

**Presentation to the Special Finance Committee of Legislative Council
by the Secretary for Development on 7 April 2008 at 3:20 pm**

Chairman,

First of all, I would like to thank Members for their interest in the Draft Estimate of the Development Bureau (DEVB). My respective Controlling Officers have provided answers to 166 written questions from Members accounting for the use of resources under the purview of Planning and Lands. They are here to respond to any further questions that Members may wish to raise.

2. DEVB will face a number of new challenges in the coming year. 2008-09 will see additional resources for various programmes to meet new demands. My 2008-09 Operating Expenditure on Planning and Lands is \$3,354.6 million, representing an increase of \$161.4 million or 5.1% compared with that of 2007-08. Excluding 83 posts for phasing out Non-Civil Service Contract Staff positions with long term service needs, there will be an increase of 23 civil service posts for undertaking various initiatives under this portfolio.

3. I would like to take a few minutes to brief Members on several priority tasks of the Planning and Lands portfolio in the new financial year.

Enhancement of Building Maintenance

4. Elderly owners with low income or no income at all often cannot properly repair and timely maintain the buildings they occupy due to the lack of financial resources, rendering their buildings continuously dilapidated.

5. We propose to launch a new Building Maintenance Grant Scheme for Elderly Owners to help elderly owners aged 60 or above to meet the costs for complying with statutory orders or carrying out voluntary repair works to their premises. We will conduct simple means tests to ensure that the grants will genuinely benefit those in need. Nevertheless, we will adopt a more relaxed standard for asset assessments so that more elders can benefit from the Scheme. The Scheme will also cover those elderly owners who have already obtained loans under the maintenance loan schemes offered by the Buildings Department, the Hong Kong Housing Society or the Urban Renewal Authority. If they meet the requirements, they can also apply for a grant under the Scheme to repay their debts.

6. We will entrust the Hong Kong Housing Society to administer the Scheme. I would like to thank the Legislative Council Panel on Development for supporting the proposal at its meeting on 25 March 2008. We will seek the Finance Committee's approval of a commitment of \$1 billion at its meeting on 25 April 2008 for the Scheme to be implemented as early as possible. Such Scheme will facilitate building maintenance in Hong Kong.

7. In line with our efforts to improve building safety, we have earlier introduced into the Legislative Council the Buildings (Amendment) Bill 2007 to simplify the statutory requirements and procedures for carrying out small-scale building works by introducing a new minor works control system. A number of meetings have been held by the Bills Committee of the Legislative Council to scrutinize the bill. We hope that the amendments can be passed as early as possible for the commencement of the minor works control system. To facilitate the implementation of the new system, we will, together with the Hong Kong Housing Society, engage a large-scale public education campaign to enhance the understanding of the public and practitioners of the new legislation.

8. Moreover, based on the community consensus achieved through the public consultations, we are working on the draft legislation on the Mandatory Building Inspection Scheme and the Mandatory Window Inspection Scheme. We intend to further consult members of the Development Panel later on the operational details of the proposed schemes, with a view to introducing the proposed legislation into the next term of the Legislative Council as early as possible in order to attain a long-term solution to the problem of building neglects.

Lowering of Development Density

9. Pursuant to the Chief Executive's 2007-08 Policy Address, we are taking various steps to lower the development density of our city with a view to upgrading urban design, enhancing the vista of buildings, improving air ventilation and generally to provide a better living environment. We are progressively stipulating in outline zoning plans clear development restrictions, where justified, for all to follow. Priority is given to reviewing building heights in areas subject to high development/redevelopment pressures, waterfront areas along Victoria Harbour and congested built-up areas. This involves about 40 plans. We have already conducted the first stage review of seven, mainly relating to building height

restrictions, and gazetted the amendments to the outline zoning plans. While we appreciate that Members and concern groups wish to see an early completion of the review of outline zoning plans, the magnitude and complexity of this task should not be underestimated.

Other Planning Work

10. Apart from the review of outline zoning plans, other major planning tasks to be undertaken by the Development Bureau and the Planning Department in the coming year are highlighted below :

- (a) We will commence a detailed planning and engineering (P&E) study on the New Development Areas (NDAs) in the North East New Territories (i.e. Kwu Tung North, Fanling North and Ping Che / Ta Kwu Ling) and will submit a funding proposal to the Public Works Subcommittee for consideration. The Hung Shui Kiu NDA P&E Study will follow at a later stage.

- (b) The study on the “Land Use Planning for the Closed Area” is underway to tie in with the opening of the Closed Areas implemented by the Security Bureau. In determining the future land use, we have to properly balance the needs for development, environmental protection, nature and heritage conservation and the community needs.

- (c) To promote cross-boundary infrastructure development, we will conduct a joint study with the Shenzhen Municipal Government to explore the feasibility of developing the Lok Ma Chau Loop and Liantang/Heung Yuen Wai control point on the basis of mutual benefit.

Expediting the processing of lease modification and land exchange applications

11. The Government is committed to speeding up the approval procedures for private developments, and reviews from time to time the procedures and processes for handling such applications with a view to moving with the times. As pointed out by the Chief Executive in his 2007-08 Policy Address, the Government

is not only a regulator, but also a service provider. We are responsible for enhancing the efficiency of the building construction industry and the property development market. In this respect, the Lands Department has launched a pilot scheme in the District Lands Office (Hong Kong West and South) by setting up a dedicated team to step up case management and monitor closely the progress of processing applications with a view to expediting the processing of lease modification and land exchange applications. This measure is expected to bring a 10% reduction in the processing time of related cases within the district. We hope to trigger a faster market response to the change in business environment and bring development projects to fruition as soon as possible.

Review of the Urban Renewal Strategy

12. In the next few months, a major task of the Development Bureau is to commence a review of the Urban Renewal Strategy (URS) together with the Urban Renewal Authority (URA). Since its establishment seven years ago, the URA has commenced 35 redevelopment projects, assisted in the rehabilitation of about 400 buildings, and revitalized and preserved over 25 pre-war buildings. With the public attaching greater importance in recent years to heritage conservation, community networks and building rehabilitation, it will be necessary to review the weightings of

the relevant aspects in the URS. I hope that various sectors of the community will actively participate in the URS review to set a new direction for this important social issue.

Conclusion

13. Chairman, this concludes my opening remarks. My colleagues and I will be happy to answer any questions that Members may wish to raise. Thank you.