

立法會 *Legislative Council*

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

Purpose

This report gives an account of the work of the Panel on Development ("the Panel") for the 2018-2019 session. It will be tabled at the meeting of the Legislative Council ("LegCo") on 3 July 2019 in accordance with Rule 77(14) of the Rules of Procedure of LegCo.

The Panel

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

3. For the 2018-2019 session, the Panel comprises 37 members. Hon LEUNG Che-cheung and Hon Kenneth LAU Ip-keung were elected Chairman and Deputy Chairman of the Panel respectively. The membership list of the Panel is in **Appendix II**.

Major work

Increasing land supply

4. Land shortage has been plaguing Hong Kong for years. Severe shortage of land supply for housing developments has resulted in soaring property prices and a long waiting list for public rental housing ("PRH").

According to the figures announced by the Rating and Valuation Department in June 2019, the private domestic property price index reached a high point of 377.3 in 2018 (an increase of 277.3% from 100 in 1999). As at end-March 2019, there were about 146 300 general PRH applicants, and their average waiting time was 5.5 years, exceeding the target of Hong Kong Housing Authority ("HKHA") to provide first flat offer to general applicants at around three years on average.

5. In this session, the Panel conducted extensive discussions at various meetings on initiatives to increase land supply; and also considered at the meeting on 19 December 2018 the staffing proposals for the Civil Engineering and Development Department ("CEDD"), Lands Department ("LandsD"), Planning Department and Government Property Agency to enhance staffing support for relevant land supply initiatives.

Recommendations of the Task Force on Land Supply

6. On 31 December 2018, the Task Force on Land Supply ("TFLS")¹ submitted its report, entitled "Striving for Multi-pronged Land Supply",² to the Government after consolidating and studying all opinions received during the five-month public engagement exercise it had launched from April to September 2018 to solicit public views on 18 land supply options.³ In gist, TFLS reckoned that the actual land shortfall up to 2046 should be significantly higher than the estimate of 1 200 hectares ("ha") made under the "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" study ("Hong Kong 2030+ Study") in 2015. In the face of this pressing land shortage problem, TFLS recommended the Government to adopt a multi-pronged land supply strategy through concurrent implementation of various land supply options in the short-, medium- and long-term and develop more land to create a future land reserve, with priority accorded to the following eight options that were generally supported by the society:

- (a) *three short- to medium-term options*: (i) developing brownfield sites, (ii) tapping into private agricultural land reserve in the New Territories ("NT"), and (iii) alternative uses of sites under private recreational leases ("PRL"); and

¹ TFLS was appointed by the Chief Executive in August 2017 for a term of 18 months starting from 1 September 2017.

² The report of TFLS is available at: <https://www.landforhongkong.hk/en/views/index.php>

³ Details are set out in the dedicated website of the public engagement exercise: <https://www.landforhongkong.hk/en/index.php>.

- (b) *five medium- to long-term options*: (i) near-shore reclamation outside Victoria Harbour, (ii) developing the East Lantau Metropolis, (iii) developing caverns and underground space, (iv) developing more new development areas ("NDAs") in NT, and (v) developing the river trade terminal site.

7. On 20 February 2019, the Government announced that it had fully accepted TFLS' recommendations, including the implementation of the eight priority land supply options. It would accordingly implement a more robust and visionary land supply strategy to increase land supply on a sustained basis and build up a land reserve under a multi-pronged land supply approach, commission all technical assessments and studies necessary for land supply planning as early as possible, and adopt an infrastructure-led and capacity creating approach in planning and providing strategic transport infrastructure.

8. The Panel held a special meeting on 1 March 2019 to discuss the report of TFLS and the Government's response to the recommendations made in the report. Members expressed various views on the priority land supply options, among which the partial development of the Fanling Golf Course ("FGC") site and the proposed construction of artificial islands in Central Waters were the focuses of discussion.

9. Some members were disappointed that the Administration had planned to resume only a limited part of 32 hectares ("ha") within the expanse of the 172-ha FGC currently used only by a small privileged group, and criticized the Administration for lacking the determination to resume the entire FGC for meeting the imminent housing demand. Some other members however held the view that FGC should be retained in entirety as it was the only qualified venue in Hong Kong for hosting international golf tournaments, and had ecological and heritage values.

10. The Administration advised that it would commence a detailed technical study in the second half of 2019 for completion by early 2021 to ascertain the highest flat yield (with emphasis on public housing) attainable by developing the 32 ha of land east of Fan Kam Road of FGC; assess the scope of infrastructural works required to support such development (including transport infrastructure); identify environmental, ecological constraints, and formulate relevant mitigation measures; and come up with an implementation plan with timing and costs.

11. Given that there were already a number of on-going/planned large-scale development projects in NT North including the FGC development,

members were concerned whether the development of supporting traffic infrastructure could timely cope with the rising demand in the region. In this connection, the Panel passed a motion urging the Administration to expeditiously study the provision of additional highways and railways to connect NT and the urban areas.

12. The Administration advised that transport impact assessment would be carried out to examine the overall traffic impact of the housing development in FGC and ascertain the necessary and viable road improvement works. Regarding the road and railways connecting NT and the urban areas, the Transport and Housing Bureau ("THB") had planned to take forward the "Strategic Studies on Railway and Major Roads beyond 2030" based on the overall planning framework to be firmed up under the Hong Kong 2030+ Study.

Lantau Tomorrow Vision and studies on artificial islands in Central Waters

13. In her 2018 Policy Address, the Chief Executive ("CE") announced the Lantau Tomorrow Vision ("the Vision") under which phased reclamation would be undertaken in the Central Waters between Lantau and Hong Kong Island for the construction of artificial islands with a total area of about 1 700 ha to build a new residential and business hub, with 260 000 to 400 000 residential units, 70% of which being public housing, to house 700 000 to 1.1 million people. The artificial islands would evolve into the third Core Business District of Hong Kong following Central and Kowloon East, providing some 340 000 diversified employment opportunities. The Administration intended to realize the Vision in the coming 20 to 30 years.

14. In response to public concerns over the financial implications of this mega-scale plan, the Administration offered a ballpark estimate suggesting that the construction cost of the key projects with studies planned to start in 2019 or 2020⁴ would be in the order of \$624 billion in September 2018 prices. In parallel, the Administration cited the estimate of Hong Kong Institute of Surveyors that the Kau Yi Chau ("KYC") Artificial Islands alone could

⁴ The key projects covered:

- (a) the reclamation and infrastructure works for two development areas, viz. Kau Yi Chau Artificial Islands and Sunny Bay Reclamation, Lung Kwu Tan Reclamation and Tuen Mun coastal area development (including River Trade Terminal); and
- (b) construction of priority transport network, comprising Kau Yi Chau – Hong Kong Island Corridor (Road and Rail), Kau Yi Chau – Lantau Road Link, Kau Yi Chau – Sunny Bay Rail Link, Western Coastal Rail Link, and Road P1 + upgrading of Lung Mun Road.

generate land sale revenue in the order of \$974 billion to \$1,143 billion, hence sufficient to enable the projects to break even.

15. At the Panel meeting on 26 March 2019, the Panel was consulted on the funding proposals on the studies related to artificial islands in the Central Waters at an estimated cost of \$550.4 million in money-of-the-day ("MOD") prices and a \$1,000 million Lantau Conservation Fund ("LCF"). Subject to the funding approval from the Finance Committee ("FC"), the Administration planned to commence the studies in the latter half of 2019 for completion in 42 months (i.e. in mid-2023). Based on this schedule, the first-phase reclamation works for the 1 000-ha KYC Artificial Islands would commence in 2025 for the first population intake in 2032. The Panel held two special meetings on 13 and 27 April 2019 to receive views from 203 individuals/deputations on the subject. A majority of the attending individuals/deputations expressed support for taking forward the Vision.

16. Members expressed divergent views on this highly controversial development plan. Some members were supportive of the Vision to provide land reserve for meeting the long-term housing and economic needs. These members also supported the Administration's approach of according priority to the construction of new strategic road and rail networks to link up the KYC Artificial Islands, Hong Kong Island West, North Lantau and the coastal areas of Tuen Mun.

17. Members opposing the Vision were worried that the high costs involved would seriously deplete the fiscal reserve and caused grave and irreversible environmental impacts. They also queried that the ballpark estimate given by the Administration was misleading and that the final construction costs might far exceed the estimate, taking into account the trend of construction prices and the recurrence of cost overruns in many on-going infrastructure projects and those recently completed. These members considered that the Administration should instead go for other land supply options such as developing brownfield sites, and resuming private agricultural land and PRL sites.

18. The Administration advised that the projects under the Vision would span two to three decades and would be implemented in phases with the project costs spreading over a long time frame and thus would not cause undue burden on the public coffer. The preliminary estimate that reclamation for the artificial islands would cost about \$13,000 to \$15,000 per square metre ("sq m") was broadly comparable to the cost of resuming the private agricultural land which was at about \$14,500 per sq m. As the KYC Artificial Islands would only be about 10 kilometres away from

Central/Sheung Wan, the cost of providing transport infrastructure for the artificial islands should be no more than that of supporting an NDA in NT. Also, in taking forward the option of developing brownfields, the constraints associated with the relocation of the active brownfield operations on the sites should not be overlooked. The Administration would take forward various land supply options in the short-, medium- and long-term under the multi-pronged land supply strategy. Meanwhile, the Administration would also set up the dedicated LCF to support the conservation of rural Lantau.

19. To instil public confidence in the Vision, members called on the Administration to examine in the coming studies the relevant impacts on the environment, marine ecology and the fisheries industry together with the remedial measures, and ascertain the artificial islands' resilience to climate change and extreme weather conditions. In taking forward the Vision, the Administration should initiate public engagement activities to enable the public to appreciate the value of the Vision and clear misunderstandings.

20. After discussion, the Panel passed a motion expressing in-principle support to conducting studies related to artificial islands in Central Waters.

Kwu Tung North and Fanling North New Development Areas

21. According to the Administration, Kwu Tung North ("KTN") and Fanling North ("FLN") NDAs, together with the other NDA projects in NT, formed a core part of the multi-pronged land supply strategy in the medium- and long-term. The development of the two NDAs as well as the compensation and rehousing arrangements for the affectees had received on-going attention of the Panel. At the meeting on 22 January 2019, the Panel was consulted on the funding proposals for the main works, detailed design and Special Ex-gratia Cash Allowance for the development.⁵ Members noted that KTN and FLN NDAs would be implemented in two phases: first phase and remaining phase, and would yield a total of about 71 800 housing units (of which about 48 500 or nearly 70% would be public housing), and provide about 868 000 sq m commercial floor areas upon full development. The Administration planned to commence land resumption and clearance for the first phase in the second half of 2019. Population intake was expected to start in 2023, with the infrastructure works to be completed in 2031.

22. The Panel generally supported the funding proposals and urged the Administration to expedite the development, which had taken more than 10

⁵ The funding proposals were approved by FC on 3 May 2019.

years for planning, consultation and preparation. Noting that the entire development would involve resumption of about 180 ha of private land under the Land Resumption Ordinance (Cap. 124) and other legislation, as well as clearance of about 230 ha of government land, hence affecting about 4 200 people in 1 500 households and 440 business undertakings (including brownfields operations), members called on the Administration to provide appropriate compensation, rehousing and necessary assistance to those affected. In particular, members were most concerned about the progress and timetable of the allocation of new PRH units in the same locality (such as in Po Shek Wu Estate in Sheung Shui) for the affected households. Given that many affected households were keeping pet animals, members also asked about the compassionate arrangement for them to keep their pet animals after rehousing to PRH units.

23. The Administration advised that the detailed screening of the eligibility for the enhanced general compensation and rehousing arrangement of the households affected by the first phase development commenced in July 2018 and was ongoing. As HKHA would shortly commence the allocation of new PRH estate units within the district, LandsD had invited these affected households to submit relevant documentary proof on or before 8 March 2019 if they hoped to be considered for allocation to these units. In parallel, LandsD had also invited those affected by the remaining phase to submit voluntary applications for early surrendering of their squatter structures. Two social service teams were engaged to provide assistance to the affectees. As regards the pet keeping arrangement upon rehousing to PRH, the tenants should follow the established pet keeping policies, but under special circumstances, discretion could be exercised to allow the keeping of dogs for physically impaired tenants and tenants who needed to keep companion dogs for mental support.

24. The Panel was also very concerned about the relocation arrangements for some 900 elderly residents in the 15 private residential care homes for the elderly ("RCHEs") at Dills Corner Garden ("DCG") which would be cleared for the development, and passed a motion requesting the Administration to ensure that the affected elderly residents and RCHEs operators would be resettled to the new Multi-welfare Services Complex ("the Complex") in KTN NDA with no time gap between clearance and resettlement.

25. The Administration advised that it was considering suitable transitional arrangements for those about 160 elderly residents to be affected in the first phase clearance, including moving them to vacant places in those RCHEs at DCG not affected in the first phase. The second phase clearance would only take place after all the eligible elderly residents had been moved to the new

contract RCHEs in the Complex expected to be ready for intake in 2023. An inter-departmental working group led by the Social Welfare Department had been closely liaising with the existing operators with a view to ensuring the smooth transition and relocation of the eligible elderly residents. As for the existing operators of RCHEs at DCG, they could submit tenders for the open bidding of the new contract RCHEs in the Complex, and the Administration was considering the possibility of incorporating in the marking scheme for the tender assessment the bidders' resettlement plans for the staff and elderly residents of the existing RCHEs at DCG.

26. Some members called on the Administration to take heed of the demand of the affected farmers for maintaining their living-cum-farming style after relocating to the future Agricultural Park or other government land by allowing them to build domestic squatters on their farmland for residential purpose. The Administration stressed that new domestic squatters on government land were prohibited under the prevailing squatter control policy, yet the Administration would allow the erection of lodging and storage units for storage or related agricultural uses, and as a resting place for farmers to carry out duties of managing the farm and produce.

27. To timely cater for the growing transport demand arising from the NDA development, members called on the Administration to ensure that the implementation of the Northern Link (and Kwu Tung Station) would match with the development timetable. The Administration advised that the target commissioning of Kwu Tung Station was to tie in with the programme of first population intake of the public housing development expected in 2027.

Funding scheme to support the use of vacant government sites by non-governmental organizations

28. The effective use of vacant government sites (including vacant school premises ("VSPs") on government land) was among one of the Panel's continuous concerns. At the Panel meeting on 27 November 2018, members were briefed on the Administration's proposal to create a new non-recurrent commitment of \$1 billion for implementing a funding scheme to provide non-governmental organizations ("NGOs") with financial support to take forward worthy projects on vacant government sites under short-term tenancies ("STT").⁶

29. Members generally supported the funding scheme and had made suggestions on some implementation details. Members called on the

⁶ The funding proposal was approved by FC on 25 January 2019.

Administration to issue updated information and notices on vacant government sites available for STT applications in a timely manner, and ensure that the mechanism for submitting and approving funding applications for the funding scheme should be kept simple to facilitate kick-start of worthy projects as early as possible. Members also considered that transitional housing and RCHes should be included as permissible uses of the sites under the funding scheme to provide funding support for such projects.

30. The Administration indicated that it would keep the processing of the funding applications simple and minimize bureaucracy, and would also see if the STT application process could be streamlined. Currently, information on vacant government sites (including VSPs) under the management of the LandsD and available for STT applications for community, institutional, or non-profit-making purposes was already uploaded to the "GeoInfo Map" website and updated every two weeks. Projects with the requisite policy support from the relevant policy bureau, including those providing not-for-profit transitional housing and RCHes, would be eligible for the funding support under the funding scheme. The Development Bureau ("DEVB") would chair an inter-departmental Assessment Committee to vet applications and oversee the implementation of the funding scheme.

31. To make the funding scheme more attractive to NGOs, members considered that more adequate subsidies should be provided. Members requested the Administration to expand the subsidy scope to cover not only essential restoration works of the sites/premises but also the costs for interior fitting-out, furniture and equipment, and grant rent waiver to the NGOs during the period when restoration and repair works were being carried out at the sites/premises. There was also a suggestion that assistance should be given to some smaller NGOs which might face difficulties making the upfront payment for the restoration and repair works.

32. The Administration advised that although the funding scheme was not intended to cover the cost for interior fitting-out, furniture and equipment, and other operating or recurrent expenses, the NGOs concerned might seek financial assistance from other funding schemes such as the Community Care Fund or the Lotteries Fund. In general, if policy support was given by a relevant bureau, nominal (or concessionary) rent could be granted under the STT concerned. Further, while the approved grant would be disbursed by instalments normally on a reimbursement basis, DEVB would consider exercising flexibility in the disbursement of the approved funding in accordance with the certified works contracts, quotations and payment documents. After implementation, the Administration would review the funding scheme to assess whether any refinement to its mode of operation and

other details, including whether further allocation of funding was necessary, at an appropriate time.

Revitalization of industrial buildings

33. At the Panel meeting on 19 December 2018, members were briefed on the Administration's plan to reactivate the previous revitalization scheme for industrial buildings ("IBs") launched between 2010 and 2016,⁷ and introduce new measures to better utilize the existing IB stock for meeting the housing, economic and industrial needs, while addressing more effectively the issues of fire safety and non-compliant uses.

34. The new measures were, in gist, (a) offering a three-year time-limited exemption of waiver fees for applications for wholesale conversion, with an additional condition that 10% of the converted gross floor area ("GFA") should be designated for specific uses prescribed by the Government; (b) as a policy direction, relaxing the maximum permissible non-domestic plot ratio by up to 20% to incentivize redevelopment of pre-1987 IBs located outside "Residential" zone in Main Urban Areas and New Town; (c) exercising flexibility in the application of planning, land lease and building design requirements to facilitate community-led transitional housing proposals for wholesale-converted IBs without industrial uses; (d) relaxing the waiver application policy to permitted uses for arts and cultural sectors, creative industries and innovation and technology sectors; (e) broadening the permissible uses of buffer floors; and (f) promulgating a broader definition for "Godown" use under lease provisions.

35. Members welcomed the proposed new measures, and asked how effective such new measures could facilitate non-industrial uses (such as those relating to the arts and cultural sectors and creative industries, etc.) and community-led not-for-profit transitional housing projects to take place in wholesale converted IBs.

36. Members suggested that the Administration should consider designating a higher GFA for specific uses so as to accommodate more arts practitioners in wholesale converted IBs. In this regard, the Administration advised that it was striking a careful balance between supplying designated floor space for some non-industrial users and incentivizing owners to pursue wholesale conversion for their premises.

⁷ According to the Administration, a total of 133 applications for wholesale conversion and redevelopment of aged IBs were approved under the previous revitalization scheme.

37. To provide incentive for IB owners to participate in community-led not-for-profit transitional housing projects, members suggested the Administration to subsidize the conversion cost. As transitional housing projects in IBs would only be permitted under the relevant Outline Zoning Plans if they were for a period of five years or less, members suggested allowing renewal of the projects for another five years after expiry of the first period such that IB owners would find it more cost effective to pursue such projects. Further, the Panel passed a motion urging the Government to study the provision of funding from the Community Care Fund to subsidize the internal fitting-out of the IBs for providing transitional housing, and include tenancy terms to cap the rental level.

38. The Administration advised that under the new revitalization scheme, transitional housing units could be provided in portions or entire blocks of IBs that had undergone or would pursue wholesale conversion into non-industrial uses. Under this initiative, the Building Authority might exercise powers under the Buildings Ordinance (Cap. 123) ("BO") to exempt transitional housing units from certain domestic building requirements. The flexibility in applying such building requirements would have reduced the conversion cost involved in the provision of transitional housing units. Some IB owners had already expressed an interest in pursuing such projects. THB was chairing a task force to provide one-stop, co-ordinated support to assist NGOs in pursuing not-for-profit transitional housing projects. The task force would formulate a suitable policy about the rental level for transitional housing, and look into the merits of each proposal taking into account all relevant factors, such as safety and potential impact on the surrounding environment.

Initiatives to enhance the performance of construction works and support the construction industry

39. In light of the common problems of exorbitant construction costs, cost overruns and programme delays for public works projects in recent years, the Administration established the Project Cost Management Office ("PCMO") in June 2016 to carry out project cost management. With a view to strengthening cost management and uplifting the performance of public works projects, PCMO was upgraded and expanded to form the Project Strategy and Governance Office ("PSGO") on 1 April 2019.

40. At the Panel meeting of 27 November 2018, members were consulted on the staffing proposal on the creation of directorate posts required for the establishment of PSGO. While most members raised no objection to the staffing proposal, some members were concerned about how effective PSGO could tighten up cost management for public works projects and curb cost

overrun and programme delays. In the case where PSGO found that a public works project was not cost-effective, whether it could terminate its implementation. Given the recent flawed construction saga of some railway projects entrusted to MTR Corporation Limited under service concession agreements, members were also very concerned about how and to what extent PSGO could intervene in the cost surveillance and project governance of such kind of projects.

41. The Administration advised that PSGO would vet the projects starting from inception stage (i.e. when a Category C works project was going to be established), exercise cost control at construction stage and monitor the performance of the projects on a continuous basis until project completion using the Project Surveillance System ("PSS").⁸ PSS could provide predictive analysis on the cost and time performance of on-going projects, thereby enabling works departments to foresee challenges or potential problems and give early warning signs to the senior management for necessary early step-in. As for projects delivered through service concession agreements, PSGO would explore with the relevant bureau and works department on the mechanism to enable PSGO to strengthen cost management for such projects.

42. Members also examined the proposal of earmarking \$69.5 million for establishing and operating a Centre for Excellence for Major Project Leaders ("CoE") as well as conducting consultancy studies on enhancing performance and delivery capability of public works projects. They queried the high cost incurred to provide training for only 150 to 200 officers by CoE in three years, and asked whether the training provided would overlap with that of the proposed civil service college announced in CE's 2017 Policy Address.

43. The Administration advised that the proposed CoE would provide structured, sustained and contemporary high-level project leadership training for major project leaders, mainly comprising directorate officers (D2 or above), while the proposed civil service college offered training for civil servants in general. Reference was made to similar institutions in other jurisdictions, such as Australia, Singapore and the United Kingdom,⁹ when working out the

⁸ According to the Administration, PSS was established based upon the cashflow data of over 600 projects completed in the past 20 years and taken into account all the typical characteristics of the projects under the Capital Works Programme.

⁹ According to the Administration, similar institutions included the Office of Projects Victoria in Australia, the Centre for Public Projects Management in Singapore, and the Infrastructure and Projects Authority in the United Kingdom.

operating cost estimation of CoE. The Administration would appoint a consultant to assist in formulating programme requirements and conducting tender exercise for engaging eligible professional institution(s) to deliver the training programme, formulate the programme details and selection criteria of participants.

44. At the Panel meeting on 19 December 2018, the Panel supported a funding proposal at an estimate of \$214.4 million for the Buildings Department ("BD") to develop an Electronic Submission Hub for centralized processing of electronic building plans and documents and applications under BO,¹⁰ with a view to improving the operational efficiency in processing such documents, and encouraging greater and fuller use of Building Information Modelling ("BIM") in the industry. BIM could enable visualization of designs to enhance planning and co-ordination in the construction process, reduce material wastage and pre-empt safety pitfalls and unworkable designs.

45. At the meeting on 28 May 2019, the Panel was consulted on the funding proposal to allocate \$200 million for enhancing the training of construction workers in trades with keen manpower demand. Members supported the proposal unanimously, and urged the Administration, in collaboration with the Construction Industry Council, to closely monitor the progress of the enhancement measures and make adjustments where necessary to suit the latest manpower demand of the industry.

Lift Modernization Subsidy Scheme

46. During the session, the Panel continued to follow up on the Government's efforts in enhancing lift safety in Hong Kong. Members generally welcomed the launching of the \$2.5 billion "Lift Modernization Subsidy Scheme" ("LIMSS") by the Administration,¹¹ and had given various views on the implementation details at the Panel meeting on 23 October 2018.

47. Members noted that LIMSS administered by the Urban Renewal Authority ("URA") aimed at providing financial subsidies for those building owners in need to carry out modernization works for the lifts in private residential or composite buildings that had not been installed with all the essential safety devices, i.e. double brake system, unintended car movement protection device, ascending car overspeed protection device and car door mechanical lock and door safety edge. The subsidies would cover 60% of the total cost of eligible modernization works and the fee of consultants

¹⁰ The funding proposal was approved by FC on 1 February 2019.

¹¹ The funding proposal was approved by FC on 7 December 2018.

engaged by participating buildings, subject to a cap of \$500,000 per lift. Elderly eligible owner-occupiers aged 60 or above could receive the full cost that they had contributed towards the eligible lift modernization works without the need to go through any asset or income test, subject to a cap of \$50,000 per domestic unit.

48. Members considered that the Administration should expand LIMSS to cover more aged lifts needing modernization and help more building owners in need. They suggested raising the ceiling on the average rateable value ("RV") of domestic units in the eligible buildings,¹² and increasing the funding under LIMSS in order to cover more buildings. Members also called on the Administration to expand the subsidy scope to cover those elderly owner-occupiers of buildings that were not applicable under LIMSS. The Panel passed two motions putting forward relevant suggestions.

49. The Administration advised that based on the average RV proposed under LIMSS, it was estimated that about 13 000 lifts, about half of which would be more than 30 years, would be eligible, yet raising the RV ceiling might defeat the policy intent of helping those more needy owners. The \$2.5 billion LIMSS would be adequate to modernize about 5 000 lifts in six years. The Administration would review the effectiveness of LIMSS in about two years after launching. For those elderly owner-occupiers of those buildings not applicable under LIMSS, they could instead seek financial assistance under other existing subsidy schemes such as the "Building Maintenance Grant Scheme for Elderly Owners" and the "Building Safety Loan Scheme" to modernize their aged lifts where appropriate.

50. Members noted the Administration's plan to invite applications under LIMSS by the end of the first quarter of 2019.¹³ Subject to some conditions, on-going lift modernization works of eligible buildings would also be eligible for making applications under LIMSS.

Establishment of Urban Forestry Support Fund

51. At the meeting on 28 May 2019, the Panel was consulted on the proposed establishment of a \$200 million Urban Forestry Support Fund ("the Fund") to uplift the professional standards of arboriculture and

¹² The Administration proposed setting the ceiling on the average RV of domestic units in the eligible buildings at \$162,000 per annum in urban areas (including Sha Tin, Kwai Tsing and Tsuen Wan districts) and \$124,000 per annum in NT (all NT districts excluding Sha Tin, Kwai Tsing and Tsuen Wan districts).

¹³ The first round of applications started in 29 March 2019 and will close on 31 July 2019.

horticulture practitioners and strengthen public education and promotion on proper tree care. Members were supportive of the initiatives to be implemented under the Fund, namely, a study sponsorship scheme to provide financial incentives to encourage more people to undertake arboriculture programmes offered by local vocational, tertiary and training institutions; a trainee programme to offer on-the-job training to arboriculture and tree management graduates; international urban forestry conferences to be held biennially from 2020 to 2024 tentatively; and public education and promotion campaigns. Such initiatives could facilitate professional development of the arboriculture and horticulture industry, improve the quality of the urban forest, protect public safety and enhance liveability of the city.

52. To further upgrade the professional standards of the arboriculture and horticulture industry and better safeguard public safety, the Panel passed a motion urging the Administration to consider introducing legislation to promulgate a regulatory regime for the industry and implementing a registration regime for arboriculture and horticulture practitioners. The Administration responded that it was cautiously open-minded on the introduction of legislation on tree management, and would in due course review the feasibility of and suitable timing for introducing relevant legislation taking into account the development of the arboriculture and horticulture industry in Hong Kong. Meanwhile, the Administration would actively consider introducing a registration system for arboriculture and horticulture practitioners.

Heritage conservation

53. During the session, the Panel continued to monitor the Administration's work in conserving and revitalizing the heritage sites and buildings in Hong Kong. At its meeting on 22 January 2019, the Panel considered the progress report on heritage conservation initiatives.

54. Members had discussed about the need for reviewing the heritage conservation regime in Hong Kong. Given that a number of privately-owned historic buildings were demolished by its owners over the years for developments, some members were concerned about the lack of statutory protection for historic buildings under the existing administrative grading system and urged for a revamp of the Antiquities and Monuments Ordinance (Cap. 53) to provide for different levels of statutory protection for different grades of historic buildings. A motion was passed by the Panel on this request. Members also called on the Antiquities and Monuments Office ("AMO") to launch a new round of survey to shortlist historical buildings for grading, as the last round conducted from 1996 to 2000 covered only those

built before 1950, but not those built afterwards. Furthermore, there was a view that the heritage conservation policy promulgated in 2007 should be fundamentally revamped to promote also the preservation of movable heritage and landscape heritage, including valuable trees, and adopt the "point-line-plane" approach more widely for conserving and protecting selected building clusters of unique heritage value.

55. The Administration considered that the current heritage conservation policy and the legislative regime had been providing suitable protection for graded historic buildings, while balancing the need to respect private property rights. Over the years, the Administration had successfully preserved a number of privately-owned historic buildings, including total preservation, partial demolition or preservation-cum-development, by devising appropriate economic incentives to their owners. Other than the currently graded historic buildings, the Antiquities Advisory Board had been carrying out grading assessment for some 300 new suggestions, which included buildings built in both 1950s and 1960s. On the protection of valuable trees, tree preservation clauses had been included in land leases to require land owners to apply to LandsD before felling any tree on their land. Regarding the "point-line-plane" conservation approach, this was adopted in revitalizing the Central Police Station Compound, and for developing preservation-cum-development options for the preservation of the Shaw Studio Compound. Eight degree-awarding academic institutions were invited to conduct thematic studies on the "point-line-plane" conservation approach with funding provided under the Built Heritage Conservation Fund and the studies were expected to complete in two years' time.

56. Expressing concerns over the damages to and repair work for historic buildings and monuments after Super Typhoon Mangkhut had battered Hong Kong in September 2018, members noted that AMO had inspected all the 120 declared monuments and assisted in the repair works as required, such as the damaged steps and gas lamps at Dudell Street in Central.

Legislative proposals

Technical amendments to two pieces of subsidiary legislation made under the Buildings Ordinance (Cap. 123)

57. At the meeting on 26 February 2019, The Panel was consulted on the legislative proposals to amend the Building (Construction) Regulations

(Cap. 123 sub. leg. B) ("B(C)R"),¹⁴ and the Building (Minor Works) Regulation (Cap. 123 sub. leg. N) ("B(MW)R").¹⁵

58. Members noted that B(C)R was proposed to be revamped for implementing a performance-based building control system and enhancing standards on the design and construction of buildings, streets, buildings works and street works under BO. In other words, performance-based provisions would be used in B(C)R as far as practicable to specify the objectives and functional requirements of the relevant works instead of prescribing the detailed technical requirements, with a view to allowing flexibility in building design and facilitating the adoption of innovative building technologies. As regards the proposed amendments to B(MW)R, members noted that these amendments mainly sought to include more minor building works items into the Minor Works Control System to facilitate the public to carry out such works lawfully.

59. While members supported in principle the proposed legislative amendments, there were serious concerns regarding the control over the maintenance works for the exposed sides of external walls, cladding and curtain walls (hereinafter referred to as "external features"). Members considered it not sufficient to merely include performance-based provisions in the revamped B(C)R mandating the use of adequate means of access for maintenance of the external features. To better protect workers' safety, they urged the Administration to seriously consider disallowing the use of gondolas for carrying out such works, and requiring the provision of works platforms wherever external features that would require maintenance were included in the building design.

60. The Administration responded that while it might not be practicable completely disallowing the use of gondolas for maintenance of external features due to the actual maintenance needs of some building designs, the Building Authority would issue new code of practice to promulgate "deemed-to-satisfy" requirements in respect of the design for the safety

¹⁴ Corresponding amendments would also be made to the Building (Administration) Regulations (Cap. 123 sub. leg. A) and the Building (Ventilating Systems) Regulations (Cap. 123 sub. leg. J). The legislative amendments to the relevant pieces of subsidiary legislation would be subject to negative vetting of LegCo.

¹⁵ Corresponding amendments would also be made to the Building (Planning) Regulations (Cap. 123 sub. leg. F) and Schedule 8 to BO. The legislative amendments to the relevant pieces of subsidiary legislation would be subject to negative vetting of LegCo, while that to Schedule 8 to BO would be made by a resolution to be passed by LegCo.

maintenance of external features in compliance with the new provisions under the revamped B(C)R.

Funding and staffing proposals and other subjects deliberated

61. During the session, the Panel had examined the funding proposals for the Capital Works Reserve Fund block allocations for 2019-2020¹⁶ and a number of public works projects, including the construction of footbridges near MTR Kowloon Bay Station Exit B and at the junction of Sham Mong Road and Hing Wah Street West in Sham Shui Po, infrastructure works for Tseung Kwan O stage 1 landfill site, improvement of Lam Wah Street Playground and adjacent area, infrastructure for the Kai Tak Development and an additional district cooling system, the revitalization of Tsui Ping River, works relating to the implementation of the Greening Master Plans for Southwest and Northeast NT, and some drainage and water supply improvement works at different districts, etc.

62. In addition to the staffing proposals mentioned in the earlier part of this report, the Administration also consulted the Panel on the proposed creation of two permanent posts of Chief Electrical and Mechanical Engineer in the Electrical and Mechanical Services Department, and one supernumerary Government Engineering post and one supernumerary Chief Engineering post in CEDD.

63. Other subjects deliberated by the Panel during the session included the work of URA, proposed boardwalk underneath Island Eastern Corridor, and development of Common Spatial Data Infrastructure and 3D Digital Map.

Work of the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project

64. In the session, the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project formed under the Panel on Development and the Panel on Home Affairs deliberated various issues including, among others, the updated progress of the development of the West Kowloon Cultural District ("WKCD"), including the Xiqu Centre, M+, the Art Park and Freespace, Lyric Theatre Complex, Zone 2 of WKCD, the Art, Commerce and Exhibitions Development Package; the cultural software development of the WKCD project; the updated financial position of the WKCD project; and integration and connectivity of WKCD with its neighbouring districts. To continue its work on monitoring the

¹⁶ The funding proposal was approved by FC on 22 February 2019.

implementation of the WKCD project, the Joint Subcommittee would, subject to the views of members of the above two Panels, seek approval from the House Committee on the continuation of its work in the 2019-2020 session.

Meetings

65. Up to the end of June 2019, the Panel held a total of 13 meetings, and will hold another meeting in July 2019. The Joint Subcommittee held a total of five meetings.

Council Business Division 1
Legislative Council Secretariat
24 June 2019

Legislative Council

Panel on Development

Terms of Reference

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

Panel on Development

Membership list for the 2018-2019 session *

Chairman	Hon LEUNG Che-cheung, SBS, MH, JP
Deputy Chairman	Hon Kenneth LAU Ip-keung, BBS, MH, JP
Members	<p>Hon Abraham SHEK Lai-him, GBS, JP Hon Tommy CHEUNG Yu-yan, GBS, JP Hon Jeffrey LAM Kin-fung, GBS, JP Hon CHAN Hak-kan, BBS, JP Dr Hon Priscilla LEUNG Mei-fun, SBS, JP Hon Mrs Regina IP LAU Suk-yee, GBS, JP Hon Paul TSE Wai-chun, JP Hon Michael TIEN Puk-sun, BBS, JP Hon Frankie YICK Chi-ming, SBS, JP Hon MA Fung-kwok, SBS, JP Hon CHAN Chi-chuen Hon CHAN Han-pan, BBS, JP Hon Alice MAK Mei-kuen, BBS, JP Dr Hon KWOK Ka-ki Dr Hon Fernando CHEUNG Chiu-hung Dr Hon Helena WONG Pik-wan Dr Hon Elizabeth QUAT, BBS, JP 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 Tanya CHAN Hon CHEUNG Kwok-kwan, JP Hon HUI Chi-fung Hon LAU Kwok-fan, MH</p>

Dr Hon CHENG Chung-tai
Hon Jeremy TAM Man-ho
Hon Gary FAN Kwok-wai
Hon Vincent CHENG Wing-shun, MH
Hon Tony TSE Wai-chuen, BBS

(Total: 37 members)

Clerk Ms Doris LO

Legal Adviser Ms Vanessa CHENG

* Changes in membership are shown in the Annex

Annex to Appendix II

Panel on Development

Changes in membership (Year 2018-2019)

Member	Relevant date
Hon WONG Ting-kwong, GBS, JP	up to 15 October 2018
Hon Steven HO Chun-yin, BBS	up to 15 October 2018
Hon WONG Kwok-kin, SBS, JP	up to 17 October 2018
Hon LUK Chung-hung, JP	up to 17 October 2018
Dr Hon CHIANG Lai-wan, SBS, JP	up to 21 October 2018
Hon CHAN Kin-por, GBS, JP	up to 20 January 2019
Hon CHAN Chun-ying, JP	up to 20 January 2019