, namely structured on-the-job training and skills enhancement courses. Structured on-the-job training provides one to two years' on-the-job training in collaboration with contractors and sub-contractors, whereas skills enhancement courses provide 90-hour training in partnership with labour unions for in-service semi-skilled workers with post-registration experience ranging from one to three years.

In mid-2017, we, in conjunction with CIC, have conducted a review of ACMTS. We interviewed some trainees and consulted industry stakeholders. Furthermore, we considered indicators such as the retention and passing rates of trainees in interim assessments as well as trade tests. In general, ACMTS is effective in upgrading the skill levels of semi-skilled workers. As of August 2017, about 340 semi-skilled workers have completed training and become skilled workers.

In view of the positive response, the training quota for skills enhancement courses conducted by labour unions has been increased from 200 to 800. For structured on-the-job training, we are working with CIC to devise a suite of enhancement measures (e.g. introducing retention bonus in the middle of the training period, increasing the existing bonus to trainees upon passing of trade test with a view to improving the retention rate, etc). In August 2017, we introduced a new technical score on worker training in evaluating tenders for public works contracts, with a view to encouraging contractors and their subcontractors to enhance worker training through collaborative training schemes including ACMTS. Further reviews would be conducted at a later stage of the pilot scheme. We expect to meet the target training quota in 2019.

(VI) Summary Table

Measures	Funding originally earmarked (\$million)	Revised funding earmarked (\$million)	Training target	Achievements*
1. Investing in Construction Manpower				
(i) ECMTS	210	222	7 600	9 200
(ii) ECSTS	75	75	1 000	884#
(iii) Subsidies for in-service workers attending skills enhancement training courses and trade tests	15	3	12 500	12 500
(iv) Promotion	20	20	--	--
Sub-total	320	320		
2. Pilot Scheme of Training Skilled Workers				
(v) ACMTS – Pilot Scheme (Structured On-the-job Training) ³	100	100	800	437# ⁴
Total	420	420		

* As at 31 August 2017, measured by number of training places/courses/subsidy quota provided.

Total number of graduates and trainees under training.

³ The commitment of \$100 million by the Government only covers part of the training allowance for structured on-the-job training.

⁴ CIC is proactively promoting the scheme to industry stakeholders to recruit more trainees.