

**與在 2000 年通過的《市區重建局條例草案》有關的文件**  
**Papers relevant to the Urban Renewal Authority Bill passed in 2000**

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| 附錄 I<br>Appendix I     | 受私人重建或收地影響的住宅單位租戶的現金補償<br><br>Paper on cash compensation for tenants of domestic premises affected by repossession for redevelopment or by land resumption                           |
| 附錄 II<br>Appendix II   | 於 2000 年 6 月 26 日提交立法會會議的《市區重建局條例草案》委員會報告的節錄<br><br>Extracts from the report of the Bills Committee on Urban Renewal Authority Bill submitted to the Council meeting on 26 June 2000 |
| 附錄 III<br>Appendix III | 2000 年 6 月 26 日立法會會議過程正式記錄的節錄<br><br>Extracts from the hansard of the Council meeting on 26 June 2000  |

**Bills Committee on the  
Urban Renewal Authority Bill**

**Cash Compensation for  
Tenants of Domestic Premises Affected by  
Repossession for Redevelopment or by Land Resumption**

**Introduction**

Members of the Bills Committee have asked for an information paper on cash compensation for tenants of domestic premises affected by repossession for redevelopment or by land resumption.

2. This paper sets out the cash compensation terms for tenants of domestic premises affected by –

- (a) private redevelopment;
- (b) redevelopment projects of the Land Development Corporation (LDC);
- (c) land resumption by the Government; and
- (d) urban renewal projects of the Urban Renewal Authority (URA).

**Private Redevelopment**

3. When premises are repossessed for redevelopment by a landlord or private developer, the statutory compensation payable by the landlord or private developer to the tenants under section 119F(4) of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) is calculated according to a sliding scale of compensation levels as follows –

<u>Rateable Value (RV)</u>	<u>Multiplier</u> (No. of times the RV)
For the first \$30,000 of the RV (where RV does not exceed \$30,000)	7
For the second \$30,000 of the RV (where RV exceeds \$30,000 but does not exceed \$60,000)	5
For the third \$30,000 of the RV (where RV exceeds \$60,000 but does not exceed \$90,000)	3
For the remainder of the RV (where RV exceeds \$90,000)	1

4. This provision of the Landlord and Tenant (Consolidation) Ordinance does not apply to land resumption by the Government.

## **LDC**

5. The LDC offers tenants of domestic premises affected by its redevelopment projects a choice of either –

- (a) rehousing provided by the LDC or by the Housing Society; or
- (b) cash compensation.

Tenants opting for rehousing are also offered a removal allowance.

6. The cash compensation package offered by the LDC consists of two components –

- (a) a basic offer based on 5 times the current rateable value of the premises, or the amount of statutory compensation under section 119F(4) of the Landlord and Tenant (Consolidation) Ordinance, or a specified minimum according to household size and type of accommodation, whichever is higher; and
- (b) an incentive payment of 70%, 50% or 30% of the basic offer in addition to the basic offer if settlement is achieved within 1 month, 2 months or 3 months respectively from the date of the compensation offer.

According to past statistics, most tenants affected by LDC redevelopment projects opted for cash compensation.

### **Land Resumption**

7. At present, a tenant of domestic premises affected by Government's land resumption is eligible for -

- (a) rehousing by the Housing Authority (either in public rental housing or in interim housing); and
- (b) an ex-gratia removal allowance.

There is no cash compensation for affected tenants if they do not accept rehousing.

## **URA**

8. When the URA is established, a tenant affected by land resumption for a URA project would be offered either-

- (a) rehousing by either the Housing Authority or the Housing Society, plus an ex-gratia removal allowance; or
- (b) some other form of housing assistance, such as Green Form status in applying for a Home Ownership Scheme flat or a housing loan; or
- (c) cash compensation offered by the URA.

9. The amount of cash compensation would be determined by the URA, but the amount would not be less than the statutory compensation under the Landlord and Tenant (Consolidation) Ordinance.

Planning and Lands Bureau

June 2000

**Extracts from the report of the Bills Committee on Urban Renewal Authority Bill  
submitted to the Council meeting on 26 June 2000**

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**Rehousing of tenants affected by redevelopment projects**

61.      Rehousing of tenants affected by the implementation of URA's redevelopment projects has been one of the most thorny issues tackled by the Bills Committee. According to the Administration, about 16,000 rehousing units will be required to accommodate tenants affected by the 20-year urban renewal programme. On average, URA will require about 1,000 rehousing units a year in the first five years of the programme. Although the Administration has pledged that no one will be rendered homeless by the implementation of redevelopment projects and that affected tenants will have a choice of flats in different districts as the Housing Society (HS) and the Housing Authority (HA) have agreed to be the rehousing agents for URA, members hold strongly that rehousing is the bottom line only. Affected tenants have to be rehoused properly in local or nearby districts. With this principle in mind, members have closely examined the preliminary agreements reached by the Administration with HS and HA in this respect.

*Rehousing to public rental flats*

62.      The major provisions in the preliminary agreement reached with HS are that HS will provide an annual quota of 1,000 public rental flats from its existing housing stock or newly-built blocks to URA for rehousing affected tenants. HS will also construct pump-priming blocks to URA on sites granted to it for the purpose of rehousing affected tenants. Over every five-year period, Government will provide sufficient land for HS to construct an equivalent number of flats it has assigned to URA and URA will reimburse HS the full construction costs. Affected tenants have to meet the existing eligibility criteria set by HS for rehousing to its public rental flats.

63.      Similarly HA agrees under the preliminary agreement to provide an annual quota of up to 1,000 public rental flats and interim housing units to URA for rehousing purpose in the initial five years of its operation. The quota will be drawn mainly from casual vacancies which may arise from existing public housing estates in various districts. Over a period of five years, Government will grant land to HA for the construction of an equivalent number of public rental housing units and interim housing units it has provided to URA and URA shall reimburse HA the development costs. As in the case of the preliminary agreement reached with HS, affected tenants have to fulfil the established eligibility criteria laid down by HA for rehousing to its public rental flats.

64.      According to the Administration, the agreed annual quotas should be sufficient to rehouse all the tenants affected by URA's redevelopment projects over a period of 20 years. Moreover, HS has indicated its readiness to increase the annual quota should there be such a need. In terms of number, members accept that the annual quotas could probably meet the need. Their concern, however, lies with the requirement that affected tenants have to meet either the established eligibility criteria set by HS or HA for rehousing to their respective public rental flats. Members observe that HS has adopted a relatively flexible attitude in assessing the eligibility criteria of persons applying for its flats. HA, however, requires strict observance of its criteria in screening the eligibility of persons for public rental housing no matter through registration in the Waiting List, or squatter clearance, or land resumption.

65. Members hold the view that since affected tenants are forced to vacate their rented premises to make way for redevelopment, a lenient approach in screening their eligibility for rehousing to public rental flats should be adopted. URA thus needs to have a certain number of public rental units from HS and HA for allocation at its discretion. This would enable URA to rehouse affected tenants who slightly fall short of the eligibility criteria and tenants on compassionate grounds. The Bills Committee therefore unanimously requests the Administration to negotiate with HS and HA to secure their consent to reserve 20% of the annual quotas for URA for allocation at its discretion.

66. HS accepts the Bills Committee's suggestion readily. The Housing Department, however, has initially expressed reservations about the proposal. The reason put forth is that there is only one set of eligibility criteria for all categories of applicants for public rental housing and this principle has been incorporated in the 1998 White Paper on Long Term Housing Strategy. Affected tenants who do not meet HA's public rental housing eligibility criteria can choose HS' rental flats, HA's interim housing or other form of housing assistance such as joining the Home Ownership Scheme or the Home Purchase Loan Scheme.

67. Members are very disappointed with the stance of the Housing Department. Given the wide distribution of HA's public rental flats all over the territory, having the flexibility to allocate 20% of the annual quota from HA at the discretion of URA is very important in achieving the objective of rehousing affected tenants in local or nearby districts. To pursue its request, the Bills Committee has taken a series of actions, including writing to the Chief Executive and inviting representatives of the Housing Bureau and then the Secretary for Housing to attend its meetings. After long and hard discussions by the Bills Committee, the Strategic Planning Committee of HA eventually accedes to members' request to reserve 20% of the annual quota for allocation at the discretion of URA, subject to certain riders. The riders are that URA has to exercise the discretion in an open, fair and transparent way; that clear criteria have to be laid down as to how URA would exercise its discretion; and that tenants allocated a public rental flat under the discretion of URA are subject to the same rules and conditions as other tenants of HA. The decision of the Strategic Planning Committee needs to be endorsed by HA at its meeting on 6 July 2000.

68. Members consider the proposed riders acceptable. They request the Administration to take a lenient approach in working out the criteria with URA as to how the discretion will be exercised and to pool the rehousing units from HS and HA in order to achieve the optimal result.

#### *Cash compensation in lieu of rehousing*

69. The Bills Committee supports the policy intention that rehousing affected tenants and not granting them cash compensation should be the way to solve the housing problem of residents living in dilapidated conditions. Nevertheless, members reckon the need to retain cash compensation as an option in certain circumstances. Tenants eligible for rehousing to public rental units may have a justifiable reason in some cases for not accepting the

rehousing arrangement. For example, an elderly person may wish to retire to his home town in the Mainland. Besides, tenants who are not yet eligible for rehousing to public rental flats may have practical difficulties in accepting interim housing units in either Tuen Mun or Yuen Long because of the long distance from their workplace and/or the schools of their children. Allowing tenants to opt for cash compensation in these circumstances is reasonable. To prevent double housing benefits, the Administration proposes to impose a condition such that tenants who have received cash compensation will not be eligible for any form of rehousing or housing assistance for a period of three years. As tenants may be due for allocation of a public housing flat through the Waiting List of HA during the three-year period, members suggest that they be given a choice to reimburse URA on a pro rata basis in order to be qualified for housing before expiry of the three years. The Administration considers the proposal viable and agrees to work out the details with URA on how this could be implemented.

70. On the amount of cash compensation payable to tenants, members take note that this will be determined by URA. The Administration has pledged that the amount will not be less than the statutory compensation under the Landlord and Tenant (Consolidation) Ordinance (Cap.7). As the number of persons who are eligible or would opt for cash compensation are expected to be limited and the amount of money involved would be minimal, the Bills Committee has requested the Administration to be more generous in formulating the policy on cash compensation to tenants.

#### *Other housing assistance*

71. Members take note that eligible affected tenants will be offered Green Form status for the purpose of applying for the various subsidized home ownership schemes administered by HA, such as the Home Ownership Scheme, Private Sector Participation Scheme, the Buy or Rent Option and the Home Purchase Loan.

#### Transitional arrangements

##### *Uncompleted projects of LDC (Clause 31)*

72. Many deputations received by the Bills Committee have anxiously sought for an answer as to how URA will handle the uncompleted projects of LDC. There would be two types of uncompleted projects upon the dissolution of LDC, namely ongoing projects and announced projects. Ongoing projects refer to those projects where land acquisition has commenced. Announced projects are projects announced by LDC in 1998 but which have not yet started. If the Bill is passed, URA would continue to implement the seven ongoing projects of LDC as if the LDC Ordinance had been not repealed, as provided under clause 31. As regards the 25 announced projects, members take note



that URA will give priority in implementing these projects but the Administration has not made any commitment on the time-table for implementation.

73. The Bills Committee notices with concern that freezing surveys have been conducted on all the announced projects of LDC but the Administration has yet to decide whether persons taking up residence in the project areas after the freezing surveys will be eligible for rehousing. Some members are of the view that to discourage the flooding in of new residents in the project areas and the temptation of making dishonest declarations, it should be categorically stated that persons moving into the project areas after the freezing surveys would not be eligible for rehousing. The Administration notes the view but has pointed out to members the possibility of legal challenge should the announced projects be implemented many years after the conduct of the freezing surveys.

*Employment related matters (Clause 32)*

74. Members take note of the provisions in the Bill to ensure the seamless transition from LDC to URA in respect of transfer of properties, liabilities and contracts, etc. In this respect, a Provisional URA will be set up in July 2000 to prepare for the establishment of URA in November 2000. To put the mind of employees of LDC at ease, the Administration has taken on board the Bills Committee's suggestion to add a new provision to explicitly state that employment with LDC and URA should for all purposes be deemed to be a single continuing employment. Committee Stage amendments will be moved to add a new clause 32(8A) to the Bill.

Conclusion

75. Since there are still uncertainties over two major issues, namely the compensation arrangements for owners of domestic and non-domestic properties and the endorsement or otherwise by HA of the Bills Committee's proposal to reserve 20% of the annual quota for allocation at the discretion of URA, some members of the Bills Committee are of the view that these need to be settled in a satisfactory manner before the Bill comes into operation. For the purpose of ensuring that members will have sufficient time to deal with these issues in the next term, they suggest that the commencement notice for the Bill to come into operation should be subject to the approval of the Legislative Council. The Administration has objected to this proposal strongly on the grounds that this is tantamount to requiring the passing of the Bill twice. Nevertheless, Hon James TO has indicated that he may move amendments to clause 1 of the Bill in this respect.

## Extracts from the Hansard of the Council meeting on 26 June 2000

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

(No Member responded)

**SECRETARY FOR PLANNING AND LANDS** (in Cantonese): Madam President, I would like to thank members of the Bills Committee, in particular Mr Edward HO, Chairman of the Bills Committee, for their careful scrutiny of the Urban Renewal Authority Bill.

During the scrutiny process, members had discussions on a number of issues of utmost importance to the implementation of the urban renewal programme. In his speech a moment ago, Mr HO has spoken about all these issues and the undertakings made by the Government. Today, on behalf of the Government, I would like to formally give the undertakings as follows.

First, I undertake to state expressly in the Urban Renewal Strategy that a people-oriented approach will be adopted. The policy objective of urban renewal is to improve the quality of life in old urban areas. We have three principles:

- (1) compensation payable to affected landowners must be fair and reasonable;
- (2) affected tenants must be given proper rehousing; and
- (3) there must be benefits to the entire area concerned as a result of replanning and renewal. These benefits should include preserving heritage and enhancing any possible commercial activities in the area.

It is my conviction that these can all be achieved because the Urban Renewal Authority (URA) to be established will enshrine a wider scope of activities than those of the existing Land Development Corporation (LDC). It will certainly achieve the objectives of preserving heritage, transforming heritage into commercial areas and enhancing activities and employment within the areas, just like other big cities or the East Asian Region. As we adopt a people-oriented approach, we will not act against the wish of the people. We will be achieving a compensation package acceptable to the Legislative Council for submission to the Finance Committee for approval.

The second undertaking concerns the composition of the URA Board. We will ensure the Board can represent the interests of different sectors and persons in the community. We will make recommendations to the Chief Executive to appoint a certain number of Members of this Council to the Board to enhance its representativeness.

The third undertaking concerns clause 5(f) of the Bill. I guarantee that orders made by the Chief Executive under this clause is subsidiary legislation and therefore it must comply with the requirements prescribed by section 34 of the Interpretation and General Clauses Ordinance, that is, it shall be laid on the table of the Legislative Council for negative vetting before it can come into effect.

To ensure the URA to be established is accountable to the public and will respond actively to the needs of the community, the Government recommends four measures to the URA.

Firstly, the URA will issue to all its directors a guideline on declaration of interest and a list of do's and don'ts. Secondly, the URA should be as open as possible and its transparency should be enhanced. Although some issues discussed in the URA Board may involve commercially sensitive information and it may not be desirable to make such information public, our principle remains that the URA should open their meetings to the public as far as possible to let the public have the chance to see how it operates. Thirdly, as suggested by some Members, a register of declared interests and attendance records for Board members should be uploaded onto the Internet. We will request the URA to consider this suggestion. Fourthly, we will suggest that the URA set up an independent audit team, which will prepare an annual report for inspection by this Council.

My next undertaking is about the financial arrangements of the URA. To enable the URA to launch a 20-year project of urban renewal and to take over the unfinished renewal projects from the LDC, the Government will introduce a package of both financial and non-financial tools. They include waiving land premia for redevelopment lots and land for rehousing, and providing loans to the URA where necessary. Examples of non-financial tools under consideration include exempting Government/Institution/Community facilities of URA projects from the calculation of gross floor area and relaxing plot ratio controls for some URA projects.

The next undertaking is about public consultation. The Government is of the view that the URA should set up a mechanism to collect public views. We will suggest to the URA to set up district advisory committees in each of the nine target redevelopment areas to provide to the URA opinion and assistance on the redevelopment projects in the area. Members of the committees should be appointed by the URA Board, and they should be able to represent the area, including owners of premises, tenants, District Council Members and concern groups who are non-government organizations in the area.

At present, the LDC pays for the expenditure of two urban renewal social work teams. Past experience shows that the teams can help in the process of urban renewal. We would request the URA to continue the service and set up one such team for each of the target redevelopment areas, so that they can act as a bridge between the URA and residents affected by urban renewal. The teams can also provide advice and assistance to residents. Urban renewal social work teams should preferably have been set up before an urban renewal project is launched in each of the target redevelopment areas.

Some Members and community organizations suggested that the URA should conduct a comprehensive assessment on the social impact of each redevelopment project proposed by the URA, including social security and rehousing needs of the affected residents. Thus, we suggest that the URA conduct an impact assessment on proposed projects and publicize the assessment results. We propose to conduct the assessment in two stages. A non-obtrusive impact assessment will be conducted before the publication of a proposed project, followed by a detailed impact assessment after the proposed project has been published in the Gazette.

After the proposed project has been published in the Gazette, the URA will conduct an assessment on the following areas, including:

- (a) demographic characteristics of the affected residents;
- (b) social and economic characteristics of the affected residents;
- (c) need for rehousing of the affected residents;
- (d) choice of rehousing of the affected residents;

- (e) employment of the affected residents;
- (f) work location of the affected residents;
- (g) community network of the affected residents;
- (h) education needs of the children of the affected households;
- (i) special needs of the elderly;
- (j) special needs of people with a disability;
- (k) detailed assessment of any hidden effects on the community resulting from the proposed projects; and
- (l) detailed report on any mitigating measures required.

I am certain the URA can work more smoothly than it does with the present arrangements in its renewal work and communication with the residents after a detailed assessment has been done on the above.

Some owner groups suggest that owners should be given the opportunity to participate in urban renewal projects. We undertake to request the URA to consider launching owner participation plans for urban renewal projects.

Among the Committee stage amendments that I am going to propose is a proposal to set up an Appeal Board. Some Members are concerned that the appellant may not have the means to be legally represented at the hearing. The interests of the appellant may be prejudiced against if the Government or the URA is legally represented. In fact, if the appellant is not legally represented, the Government may not engage legal practitioners to represent it as well. We will also suggest that the URA should be fair to appellants in engaging legal practitioners.

A basic principle of the Urban Renewal Strategy is that owners whose properties are resumed by the Government are given fair and reasonable compensation.

Owners of domestic properties are eligible for statutory compensation if their properties are resumed by the Government. This statutory compensation will be the open market value of the resumed properties. Owner-occupiers are also eligible for Home Purchase Allowance (HPA). According to a decision of the Finance Committee of the Legislative Council in April 1974, HPA is estimated on the cost of a replacement flat on the basis of a 10 years old flat of a size similar to the one being resumed and in the same district. I fully understand that Members hoped the basis could be changed to an eight years' old flat in the calculation of HPA.

Today, I am not going to debate on the age of flats that should be used as a basis. I will give a clearer indication on that later in my proposal made to the Finance Committee.

In regard to compensation, Members asked that we protect the interests of owners. The Government fully agrees with this principle. Thus, we will review the existing compensation arrangements, including:

- (1) to consider providing incentives to owners to sell the land to the URA by agreement after a resumption notice has been issued and before reversion of ownership of the land to the Government;
- (2) to review compensation for non-domestic properties;
- (3) to consider making new *ex gratia* payments in place of compensation for business loss. The amount of *ex gratia* payments may be fixed at a certain percentage of the open market value or calculated otherwise; and
- (4) to consider providing a bridging loan to affected owners to tide them over the difficult period after their properties are resumed.

We will submit a plan to the Finance Committee for Members' consideration on the above issues and on proposals to improve HPA. We aim at an all-win situation. First, the URA can make improvements on all of the nine target redevelopment areas. Second, improvement can be achieved on the appearance, maintenance, repair and renewal of buildings in Hong Kong. Third, residents in the relevant areas do benefit from urban renewal.

For owners of domestic properties affected by land resumption, we will set up a non-statutory appeals mechanism. Owners who are not satisfied with the amount of HPA they receive may make appeals, which will be dealt with by an Appeals Committee consisting entirely of non-public officers.

Disputes between the Lands Department and owners over the amount of compensation often originate from differences in opinion on the evaluation of the properties resumed. To enhance openness and transparency, the Lands Department will issue a set of valuation guidelines. Owners will then understand how the Department evaluates properties in the calculation of compensation. On this subject, as I indicated this morning when I spoke about another removal/demolition project, the Director of Lands sometimes may, in order to be fair to owners and to show them the basis of evaluation, take the initiative to submit to the Lands Tribunal his valuation report. He may also submit the report and the data supplied by owners to an independent lands tribunal.

The Government has pledged to tenants affected by redevelopment projects that no one will be rendered homeless by the implementation of redevelopment projects. The Government will ensure the URA has sufficient resources. The Government has reached a consensus with the Housing Society (HS) and the Housing Authority (HA) for them to be rehousing agents for the URA. The URA will sign a formal agreement with the HS and the HA after its establishment.

The Government will also take necessary steps to assist the URA in rehousing affected tenants in situ or in the vicinity as far as possible. The URA will be providing units in public housing estates in various parts of Hong Kong for affected tenants to choose from. The nine target areas being dealt with by the URA cover a greater area than those areas dealt with by the LDC. So, I trust the URA management will in future have greater flexibility and perform better in local rehousing.

If tenants affected do not want to be rehoused in interim housing units in the New Territories, they may receive cash allowance instead. The amount of the cash allowance will not be less than the statutory compensation payable to tenants by owners or private developers under the Landlord and Tenant (Consolidation) Ordinance in a redevelopment.

To flexibly deal with affected tenants, the URA should consider paying a temporary rental allowance to tenants who have to move, until they are properly rehoused. Payment of temporary rental allowance is a proper interim measure for tenants with a special need, such as the elderly and people with a disability, who may be able to find a suitable rehousing unit in the same area.

My last undertaking is about transitional arrangements. Transitional provisions in the Bill specify that after the dissolution of the LDC, all the assets and liabilities of the LDC will be transferred to the URA including its properties, documents, accounts and contractual agreements, and so on. Uncompleted LDC projects will be taken over by the URA for processing. As regards projects already announced by the LDC, the URA will give these projects priority as the announcement has been made for some time.

Madam President, the above are undertakings I have made on behalf of the Government. With your permission, I shall briefly outline those amendments I will be moving at the Committee stage. These amendments I will be moving are meant to improve further the provisions in the Bill.

Firstly, clause 4. In the course of scrutiny, members of the Bills Committee and some community groups expressed concerns about the suggestion of the Government to create an Executive Chairman in the URA Board. Members were of the view that there should be a non-executive Chairman and a Managing Director to effect checks and balances in the decision-making process. After giving further thoughts on that view, we now propose to create a non-executive Chairman and a Managing Director, both of whom will be appointed by the Chief Executive. For this I will be moving an amendment at the Committee stage to amend clause 4. I will also be moving an amendment to specify that there should be not less than seven other non-executive directors not being public officers in the Board. This amendment can increase the flexibility of persons who are not public officers holding non-executive director posts. It can also increase the representativeness of the Board.

Some members of the Bills Committee suggest that if a URA director is directly or indirectly interested in a contract made or proposed to be made by the URA, the director should not vote on any question concerning the contract. I do understand the concern of the members and I will propose an amendment to clause 7 at the Committee stage to specify that a URA Board member who is in any way directly or indirectly interested in the relevant contract shall not in any event vote on any question concerning the contract.

The Managing Director of the URA is its top executive and is most suited to explain the policies and operation of the URA. So, he should attend meetings of the various committees and subcommittees of the Legislative Council and answer questions raised by Members. At the Committee stage, I will move an amendment to clause 9, deleting "Chairman" where it twice appears and substituting "Managing Director".

The Hong Kong Society of Accountants suggests amending clause 16 to specify accounting and auditing details of the URA. I will propose an amendment at the Committee stage to the effect that detailed provisions be made requiring the URA to keep proper accounting records and prepare financial statements. It shall also appoint an auditor to audit the account and financial statements of the URA.

We will be preparing an Urban Renewal Strategy to set out a master plan for urban renewal in Hong Kong. The URA must act by the guidelines contained therein. The Bills Committee and some community groups requested that there should be public consultation before the Urban Renewal Strategy is finalized. For this I will move an amendment at the Committee stage adding a new clause 17A specifying that the Secretary for Planning and Lands shall consult the public before finalizing the Urban Renewal Strategy.

Regarding the time limit for objections to projects proposed by the URA, some members of the Bills Committee suggested extending the time limit. I will move a Committee stage amendment to amend clause 20(1) specifying that the time limit for raising objections to proposed development projects be extended from one month to two months. I will also move an amendment to clause 21(7) so that an owner affected by the amendment made by the Secretary for Planning and Lands and not included in the original development project shall send the statement of their objection within two months, instead of 14 days. Hence, residents affected by proposed development projects may have more time to prepare their statements of objection.

After considering statements of objection against a proposed development project, the Secretary for Planning and Lands may make a decision. Some Members suggest setting up a statutory Appeal Board to hear appeals by persons who raise objections to the decision of the Secretary. I will move an amendment at the Committee stage to add a new clause 23A to specify how an Appeal Board panel will be set up and how members of the board will be

appointed for hearing appeals. Anyone who feels aggrieved by a decision of the Secretary may submit his or her statement of appeal to the secretary of the Appeal Board panel.

Some Members held the view that the Chief Executive in Council should approve the sale or disposal of the land resumed only in public interest. To allay the fears of Members, I will move an amendment at the Committee stage to amend clause 25(2) specifying that the Chief Executive in Council shall, "if he considers the public interest so requires", grant approval to sell or dispose of the resumed land.

To decide whether affected persons are eligible for rehousing or *ex gratia* payments, the URA will conduct freezing surveys. As suggested by members of the Bills Committee, I will move an amendment at the Committee stage to specify that any person who gives such information which he knows to be false commits an offence.

At the Committee stage, I will move an amendment to clause 32 so that any employment contract signed with the LDC before its dissolution will be treated as if it is signed with the URA and employment with the LDC and URA should for all purposes be deemed to be a single continuing employment.

Madam President, apart from the above, I will also be moving other amendments to amend clauses 2, 6, 18(3) and (4), 19(5), 24 (1) and (2), 26(1), (4) and (7), 29(2) and the Schedule. These are mainly technical amendments.

Members also expressed concern that the new organization may be given too much power, too many projects and too cumbersome an establishment. I firmly believe that, with supervision by the Legislative Council, the people and the many organizations I mentioned, such a situation will not arise after the Urban Renewal Strategy is announced and the consultation on it is completed.

In addition, buildings constructed by the URA will be regulated by the Buildings Department in accordance with the law. Therefore, I believe the worries of some Members will not be a problem.

Madam President, Hong Kong is facing a problem of urban decay. We must act quickly and effectively to tackle this problem. We must improve the living conditions of people in dilapidated areas. We must improve the quality of our environment completely in our city. I now recommend the Bill to Members of this Council and urge Members to support the amendments I will propose at the Committee stage. Thank you, Madam President.