

立法會
Legislative Council

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LC Paper No. CB(1)1026/99-00
(These minutes have been
seen by the Administration)

LegCo Panel on Planning, Lands and Works

Minutes of meeting
held on Thursday, 28 October 1999, at 10:45 am
in Conference Room A of the Legislative Council Building

Members present : Hon Edward HO Sing-tin, JP (Chairman)
Dr Hon TANG Siu-tong, JP (Deputy Chairman)
Hon HO Sai-chu, JP
Ir Dr Hon Raymond HO Chung-tai, JP
Hon LEE Wing-tat
Hon Ronald ARCULLI, JP
Hon WONG Yung-kan

Non-Panel member attending : Dr Hon LUI Ming-wah, JP

Members absent : Hon James TO Kun-sun
Hon LAU Wong-fat, GBS, JP
Hon Timothy FOK Tsun-ting, SBS, JP
Hon TAM Yiu-chung, GBS, JP

Public officers attending : **For item IV**

Mr Patrick LAU
Deputy Secretary for Planning, Environment
and Lands (Lands & Planning)

Mr Raymond HO
Chief Assistant Secretary for Works
(Information Technology)

Mr LAU Chung-tim

Assistant Director of Lands
(Survey and Mapping)

Dr Kenneth TANG
Senior Town Planner/Computer Systems
and Services (2)
Planning Department

Mr HUI Siu-wai
Chief Officer/Management
Buildings Department

For item V

Mr Raymond HO
Chief Assistant Secretary for Works
(Information Technology)

Mr I M D SOUZA
Assistant Director/Electrical and Mechanical
Drainage Services Department

Mr CHAN Chi-chiu
Assistant Director/Administration and Planning
Water Supplies Department

Mr LAU Chi-ming
Senior Engineer/Regional Administration
Water Supplies Department

For item VI

Mr Stephen FISHER
Deputy Secretary for Planning, Environment
and Lands (Urban Renewal and Buildings)

Mr J J AUSTIN
Acting Principal Assistant Secretary for
Planning, Environment and Lands
(Urban Renewal)

Mr Bosco FUNG
Director of Planning

Mr T K LEE
Chief Town Planner/Urban Renewal (2)

Planning Department

Clerk in attendance : Miss Odelia LEUNG, Chief Assistant Secretary (1)1

Staff in attendance : Mrs Mary TANG, Senior Assistant Secretary (1)2

I Confirmation of minutes of meeting
(LC Paper No. CB(1)166/99-00)

The minutes of meeting on 7 October 1999 were confirmed.

II Date of next meeting and items for discussion

2. Members agreed to receive a further briefing on the Land Titles Bill at the next Panel meeting scheduled for 11 November 1999.

(Post-meeting note: The meeting was subsequently re-scheduled for 18 November 1999.)

III Information paper issued since last meeting

3. Members noted the following information papers issued since the last meeting -

LC Paper No. CB(1)180/99-00 - information papers on the retention of supernumerary posts in the Planning, Environment and Lands Bureau, Lands Department and Planning Department; and

LC Paper No. CB(1)219/99-00 - information paper on the comprehensive feasibility study for the revised scheme of the South East Kowloon Development.

IV Progress of Year 2000 compliance exercise relating to planning and land matters
(LC Paper No. CB(1)197/99-00(03))

4. The Deputy Secretary for Planning, Environment and Lands briefly reported the progress of Year 2000 compliance exercise relating to planning and land matters. He informed members that all the 70 mission-critical systems within the various department/non-government organisations under the policy purview of planning and lands division of the Planning, Environment and Lands Bureaux had been confirmed to be Y2K compliant. The departments and the non-government organisations would, during the rollover to Y2K critical dates including 1 January and 29 February 2000, either set up their Y2K Co-ordinating Centre to monitor their key business or perform comprehensive system checks before starting their business on the next working day. He drew members' attention to paragraph 13 of the paper and advised that the Buildings Department would activate their Emergency Duty Centre before the transition to Y2K critical dates irrespective of weather conditions. He also said that the departments under the purview of Planning, Environment and Lands Bureau had taken part in a command post exercise organised by the Information Technology and Broadcasting Bureau on 27 October 1999 and that information on the Y2K compliant exercise was obtainable through the website of the respective departments.

5. Referring to paragraph 9 of the paper, the Chairman asked whether there were back-ups for the land registration and search facilities when the thorough system testing was conducted on 1 and 2 January 2000. The Chief Assistant Secretary for Works/Information Technology (CAS/W) confirmed that there would be back-up copies of critical business data.

V Progress of Year 2000 compliance exercise relating to works matters
(LC Paper No. CB(1)197/99-00(04))

6. CAS/W reported that all mission critical systems within departments under the policy purview of the Works Bureau had been confirmed to be Y2K compliant. He highlighted the arrangements for the millennium rollover and the contingency planning for the Drainage Services Department, the Water Supplies Department and other works departments as detailed in the paper.

7. Noting the suspension of service of some of the escalators in housing estates managed by the Housing Society on 9 September 1999, Mr HO Sai-chu expressed concern about such need during critical dates. CAS/W said that the Electrical and Mechanical Services Department (EMSD) did not consider it necessary to suspend escalators in Government buildings from service during critical dates. To cater for emergency situations, EMSD would have as many as 1,000 technical staff on duty during critical dates. The Department had conducted many sample Y2K testing on lifts/escalators and confirmed that they should not be affected by Y2K. The mode of operation of lifts was usually independent from other facilities in the building, except for very new buildings

in which they might be interconnected. The overall control of safety of lifts/escalators in buildings was under the purview of the Economic Services Bureau.

8. As regards water supply, the Assistant Director/Administration and Planning, Water Supplies Department said that the water supply systems in buildings were normally mechanically operated and were seldom worked by computers. Since these water distribution and supply systems could be operated manually at short notice, Y2K induced disruptions in water supply in buildings would be unlikely. The Water Supplies Department had consulted professionals in the engineering and plumbing fields and they agreed that Y2K induced problems should have little impact on water pumping systems in buildings.

9. The Chairman said that the success of Y2K compliance programme would hinge upon the reliability of the power supply system.

VI Urban Renewal Authority White Bill

(LC Paper No. CB(1)1925/98-99 - extracts of minutes of LegCo meeting with Kwun Tong Provisional District Board members on 10 June 1999 regarding the setting up of the Urban Renewal Authority and the LegCo Brief on the Bill issued under PELB(CR)150/78(99)IV dated 21 October 1999)

10. The Chairman sought members' view on the following options proposed by the House Committee at its meeting on 22 October 1999 to study Urban Renewal Authority White Bill (the White Bill) -

- (a) setting up a subcommittee under the House Committee;
- (b) setting up a subcommittee under the Planning, Lands and Works Panel; and
- (c) moving a motion on the subject at a Council meeting.

11. Mr HO Sai-chu and Mr WONG Yung-kan indicated their preference to set up a subcommittee under the House Committee to study the Bill so that any member felt interested could join the subcommittee. Members supported the idea. Members also agreed that the Chairman of the House Committee move a motion at a Council meeting to provide an opportunity for members to express their views on the White Bill.

(Post-meeting note: the Chairman reported the views of the Panel at the House Committee meeting on 29 October 1999)

12. At the invitation of the Chairman, the Deputy Secretary for Planning, Environment and Lands (DS/PEL) briefly explained the background and the proposals of the White Bill, highlighting the salient points of the LegCo Brief. He said that the Administration would consider the comments received on the White Bill during the public consultation exercise and introduce the Urban Renewal Authority (URA) Bill into LegCo in early 2000. Subject to enactment of the Bill, the Administration aimed to establish the Provisional URA in June 2000.

Financial arrangements for urban renewal projects

13. In view of the scarcity of sites for profitable redevelopment, the Chairman expressed concern about the financial viability of urban renewal projects, particularly in a less exuberant property market. He enquired whether it was the Administration's intention to use public funds to finance unprofitable urban renewal projects.

14. DS/PEL said that a package of both financial and non-financial tools had been worked out for implementing the urban renewal programme. These included waiving land premia for urban renewal sites, exempting Government/institution/community facilities within project areas from plot ratio calculation, and packaging redevelopment projects so that financially viable projects could cross-subsidize non-viable ones. Where necessary, Government would consider making loans to URA.

15. The Chairman was concerned about public perception of the proposal to waive land premia which might be regarded as subsidizing developers. DS/PEL stressed that the proposed waiver of land premia was meant to reduce the financial outlay of URA and to improve the financial viability of redevelopment projects. As a means to attract private sector participation, URA would provide the land while private developers would be expected to pay the redevelopment costs in a joint venture project. Since the resumed land would remain the asset of URA, developers would not benefit directly from the waiver of land premia. DS/PEL said that redeveloping a building was more costly than building a new one afresh since there was a need to rehouse and compensate the affected persons. Providing support to URA in one kind or another to make its projects viable was necessary.

16. The Chairman said that developers would certainly benefit from waiver of land premia as any profit generated in redevelopment would be shared with URA. In this connection, he enquired about how profits would be shared between URA and developers in joint venture projects. DS/PEL said that the exact terms would have to be negotiated between the two parties. It was expected that private developers would shoulder the construction costs, whereas URA would provide the land and would be responsible for rehousing and compensation. In response to Dr TANG Siu-tong, DS/PEL said that the

private sector would be invited by tender to participate in urban renewal projects. DS/PEL further said that other than the 200 priority redevelopment projects, URA would be given the flexibility to propose other redevelopment proposals.

17. Mr Ronald ARCULLI said that he failed to see how URA could achieve a balanced budget under the proposed financial arrangements. DS/PEL said that the operation of URA would be bound by the urban renewal strategy which would include maintaining balanced accounts. The financial arrangements for the implementation of URA projects, whether financially viable or otherwise, would need to be set out in a draft five-year corporate plan and a draft annual business plan submitted to the Financial Secretary for approval before the beginning of each financial year.

18. Mr Ronald ARCULLI opined that there was not much difference between the operation of the Land Development Corporation and URA except that the site assembly process of URA could be expedited through its wider powers. In his view, more difficulties would arise and more costs would be incurred in urban renewal projects of a large scale. DS/PEL said that the enhanced power of URA would enable it to complete the land assembly process within a reasonable time-frame. Coupling with the package of financial arrangements, the Administration was confident about the financial viability of URA's renewal projects in different market conditions.

19. On Dr TANG Siu-tong's enquiry on the status of URA, DS/PEL said that URA would be an independent self-financing statutory body. Where necessary, the surplus of URA could be transferred to the public account by the Financial Secretary.

20. In response to Mr HO Sai-chu, the Administration agreed to explain with examples the financial viability of urban renewal projects under different scenarios.

(Post-meeting note: the information was provided by the Administration and circulated to members vide LC Paper No. CB(1)378/99-00)

Power to resume land

21. Dr TANG Siu-tong and Mr LEE Wing-tat were concerned about the wide powers of URA to assemble land for redevelopment. Mr LEE said that under the White Bill, URA could decide which areas to be redeveloped and when to resume the land for the purpose. Affected owners could not refuse to sell their properties. All along private property rights were respected and would only be compromised in exceptional circumstances, for example the building had to be demolished on safety reason. Mr LEE said that owners should have the right to negotiate and to share the profits arising from the

redevelopment of their properties.

22. In response, DS/PEL made the following points -

- (a) The redevelopment potential of a site could only be realized through redevelopment. If owners were to share the profits of redevelopment, they would also be prepared to share the loss if the project turned out to be unprofitable. Since it was highly unlikely that small owners would invest in a redevelopment project, the best way was to compensate them fairly;
- (b) Unlike the conventional approach adopted by LDC which often resulted in protracted negotiation with affected parties, the new approach to be adopted by URA would enable it to apply for resumption of land required for its redevelopment projects without first having to negotiate with the owners for the acquisition of land. Under the new approach, the 200 priority redevelopment projects could be completed within 20 years instead of 30 years; and
- (c) There was a need to plan urban renewal more vigorously and comprehensively to overcome the problem of urban decay. The quality of life and the living environment would have to be improved to catch up with the economic development of Hong Kong. A balance would have to be struck between protecting the interests of individual owners and improving the standard of housing and the built environment of Hong Kong as a whole.

23. Mr Ronald ARCULLI opined that unlike the projects undertaken by the Mass Transit Railway Corporation in which there was apparent public interest in resuming the land, in the case of URA's redevelopment projects, Government owed the public an explanation as what the public interest was in resuming the land. Mr ARCULLI was also concerned whether the taking away of private property rights would contravene the provisions of the Basic Law. DS/PEL said that URA was accountable to the Chief Executive. Members of the Legislative Council could request URA to explain its redevelopment plans. Where public funding was required for undertaking the redevelopment projects, approval had to be sought from the Finance Committee.

Compensation package

24. Dr TANG Siu-tong considered it necessary to set out the criteria for compensation which was often the subject of dispute. DS/PEL said that the level of compensation offered to an affected owner would be sufficient to enable him to purchase a ten-year old flat of a size comparable to that of the

resumed property in the same location. In the unlikely event that the redevelopment project involved the resumption of buildings which were less than ten years old, compensation would be based on the market value of the properties. The Administration would set out clear guidelines on the assessment of the value of properties.

25. As property prices had gone down considerably over the past year, Dr TANG Siu-tong said that some owners might suffer financial loss if they were compensated at the market value of their properties. DS/PEL said that some degree of flexibility to take account of individual circumstances could be exercised.

26. Mr LEE Wing-tat considered that the level of compensation should be sufficient to purchase a five-year old flat of a comparable size in the same location. DS/PEL said that the existing compensation formula had been reviewed and adopted in 1997. The compensation system was considered fair and reasonable. He cautioned that the member's suggestion might increase considerably the cost of redevelopment.

Rehousing

27. On Mr WONG Yung-kan's enquiry about the rehousing arrangements, DS/PEL said that the Administration was discussing with the Housing Authority and the Housing Society on the rehousing arrangements and would consider making available more land for building flats to rehouse persons affected by URA's redevelopment projects. Consideration would also be given to providing rental housing for affected tenants.

Public participation

28. On Mr LEE Wing-tat's enquiry about the channel for public participation in the urban renewal process, the Director of Planning (D of P) said that all redevelopment projects would be gazetted. Where a redevelopment proposal would require an amendment to the relevant outline zoning plan, it had to be dealt with in accordance with the Town Planning Ordinance and objections lodged would be considered by the Town Planning Board in accordance with the established procedures.

Environmental considerations

29. Ir Dr Raymond HO indicated his support for expediting urban renewal projects. Noting that new development areas would have eco-transport systems, he was concerned whether buildings would be demolished for reasons not strictly necessary, for example for building roads. DS/PEL said that an eco-transport system might not necessitate the widening or the construction of roads. Building of submerged roads and separating pedestrian and vehicular

traffic would be the way forward. The Administration hoped that through urban renewal, not only the living environment of the redevelopment area but also that of the entire district would be improved. As to the impact of relaxing plot ratio of redevelopment projects on the surrounding area, D of P said that this would be taken into account at the planning stage and in the review of the Metroplan.

Rehabilitation of buildings

30. On the plans for rehabilitation of buildings, DS/PEL said that the Administration was reviewing the voluntary Building Safety Inspection Scheme (BSIS) and the Building Safety Improvement Loan Scheme with a view to formulating a new proposal for the preventive maintenance of buildings to improve building safety. Under the proposal, URA would be assigned with the task of overseeing the maintenance of buildings and the preservation of buildings of historical, cultural or architectural interest in the nine target areas. The rest of the areas would fall within the purview of the Buildings Department. The initial investigation of buildings would also be undertaken by the Buildings Department.

31. Mr HO Sai-chu said that even though the Administration could complete the 200 priority projects within the next 20 years, the urban decay problems had not been resolved because more and more buildings would become aged. He enquired how this continuing problem could be managed. DS/PEL said that apart from redevelopment of buildings, another essential aspect of urban renewal was rehabilitation of buildings. Rehabilitation and proper maintenance of buildings would improve the urban environment and reduce the need for redevelopment.

32. Noting that the consultation period on the White Bill would expire on 3 December 1999, members requested the Administration to consider extending it.

(Post-meeting note: the Administration agreed to extend the consultation period until 31 December 1999.)

VII Any other business

33. There being no other business, the meeting ended at 12:45 pm.