

LEGISLATIVE COUNCIL BRIEF

HONG KONG 2030:PLANNING VISION AND STRATEGY FINAL REPORT

INTRODUCTION

At the meeting of the Executive Council on 25 September 2007, the Council ADVISED and the Chief Executive ORDERED that:

- (a) the Executive Summary and Final Report of the Study on Hong Kong 2030: Planning Vision and Strategy, at **Annexes A and B** respectively, should be adopted as the strategic planning framework to guide the future development of Hong Kong with respect to land use and infrastructure provision; and
- (b) the Final Report and Executive Summary should be released to the public in mid October 2007.

A, B

BACKGROUND

2. The HK2030 Study is a comprehensive review of Hong Kong's territorial development strategy, aiming to formulate a broad planning framework to guide the future development of Hong Kong up to year 2030. The last Territorial Development Strategy Review, covering a time horizon up to 2011, was promulgated in 1998.

3. The HK2030 Study was divided into four stages:
- (b) identification of planning objectives and key study areas;
 - (c) examination of key issues;
 - (d) formulation of development scenarios and evaluation

- criteria; and
- (e) formulation of development strategies and response plans

4. Strategic planning in Hong Kong dates back to the post-war era. In the past, the need for a strategic plan was primarily prompted by the rapid population growth (roughly in the range of one million per decade). At the turn of century, we experienced a significant change in the growth pattern brought about by a much slower population growth (about half a million per decade for the coming years). In the HK2030 Study, we have assumed a population of 8.4 million by 2030, representing an increase of about 1.6 million people within the planning horizon. We have also examined the 30-year population forecasts¹ prepared by the Census and Statistics Department based on the 2006 By-census results and found that the revised forecasts are more or less in line with our working assumptions. Hence, the findings of the HK2030 Study would not be affected.

KEY STUDY RECOMMENDATIONS

Translating Hong Kong's Vision onto a Spatial Plan Under Three Broad Directions

5. To support the realisation of our vision of positioning Hong Kong as Asia's world city, we have through the HK2030 Study translated the vision into specific planning goals and objectives which are to be met by a planning strategy. We propose that our planning strategy should follow three broad directions, namely:

- (a) providing a quality living environment;
- (b) enhancing economic competitiveness; and
- (c) strengthening links with the Mainland.

Promoting Sustainable Development

6. As its overarching goal, the HK2030 Study aims to adhere to

¹ The forecasts were released to the public on 16 July 2007.

the principles of sustainable development to balance social, economic and environmental needs as well as to take on good resource management. On the latter in particular, we need to carefully re-assess the capacities of our developed land and existing infrastructure to avoid wastage, manage our needs with an innovative approach that allows us to ‘do more with less’ – striving for higher quality and efficiency while being prudent in resource utilisation and encroachment onto greenfield land in the planning for major development.

7. This is very different from the previous territorial development strategies which were primarily tasked to identify strategic expansion areas to meet the needs of a rapidly growing population and mounting housing pressures of the past few decades. The adoption of a planning strategy that advocates a prudent approach in development represents a paradigm shift in planning.

8. This approach is already widely adopted in many advanced economies, which now fervently promote the concepts of “smart growth” and “sustainable growth”. Spatial development plans of many cities in the Mainland, too, have begun to embrace the idea of a higher-quality and more consolidated form of development. By adhering to sustainable development principles, we hope we can prove ourselves worthy to be called Asia’s world city.

Spatial Planning Concepts

9. To achieve this, we recommend that our future spatial development pattern should adopt the planning concept of prudent use of land resources by planning for more development around mass transit railway stations to facilitate fast and mass movement of people in an environmentally-friendly mode of transport. This would help reduce reliance on the use of private cars and curb carbon emissions, thus contributing to our efforts in the fight against global warming. In addition, we believe we should make better use of development opportunities in the existing developed areas where infrastructure capacities permit, taking into account urban design considerations,

(such as building mass and height, provision of breezeways etc.) as well as heritage conservation objectives. The recommended spatial planning concepts are illustrated in the Figure E-1 of the Executive Summary at **Annex A**.

10. With the availability of development opportunities² in the urban areas including the existing new towns (which can accommodate some 70% of our future additional population up to 2030³), and a slower anticipated population growth, there is no immediate pressure to embark on massive construction programmes like the new towns of the 1970s to 1990s at this juncture. This allows us to re-orientate our approach in planning from a principally quantity (demand-) driven focus to a greater emphasis on quality, in accordance with aspirations of the community at large, as well as achieving our vision as Asia's world city that deserves a good quality living and working environment.

Urban and Rural Land Management

11. The proposal to optimise development opportunities in the existing developed areas will allow us to continue to preserve much of our rural areas and enable us to live closer to nature. The urbanised areas of Hong Kong have so far taken up slightly more than one-fifth of our land area, while over 40% is designated as country parks, special areas or under protection of outline zoning plans. Working on the assumption in paragraph 10, we need only to develop about 2% more of our land area to cater for approximately another 20% of our population growth, with the remaining 10% scattered across the rural areas. This will still leave a large proportion of woodland, shrubland, grassland, agricultural land and rural settlements primarily remaining untouched by strategic development proposals (other than proposals for the released land at the Closed Area which will be further examined under a

² Major development opportunities are found in Kai Tak, West Kowloon, North Lantau, Tseung Kwan O, Tuen Mun/Yuen Long and redevelopment/infilling sites in the Metro Area (i.e. the areas covering Hong Kong Island, Kowloon, Tsuen Wan, Kwai Chung and Tsing Yi). Some of the potential development sites are still subject to planning procedures and/or land formation/engineering works.

³ In the HK2030 Study, we have assumed a population of 8.4 million by 2030, of which the future additional population is estimated to be about 1.6 million people.

separate study), thereby facilitating the continued protection of our valuable natural habitats and ecological resources for the benefit of future generations.

12. However, avoidance of development onto rural land alone is not enough to bring about a quality rural environment. In the past, we had relied on an “economic” approach through upzoning measures to address the issue of dilapidated or “spoiled” rural land through private initiatives. Unfortunately, our objective of maintaining a low level of development in rural areas commensurate with the countryside characteristics and infrastructure capacities does not lend adequate incentives to drive private initiatives.

13. Government-initiated new town developments could be seen as an alternative solution to some of the rural degradation problems. However, as we have adequate land supply to meet anticipated growth needs and therefore do not need to embark upon development at an extensive scale, a rehabilitation approach with emphasis on remedial measures being taken to upgrade the rural environment is recommended.

14. As part of our planning strategy, while allowing open storage use to continue in a controlled manner, we have recommended a number of measures to facilitate the beneficial use of rural land such as alternative tourism (e.g. ecotourism, cultural tourism), and organic farming. Implementation of these measures requires the support and co-ordination of relevant policies, involving nature conservation, heritage conservation, tourism and agriculture.

New Development Areas (NDAs)

15. Despite slower population growth, we see the need for NDAs in the longer term to meet the needs of the population, in particular to cater for the increasing socio-economic ties with the Mainland and to address the shortfall in public housing land as forecast under our prevailing public housing policy. In view of the long lead-time required

for the implementation of NDAs (at least 12.5 years from planning to the first intake of population), we recommend that planning work on some of the NDAs should commence as soon as possible.

16. Of the NDAs in the New Territories identified in previous planning studies, we have shortlisted the Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling NDAs (the Three-in-One Scheme) and the Hung Shui Kiu NDA for priority consideration. With development of these two schemes, the housing needs of our population growth within the planning time-frame could broadly be met. These NDA schemes will be nodal developments located adjacent to existing new towns. Each of the NDAs will be of a scale no more than a quarter of that of conventional new towns like Tuen Mun and Sha Tin/Ma On Shan. Other than providing housing land, NDAs could also serve to meet other land use requirements such as high value-added, special, non-polluting industries and higher educational uses, which will also provide employment. It might also be possible to reserve some land in the NDAs for small house development. It should however be noted that some of the land within the NDAs has already been taken up by private developers and may complicate the future land resumption process. We may need to consider more innovative approaches for implementation of the NDAs, such as more public-private sector collaboration. Another point to note is that while proximity to existing new towns allows the sharing of major infrastructure and facilities, NDAs themselves may not achieve the required population thresholds for certain public uses which need to be located close to the users. This may warrant a more flexible approach in the provision of facilities concerned.

17. Funding has been earmarked for a planning and engineering review study on the Three-in-One Scheme. We propose to proceed with tendering procedures after the release of the HK2030 Study report and announcement of the NDA proposals.

Provision of Housing Land

18. While the overall supply of housing land would be adequate to

meet the housing needs of the assumed population growth up to 2030, there could be a mismatch in the provision of public and private housing land for a number of reasons. First, many of the development opportunities are located in the urban areas and generally viewed as “prime sites” not suitable for public housing development.

19. Second, as noted in paragraph 16 above, private developers have been consolidating their landholdings in the NDA areas. The amount of Government land readily available for public housing at the NDAs is limited.

20. Third, experience with the development of the Tseung Kwan O new town shows that the community is unlikely to accept further high-rise, high-density developments in the New Territories, especially in areas speckled with existing village developments and natural greenery. We have therefore proposed that NDAs should be planned for low to medium densities, with relatively higher plot ratios around the railway stations and lower plot ratios at the outskirts⁴. Should station developments be regarded as “prime sites” more suited for private developments, or set aside for rail-related projects, development opportunities for public housing use at the NDAs may be affected. Having said that, we consider that the NDAs are required to ensure adequate supply of land for public housing.

21. Fourth, while supply is policy driven, the demand for public housing is affected by economic conditions and household incomes. At present, we have identified adequate sites (which may not be perceived as suitable for the purpose) to address public housing needs for the next ten years. The designation of public housing sites to meet demand of later years will have to be further worked on.

22. The sufficiency of housing land is also affected by other factors, including a higher-than-expected population growth, a further drop in

⁴ Detailed parameters of development sites at NDAs would be subject to the planning and engineering review to be undertaken for each NDA scheme.

household size, community aspirations for bigger living space, etc. This explains why we have proposed to put in place a monitoring mechanism to keep in view any major deviations from our current working assumptions.

Development Densities and Urban Design

23. Other than land use, the overall spatial development form is also determined by development densities. With scarce land resources, land has been developed to its maximum development potential, resulting in Hong Kong being one of the most compact and densely developed cities in the world. Increasingly, we are faced with public pressures to lower development densities, promote better urban design and provide more open space, especially in the aftermath of Severe Acute Respiratory Syndrome. However, lowering development densities on land sale sites and redevelopment sites requiring lease modifications carries significant revenue implications and may frustrate private development. On an aggregate basis, lowering development density on development sites could result in a more spread out form of development consuming more of our limited land resources, demanding more roads and infrastructure, and requiring longer travelling distances and time.

24. In the light of these considerations, we recommend a balanced approach by ensuring that in the planning for all major new developments, urban design principles and environmental considerations would be adequately taken into account in the determination of development density levels, as has been done for the remaining phases of Tseung Kwan O and the Kai Tak development. The same consideration shall be given to the planning for NDAs.

25. For the urban areas, the prevailing densities should broadly be maintained, but in order to ensure the provision of more livable environments, we need to rigorously review the densities of sites in congested localities and the distinctive harbourfront areas giving due regard to urban design and environmental implications.

Prime Offices

26. On land for economic uses, we would stress the importance of ensuring a steady supply of land for the so-called “Super Grade A Offices”⁵ at the central business district (CBD)⁶ to sustain growth of our financial and business services sector and maintain our position as a choice location for corporate headquarters functions.

27. While upholding our commitment of no more harbour reclamation (other than the proposed Wan Chai North Development and possibly Kai Tak), we need to identify additional sites that are suitable for Super Grade A office development to address the potential shortfall in the longer term.

Cross-boundary Infrastructure and Development in Boundary Areas

28. To effectively leverage on our ties with the Mainland and for better integration with the Greater Pearl River Delta (PRD) city-region, we need to speed up the development of our cross-boundary infrastructure (including land-, water- and air-based infrastructure) to ensure unimpeded flows of people, goods and vehicles. As major cities in the PRD, such as Guangzhou and Shenzhen, already have plans to extend and expand their nation-wide transport connections (especially rail connections), we need early strategic action to link up with major transport networks (including the PRD Inter-City Rapid Transit System) and critical transport nodes in the PRD to provide direct, convenient and high-quality services in order to enhance passenger and cargo flows and expand our reach into inland provinces. We could pursue a dual transport system with a rail-based network serving the more immediate PRD region, Guangdong and beyond, to be complemented by air services serving a much wider catchment.

⁵ Super Grade A Offices have stringent locational requirements (preferably located in the core of the CBD), accord great emphasis on building design, demand efficient transport connections especially by mass transportation, and require a spacious floor-plate (hence a larger development site).

⁶ For the purpose of the HK2030 Study, the CBD is defined as the business areas within Central, Wan Chai, Sheung Wan, Causeway Bay, Tsim Sha Tsui and the West Kowloon Reclamation.

29. Other than improving cross-boundary transport infrastructure, development in the boundary areas could also help to strengthen our links with the Mainland, especially Shenzhen. To capitalise on the strategic locational advantages of the boundary areas, studies are being conducted on the Lok Ma Chau Loop and the Liantaing/Heung Yuen Wai Control Point. Another major planning study on the use of land to be released by the reduction of the Closed Area has also commenced. Development of measures to foster closer partnership and co-operation between Hong Kong and Shenzhen on the institutional front to the mutual benefits of the two sides is in the meantime under active consideration.

Airport and Port Development

30. While airport and port development and their expansion schemes (e.g. the proposed container terminal number 10, expansion plans for the Hong Kong International Airport (HKIA) and logistics development proposals) would have significant implications for our overall spatial development plan, separate studies have been, or are being, undertaken by concerned parties.

Implementation

31. As with any strategic planning studies, the HK2030 planning strategy is meant to provide broad concepts and planning directions that allow us to get prepared for possible development needs that may arise henceforth. The actual implementation of individual policy initiatives envisioned is outside the scope of this study. The study should therefore not be taken as a blueprint dictating either the form or timing of our future development.

32. Since its commencement in end 2000, the HK2030 Study has progressed based on our long established policy of putting our scarce land resources to optimal use. Until recently, the philosophy behind this policy was to provide as much flexibility as possible under the land use planning mechanism to cater for changing societal needs. Rising community awareness and aspirations for a better living environment

and preservation of our heritage (not only historical but other 'living' heritage like open-air bazaars and streetscapes) have however intensified in the last few years.

33. In response to the rising aspirations from the community, we have been stepping up efforts on public consultation and engagement in the planning and development of new projects, and are progressively strengthening development controls where justified. The new Development Bureau has been tasked to speed up infrastructure construction which is crucial to Hong Kong's continued prosperity, and to ensure that the needed balance is struck amongst development, environmental protection and heritage preservation. The underlying policy is a progressive view on development.

34. The key recommendations from the 2030 Study include the planning for new development areas; cooperation and partnership with the Mainland on planning cross-boundary infrastructure proposals; promotion of a quality living environment through the optimal use of space; and reservation of land for the development of Grade A offices, special industries, logistics facilities, and more beneficial use of our rural land. The Development Bureau will work with relevant bureaux and departments to further develop these recommendations in a well-coordinated manner. The Bureau will also take stock of progress in taking forward the HK2030 planning strategy at regular intervals.

PUBLIC CONSULTATION

35. We have conducted three rounds of extensive public consultation (which included public forums, briefings for stakeholder groups, roving exhibitions and education programmes for schools etc.) at the end of each of the first three stages of the HK2030 Study in early 2001, early 2002 and end 2003/early 2004 respectively. A report, detailing our responses to comments, was issued for public information after each round of consultation.

36. In Stage 1 Public Consultation, public views were sought on

the planning horizon, objectives, key study areas and approach of the HK2030 Study. Public comments regarding the extended planning horizon up to 30 years were diverse. Some respondents considered that it would be necessary to be visionary on the direction for future development, but some opined that it was too long. A number of comments suggested that sustainable development should be an overriding planning objective. There was general support for stronger socio-economic ties with the Mainland, in particular the PRD region. Given the limited land resource, some respondents expressed the need for a population policy especially on setting a population limit for the future development of Hong Kong.

37. In Stage 2 Public Consultation, we solicited views on nine strategic planning issues⁷ which were important to the formulation of development options. Most respondents considered that the Closed Area should be properly developed. However, a number of green groups pointed out that development of the Closed Area might endanger the ecology of the wetlands nearby. Support for new cross-boundary connections to strengthen links with the Mainland was strong. However, some respondents opined that the Government should not hastily build a cross-boundary link in northeast New Territories lest it should adversely impact on the natural landscape.

38. The idea of converting obsolete vacant industrial buildings for loft apartment as a means of recycling building resources was well received by the community. On the creation of a land bank, public views were rather diverse. Some considered that it was good for attracting business, but some were concerned that it might lead to unfair competition.

39. In Stage 3 Public Consultation, we sought public views on the

⁷ The issues were: (a) planning for a closer link with the Mainland; (b) creation of a land bank for special economic activities; (c) re-use of industrial buildings; (d) locations and density of NDAs; (e) provision of jobs closer to home; (f) impact of information technology on business operations; (g) planning for unwelcome facilities; (h) planning for the waterfront uses; and (i) use of the reservoirs for recreation and sporting activities.

three broad planning directions, key assumptions on population, employment and strategic infrastructure as well as the planning choices and spatial development patterns. Most of the respondents supported the three planning directions. Regarding the population assumptions⁸, some members of the public opined that the assumption of 9.2 million by 2030 was on the high side.

40. Concerning the development density, many of the respondents considered the prevailing density levels generally acceptable. However, lower plot ratios should be introduced on new development sites especially those on the harbourfront. More emphasis should be put on the layout and design to minimise physical congestion. Public views on the Consolidation and Decentralisation⁹ development patterns were also diverse. Irrespective of which option to adopt, the general view was that there should be a clear indication in our strategy as to whether the NDAs in Hung Shui Kiu, Kwu Tung North and Fanling North will be implemented.

IMPLICATIONS OF THE PROPOSALS

41. The financial, civil service, economic, environmental and sustainability implications of the proposals are at **Annex C**. The proposals are in conformity with the Basic Law, including the provisions concerning human rights.

C

PUBLICITY

42. We will release the Final Report of the HK2030 Study to the public in mid-October 2007 through the media and other publicity channels such as media briefings, video, etc. The full report, relevant research and working papers as well as consultants' technical

⁸ 9.2 million was the population adopted under Stage 3 of the HK2030 Study, which was subsequently revised to 8.4 million under Stage 4 to take on board the latest population trends and public opinions.

⁹ The Consolidation Pattern assumes that sites in the urban areas will be developed first and no NDAs in the New Territories will be completed before 2020. The Decentralisation Pattern takes a different orientation and focuses on the development of the New Territories in the initial stage. The Three-in-One Scheme and Hung Shui Kiu NDA will be developed before 2020. Development/redevelopment in the Metro Area will proceed more slowly.

reports will be posted on the dedicated website of the HK2030 Study to provide more detailed and supplementary information to the public. We will also publish a leaflet to enhance public understanding of the purpose and value of the Study.

ENQUIRIES

43. For any enquiries, please contact Miss WONG Yuet-wah, Principal Assistant Secretary for Development (Planning and Lands)², at 2848 2119.

LIST OF ANNEXES

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| Annex A | Executive Summary of the Study |
| Annex B | Final Report of the Study |
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Development Bureau
October 2007

HONG KONG 2030: PLANNING VISION AND STRATEGY FINAL REPORT

IMPLICATIONS OF THE PROPOSALS

FINANCIAL AND CIVIL SERVICES IMPLICATIONS

The financial assessment conducted in Stage 4 of the HK2030 Study reaffirmed that the financial cost of the proposed infrastructure development to the Government can be, in broad terms, recovered by the revenue return, subject to further detailed assessment. Implementation of the New Development Areas (NDAs) in the New Territories might bring about some economic cost for using the rural land resources. Funding has been earmarked for the proposed planning and engineering review for the Three-in-One NDA Scheme at an estimated cost of \$38.5 million (in September 2006 prices). In addition, an additional recurrent provision of \$1.7 million in 2007-08 and \$3.3 million in 2008-09 in a full year has been approved, involving five civil service posts for planning and co-ordinating issues relating to the NDA. The posts will be created when it is decided to proceed with the NDA study. With respect to the future port development, the analysis concluded that both possible locations, i.e. Northwest Lantau and Southwest Tsing Yi, have their benefits given their close proximity to the proposed Hong Kong-Zhuhai-Macao Bridge and the existing container terminals in the Kwai Tsing District, respectively.

2. The capital and recurrent funding for the infrastructure developments required will be sought in accordance with the established RAE procedures. The bureaux/departments concerned are required to absorb the recurrent funding required within their existing Operating Expenditure envelopes unless additional resources are secured through the established mechanism.

3. Under the Preferred Option, lower development densities will be planned for NDAs and remaining areas of existing new towns. For urban areas, selected sites at very congested localities and harbourfront areas will be identified for lower density development. The across-the-board application of this planning target and policy to land sale sites (and redevelopment sites requiring lease modifications) would have significant implications for land premium.

ECONOMIC IMPLICATIONS

4. Overall speaking, the Preferred Option would enhance Hong Kong's economic competitiveness through the timely provision of adequate land for Central Business District Grade A offices, general business uses, special industries, development of NDAs and new strategic transport infrastructure and an additional container terminal.

5. Although there is no quantitative data on the number of job places to be created during the construction and operation stages of the proposed developments, no doubt it will generate employment opportunities for Hong Kong in the medium to long-term when they are implemented. Moreover, the HK2030 Study has assumed a higher intake of talent and skilled workers after 2021 in order to fill the shortage in the working population against projected employment. This implies a boost to the quality of manpower for Hong Kong which will have positive impact on its long term economic growth.

6. It is expected that private rent will stabilise in the long run as a result of adequate housing supply in the market with the NDAs development, further development of new towns and urban renewal projects to meet long-term housing needs.

ENVIRONMENTAL IMPLICATIONS

7. A Strategic Environmental Assessment (SEA) has been conducted for the HK2030 Study. Since the SEA is based on a host of broad assumptions and predictions which are subject to change, it is still broad-brush in nature. The environmental acceptability of individual proposed developments/projects in the Study therefore needs to be ascertained through detailed environmental studies at a later stage. Nonetheless, the SEA has helped flag up environmental issues of the proposed developments/projects for further study in future.

8. It is anticipated that there is likely to be major cumulative on-site and off-site environmental issues including water, air quality, aircraft noise and traffic noise, sewerage infrastructure, ecology, visual impact, hazard, landscape and cultural heritage effects due to the implementation of various major developments such as the proposed NDAs, cross-boundary infrastructure, possible uses of the Closed Area and the future airport and port developments. Some of these cumulative environmental issues would have territory-wide implications and might affect the long-term environmental sustainability of Hong Kong. For example, the cumulative impacts of the future port and airport developments would likely worsen the air

quality in the North Lantau region and have significant aircraft noise implications. At present, the feasibility studies and environmental assessments of the proposed developments are yet to be conducted. Detailed environmental studies are necessary to determine their environmental acceptability.

9. Regarding the Preferred Option, the planning concept to adopt a rail-based spatial development pattern is supported in principle from the environmental perspective. However, it should be noted that detailed environmental impact assessments are necessary to determine the environmental acceptability of all major development components of the Preferred Option.

10. For rural land management, strategies to address the problem of proliferation of port back-up uses in the rural areas are required. The measures under the proposed “rehabilitation approach”, which may include alternative tourism (ecotourism and cultural tourism) and organic farming in the rural areas, may have environmental impacts. Implementation details therefore have to be worked out in such a way as to minimise any possible adverse impacts.

SUSTAINABILITY IMPLICATIONS

11. As its overarching goal, the HK2030 Study has adopted the principles of sustainable development to balance social, economic and environmental needs to achieve better quality of life for present and future generations. A sustainability assessment conducted to examine the sustainability implications of the Preferred Development Option under the HK2030 Study has indicated that the option would help realise our vision to develop Hong Kong as Asia’s world city. The major proposals would provide for the necessary infrastructure to cope with our future population and economic growth. They would also help achieve a better quality living environment and enhance people’s accessibility to various kinds of facilities. Further detailed sustainability assessments will need to be carried out when more details of individual proposals have been worked out.

**Development Bureau
October 2007**