

立法會 *Legislative Council*

LC Paper No. CB(1)815/19-20

Ref.: CB1/PL/DEV

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") during the 2019-2020 session. It will be tabled at the meeting of the Legislative Council ("LegCo") on 8 July 2020 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 2019-2020 session, the Panel comprises 34 members. Hon Tony TSE Wai-chuen and Hon LUK Chung-hung 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 of the Rating and Valuation Department as at

May 2020, the private domestic property price index reached a high point of 383 in 2019 (an increase of 283% from 100 in 1999). As at end-March 2020, there were about 153 500 general PRH applicants, and their average waiting time was 5.4 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. To address the land shortage problem, the Chief Executive ("CE") appointed the Task Force on Land Supply ("TFLS") for a term of 18 months starting from 1 September 2017 to take an overall macro-review of land supply options, and engage the community in discussions on land supply options and their priorities. Following a five-month public engagement exercise, TFLS tendered in the report submitted to the Government in December 2018 its recommendations on land supply strategy and eight land supply options worthy of priority studies and implementation.¹ The eight priority land supply options recommended by TFLS are:

Short-to-medium term options

- (i) Developing brownfield sites;
- (ii) Tapping into private agricultural land reserve in the New Territories ("NT");
- (iii) Alternative uses of sites under Private Recreational Leases;

Medium-to-long term options

- (iv) Near-shore reclamation outside Victoria Harbour;
- (v) Developing the East Lantau Metropolis;
- (vi) Developing caverns and underground space;
- (vii) Developing more new development areas ("NDAs") in NT; and
- (viii) Developing the River Trade Terminal ("RTT") site.

6. On 20 February 2019, the Government announced that it fully accepted TFLS' recommendations, including the adoption of a multi-pronged land supply strategy through concurrent implementation of the various land supply options in the short, medium and long term.

7. In this session, the Panel continued to conduct extensive discussions on various initiatives to increase land supply.

¹ The report of TFLS is available at <https://www.landforhongkong.hk/en/views/index.php>.

Developing brownfield sites

8. To provide an objective basis for formulating strategies and measures for tackling issues relating to the development of brownfield sites in NT, the Administration undertook the following studies:

- (a) Study on Existing Profile and Operations of Brownfield Sites in NT ("the Brownfield Study") commissioned by the Planning Department ("PlanD") which includes a comprehensive examination of the overall distribution and uses of brownfield sites; and
- (b) two feasibility studies on multi-storey buildings ("MSBs") for accommodating brownfield operations ("the MSBs Studies") commissioned by Civil Engineering and Development Department ("CEDD") which cover the conceptual design, planning, engineering, environmental and financial assessment, and explore possible modes of operation and management of the proposed MSBs.

9. The Panel was briefed on the results of the Brownfield Study at its meetings on 26 November 2019, and noted an information paper on "Shortlisted brownfield clusters for public housing development" provided by the Administration in March 2020.

10. The Panel noted that the Brownfield Study identified 1 414 hectares ("ha") of active brownfield sites in NT and some other 165 ha with no operation. Among the total 1 579 ha of brownfield sites, more than half (803 ha or 51%) would be developed or redeveloped progressively for housing and other uses (including 653 ha covered by NDA projects launched/to be launched/being planned, and about 150 ha covered by known development projects initiated by either the Government or the private sector). Of the remaining 776 ha of brownfield sites, 76 ha were within conservation-related zones and about 700 ha scattered across different parts of NT.

11. Given that many existing brownfield operations, such as general warehouse/storage, construction, logistics, vehicle repairing and related operations, and vehicle parking, played an important role in the Hong Kong economy, members were concerned about the measures for reprovisioning the displaced operations while developing the brownfield sites. They were worried that the reservation of a mere 72 ha of land in Hung Shui Kiu/Ha Tsuen ("HSK/HT") and Yuen Long South NDAs was grossly inadequate for accommodating the displaced brownfield operations, and that some

brownfield operations were not suitable for operating at MSBs, not to mention the higher rent at MSBs. They urged the Administration not to underestimate the business demand for the affected brownfield operations as well as the impact of their displacement, including job losses.

12. The Administration advised that one of the main directions of its land use planning involving brownfield sites in NT was to provide land or space to support sustainable development of industrial operations, with due regard to the benefits of cluster development, need for greater land efficiency and operational requirements for some businesses to operate outdoor. On a macro planning level, the Administration would identify large land parcels with good accessibility and infrastructure in major development projects including NT North NDA, Lam Tei Quarry and near-shore reclamation at Lung Kwu Tan to provide concentrated, orderly and more land efficient accommodation for brownfield operations. At the current stage, the Administration would not rule out the possibilities of various relocation options, such as the provision of a logistic hub.

13. As regards MSBs, the MSB Studies had confirmed the architectural and technical feasibility of purpose-built industry specific MSBs and was looking into the relevant details, such as the special access, headroom and loading requirements, etc. Meanwhile, the Administration was making preparation to launch a market sounding exercise to ascertain the market interest towards developing and operating MSBs for key brownfield businesses under different scenarios involving different contractual requirements and tender conditions (e.g. tenant selection and rental requirements), as well as exploring ways to attract displaced brownfield operations to relocate their businesses to MSBs. While not all brownfield operations might want to move into or could be accommodated in MSBs, eligible brownfield operators affected by clearances under the Government's development programmes might receive ex-gratia allowances, or make statutory claims for compensation under the Government's prevailing policy. The Administration might facilitate their relocation by land administration and planning measures, including assisting them in looking for private land to re-establish their operations and facilitating them to make planning applications; or allowing some operations to operate on certain vacant sites on government land under temporary short-term tenancy, on condition that the operations would comply with the specified land use and would not adversely impact on the environment.

14. In respect of the Administration's follow-up actions on land use planning involving brownfield sites in NT based on the findings of the Brownfield Study, members considered it incumbent upon the Administration

to formulate a comprehensive strategy on developing brownfield sites for public housing development, which should be underpinned by a target proportion of land to be supplied through developing brownfield sites in order to meet the public housing supply target. Specifically, members asked whether the Administration had planned to use the entire 653 ha of brownfield sites covered by NDA projects for public housing development. They also asked about the approach, supporting policy, time frame, priority and objectives for developing these 700-ha brownfield sites for which there was no known development plan.

15. The Administration indicated that the future land use of existing brownfield sites within the boundary of NDA projects would depend on the planning details of individual project, including land uses for public housing, public open space or other facilities. Regarding the remaining 700-ha brownfield sites without known development plan, 450 ha of them might have relatively higher possible development potential given that they were within walking distance (i.e. 500 metres ("m")) to existing new towns and major highways and had a size of at least 2 ha. PlanD had completed the review of 160 ha closer to existing infrastructure and shortlisted eight clusters suitable for public housing development,² with an estimated potential of producing over 20 000 public housing units. CEDD would then commence engineering feasibility studies ("EFSs") on these shortlisted clusters, with a view to transforming them into "spade-ready sites" for handing over to the Housing Department for construction of public housing in about six years (versus at least eight years now in general). The Administration was exploring means to further simplify and expedite the relevant work, aiming at compressing the time needed for production of certain housing units to within ten years approximately from the commencement of EFSs. Meanwhile, PlanD was also examining the remaining 290 ha with a view to completing the assessment by end-2020.

Land Sharing Pilot Scheme

16. TFLS recommended that the Government should formulate a detailed mechanism for public-private partnership that was open, fair, and transparent

² The locations (described in broad terms) of the eight shortlisted brownfield clusters were: Ping Shan North (East of Long Tin Road and West of Yung Yuen Road), Shap Pat Heung (East of Long Ho Road near Shap Pat Heung Interchange), Tai Kei Leng (North of Tai Kei Leng Road), Sha Po (East of San Tam Road), Ping Shan South (South of Tan Kwai Tsuen Road), Nai Wai (North of Wong Kong Wai Road), Lam Tei North (South of Shun Tat Street), and Tai Hang (near Tai Wo Service Road West).

to realize the potential of private land in NT.³ In her 2019 Policy Address, CE released the implementation details for the Land Sharing Pilot Scheme ("LSPS"), which aimed at tapping the market force in planning and construction, with a view to releasing as soon as possible private lots with consolidated ownership but not falling within areas already covered by the Government's development studies. The Panel gave various views on the proposed LSPS at its meeting on 26 November 2019, and received public views on LSPS at a special meeting on 21 January 2020.

17. Members noted that LSPS would receive applications for three years starting from early 2020, subject to a cap of 150 ha of private land to be approved in total. While most members supported launching LSPS to unleash the development potential of private agricultural land in NT, they generally considered that it was of utmost importance to ensure the implementation of an open and fair mechanism in taking forward LSPS with a view to addressing scepticism over transfer of benefits to private developers. There were concerns that some private developers might make use of LSPS to resolve land ownership issues in the development of their agricultural land, and pave way for private property developments at adjacent sites made possible by the provision of the infrastructure and supporting Government, Institutional or Community ("GIC") facilities by the Government in the area. Some members considered that the Government should resume those private lots with development potential for purely public housing development by invoking the Lands Resumption Ordinance (Cap. 124) ("LRO").

18. The Administration emphasized that the LSPS applicant concerned should be responsible for consolidating the ownership of all private lots within the application site for both public and private housing and related development. Subject to establishing a public purpose, the Government might consider invoking LRO or other relevant legislation to resume private land mainly for the provision of the required infrastructure and/or supporting GIC facilities, but the statutory power for land resumption of private lots would not be invoked lightly or without strong justifications simply for the purpose of implementing LSPS projects. When scrutinizing the LSPS proposals, the Central Team to be set up under the Development Bureau and relevant bureaux/departments would give due considerations in determining whether the proposed infrastructure/GIC facilities and the extent of other private land to be resumed, etc. were essential and proportionate to the proposed scale of housing development.

³ As cited in the Chief Executive's 2018 Policy Address, some open information and rough guestimates showed that private developers held altogether no less than 1 000 hectares of agricultural land in NT.

19. On the implementation details of LSPS, members enquired how the Panel of Advisors could effectively play a gate-keeping role to safeguard public interest. They also sought clarification about the role differentiation of this Panel and the Town Planning Board ("TPB") in processing LSPS applications, as well as whether TPB's statutory role would be belittled as it would be pressured into approving LSPS applications endorsed in principle by Chief Executive-in-Council ("CE-in-C").

20. The Administration advised that the Panel of Advisors would consider LSPS applications mainly from the perspective of public interest. Only if the Panel of Advisors was satisfied that the proposals were worthy of support would the proposals be submitted to CE-in-C for endorsement. However, the Panel of Advisors would not replace TPB's statutory function as the statutory planning procedures, including TPB's approval for changing the land use and/or increasing development intensity of the subject lots, would continue to apply to those endorsed LSPS applications. For transparency, the Administration would make public the details of the applications as well as the opinion of the Panel of Advisors on individual cases. In addition, the established public participation channels under various statutory procedures would also continue, and key details of the lease modification, including land premium payable, would be uploaded to the website of the Lands Department ("LandsD") for public scrutiny.

21. Regarding the proposed criterion that no less than 70% of the increased domestic gross floor area ("GFA") made possible by virtue of LSPS should be set aside for public housing or Starter Homes ("SH") development as intended by the Government (i.e. a 70:30 public/private housing split), some members were concerned that the ratio tilted too much towards public housing and might render the Scheme unattractive to private developers. They called on the Administration to confirm earlier the choice and mix of subsidized housing (i.e. PRH, subsidized sale flats and/or SH) to be provided under supported LSPS projects, so as to provide greater certainty for the developer-lot owners concerned in taking forward its development planning. Members also asked about the estimated completion timeframe of the housing developments under LSPS projects.

22. According to the Administration, with infrastructural upgrading under LSPS to generate more GFA for housing development, it would be financially viable for the developer-lot owners to take forward those projects under the 70:30 public/private housing split. The ratio was in line with the prevailing policy guideline of allocating 70% of the housing units on Government's newly developed land for public housing wherever possible. While each LSPS project should be capable of delivering an increased GFA of no less than

50 000 square metres ("sq m") and at least 1 000 additional housing units (assuming an average flat size of 50 sq m), the number and mix of subsidized housing to be provided would depend on the actual size, scale and constraints of the sites under application, etc. To expedite delivery of the approved LSPS projects, discussions on lease modification and/or land exchange applications (including assessment of land premium) would commence back-to-back after the statutory planning process, subject to a compressed time frame of 18 months for executing the lease modification and/or land exchange based on agreed premium. The applicants would also be bound by the programme for carrying out various works in phases as set out in the agreement to be made with the Government. Upon the LSPS applicants' delivery of the formed land for public housing development, either HKHA or Hong Kong Housing Society ("HKHS") would make every effort to expedite the construction process.

23. In view of the need to strike a balance between development and conservation, members generally supported the setting of geographical limit to exclude private lots falling within country parks,⁴ six environmentally sensitive zonings⁵ and areas covered by the list of 12 priority sites for enhanced conservation under the New Nature Conservation Policy.⁶ There was a suggestion that land lots being used as farmlands or fish ponds, and those within "Undetermined" zones, should also be excluded, due to the concern that the infrastructural development for LSPS projects might create development pressure on these land lots. In this connection, the Panel passed a motion urging the Administration to expeditiously conduct a study on "Agricultural Priority Areas" to protect quality agricultural land while implementing LSPS.

24. The Administration responded that the Central Team and the Panel of Advisors would consider each LSPS application on its own merits, including the ecological value and the development potential of the site involved.

⁴ Country parks include those designated under the Country Parks Ordinance (Cap. 208) as well as those under consultation.

⁵ The six environmentally sensitive zonings are Conservation Area, Coastal Protection Area, Other Specified Uses ("OU") (Comprehensive Development to include Wetland Restoration Area), OU (Comprehensive Development and Wetland Enhancement Area), OU (Comprehensive Development and Wetland Protection Area) and Site of Special Scientific Interest.

⁶ The 12 sites are: Ramsar Site, Sha Lo Tung, Tai Ho, Fung Yuen, Luk Keng Marsh, Mui Tsz Lam and Mau Ping, Wu Kau Tang, Long Valley and Ho Sheung Heung, Deep Bay Wetland outside Ramsar Site, Cheung Sheung, Yung Shue O, and Sham Chung.

There was also proper control on the planning and use of agricultural land. On the other hand, to support the development of local agriculture, the Administration was also conducting a consultancy study on Agricultural Areas to identify relatively large areas of quality agricultural land and explore suitable policies and measures to encourage landowners to put fallow agricultural land back into long-term agricultural use.

25. On 31 March 2020, CE-in-C endorsed the implementation details of LSPS. LSPS was subsequently launched on 6 May 2020 for receiving applications for three years up to 5 May 2023.⁷

Lung Kwu Tan reclamation and re-planning of Tuen Mun West Area

26. At the Panel meeting on 20 January 2020, the Panel was consulted on the Administration's proposal for conducting a comprehensive planning and engineering study for Lung Kwu Tan⁸ reclamation and the re-planning of RTT and its coastal areas (i.e. the Tuen Mun West area) ("the P&E Study").

27. The Panel stressed that the Administration should examine in the P&E Study the provision of sufficient transport infrastructure to dovetail with the proposed Lung Kwu Tan reclamation for industrial uses and residential developments with about 20 000 housing units in the Tuen Mun West area. Members relayed the worries of the villagers of Lung Kwu Tan Village that the proposed reclamation and industrial developments there would aggravate the long existed traffic congestion along Lung Kwu Tan Road, a single-lane dual carriageway frequented by heavy trucks shuttling to the power stations, landfills and other industrial facilities at Lung Kwu Tan and its adjoining areas. Expressing concern that the widening of Lung Mun Road alone might not adequately cope with the increased transport demand, members urged the Administration to take a holistic review on the strategic transport networks for enhancing the connectivity of Northwest New Territories ("NWNT") with the urban areas as well as the future developments under the Lantau Tomorrow Vision, taking into account the capacities and traffic flows of the existing main trunk roads, the full commissioning of Tuen Mun — Chek Lap Kok Link in 2020, Route 11 and Tuen Mun Western Bypass.

⁷ Please refer to LegCo Brief on Land Sharing Pilot Scheme ([File Ref: DEVB\(PL-CR\)1-55/127/1](#)) for details. A dedicated webpage (https://www.devb.gov.hk/en/issues_in_focus/land_sharing_pilot_scheme/index.html) has been set up for public access to the details of LSPS.

⁸ In July 2011, CEDD commenced a study entitled "Enhancing Land Supply Strategy" to identify suitable sites for reclamation outside Victoria Harbour. Lung Kwu Tan was one of the five potential near-shore reclamation sites.

28. The Administration stressed that it had strived to ensure that the commissioning of transport infrastructure could dovetail with development projects and population intakes. The P&E Study would examine the impact of the proposed Lung Kwu Tan reclamation and re-planning of the Tuen Mun West area on the traffic conditions in Tuen Mun. Under the current proposal, Lung Mun Road would be upgraded and a new road within the reclaimed land would be constructed as an alternative to Lung Kwu Tan Road, and Nim Wan Road and Deep Bay Road would also be upgraded to improve the connectivity between Lung Kwu Tan Village and Lau Fau Shan. During the preparation/amendment of statutory plans, it had to be demonstrated that the development project could be well supported by the proposed facilities and infrastructure, taking into account the Traffic Impact Assessment and other related assessments. Meanwhile, the Transport and Housing Bureau would undertake the Strategic Studies on Railways and Main Roads beyond 2030 ("the RMR Studies") to assess the transport demand up to 2041 and plan for the necessary transport infrastructure. The RMR Studies together with feasibility study on Route 11 would look into the connectivity between NWNT and urban areas.

29. In taking forward the P&E Study, many members also called on the Administration to properly examine the impact on the shoreline, the environment and air quality in the Lung Kwu Tan area, so as to address the concerns of the villagers. There was a suggestion that the Administration should scale down the reclamation extent to exclude the southern part of the proposed reclamation, preserve the bay and build a new road on a viaduct across the beach. Given that there were already some unwelcome facilities in the area, such as the West New Territories Landfill and the Black Point Power Station, the Administration should study the use of the reclaimed land for housing developments instead, and the relocation of some unwelcome facilities to other districts. If MSBs would be constructed for accommodating brownfield operations there, the Administration should also attend to the noise and light pollution that might arise. Some members also expressed concern over the impact of the reclamation on the habitats of Chinese White Dolphins ("CWDs").

30. The Administration assured members that it would foster the community environment and living quality by means of urban design in order to minimize the impact brought about by the future land use, including brownfield operations, and would consult the villagers during the P&E Study. A green channel of about 100 m in width would be provided to preserve part of the existing shoreline. Furthermore, according to an on-site observation on CWDs at the proposed reclamation site conducted by CEDD in 2016 to

2017 and existing information, CWDs were mostly seen at Urmston Road, Sha Chau and Lung Kwu Chau Marine Park with a reasonable distance from proposed reclamation site. After all, as the proposed reclamation constituted a designated project under the Environmental Impact Assessment Ordinance (Cap. 499) that required Environmental Permits for construction and operation, the environmental impact including ecology, such as the habitats and number of CWDs, would be assessed in the Environmental Impact Assessment report(s) together with the recommendation of proposed mitigation measures. To further minimize the impact on CWDs, suitable mitigation measures including noise control and restrictions of the routes and frequency of vessels would be implemented during the construction stage.

31. On the future land use planning for the reclaimed land, members noted that space would be offer for accommodating (a) some industries and brownfield operations affected by NDA projects in other districts; and (b) some existing operations at different sites on RTT's periphery. About 50 000 to 70 000 job opportunities might be available with the implementation of Lung Kwu Tan reclamation and the re-planning of the Tuen Mun West area. On (a), members were concerned if the proposed reclamation could dovetail with the implementation of the HSK/HT NDA project, so that the industrial operations displaced by the NDA project could be relocated to the reclaimed land seamlessly. Regarding (b), members pointed out the low utilization of RTT and commented that the re-planning of Tuen Mun West area was long-overdue.

32. The Administration said that should the P&E Study and the proposed reclamation go smooth, reclaimed land would be made available in 2028 at the earliest for accommodating brownfield operations displaced by other development projects. In parallel, Tuen Mun Area 38 would be considered for developing into housing and/or other beneficial uses, while the facilities now operating there could be considered for relocating to the reclaimed land. Furthermore, as the utilization rate of the RTT berths was only about 20% of its capacity and Kwai Tsing Container Terminals ("KTCTs") were also operating below designed capacity at present, the industries now using the port facilities there might continue their operations at KTCTs so as to release land at RTT for residential developments. Subject to the capacity of the supporting transport infrastructure to be built, the Administration initially proposed that the Tuen Mun West area be developed under the same approach for NDAs, providing about 20 000 housing units, with the public/private housing split of 70:30.

Hung Shui Kiu/Ha Tsuen New Development Area and feasibility study on Environmentally Friendly Transport Services

33. The Administration has planned to develop the HSK/HT NDA to a next-generation new town to provide 61 000 additional housing units for a total population of about 218 000, with the first population intake expected in 2024. HSK/HT NDA is also positioned as a "Regional Economic and Civic Hub" for NWNT with a GFA of about 6.4 million sq m for various types of economic activities offering about 150 000 jobs in various sectors. The Administration has planned to take forward the HSK/HT NDA development in three phases, expecting to complete the whole project by 2037-2038. At its meeting on 16 December 2019, the Panel considered the funding applications relating to the First and Second Phase developments,⁹ as well as the findings of the feasibility study on the Environmentally Friendly Transport Services ("EFTS") in HSK/HT NDA and adjacent areas.

34. Members were generally supportive of the HSK/HT NDA project, and discussed in depth the rehousing/resettlement arrangements for the affectees, including households, animals and brownfield operations. Members urged the Administration to speed up the construction of the dedicated rehousing estate ("DRE") in the First Phase development to properly rehouse the affected households in the ensuing phases in a timely manner, and ensure that the number of flats to be provided in DRE would be sufficient for rehousing the affected households. Given that many affectees might not be able to afford the higher rents chargeable at prevailing Group B standard of HKHS if rehoused to DREs, members were also concerned whether appropriate assistance would be rendered to them, such as allowances at a rate equivalent to the rent difference between Group A (chargeable at lower rents) and Group B (chargeable at higher rents). In view of the existence of brownfield operations in the NDA, members discussed the initiatives of the Administration to relocate the displaced brownfield operations, and passed a motion requesting the Administration to ensure that brownfield operators could be accommodated in MSBs and sites which could be used legally for brownfield operations within or outside the NDA, so as to avoid their encroachment into agricultural land illegally.

35. The Administration advised that about 1 000 households would be affected by the clearance exercise for the Second Phase development starting from end-2024/early-2025. With a view to better addressing their "rehousing before clearance" expectation, the Administration targeted at completing part

⁹ The relevant funding proposal (i.e. [PWSC\(2019-20\)24](#)) was endorsed by the Public Works Subcommittee ("PWSC") on 11 May 2020, and approved by the Finance Committee ("FC") on 26 June 2020.

of the DRE site for handing over to HKHS to construct about 1 300 flats for the first population intake in 2024, as well as the remaining 800 DRE flats in around 2029. Meanwhile, the Administration had been discussing with HKHS on allowing those affected households opted for DREs to pay concessionary rents comparable to Group A rent subject to their passing of a means test. Moreover, tenants with financial difficulties might apply for rent reduction under HKHS's Rent Assistance Scheme. Regarding displaced animals, arrangements similar to that adopted in the Kwu Tung North/Fanling North NDA project would be made, such as allowing households to be rehoused to PRH estates to apply for keeping their service/companion dogs, and supporting non-profit-making organizations ("NPOs") to set up animal adoption centres. For the relocation of brownfield operations, 61 ha of land had been reserved in HSK/HT NDA. Most of the land reserved would be used for developing MSBs, the first batch of which was expected to be completed in 2027. Prior to the availability of MSBs, the Administration would provide assistance to the affected brownfield operators in search of alternative sites for their business, such as identifying suitable Government land for temporary use, and rendering advisory and facilitation services from the planning and lands perspective in the search of suitable private land. At the same time, the Administration would continue to take enforcement actions against unauthorized development.

36. The Panel also gave views on the setting of the public/private housing split for the housing supply in HSK/HT NDA. Pointing out that a high proportion of public housing in Tin Shui Wai ("TSW") North had brought about some social and economic problems in the district, members asked the Administration to carefully review and adopt a suitable ratio of public housing in HSK/HT NDA. According to the Administration, the public/private housing split in HSK/HT NDA was originally set at around 50:50, such that the overall public/private housing supply ratio in TSW and HSK/HT NDA taken together would be around 70:30. The Administration would review the ratio by taking into account relevant factors, including infrastructural capacity and a balanced housing mix.

37. On the planning of supporting transport infrastructure, the Panel noted that the possibility of reprovioning Tin Yin Road near its current location would be explored in the consultancy study for the detailed design for the Second Phase development of HSK/HT NDA, and that the Lantau Tomorrow Vision had put forward a proposal of developing a new rail link between NWNT, the artificial islands in the Central Waters and Hong Kong Island.¹⁰

¹⁰ The funding proposal (i.e. 768CL — "Studies related to Artificial Islands in the Central Waters" (i.e. [PWSC\(2019-20\)5](#))) was endorsed by PWSC on 25 May 2019.

38. The Panel also examined the findings and recommendations of the first stage of the Feasibility Study on the EFTS in HSK/HT NDA and adjacent areas. Members gave various views on the three shortlisted green public transport modes for EFTS, i.e. automated people mover, green bus system and modern train. On the way forward, members noted the Administration's plan to consult the public and members in 2021 tentatively on the overall findings and recommendations of the second stage of the Feasibility Study, during which an in-depth assessment would be carried out for the shortlisted green public transport modes and public views would be solicited in order for the Administration to determine the recommended EFTS scheme. The recommended scheme would then be submitted to LegCo for endorsement.

Assistance schemes on building safety and rehabilitation

39. During the session, the Panel continued to follow up on the Government's efforts in enhancing building safety and rehabilitation in Hong Kong. Over the years, the Administration had implemented various technical and financial assistance schemes to help building owners in need to maintain and repair their buildings.¹¹ In October 2019, the Administration announced its plan to inject \$10.5 billion for enhancing four existing subsidy schemes, namely, Operation Building Bright 2.0 ("OBB 2.0"), Lift Modernisation Subsidy Scheme ("LIMSS"), Building Maintenance Grant Scheme for Elderly Owners ("BMGSEO"), and Fire Safety Improvement Works Subsidy Scheme.¹² In parallel, the Administration planned to allocate about \$440 million over five years starting from 2020-2021 for launching the Water Safety Plan Subsidy Scheme ("WSPSS") to promote the implementation of the Water Safety Plan for Buildings ("WSPB").¹³ Members generally welcomed

¹¹ Details of the various schemes are consolidated under the "[Building Rehabilitation Platform](#)" of the Urban Renewal Authority.

¹² Fire Safety Improvement Works Subsidy Scheme is under the purview of the Security Bureau and the Panel of Security.

¹³ Among the initiatives under the Action Plan for Enhancing Drinking Water Safety in Hong Kong launched in September 2017 to restore public confidence in drinking water safety after the incidents of excess lead found in drinking water in 2015, the Water Supplies Department followed the recommendations of the World Health Organization in promoting the development and implementation of WSPB, which provided a systematic and effective management framework for the internal plumbing systems in buildings including conducting risk assessment, implementing corresponding control measures and undertaking regular checking, inspections and maintenance together with regular audits and reviews.

the initiatives, and gave various views on the implementation details at the Panel meeting on 16 December 2019.¹⁴

40. For OBB 2.0, members welcomed the relaxation of the eligibility criteria in the second round of applications to accept also applications from younger buildings, i.e. those residential and composite buildings aged between 40 to 49 with outstanding Mandatory Building Inspection Scheme ("MBIS") notice(s) for the common parts of the buildings not yet complied with.

41. As regards LIMSS, members called on the Administration to include some younger buildings despite their higher rateable values. While welcoming the provision of outreach social services under the enhanced LIMSS, including meal delivery, procurement of daily supplies and provision of stair-climbing services, members suggested further including more services, such as temporary accommodation for the needy elderly. Given the expected increase in lift repair and maintenance service demand, members urged the Administration to ensure adequate manpower supply in the trades, and take measures to avoid inflating market prices and lower works quality.

42. The Administration advised that under LIMSS, private residential or composite buildings with lifts which had not been installed with all the essential safety devices would be eligible for application, on condition that the requirement on the average rateable value should be met. On the provision of outreach social services, the Urban Renewal Authority ("URA") had commissioned a consultancy study to identify the service requirements of the elderly residents, and would make reference to the findings and arrange to provide suitable service to meet their needs as far as practicable. In implementing the scheme, the Administration had duly considered the industry capacity, and would continue to roll out LIMSS in an orderly manner by granting subsidies in batches over seven years starting from 2019-2020. It would also collaborate with the Construction Industry Council to provide a training scheme to attract new blood to join the trades, with a view to supplying about 60 registered lift workers every year to meet the manpower demand.

43. As regards BMGSEO, members suggested expanding the scope of beneficiaries to cover those elderly occupiers of Home Ownership Scheme ("HOS") flats who had transferred the ownership of their HOS flats to their children by reasons of old age (i.e. 65 years old or above) but were actually still living in the properties. The Administration advised that as BMGSEO was designed to render financial assistance only to the most needy

¹⁴ The Administration sought LegCo's approval on the relevant funding commitment in the context of the Appropriation Bill 2020, which was passed on 14 May 2020.

owner-occupiers, and further expanding the scope of beneficiaries as suggested might depart from the objective of the scheme, and cause undue confusion and even abuse. Nonetheless, non-elderly and non-needy property owners might seek assistance in maintaining their properties under other schemes, such as Common Area Report Works Subsidy funded by URA and the Building Safety Loan Scheme, subject to meeting the eligibility criteria under the respective schemes.

44. Given that the Administration had been partnering with URA in implementing various building safety and rehabilitation schemes, members were concerned about the capacity of URA to cope with the workload and resource requirements. The Administration advised that the financial position of URA had been sound, and when need arose and where appropriate, the Administration would provide resources as appropriate to enable URA to continue carrying out its urban renewal mission.

45. On WSPSS, members noted that the scheme would operate on a first-come-first-served basis, instead of on a risk-based approach as for other subsidy schemes, and they were concerned whether only buildings with well-organized owners' corporations would manage to get the subsidies, whilst many dilapidated buildings with genuine need, in particular the "three-nil buildings"¹⁵ might be crowded out. Members also asked about the number of qualified persons ("QPs") who could perform the roles for WSPB available in the market, the market prices of the relevant services, and whether the subsidies with a cap on individual items were adequate to cover the relevant costs. Members also urged the Administration to step up efforts in encouraging private buildings' participation in WSPB.

46. The Administration advised that in formulating WSPSS, it had reached out to various property management companies and The Real Estate Developers Association of Hong Kong, etc. to seek their views and promote the scheme. When rolling out the scheme, public programmes would also be launched to increase public awareness of the scheme and WSPB. In determining the subsidy level, the Administration had conducted market surveys on the price levels of the services of QPs for the various tasks in the formulation and implementation of WSPB. In order to prevent overcharging by QPs, WSD would publish on its website the indicative cost levels of the services of QPs for the various tasks in the formulation and implementation of WSPB for reference by property owners. The Administration expected that with over 400 trained QPs currently available and more training courses to be

¹⁵ Buildings without owners' corporation or residents' organizations as well as engagement of property management companies.

provided on WSPB, there would be adequate QPs in the market for implementation of WSPB, and they would offer competitive prices for their services.

Government's preparedness for typhoons and natural disasters

47. Hong Kong's geographical position makes it susceptible to weather-related threats such as tropical cyclone, heavy rainstorm and storm surge. As climate change goes drastic, threats induced by extreme weather are expected to be more frequent and severe. In recent years, super typhoons like HATO in August 2017 and MANGKHUT in September 2018 battered Hong Kong, inflicting substantial and extensive damages across the territory. Members have from time to time expressed grave concerns over the Government's initiatives to enhance the preparedness and resilience against typhoons and related natural disasters with a view to reducing the loss of life and damage to property.

48. At the Panel meeting on 26 May 2020, members were briefed on the Government's preparedness for increasing landslide risk, management of typhoon season flood risk, and standards for glass windows of buildings.

49. Members appreciated the Government's effective efforts in managing landslide risks, including launching the Landslip Prevention and Mitigation Programme in 2010 to manage the landslide risk of both natural hillside and man-made slopes, adopting new technologies in estimating the number of landslides induced by a rainstorm and monitoring slopes, and raising public awareness of slope safety through public education, etc. As landslide threat brought about by extreme rainfall could not be entirely avoided, members agreed that continuing efforts and improvements were necessary. Given that there were many private slopes some of which were close to residential areas, members called on the Administration to provide assistance to the owners concerned in proper maintenance of the slopes. In this regard, the Administration advised that it had been providing both financial and technical support to owners of private slopes to assist them in discharging their slope maintenance responsibility. There was also an established mechanism for the Buildings Department to carry out the required works in default of the owners to comply with the relevant Dangerous Hillside Orders and recover the costs plus supervision charges and a surcharge from the owners afterwards.

50. Expressing concern that some flood-prone areas (e.g. Siu Sai Wan, Heng Fa Chuen, Tseung Kwan O, South Horizons, etc.) had been heavily hit by Super Typhoon MANGKHUT and the residents nearby were seriously affected, members called on the Administration to adopt preventive and relief

measures targeting flooding blackspots, and expedite the Study on Coastal Hazards under Climate Change and Extreme Weather and Formulation of Improvement Measures ("Study on Coastal Hazards"), so that necessary infrastructure improvement works could be taken forward as early as possible.

51. The Administration advised that, immediately after MANGKHUT, various mitigating measures had been implemented at coastal areas seriously affected by overtopping wave and storm surge. Among others, CEDD had completed the deployment of precast concrete units at the Aberdeen Breakwater and Chai Wan Breakwater to strengthen their structure and the construction of a wave wall along the Tseung Kwan O Waterfront Park. CEDD also carried out regular inspections of coastal infrastructures under its maintenance. CEDD targeted to complete the Study on Coastal Hazards in Q4 2020, with a view to identifying low-lying and exposed coastal areas subject to severe storm during extreme weather and devising enhancement plans in the medium-to-long term.

52. Members also noted the updates made in recent years in respect of the standards and regulations relating to the construction of glass windows (including glass curtain walls) under the Buildings Ordinance (Cap. 123) to ensure the construction standards of all glass windows and curtain walls within buildings were in compliance with international standards and, given proper maintenance, could resist inclement weather thereby ensuring public safety.

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 28 April 2020, the Panel considered the progress report on heritage conservation initiatives, and raised no objection to the funding application for the Lung Tsun Stone Bridge Preservation Corridor at Kai Tak.

54. On the implementation of the projects under the Revitalizing Historic Buildings Through Partnership Scheme ("Revitalization Scheme"),¹⁶

¹⁶ The Revitalization Scheme was launched in 2008 to preserve and put historic government-owned buildings into good and innovative use, transform historic buildings into unique cultural landmarks, promote active public participation in the conservation of historic buildings, and create job opportunities at the district level. Six batches of historic buildings under the Revitalization Scheme have been launched so far, with the application results of Batch VI (including four historic buildings, i.e. Tai Tam Tuk Raw Water Pumping Station Staff Quarters Compound, Homi Villa, King Yin Lei and Fong Yuen Study Hall) expected to be announced in the first half of 2021.

members were concerned that, although the Administration would finance the restoration and conversion of the historic buildings and provide one-off grants to meet the starting costs and operating deficits, if any, of the NPOs selected to undertake the revitalization projects for the first two years of operation at a ceiling of \$5 million for each project, not all projects could become self-sustainable after the said initial period. There was a suggestion that the Administration might consider providing loans to the NPOs concerned. Given the impact of the coronavirus disease-2019 ("COVID-19") pandemic on the operation of such revitalization projects, members also asked about the supportive measures provided to their operators.

55. The Administration responded that appropriate support including financial assistance had been given to operators of projects under the Revitalization Scheme. To ensure the prudent use of public funds, the Government's policy was to facilitate smooth operation of the projects on a self-financing basis in the long-term. To provide the NPOs running the 10 existing projects under the Revitalizing Scheme with cash flow to meet their on-going overhead operating costs for their continued operation during the hard time brought by COVID-19, the Government had announced the provision of a direct subsidy of \$3 million to each of the NPOs concerned under the second round of the Anti-epidemic Fund.¹⁷ In the long-run, the Administration held an open mind to different enhancement options, including assistance in the form of loans to the NPOs concerned.

56. Members also sought details on the progress of the conservation work relating to individual historic buildings/monuments, including Nam Koo Terrace (南固臺), a Grade I Historic Building located at No. 55 Ship Street in Wan Chai, Wun Yiu (碗窑) in Tai Po, at which part of the area where remnants of the kiln were unearthed was declared a monument in 1983, and King Yin Lei (景賢里), which was declared monument in 2008. On the progress of "Conserving Central" projects, members noted that TPB would invite the public to submit further representations on the latest proposed amendments to the draft Central District Outline Zoning Plan, including an imposition of building height restriction at the Central site, that would change the development parameters of Hong Kong Sheng Kung Hui's

¹⁷ Having regard to the impact of the anti-epidemic measures on the livelihood of individuals and business operation, the Government secured the approval of FC on 21 February 2020 for a commitment of \$30 billion to set up the Anti-epidemic Fund ([FCR\(2019-20\)46](#)), and on 18 April 2020 for the funding application that included a \$120.5 billion injection to the Anti-epidemic Fund to implement second-round relief measures ([FCR\(2020-21\)2](#)).

preservation-cum-development plan for the site¹⁸; and they also called on the Administration to fulfil the commitment to provide public open space within the redeveloped Former Central Government Offices West Wing for public enjoyment as soon as practicable¹⁹.

Legislative proposals

Proposed Member's Bill

57. The Panel gave views on a proposed Member's Bill to amend the Waterworks Regulations (Cap. 102 sub. leg. A) at its meeting on 28 April 2020. According to Hon Alice MAK, the Member proposing the Bill, the Bill aimed at prohibiting a consumer from profiteering from the sale of water provided by the Water Authority from the waterworks. Members in general supported the proposed Member's Bill.

Funding and staffing proposals and other subjects deliberated

58. During the session, the Panel had examined the funding proposals for the Capital Works Reserve Fund block allocations for 2020-2021²⁰, and a number of public works projects, including the construction of cycle tracks connecting North West NT with North East NT — Sam Mun Tsai extension; Water Supplies Department Headquarters with Hong Kong and Islands Regional Office and Correctional Services Department Headquarters Building in Chai Wan, and Drainage Services Department Office Building at Cheung Sha Wan Sewage Pumping Station; engineering study on Road P1 (Tai-Ho — Sunny Bay Section); and development of Anderson Road Quarry Site — remaining pedestrian connectivity facilities works, etc.

¹⁸ Under Hong Kong Sheng Kung Hui's latest preservation-cum-development proposal for its Central site, the four historic buildings, namely, the Bishop's House (Grade 1), St. Paul's Church (Grade 1), the Church Guest House (also known as Martin House; Grade 1), and the Old Sheng Kung Hui Kei Yan Primary School (originally the south wing of St. Paul's College; Grade 2) would be preserved *in-situ*, and a non-profit-making private hospital would be developed in the remaining areas.

¹⁹ Under the revised redevelopment scheme for the Former Central Government Offices West Wing announced in 2011, public open space with an area of approximately 7 600 sq m would be provided at the West Wing site.

²⁰ The relevant funding proposal (i.e. [FCR\(2019-20\)47](#)) was approved by FC on 11 March 2020.

59. The Administration also consulted the Panel on the proposed creation of two supernumerary posts of one Chief Land Surveyor in Development Bureau and one Government Land Surveyor in LandsD for rolling out the Common Spatial Data Infrastructure ("CSDI") initiative.²¹

60. Other subjects deliberated by the Panel during the session included the work of URA, progress report on funding scheme to support the use of vacant government sites by non-government organizations for the financial year 2019-2020, and the introduction of the E&M InnoPortal.²²

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

61. 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 Lyric Theatre Complex and the extended basement, M+, Hong Kong Palace Museum, Zone 2 of WKCD, and the ACE Development Package; the cultural software development of the WKCD project; the progress of venue operation of WKCD; integration and connectivity of WKCD with its neighbouring districts; and the updated financial position of the WKCD project. The Joint Subcommittee has completed its work, and will report to the two Panels.

Work of the Joint Subcommittee to Follow Up Issues Relating to the Redevelopment, Maintenance and Management of Aged Buildings

62. In the session, the Joint Subcommittee to Follow Up Issues Relating to the Redevelopment, Maintenance and Management of Aged Buildings formed under the Panel on Development and the Panel on Home Affairs focused its deliberations on the following areas: (a) Urban Renewal Strategy; (b) Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545); (c) technical and financial assistance for facilitating building maintenance and repair;

²¹ The relevant staffing proposal (i.e. [EC\(2019-20\)12](#)) was initially rejected by the Establishment Subcommittee on 18 December 2019; and the resubmitted proposal (i.e. [EC\(2019-20\)13](#)) was endorsed by the Establishment Subcommittee on 8 January 2020, and was then approved by FC on 15 May 2020.

²² In supporting the policy direction related to the development of Innovation and Technology ("I&T") in Hong Kong in the 2017 Policy Address, the [E&M InnoPortal](#) was launched to facilitate the strengthening of collaboration between government departments and public bodies with the I&T sector to encourage the application of innovative technology to improve services and support smart city development.

(d) MBIS and Mandatory Window Inspection Scheme; (e) building management and support measures for aged buildings; and (f) Joint-Office for Investigation of Water Seepage Complaints. The Joint Subcommittee has completed its work and reported to the two Panels on 24 March 2020 ([LC Paper No. CB\(2\)733/19-20](#)).

Meetings

63. Up to the end of June 2020, the Panel held a total of 10 meetings. The Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project and the Joint Subcommittee to Follow Up Issues Relating to the Redevelopment, Maintenance and Management of Aged Buildings respectively held four and two meetings in the 2019-2020 session.

Council Business Division 1
Legislative Council Secretariat
29 June 2020

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 2019-2020 session *

Chairman	Hon Tony TSE Wai-chuen, BBS
Deputy Chairman	Hon LUK Chung-hung, JP
Members	<p> Hon Abraham SHEK Lai-him, GBS, JP Hon Jeffrey LAM Kin-fung, GBS, JP Hon Starry LEE Wai-king, SBS, 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 CHAN Chi-chuen Hon CHAN Han-pan, BBS, JP Hon LEUNG Che-cheung, SBS, MH, JP Hon Alice MAK Mei-kuen, BBS, JP Dr Hon Fernando CHEUNG Chiu-hung Dr Hon Helena WONG Pik-wan Ir Dr Hon LO Wai-kwok, SBS, MH, JP Hon Alvin YEUNG Hon Andrew WAN Siu-kin Hon CHU Hoi-dick Dr Hon Junius HO Kwan-yiu, JP Hon 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 Hon Kenneth LAU Ip-keung, BBS, MH, JP Dr Hon CHENG Chung-tai Hon Jeremy TAM Man-ho Hon Vincent CHENG Wing-shun, MH, JP Hon CHAN Hoi-yan </p>

(Total: 34 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 (2019-2020 session)

Member	Relevant date
Hon WONG Ting-kwong, GBS, JP	up to 24 October 2019
Hon POON Siu-ping, BBS, MH	up to 24 October 2019
Hon Elizabeth QUAT, BBS, JP	up to 27 October 2019
Hon HO Kai-ming	up to 27 October 2019
Hon CHAN Chun-ying, JP	up to 27 October 2019
Hon Christopher CHEUNG Wah-fung, SBS, JP	up to 28 October 2019
Hon Tommy CHEUNG Yu-yan, GBS, JP	up to 18 November 2019
Hon CHAN Kin-por, GBS, JP	up to 19 November 2019
Hon MA Fung-kwok, SBS, JP	up to 20 November 2019