

立法會
Legislative Council

LC Paper No. CB(1)2336/08-09
(These minutes have been seen
by the Administration)

Ref : CB1/PL/DEV/1

Panel on Development

Minutes of meeting
held on Tuesday, 28 April 2009, at 2:30 pm
in Conference Room A of the Legislative Council Building

Members present : Hon LAU Wong-fat, GBM, GBS, JP (Chairman)
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon Emily LAU Wai-hing, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Albert CHAN Wai-yip
Hon LEE Wing-tat
Hon Alan LEONG Kah-kit, SC
Hon CHEUNG Hok-ming, SBS, JP
Hon KAM Nai-wai, MH
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king
Hon Tanya CHAN
Dr Hon Priscilla LEUNG Mei-fun
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Dr Hon Samson TAM Wai-ho, JP

Member attending : Hon IP Wai-ming, MH

Members absent : Hon Albert HO Chun-yan
Hon WONG Yung-kan, SBS, JP

Public officers attending : **Agenda item IV**

Mrs Carrie LAM CHENG Yuet-ngor, JP
Secretary for Development

Agenda item V

Mrs Carrie LAM CHENG Yuet-ngor, JP
Secretary for Development

Mr WONG Ming-to
Principal Assistant Secretary for Development (Works) 2

Mr CHAN Chi-chiu
Project Manager (NTN&W)
Civil Engineering and Development Department

Mrs Sorais LEE
Chief Engineer/Project 1 (NTN&W)
Civil Engineering and Development Department

Agenda item VI

Mrs Carrie LAM CHENG Yuet-ngor, JP
Secretary for Development

Ms Gracie FOO Siu-wai
Deputy Secretary for Development
(Planning and Lands) 1

Agenda item VII & VIII

Mrs Carrie LAM CHENG Yuet-ngor, JP
Secretary for Development

Mr Jack CHAN Jick-chi
Commissioner for Heritage, Development Bureau

Mr Edwin TONG Ka-hung
Chief Assistant Secretary for Development
(Works) 3

Mr Tom MING Kay-chuen
Executive Secretary (Antiquities and Monuments)
Leisure and Cultural Services Department

**Attendance by
Invitation : Agenda item VII**

Mr Daryl NG
Executive Director
Hong Kong Heritage Conservation Foundation Limited

Mr Patrick SIU
Project Manager
Hong Kong Heritage Conservation Foundation Limited

Ms Una LAU
Assistant General Manager
Marketing and Corporate Communications
Hong Kong Heritage Conservation Foundation Limited

Clerk in attendance : Ms Anita SIT
Chief Council Secretary (1)4

Staff in attendance : Mr WONG Siu-yee
Senior Council Secretary (1)7

Ms Christina SHIU
Legislative Assistant (1)7

Action

- I Confirmation of minutes and matters arising**
- | | |
|-------------------------------|---|
| (LC Paper No. CB(1)1348/08-09 | -- Minutes of meeting on
19 December 2008 |
| LC Paper No. CB(1)1374/08-09 | -- Minutes of special meeting
on 16 February 2009) |

The minutes of the meeting held on 19 December 2008 and the special meeting held on 16 February 2009 were confirmed.

II Information papers issued since last meeting

- (LC Paper No. CB(1)1203/08-09(01) -- Further submission on matters relating to Hopewell Centre II from Mr E T FARNWORTH dated 22 March 2009
- LC Paper No. CB(1)1266/08-09(01) -- Issues raised at the meeting between Legislative Council Members and Kwai Tsing District Council members on 22 January 2009 on transformation of industrial buildings
- LC Paper No. CB(1)1341/08-09(01) -- Administration's paper on PWP Item No. 715CL - Tseung Kwan O further development - infrastructure works at Town Centre South and Tiu Keng Leng, Tseung Kwan O
- LC Papers No. CB(1)1350/08-09(01) and (02) -- Letter dated 2 April 2009 from Mr HO Hin-ming, Chairman of the Housing and Infrastructure Committee of the Kowloon City District Council on private columbaria and the Administration's response
- LC Paper No. CB(1)1359/08-09(01) -- Administration's paper on audit inspection of lifts in Tenant Purchase Scheme housing estates
- LC Paper No. CB(1)1393/08-09(01) -- Administration's paper on proposed riverwall at Yat Chung, Tai O
- LC Paper No. CB(1)1418/08-09(01) -- Submission on issues related to urban renewal from K28重建項目波鞋街眾業主 dated 23 April 2009)

2. Members noted that the above information papers had been issued since the last meeting.

III Items for discussion at the next meeting

- (LC Paper No. CB(1)1347/08-09(01) -- List of outstanding items for discussion
- LC Paper No. CB(1)1347/08-09(02) -- List of follow-up actions
- LC Paper No. CB(1)1392/08-09(01) -- Letter dated 21 April 2009 from Hon LEE Wing-tat on public facilities in private developments in Tung Chung)

3. The Chairman said that the Administration had proposed to discuss Central-Wan Chai Bypass, Wan Chai Development Phase 2 and related works at the next regular meeting. Mr LEE Wing-tat suggested that the Panel should discuss issues related to public open space in view of the incident relating to the open space in a private development in Tung Chung. The Administration had not yet clarified whether the open space concerned was public open space or not.

4. Members agreed that the following items would be discussed at the regular meeting scheduled for 26 May 2009 --

- (a) Central-Wan Chai Bypass, Wan Chai Development Phase 2 and related works; and
- (b) Public facilities in private developments.

IV Proposal for appointment of a subcommittee to monitor the Urban Renewal Strategy Review and study related issues

- (LC Paper No. CB(1)1347/08-09(03) -- Paper on proposal for appointment of a subcommittee to monitor the Urban Renewal Strategy Review and study related issues prepared by the Legislative Council Secretariat
- LC Paper No. CB(1)1392/08-09(02) -- Administration's paper on work plan of the Review of the Urban Renewal Strategy
- LC Paper No. CB(1)1409/08-09(01) -- Submission on issues related to urban renewal from Alliance of Kwun Tong's Urban Renewal dated 25 April 2009)

5. Members noted the submission dated 27 April 2009 from Local Action and H15 Concern Group tabled at the meeting.

(Post-meeting note: The soft copy of the submission (LC Paper No. CB(1)1456/08-09(01)) was issued to members by email on 29 April 2009.)

6. The Chairman suggested and members agreed to invite SDEV to attend the discussion of this item so that she could provide explanation on the Administration's paper if necessary.

7. The Chairman said that at the special meeting on 15 April 2009, Ms Cyd HO suggested that a subcommittee should be formed to monitor the review of the Urban Renewal Strategy (the URS Review) and study related issues. Of the members present, most of them were in favour of and none had raised objection to the suggestion. Taking note of the relevant procedures for the appointment of subcommittees, members agreed that an agenda item on Ms HO's proposal for appointment of a subcommittee under the Panel to monitor the URS Review and study related issues should be included for discussion by the Panel at this meeting.

8. Ms Cyd HO said that at the special meeting on 15 April 2009, members and most deputations present expressed support for appointing the proposed subcommittee. She hoped that it could commence work as soon as possible if resources permitted. Otherwise, she hoped that members would agree that the proposed subcommittee could commence work after the Subcommittee on Harbourfront Planning had completed its work.

9. Ms Emily LAU said that although the proposal to increase the resources of the Legislative Council Secretariat for servicing committees of the Legislative Council had been voted down at the House Committee, she believed that most Members would support that the Legislative Council Secretariat should have the necessary resources to provide secretariat services. The Administration should not get involved in the matter. She expressed support for the proposed subcommittee because it would facilitate focused discussion of the subject matter. As the time for the Subcommittee on Harbourfront Planning to complete its work had yet to be determined, the proposed subcommittee should commence work as soon as possible if resources permitted.

10. Mr IP Kwok-him said that he believed the Panel could effectively and regularly follow up matters related to the URS Review in an even more focused manner than a subcommittee could. Some members would find it difficult to cope with the work if there were too many subcommittees. It would be undesirable if the proposed subcommittee was appointed but could not commence work immediately. In response to an enquiry from Mr LEE Wing-tat, Mr IP Kwok-him

said it would be more appropriate to appoint the proposed subcommittee after the Subcommittee on Harbourfront Planning had completed its work.

11. Mr Alan LEONG said that Members of the Civic Party expressed support for the appointment and commencement of work of the proposed subcommittee as soon as possible.

12. Mr Albert CHAN sought clarification on whether a decision had already been made to appoint the proposed subcommittee at the special meeting on 15 April 2009. The Clerk explained that according to the House Rules, a formal proposal was needed for the appointment of a subcommittee by the Panel. For the special meeting on 15 April 2009, no member had given prior notice on the proposal for appointing a subcommittee and no proposal had been prepared. The Panel decided at that meeting that an item should be included in the agenda for the ensuing meeting for the Panel to consider whether the proposed subcommittee should be appointed.

13. Ms Cyd HO said that the proposed subcommittee could commence its work immediately if resources permitted and approval from the House Committee could be obtained. She sought clarification on whether only one subcommittee could be in operation under a Panel at any one time.

14. Ms Emily LAU considered that there should be room for the proposed subcommittee to commence work immediately. As harbourfront planning might be an even more complicated subject matter, it would be undesirable for the Subcommittee on Harbourfront Planning to complete its work hastily.

15. The Clerk said that according to the relevant House Rules, a Panel could appoint more than one subcommittee to assist its work. The total number of subcommittees under all Panels and other subcommittees studying policy issues should not exceed eight at any one time. However, if the number of Bills Committee in operation had not yet reached the quota of 16, approval from the House Committee could be sought for activating a subcommittee that had been appointed even when eight or more subcommittees were already in operation. At present, two Bills Committees and 11 subcommittees were in operation.

16. Noting this, Ms Emily LAU suggested that approval from the House Committee should be sought for the proposed subcommittee to commence work immediately.

17. Prof Patrick LAU said that although he hoped that the Subcommittee on Harbourfront Planning would complete its work as soon as possible, he could not anticipate the exact time because it was possible that it could not complete its work within the current legislative year. The Legislative Council Secretariat was collecting information on discussions on harbourfront planning by relevant

District Councils and overseas harbour authorities, and the way forward would be clearer after studying the information at the next meeting of the Subcommittee on Harbourfront Planning. He considered that the Panel could meet with the Steering Committee on Review of the Urban Renewal Strategy (the Steering Committee) in the first instance so as to facilitate the Panel in following up issues related to the URS Review.

18. Mr KAM Nai-wai said that as the Subcommittee on Harbourfront Planning might not be able to complete its work within the current legislative session, he suggested that the Panel could discuss in October 2009 whether the work of the proposed subcommittee should commence after the Subcommittee on Harbourfront Planning had completed its work or their work should proceed in parallel.

19. Prof Patrick LAU said that he hoped that the Subcommittee on Harbourfront Planning could complete its work by the end of 2009.

20. Mrs Sophie LEUNG said that the Steering Committee was already working on the URS Review and its members were representative of all walks of society. They were experienced in various relevant aspects such as district development and heritage conservation. There was no need for the Panel to handle the matter hastily. She shared the view that the Panel could meet with the Steering Committee in the first instance to learn about its work and the difficulties that it faced.

21. The Chairman invited SDEV to provide her views on the matter. Ms Cyd HO said that while SDEV could provide information, SDEV should refrain from interfering with the work of the Legislative Council.

22. SDEV said that she respected the Legislative Council and considered that its internal business should not be interfered by any Government official. As such, she would provide information only. In view of the importance of the URS Review, the Administration had discussed the subject matter with the Panel at three meetings. The Administration's paper for the present meeting provided detailed information on the three stages of the URS Review. Stage 1 had been completed and the other stages would proceed as planned regardless of whether and when the proposed subcommittee would be formed. As there would be many public engagement activities in Stage 2, manpower and resources demands would be substantial. Members could consider participating in the URS Review through the three channels suggested in paragraph 27 of the Administration's paper. The most important stage was Stage 3 -- Consensus Building because the Administration needed community consensus in taking forward the matter. The proposed subcommittee, if appointed, could contribute most at Stage 3 of the URS Review. Since the current legislative session, representative of the Development Bureau had attended 23 meetings of the Panel and its three subcommittees, viz.

Subcommittee on Harbourfront Planning, Joint Subcommittee on Amendments to Land Titles Ordinance and Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project. She had attended meetings of the Panel and the Subcommittee on Harbourfront Planning personally. If another subcommittee was appointed at present, she might not be able to attend its meetings every time. She referred to the proposed terms of reference and areas of study for the proposed subcommittee, and said that she was rather concerned that the word "review" was not specifically mentioned. She believed that the objective of the proposed subcommittee was to study issues related to the URS Review rather than the work of the Urban Renewal Authority (URA). The work of URA was monitored by its Board, the Financial Secretary and the Development Bureau. If the objective of the proposed subcommittee involved monitoring of or intervening in URA's work, which was implemented in accordance with the existing URS promulgated in 2001, rather than studying the URS Review in a forward-looking manner, she would request members to consider the issue carefully.

23. Mr Alan LEONG said that the Administration should have started the URS Review back in 2003. He welcomed that the Administration had placed great emphasis on the URS Review. While appreciating that SDEV had attended meetings of the Panel personally, he considered that it might be difficult for the Panel to handle too many issues because most meetings of the Panel in the current session already lasted for four hours. The Panel should also place great emphasis on the URS Review and the proposed subcommittee could serve as the Panel's counterpart of the Steering Committee. He believed that no member had raised objection to appointing the proposed subcommittee and the divergence in views was when it should commence its work. The timing for the Subcommittee on Harbourfront Planning to complete its work had no direct relationship with the decision on whether the proposed subcommittee should commence its work immediately. He expressed support for appointing the proposed subcommittee as soon as possible and seeking approval from the House Committee for the proposed subcommittee to commence its work immediately.

24. Mrs Sophie LEUNG said that there had been many on-going discussions on urban renewal matters by various community groups. She and Miss Tanya CHAN had participated in an open discussion session at which many experts were invited to share their experience in urban renewal in other places. Apart from visiting other places, valuable information on urban renewal could also be obtained from overseas experts invited to Hong Kong. In considering whether to appoint the proposed subcommittee, members should consider their own workload as well as that of Government officials. To achieve fruitful discussion at meetings, Government officials at the appropriate level should be present and quality of the meetings was more important than mere quantity. She considered that the proposed subcommittee should commence work only after the Subcommittee on Harbourfront Planning had completed its work.

25. Ms Cyd HO shared the view that the Panel should first make a decision on whether to appoint the proposed subcommittee. Members could give further suggestions on the terms of reference and areas of study later.

26. On the direction of the Chairman, the Clerk explained that the number of subcommittees in operation at present was 11 because the House Committee had relaxed the quota on a temporary basis. The quota had reverted to eight subcommittees after the House Committee had voted down the proposals on arrangements for facilitating committees of the Council to conduct detailed studies of specific policy issues on 17 April 2009. If the proposed subcommittee was appointed, the Panel should then decide whether to seek approval from the House Committee to activate the subcommittee immediately or to allow it to queue up until a vacancy was available.

27. The Chairman invited members to vote on whether to appoint the proposed subcommittee. Of the members present and voting, eight members voted for and 10 members voted against the proposal.

28. Ms Cyd HO asked whether members would even raise objection for the proposed subcommittee to commence its work after the Subcommittee on Harbourfront Planning had completed its work because during the discussion, while there were divergent views on when to appoint the proposed subcommittee, no member had raised objection to its appointment. She further asked whether members should be given the opportunity to consider the timetable for appointing the proposed subcommittee.

29. The Chairman said that although the proposed subcommittee was not appointed, the Panel would continue to discuss issues related to the URS Review from time to time. The suggestion of appointing the proposed subcommittee could be put forward again when necessary.

V PWP Item no. 259RS "Cycle tracks connecting North West New Territories with North East New Territories"

(LC Paper No. CB(1)1347/08-09(04) -- Administration's paper on PWP Item No. 259RS -- Cycle tracks connecting North West New Territories with North East New Territories

LC Paper No. CB(1)1347/08-09(05) -- Paper on cycle tracks in Hong Kong prepared by the Legislative Council Secretariat (Background

brief))

30. Members noted the submission from 無障礙社區關注組 tabled at the meeting.

(Post-meeting note: The submission (LC Paper No. CB(1)1453/08-09(01)) was issued to members by email on 29 April 2009.)

31. At the suggestion of SDEV, the Chairman agreed that no introduction would be necessary so as to allow more time for discussion.

Purposes of constructing cycle tracks

32. Mr IP Wai-ming said that Members of the Hong Kong Federation of Trade Unions expressed support for the Administration's proposal because they had previously suggested constructing cycle track networks to boost the local economy. He asked whether the proposed cycle tracks were for recreational use only and whether the Administration had any intention to promote cycle tourism and construct cycle track networks in urban districts as well. He further suggested that consideration could be given to connecting the cycle track network with that in Shenzhen.

33. SDEV responded that although it was difficult to construct cycle track networks in urban districts, the Administration would explore its feasibility as far as possible. By way of illustration, the Administration was studying the feasibility of constructing cycle tracks in the harbourfront areas of Central and Eastern Districts on Hong Kong Island. Promotion of cycle tourism was outside the purview of the Development Bureau and she would relay Mr IP Wai-ming's views to the relevant bureau. The relevant Panel of the Legislative Council could discuss the issues concerned if necessary.

34. Mrs Sophie LEUNG said that she had joined the site visit on 25 April 2009 with some other Members in relation to the present proposal, and she supported the Administration's proposal. She suggested that the Administration could consider constructing lodging and refreshment facilities at certain locations along the cycle track network and engaging non-government organizations or social enterprises to operate those facilities. Such lodging facilities would promote parent-child cycling. SDEV thanked Mrs Sophie LEUNG for her views.

35. Mr CHAN Kam-lam expressed support for the Administration's proposal because it would promote cycling. He asked whether the Administration would construct cycling sport venues and cycle tracks for conducting international cycling competitions. SDEV responded that the policy on sports was under the purview of the Home Affairs Bureau. According to her understanding, there

would be cycling sport venues in Tseung Kwan O and Kwai Chung, and road cycling races were organized from time to time. The Project Manager (NTN&W), Civil Engineering and Development Department (PM/NTN&W) added that cycle tracks for sports and recreational purposes had different design requirements. The proposed cycle tracks would be constructed for recreational use and the Administration had consulted various cycling associations on the associated facilities required. Should there be any international cycling competitions or races, the Administration would facilitate the events as usual by making special traffic arrangements for road closure.

36. Mr IP Kwok-him urged the Administration to implement the proposed cycle tracks as soon as possible. He remarked that while Hong Kong could complete the construction of 115 kilometres of cycle tracks in four years, Shenzhen could complete 135 kilometres in one year. He expressed support for recreational use of those cycle tracks. He suggested that the proposed cycle tracks could be designed to facilitate access to heritage sites in the New Territories, and that more trees should be planted along the cycle tracks to provide shading.

37. SDEV concurred that consideration should be given to facilitating access to nearby heritage sites from the cycle tracks. By way of illustration, cyclists could visit Old House at Wong Uk Village under Batch II of the Revitalizing Historic Buildings Through Partnership Scheme. The Principal Assistant Secretary for Development (Works) 2 added that in determining the alignment of the proposed cycle tracks, the Administration had considered the locations of nearby scenic spots and heritage sites. Direction signs would be erected to facilitate cyclists to visit those scenic spots and heritage sites. There would be suitable landscaping along the cycle tracks to provide a better cycling environment and about 900 trees would be planted under the current proposal.

Suggestions on possible cycle tracks

38. Mr KAM Nai-wai expressed support for the Administration's proposal. He asked why the proposed cycle tracks at the Central and the Eastern Districts required feasibility studies. He suggested that the Administration should consider constructing a cycle track from the Southern District to the Central and Western District and discuss with the Southern District Council on the matter. He further suggested that the Administration should consider developing a cycle track network for the Hong Kong Island.

39. Miss Tanya CHAN said that Members of the Civic Party expressed supported the Administration's proposal. She also asked whether the Administration would construct a cycle track between the Southern District and the Central and Western District. For the Kai Tak Development, the Administration should reserve space for cycle tracks and the design of the roads therein should facilitate achieving this purpose.

40. Mr Albert CHAN welcomed the Administration's proposal and urged the Administration to implement it as soon as possible. As the existing cycle tracks were segregated, he considered that the Administration should tackle the situation so as to provide a continuous cycle track network.

41. SDEV responded that it was necessary to conduct feasibility studies for the construction of all cycle tracks and this requirement was not limited to construction of cycle tracks at the Central and the Eastern Districts. The suggestion of constructing a cycle track between the Southern District and the Central and Western District would need careful consideration and the Administration had no such plan at present. Nevertheless, the feasibility of constructing individual sections of cycle tracks on Hong Kong Island could be explored. The Administration's current policy was to construct cycle tracks to create a continuous cycle track network in the New Territories. As regards Kai Tak Development, the Administration would coordinate the implementation of road infrastructure and cycle tracks in Kai Tak Development.

42. Mr CHEUNG Hok-ming expressed support for the Administration's proposal because it would increase job opportunities in the short run and enhance the life of the public in the long run. As there was no cycle track between Tai Po and Fanling at present, he expressed support for constructing the proposed cycle track between the two places. He asked whether the works under the current proposal would dovetail with the works projects to be implemented by the Highways Department, such as Widening of Tolo Highway Phase 2. As bicycles were used as a means of transportation in rural areas, he asked whether the Administration's proposal included the construction of feeder cycle tracks to nearby villages.

43. PM/NTN&W responded that the Highways Department had been consulted on the current proposal and there would be good coordination between the works under the present proposal and the works managed by the Highways Department. The Administration would endeavor to minimize the effects on traffic and residents during the construction period as far as possible. The alignment of the proposed cycle track under the current proposal had taken into account the actual circumstances of the nearby rural areas and access to villages would be maintained at all times.

Safety issues

44. Prof Patrick LAU said that he had also participated in the site visit on 25 April 2009. He asked whether the \$3 million provision under the current proposal would be sufficient for improving the selected sections of existing cycle tracks. He considered that the ramps of some footbridges and subways through which cycle tracks would pass through were quite steep and dangerous and the

Administration should improve them. He asked whether the Administration would review the safety conditions of the existing cycle tracks in the territory.

45. PM/NTN&W responded that the improvement works under the current proposal mainly focused on local widening of existing cycle tracks in Sheung Shui, Fanling, Tai Po and Sha Tin along the artery section and erection of direction signs. For the enhancement works of the existing cycle tracks in the territory, the Transport Department would be the responsible party to carry out regular monitoring and improvement works.

46. Noting this, Prof Patrick LAU requested the Administration to provide, before the relevant meeting of the Public Works Subcommittee, information on the enhancement works that would be carried out by the Transport Department to existing cycle tracks with estimated timing and costs involved.

(Post-meeting note: The Administration's supplementary information (LC Paper No. CB(1)1607/08-09(01)) was issued to members on 18 May 2009.)

Transport issues

47. Miss Tanya CHAN said that while she was aware that cycling could be dangerous in urban districts, she hoped that the Administration would follow the direction of promoting cycling as a means of transportation to promote sustainable life.

48. SDEV said that promoting cycling as a means of transportation was a transport policy issue and the Panel on Transport could consider the issue if necessary. The Administration was aware that bicycles were used by some residents in the New Territories as a means of feeder transportation. Therefore, the proposed entry/exit hubs would provide cycle parking spaces to facilitate park-and-ride as far as possible. The Administration would integrate the concept of promoting cycling where appropriate.

49. Mr CHAN Kam-lam considered it difficult to use bicycles as a means of transportation except for travels of short distance. Bicycles had caused a lot of traffic chaos in Mainland China and Taiwan when they were used as a means of transportation in urban districts in the past.

50. Mr Albert CHAN said that illegal parking due to the lack of sufficient cycle parking spaces was a common problem, especially at locations near Mass Transit Railway stations. He suggested that the Administration should review the relevant legislative provisions governing cycling to make them more user-friendly. By way of illustration, under the current legislation, cyclists could be prosecuted if they did not alight at pedestrian junctions even if no pedestrians were passing by.

Clerk He suggested that the various concerns raised by members at this meeting that fell under the purview of other Panels be referred to those Panels for appropriate follow-up actions.

51. SDEV responded that issues such as regulation of cyclists through legislation and provision of cycle parking spaces for commuters were outside the purview of the Development Bureau and those issues could not be handled by the Development Bureau alone. She would relay members' views expressed at the meeting to the bureaux concerned and the relevant Panels of the Legislative Council could discuss those issues if necessary.

52. The Chairman said that members' views would be reported at the relevant meeting of the Public Works Subcommittee.

VI Proposed creation of a supernumerary post of Administrative Officer Staff Grade B in the Development Bureau

(LC	Paper	No. --	Administration's paper on
	CB(1)1347/08-09(06)		proposed creation of a
			supernumerary post of
			Administrative Officer Staff
			Grade B in the Development
			Bureau)

53. SDEV briefed members on the justifications of the Administration's proposal. She said that in view of the current economic situation and the high unemployment rate, apart from expediting the implementation of various infrastructure projects, the Administration had two other special initiatives, viz. implementing the Operation Building Bright and establishing the Development Opportunities Office (DOO). DOO would not create job opportunities directly, but through facilitating the implementation of more developments from the private sector and non-government organizations, it was hoped that more job opportunities could be created. The proposed post was a supernumerary directorate post (D3) lasting for a period of three years in the first instance, the incumbent of which would serve as Head of DOO. The proposed establishment of DOO was very small and the annual cost would not exceed \$5 million. The Administration would conduct an interim review before deciding whether there was a permanent need for DOO. DOO would provide one-stop, collated and coordinated advice to eligible proponents expeditiously to allow them to have an understanding of the views of various departments on their proposals. Proposals submitted to DOO would have to meet specified criteria and the proposals it handled would be considered by the Land and Development Advisory Committee. DOO would operate in a transparent and fair manner. It would only act as a facilitator and all relevant statutory procedures would still have to be observed. Its work would not overlap with that of other departments.

54. Mr Alan LEONG said that the lack of sufficient internal coordination among different Government departments was not a new issue and queried why there was a need to establish DOO to facilitate the implementation of certain proposals. The Administration should tackle the internal coordination problem at root. He enquired about the nature of the 10 proposals from non-government organizations (NGOs) mentioned in paragraph 7 of the Administration's paper. He asked whether the services provided by DOO would be free of charge. He expressed concern on whether the vetting of a particular proposal by other relevant departments would be biased if DOO had already expressed support for that proposal. He asked whether the terms of reference of the Land and Building Advisory Committee would be changed after it was renamed.

55. SDEV responded that the establishment of DOO was proposed in the light of the special circumstances at present and in the near future. One had to admit that the existing procedures that a development project needed to go through were complicated, and at times inconsistent advice was given to project proponents by different government units. The proposed DOO would provide one-stop advice to facilitate the implementation of proposals that met the specified criteria. NGOs welcomed very much the Administration's proposal. While she could not disclose the details of some of those proposals prematurely, they were related to in-situ expansion or relocation to provide better community services from welfare and religious organizations that might require land exchange or lease modification. By way of illustration, the Administration had handled a proposal on land exchange from The Hong Kong Girl Guides Association to facilitate its further development, thus relinquishing its existing site at Gascoigne Road. As it would play an advisory role, DOO would provide its services free of charge. DOO would help collate the views of departments concerned on the proposals submitted by the proponents, but the proposals would not be given any special treatment in the subsequent vetting process by the relevant departments and authorities. She had discussed with members of the Town Planning Board, who generally considered that the establishment of DOO would facilitate the provision of clear and concerted views from the Administration. While there would be no change to its Chinese name, the terms of reference of the Land and Development Advisory Committee, after renaming, would be expanded to reflect its additional responsibility of considering proposals handled by DOO.

56. Mr CHEUNG Hok-ming expressed support for the Administration's proposal. As regards the interim review, he asked when it would be conducted. He considered that if DOO was found to be able to achieve its intended purposes, its operation should continue. As development control in the New Territories was quite strict, he asked whether DOO could handle projects such as the Sha Lo Tung project, which was one of the projects under the New Nature Conservation Policy.

57. SDEV responded that the interim review would be conducted one to two years after DOO had started its operation. If the results were satisfactory, she hoped that Members would support making DOO permanent. She confirmed that DOO would handle projects under the New Nature Conservation Policy, as well as proposals related to areas such as heritage conservation, elderly services and the creative industries.

58. Mr Albert CHAN said that the direction of the Administration's proposal was worth supporting. He considered that the Administration was at a disadvantage when dealing with developers and syndicates and mishaps in vetting often happened at the final stage of the vetting process. He said that the eligibility criteria to be adopted should allow no room for exploitation by project proponents. Otherwise, the original intention of establishing DOO would be defeated and incidents such as the Cyberport project might recur. He considered that projects related to sports and religion should be eligible for handling by DOO, and asked whether sports and religion fell within the category of "cultural and creative industries" under the six identified economic areas. As regards the creative industries, in view of the confidentiality nature of intellectual property, he suggested that the Administration should consider establishing an independent advisory committee to vet proposals submitted by the sector.

59. SDEV thanked Mr Albert CHAN for his support. She emphasized that DOO would not be an agency responsible for granting approval for proposals. The existing departments and authorities would continue to exercise their powers on matters under their purview. The existing Land and Building Advisory Committee was an independent body and more than half of its members were nominated by professional organizations and developers, and the Administration would appoint the persons as nominated. The membership of the future Land and Development Advisory Committee would be expanded to include members with expertise in areas such as heritage conservation and environmental protection. She confirmed that sports and religion were included in the cultural industries.

60. Mrs Regina IP welcomed the establishment of DOO. She noted that the proponents of projects eligible to be handled by DOO must possess their own land. As such, small and medium enterprises without their own land would not be able to benefit from the establishment of DOO. By way of illustration, a software company had indicated that it was willing to move its business and staff back to Hong Kong if land near the border was available for its operation. As regards the six economic areas identified for further development, she asked how the Administration would provide assistance to those small and medium enterprises without their own land. She also asked whether DOO would handle proposals for setting up enterprises if they received policy support from the relevant bureaux.

61. SDEV responded that the Administration had carefully considered the issue and was of the view that it would be problematic if the proponents did not

possess their own land. Those proponents who possessed their own land the zoning of which was inappropriate for the new intended uses could submit their proposals to DOO. Enterprises, regardless of their scale, would benefit from the work of DOO as long as they could satisfy the eligibility criteria. The Administration was exploring the feasibility of revitalizing industrial buildings for use by appropriate sectors. The setting up of DOO might play a useful role in the implementation of proposals under the six economic areas identified for further development, but the implementation of such proposals would not solely rely on DOO. For proponents without land, the relevant policy bureaux might provide assistance in implementing their proposals, such as facilitating private hospital development. The Development Bureau would help identify the land required, which would be offered under a fair and open mechanism. For proponents possessing their own land, DOO would handle their proposals.

62. Mr KAM Nai-wai said that he had grave reservations on the Administration's proposal because it would be problematic if a bureau secretary under the political appointment system could exercise administrative influence on the implementation of the proposals submitted to DOO. He was worried that incidents similar to the Cyberport project would recur. He queried why the proposed directorate post was not put under the Permanent Secretary for Development (Planning and Lands). For the Town Planning Board, its chairman was the Permanent Secretary for Development (Planning and Lands) who was under the direct supervision of the Secretary for Development. This arrangement might affect Government departments when they gave their views to the Town Planning Board.

63. SDEV responded that the staff establishment of DOO was very small and the proposed directorate post was pitched at D3 level to facilitate the incumbent to coordinate with other bureaux/departments. It was put under SDEV because its responsibilities could not fall neatly into the portfolio of either Permanent Secretary in the Development Bureau. However, the incumbent would have close communication and liaison with the two Permanent Secretaries. She also believed that , DOO could operate more efficiently under her direct supervision. She stressed that DOO would not make any policy decisions or approve proposals. As such, it would not interfere with the administrative work of Government departments and all necessary statutory procedures for implementing those proposals would still be observed. As regards the Town Planning Board, she said that she could not affect the views given by Government departments to the Board, which would make decisions independently.

64. Prof Patrick LAU asked whether organizations without land could cooperate with those possessing land in submitting proposals to DOO. As regards revitalization of industrial buildings, he considered that the premium required for change of use was an issue. A more reasonable premium would be conducive to

making the best use of those industrial buildings without having to demolish them. He asked whether DOO would provide assistance in this regard.

65. SDEV responded that organizations without land could on their own initiative cooperate with those with land to submit proposals to DOO. Revitalization of industrial buildings could be handled by other units in the Development Bureau instead of DOO. If deemed necessary, the implementation of innovative proposals not falling into existing policy initiatives could seek the steer of the Chief Secretary and Financial Secretary, or even the Chief Executive.

66. Mr Abraham SHEK expressed support for Administration's proposal. He considered that Principal Officials should proceed with the times because there were too many constraints at present, which would slow down Hong Kong's economic development. Investors could choose to invest in places other than Hong Kong, and Hong Kong would lose its opportunities. The establishment of DOO should not be viewed from the conspiracy perspective and everyone should think out of the box. DOO would only be a facilitator and the substantive powers would remain in the hands of the relevant authorities. The Administration's proposal would create a win-win situation. He considered that the proponents should possess their own land. Otherwise, incidents like the Cyberport project might recur. In future, based on the experience gained, DOO could handle other large scale proposals which would be beneficial to the economy of Hong Kong.

VII Revitalization scheme - conversion of old Tai O Police Station into Tai O Heritage Hotel

(LC Paper No. CB(1)1347/08-09(07) -- Administration's paper on Revitalising Historic Buildings Through Partnership Scheme - conversion of old Tai O Police Station into Tai O Heritage Hotel)

67. SDEV said that the Administration had briefed the Panel on the six selected projects under Batch I of the Revitalizing Historic Buildings Through Partnership Scheme (Revitalization Scheme) in February 2009. The conversion of the old Tai O Police Station into the Tai O Heritage Hotel (the Hotel) was one of the four projects which required funding approval from the Legislative Council. She said that the proponent of the Hotel project had set up an advisory committee to enhance public participation in the project.

68. Mr Daryl NG, Executive Director, Hong Kong Heritage Conservation Foundation Limited (HCF) said that the mission of HCF in implementing the project was to promote tourism in Tai O, Lantau and Hong Kong. Through the

provision of a hotel with characteristics in the countryside, it was hoped that tourists could appreciate the beautiful nature of Hong Kong. The project was to convert the old Tai O Police Station, built in 1902, into a boutique hotel with nine suites and a restaurant. Guided tours would be organized and the Hotel would employ 20 Tai O residents as its staff, with 10 part-time and 10 full-time. It was also hoped that the project would be conducive to creating job opportunities and the development of Tai O.

General comments

69. Mrs Sophie LEUNG declared that she was acquainted with Mr Daryl NG, Executive Director, HCF. She expressed appreciation that he was willing to take up the responsibility of running a social enterprise to promote heritage conservation and noted that he had other cultural promotion initiatives in Fo Tan. She considered that he could serve as a role model for other youths. She expressed support for the proposal and said that apart from perseverance, HCF needed to inject new ideas from time to time in taking forward the project for the benefit of the community. HCF should also regularly review the relative weighting of the various considerations, such as conservation and business considerations, and strike a proper balance. If such types of social enterprises could be set up in Tin Shui Wai at an earlier stage, the existing problems in the district would have been reduced.

70. Mr Abraham SHEK expressed support for the Administration's proposal and welcomed the introduction of the Revitalization Scheme. He thanked SDEV for implementing the new initiative and said that it could bring new life to historic buildings. He considered that the Administration had taken the right move and urged it to implement more similar revitalization projects so that historic buildings could be conserved, beautified and used by the public.

Financial issues

71. Mr IP Kwok-him considered that the conversion of the old Tai O Police Station into the Hotel was a worthwhile project. He enquired about the expenditure items that would be included in the capital grant to be given to HCF for carrying out renovation works on the historic building concerned and asked whether the details of the various expenditure items would be provided when the funding proposal was submitted to the Public Works Subcommittee and the Finance Committee. He further asked how the Administration would handle any over-spending in capital cost.

72. SDEV responded that capital works of the Revitalization Scheme would in general be delivered under Head 708 of the Capital Works Reserve Fund in the form of a capital subvention. These capital works would be monitored in the same way as other subvented projects funded under Head 708. Expenditure items such

as consultancy fees would be included. In line with the relevant established practice, the Administration would provide details of the various expenditure items in the relevant funding proposal to be submitted to the Public Works Subcommittee and the Finance Committee. If there was over-spending, the Administration could seek a supplementary provision. The Chief Assistant Secretary for Development (Works) 3 (CAS(W)3) added that the capital cost of \$64.9 million was an estimation and any unspent funds would be returned to the public coffers as in other public works projects.

73. Prof Patrick LAU declared that he was acquainted with Mr Daryl NG, Executive Director, HCF. He expressed support for the Administration's proposal and asked whether the capital grant of \$64.9 million would cover the costs for hotel facilities.

74. The Commissioner for Heritage, Development Bureau (C for H) said that the Administration had held many meetings for vetting the financial aspects of the proposal carefully. The capital grant would cover items such as structural strengthening works, building services enhancement works, special hotel ancillary facilities and air-conditioners. The estimated costs for the first three items were about \$13 million, \$17 million and \$16 million respectively. Mr Daryl NG, Executive Director, HCF added that the capital grant would also cover items such as room renovation and lift installation to provide barrier-free access.

75. Miss Tanya CHAN asked how the operating surplus of the Hotel would be used. Mr Daryl NG, Executive Director, HCF responded that the operating surplus of the Hotel would be used for promoting tourism in Tai O and Lantau and for maintaining the Hotel, such as regular re-painting.

76. Prof Patrick LAU enquired about the room rates of the Hotel. He hoped that the room rates would be affordable to the general local public, and yet operational sustainability of the Hotel could be ensured. Mrs Regina IP asked whether the estimated breakeven time was too optimistic and sought clarification on whether the capital cost could also be recovered within the said breakeven time.

77. Mr Daryl NG, Executive Director, HCF said that an average occupancy rate of 45% was assumed and the daily room rates would range from about \$1,500 to \$2,000. The room rates were set by making reference to the room rates of similar hotels in Tokyo, Singapore, London and Shanghai. HCF would not have to pay premium or capital cost but it would have to bear the operating cost of the Hotel. The annual operating cost and income would be about \$4 million and \$5 million respectively. The operating costs covered items such as uniforms, sanitary facilities and wages. The operation of the Hotel would be breakeven in about one and a half years' time and starting from the second year, there would be an annual operating surplus of about \$0.6 to \$0.7 million. All surpluses would be re-invested in the interests of the Tai O community, tourism and heritage conservation.

78. Mr KAM Nai-wai asked whether revisions to the room rates and other fees charged by the Hotel would be subject to Government approval. SDEV responded that a social enterprise had to be operated in a mode to allow it to make a reasonable profit to sustain its business. Otherwise, it would become a subvented organization. Any deficit would affect the sustainability of the project and heritage conservation work. The Hotel should be operated under a business spirit to make profit for community uses. The Administration should not exert undue influence on the operation of the Hotel.

Transport arrangements

79. Mrs Regina IP welcomed the proposal and hoped that it would be a successful endeavour. As the Hotel was rather remote, she enquired about the transport arrangements for visitors and for emergency access.

80. Mr Daryl NG, Executive Director, HCF responded that the Hotel was located near the end of the Tai O Village and visitors could reach the Hotel from the Tai O Bus Terminus and the Tai O Ferry Pier on foot in 15 minutes and less than one minute respectively. Tai O was a popular scenic spot and he believed that there would be many tourists visiting the Hotel. The Hotel had emergency vehicular access and a helipad was within 30 seconds' walking distance.

(Post-meeting note: subsequent to the meeting, Mr Daryl NG, Executive Director, HCF advised that visitors could reach the Hotel from the Tai O Bus Terminus and the Tai O Ferry Pier on foot in 15 minutes and less than three minutes respectively, and that a helipad was within two minutes' walking distance.)

People flow

81. As regards the estimated people flows, Mr IP Kwok-him asked whether the number of 61 000 headcounts per year was on the optimistic or conservative side. CAS(W)3 responded that the headcount of 61 000 per year was an estimation. The Administration had confidence that the Hotel would attract a sufficient flow of people and this would be conducive to the development of Tai O in various aspects.

Revitalization initiatives and complementary measures

82. Miss Tanya CHAN enquired about the function of the glass structure in the Hotel. She suggested that the Hotel should arrange with artists to display their artworks at the Hotel, be environmental friendly, be designed and fabricated with materials which would act as a selling point for tourists, maintain a close liaison with the local community, help promote local culture such as signature food items

and be conducive to promoting tourism in Tai O. She considered that after taking into consideration security needs, the premises of the Hotel should be opened up to the public as far as possible.

83. Mr Daryl NG, Executive Director, HCF responded that the glass structure was a reversible roof of the restaurant. The project would be submitted to the United Nations Educational, Scientific and Cultural Organization for consideration of a heritage award, and reversibility was a requirement for such a submission. He hoped that artworks of local artists could be displayed in each suite of the Hotel. Ms Una LAU, Assistant General Manager, Marketing and Corporate Communications, HCF added that HCF was liaising with artists to create artworks using Tai O as the theme. It would exhibit those artworks in places such as shopping arcades and the Tai O Community Hall. It would then organize a charity sale of the artworks. The artists would receive 30% of the proceeds and the remaining 70% of the proceeds would be donated to HCF. Part of those artworks would be exhibited and kept in the Hotel. HCF was also liaising with local groups in Tai O on the history and manufacturing process of local signature food, such as salted fish, salted egg yolk and Hakka steamed glutinous rice dumplings; and workshops would be organized for visitors in this regard. HCF would cooperate with local non-government organizations in taking forward these initiatives, which would provide training to and generate income for local Tai O residents.

(Post-meeting note: subsequent to the meeting, Ms Una LAU, Assistant General Manager, Marketing and Corporate Communications, HCF advised that the artists would receive 50% of the proceeds and the remaining 50% of the proceeds would be donated to HCF.)

84. As regards public access to the Hotel, C for H said that except for certain parts, such as occupied suites and back of house facilities, the majority of the premises of the Hotel would be opened up to the public. Guided tours in Cantonese, English and Putonghua to specific parts of the Hotel would be conducted. By way of illustration, the public could have access to part of the restaurant, and even the suites when they were not occupied.

85. Mr Albert CHAN said that the Revitalization Scheme was worth trying. However, the public had worries about collusion between Government and business in that syndicates would gain control over beautiful heritage buildings. For the revitalization of the former Marine Police Headquarters Compound in Tsim Sha Tsui, many trees had been removed or trimmed and the public would not be able to access many parts of the refurbished buildings. The proponent of the Hotel project could invite tree experts to compare the greening works of the two projects. Revitalization of a single building alone was insufficient and there should be other revitalization initiatives nearby to complement the current proposal. The Administration could consider incorporating the pier and two vacant government buildings nearby into the revitalization project. The pier could

be beautified and developed into alfresco dining facilities. As regards the guided tours, he considered that offering only three tours each day was grossly insufficient. More tours, which could be offered at a fee of say \$5 or \$10, should be offered. Job opportunities could be created by employing local residents to conduct those tours.

86. SDEV responded that the current proposal should not be compared with the revitalization of the former Marine Police Headquarters Compound in Tsim Sha Tsui because of different circumstances. The Administration had deployed considerable resources for the current proposal and the proponent would only act as the Administration's agent in heritage conservation. As such, the proponent did not have pressure to devote a particular amount of space in the revitalized building for commercial use. She concurred that consideration could be given to making good use of vacant Government sites or properties in Tai O to complement the current proposal. The crux in carrying out revitalization initiatives was to identify a strong management agent. She believed that the number of guided tours could be increased in future. As regards tree preservation, Mr Daryl NG, Executive Director, HCF said that some tree transplantation might be required in order to provide space for installing a lift to provide barrier-free access for physically disabled persons.

87. Mr KAM Nai-wai expressed support for the Administration to provide resources for revitalizing historic buildings and engaging social enterprises to operate the revitalized buildings. He considered it appropriate for the Development Bureau to take up the responsibility of revitalizing historic buildings. However, he was worried that some enterprises might disguise themselves as non-profit-making-organizations and take advantage of the Revitalization Scheme. He enquired about the identity of the business enterprise to which HCF was related. He expressed support for HCF to set up an advisory committee and enquired about whether it would hold meetings before the Hotel commenced operation and the frequency of meetings. He further asked whether the minutes and relevant information of the meetings of the advisory committee would be disseminated to the public through the Internet.

88. SDEV responded that the profiles of the directors of HCF could be found in a booklet published by HCF on the Hotel. C for H added that non-profit-making organizations that had acquired charitable status under section 88 of the Inland Revenue Ordinance (Cap. 112) would be eligible to submit proposals for the Revitalization Scheme and the background of the proponents would not be given special consideration. The Advisory Committee on Revitalization of Heritage Buildings considered that business enterprises should be encouraged to contribute to revitalization initiatives if they had the heart and the capacity to do so. As regards the advisory committee set up by HCF, Mr Daryl NG, Executive Director, HCF said that it had nine advisers and a meeting had been held two weeks ago.

The minutes of the meetings of the advisory committee would be disseminated through the Internet.

Improvement works for Tai O

89. Mr CHEUNG Hok-ming expressed support for the Administration's proposal and hoped that similar projects would be implemented in future. He said that the circumstances at Tai O would affect the operation or even the image of the Hotel. Unfortunate incidents such as flooding and landslips had occurred at Tai O in 2008. If such incidents recurred, it would be a great challenge for the operation of the Hotel. As the Hotel would be completed in 2011, he enquired about the progress of the projects to be implemented at Tai O under the Concept Plan for Lantau.

90. SDEV responded that the Feasibility Study on Improvement Works for Tai O Facelift and substantial preparation work had been carried out. The Development Bureau had set aside \$600 million for the improvement works. After the announcement of the results of the Design Competition for the Revitalization of Tai O in September 2008, the preparation of the detailed concept plan for the project by the consultant was near completion. The Administration had consulted the Tai O Rural Committee and professional organizations in March 2009 and the Islands District Council in April 2009. The Administration would consult the Panel on the relevant funding proposal. The project would commence in 2010 for completion in 2013, with the themes of preserving cultural tradition, enhancing natural ecology and improving road connectivity. As regards the proposed riverwall at Yat Chung, Tai O for flood prevention, the Administration would conduct a detailed study in 2009 and submit the funding proposal in the next legislative session. The proposed riverwall was scheduled for completion in 2011. The improvements works to Tai O would create a synergy effect with the Hotel project.

VIII Progress report on heritage conservation initiatives

(LC Paper No. CB(1)1347/08-09(08) -- Administration's paper on progress report on heritage conservation initiatives

LC Paper No. CB(1)1347/08-09(09) -- Paper on heritage conservation prepared by the Legislative Council Secretariat (Background brief)

91. SDEV said that the Administration's paper provided information on the review and conclusion of Batch I of the Revitalization Scheme, implementation

details of Batch II of the Revitalization Scheme and the proposed grading of 1 440 historic buildings in Hong Kong.

92. Mr Albert CHAN said that the direction of revitalizing and using historic buildings should be actively promoted. During the implementation of Batch I of the Revitalization Scheme, as the Administration had not specified the uses of those historic buildings, debates on why a historic building was not revitalized for a certain use had arisen. As proposals on using a historic building for certain purposes might have a competitive edge over those on using the same building for other purposes, it would be fairer if the competition was among proponents submitting proposals for a similar use of the same historic building. If a policy bureau considered that a certain historic building in a district could be used for a specified purpose, the Development Bureau should coordinate with the bureau concerned and see whether appropriate arrangements could be made.

93. SDEV responded that the Administration in principle would not object to Mr Albert CHAN's suggestion of specifying a use for the historic buildings under the Revitalization Scheme. Historic buildings could be removed from the Revitalization Scheme if bureaux had proposals on using those buildings for other purposes. As most organizations could not afford the renovation costs of historic buildings, Government funds were needed and the proponents had to compete with one another for operating the revitalized buildings. The Administration could not allocate public funds to a particular organization without fair competition.

94. Prof Patrick LAU said that some non-profit-making organizations submitted proposals for Batch I buildings under the Revitalization Scheme in the hope that they would obtain space for their operation. He asked how the Administration would handle the situation when implementing Batch II of the Revitalization Scheme. The assessment criteria should be clear so that there would be fair competition among the proponents. As regards the Blue House Cluster, he asked whether issues relating to the relocation of the residents had been resolved. He also enquired why the Fanling Magistracy was not a graded building.

95. SDEV responded that at the sharing session scheduled for 5 May 2009, the Administration would clarify with the proponents concerned that they should seek assistance from the relevant Government departments if they needed extra space for their operation because providing space for operation in itself was not the purpose of the Revitalization Scheme. As regards the Blue House Cluster, the Chief Executive-in-Council had approved that the titles concerned should be resumed through the Hong Kong Housing Society and residents' intention of moving out or staying behind had been solicited. Implementing this project would be a great challenge for the proponent because of the need to conserve the buildings concerned and at the same time retaining some of the residents. The Fanling Magistracy had been proposed to be a Grade III building in the recent grading exercise.

96. Prof Patrick LAU considered that in conserving historic buildings, it was important that the relevant Government departments clearly understood how to handle the situation if the owners of graded buildings had the intention to alter or demolish those buildings.

97. Expressing a similar concern, Mr KAM Nai-wai asked whether the Administration had any mechanism to monitor intended or impending demolition of graded buildings because historic buildings could still be demolished even if they had been graded. He also asked whether the Administration would regularly review the grading of the historic buildings.

98. Mr Alan LEONG also expressed concern on how to avoid damage to historic buildings and prevent incidents like the King Yin Lei incident and Jessville incident from recurring.

99. SDEV responded that heritage conservation needed concerted efforts of the whole community. The Administration would issue letters to owners of all Grade I historic buildings to explain to them the implications of the grading. While the relationship between the administrative grading system for historic buildings and the statutory declaration system for monuments had been established, the grading of historic buildings under the former would have no direct implication on the declaration of monuments under the latter. If a Grade I building was declared as a provisional monument, all relevant Government departments would be aware of such declaration. As regards Grade II and Grade III buildings, there was no community consensus that they should not be demolished. The Administration would explore win-win options with owners of private historic building in implementing heritage conservation initiatives. She clarified that at the time when the King Yin Lei incident occurred, King Yin Lei was neither a monument nor a graded building. Although Jessville was only a Grade III building, the Administration had reached an agreement with its owners on an in-situ preservation-cum-development plan, and the experience demonstrated that economic incentives would be conducive to heritage conservation. The Administration would also provide financial assistance for maintaining privately-owned historic buildings. To this end, \$5 million had been set aside for the current year, and three applications had already been approved. The Administration would review the grading of the historic buildings when necessary to ascertain whether changes in grading would be required. C for H added that the grading of historic buildings was a large scale exercise. Out of the 8 800 buildings constructed prior to 1950 and identified in the years from 1996 to 2000, 1 440 had been selected for detailed grading. District Councils and the public could provide information and comments during the grading exercise. The Administration would negotiate with the owners of Grade I buildings if they had any intention to redevelop their buildings and the Administration would intervene if necessary to give these buildings immediate protection.

100. Mr Alan LEONG asked what economic incentives the Administration would provide and whether there was an institutionalized mechanism in this regard. He also asked whether there was any progress in the proposed establishment of a heritage trust. In order to facilitate the Administration's policy positioning, he asked whether the Administration would conduct public engagement on issues such as the amount of funds and resources that should be deployed for heritage conservation and the mechanism for deciding which historic buildings and sites should be conserved.

101. SDEV responded that the Administration could offer different kinds of economic incentives on a case-by-case basis, such as in-situ land exchange, non-in-situ land exchange and cash compensation. As regards the suggestion of establishing a heritage trust, she had stated on various occasions that given the nature of heritage conservation work and the value of community participation, she was supportive of a heritage trust independent of the Government to be set up in Hong Kong in the long run. More time was required for the various heritage initiatives to produce some results to gain the public support including public education especially if the establishment of a heritage trust would require the seeking of some public funds. The Administration was for the time being collecting information on such overseas experience and networking with overseas heritage trusts. If there were any breakthroughs in or changes to the heritage conservation policy in future, the Administration would conduct public engagement. C for H added that the Antiquities Advisory Board had launched a four-month public engagement exercise on the proposed grading of the 1 440 historic buildings and the relevant information was available on the website of the Antiquities and Monuments Office. It would also invite District Councils to give their views on the proposed grading.

IX Any other business

102. There being no other business, the meeting ended at 6:20 pm.