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**Panel on Development and
Panel on Housing**

**Minutes of joint meeting
held on Friday, 10 December 2010, at 4:30 pm
in the Chamber of the Legislative Council Building**

Members present : Members of the Panel on Development

- * Prof Hon Patrick LAU Sau-shing, SBS, JP (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
- * Hon Abraham SHEK Lai-him, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
- * Hon Frederick FUNG Kin-kee, SBS, JP
Hon CHEUNG Hok-ming, GBS, JP
Hon KAM Nai-wai, MH
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king, JP
Dr Hon Priscilla LEUNG Mei-fun
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun
- * Hon Alan LEONG Kah-kit, SC
Hon Tanya CHAN
Hon Albert CHAN Wai-yip

Members of the Panel on Housing

- # Hon LEE Wing-tat (Chairman)
- # Hon WONG Kwok-hing, MH (Deputy Chairman)
 - Hon Fred LI Wah-ming, SBS, JP
 - Hon LEUNG Yiu-chung
 - Dr Hon Joseph LEE Kok-long, SBS, JP
 - Hon CHAN Hak-kan
 - Hon WONG Kwok-kin, BBS

Member attending : Hon Ronny TONG Ka-wah, SC

Members absent : Members of the Panel on Development

- Hon LAU Wong-fat, GBM, GBS, JP (Deputy Chairman)
- Dr Hon Philip WONG Yu-hong, GBS
- Hon WONG Yung-kan, SBS, JP
- Hon Timothy FOK Tsun-ting, GBS, JP

Members of the Panel on Housing

- Hon Vincent FANG Kang, SBS, JP
- Hon LEUNG Kwok-hung

- * Also members of the Panel on Housing
- # Also members of the Panel on Development

Public officers attending : Agenda item II

Development Bureau

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

Mr Thomas CHOW Tat-ming, JP
Permanent Secretary for Development (Planning and Lands)

Transport and Housing Bureau

Ms Eva CHENG, JP
Secretary for Transport and Housing

Mr D W PESCOD, JP
Permanent Secretary for Transport and Housing (Housing)

Ms Ada FUNG Yin-suen, JP
Deputy Director (Development and Construction)
Housing Department

Mr Eugene FUNG Kin-yip
Principal Assistant Secretary for Transport and Housing
(Housing) (Private Housing)

Mrs Connie LAI Fan Siu-wah
Chief Planning Officer
Housing Department

Lands Department

Miss Annie TAM Kam-lan, JP
Director of Lands

Planning Department

Ms Phyllis LI Chi-miu
Assistant Director of Planning / Special Duties

Agenda item III

Transport and Housing Bureau

Ms Eva CHENG, JP
Secretary for Transport and Housing

Mr D W PESCOD, JP
Permanent Secretary for Transport and Housing (Housing)

Ms Ada FUNG Yin-suen, JP
Deputy Director (Development and Construction)
Housing Department

Mrs Connie LAI Fan Siu-wah
Chief Planning Officer
Housing Department

Planning Department

Mr Wilson CHAN Wai-shun
Acting District Planning Officer /
Tsuen Wan and West Kowloon

Clerk in attendance : Mr Stephen LAM
Chief Council Secretary (1)4

Staff in attendance : Mr Simon CHEUNG
Senior Council Secretary (1)1

Mrs Mary TANG
Senior Council Secretary (1)2

Ms Christina SHIU
Legislative Assistant (1)7

Action

I Election of Chairman

Mr LEE Wing-tat was elected chairman of the joint meeting.

II Land supply for housing

(LC Paper No. CB(1)679/10-11(01)) -- Information paper on housing land supply provided by the Development Bureau

LC Paper No. CB(1)727/10-11(01) -- Information paper on land supply for housing provided by the Transport and Housing Bureau

LC Paper No. CB(1)679/10-11(02)	-- List of questions on land supply for housing raised by Hon LEE Wing-tat
LC Paper No. CB(1)679/10-11(03)	-- Paper on land supply for housing prepared by the Legislative Council Secretariat (Background brief))

2. The Chairman said that as much effort had been made to coordinate the attendance of the Secretary for Development (SDEV) and the Secretary for Transport and Housing (STH), it had been agreed that more time should be allowed for discussion on "Land supply for housing" in view of its importance. Dr Priscilla LEUNG said that since the subject on the "Planning of the North West Kowloon Reclamation Site 6" had been included in the agenda, it should be discussed at this meeting. She said that there was urgency in discussing the item.

Private housing

Sources of land supply

3. Mr Ronny TONG said that Government had all along relied on the Application List (AL) as the main source of supply of government land. However, such was dependent on the application by developers and lacked initiative on the part of Government. He enquired if Government would be prepared to consider holding regular land auctions so as to restore its initiative in the supply of land. SDEV explained that as the Chief Executive (CE) had announced in his 2010-2011 Policy Address, while the AL system would be upheld as the main axle for the sale of government land, it would be supplemented by Government-initiated land sale arrangements. In fact, such arrangements had been introduced since the 2010-2011 AL announced in February 2010. Government had designated nine sites on the 2010-2011 AL for government-initiated sale in the coming two years. As at end November 2010, four of these sites had been sold (including one successfully triggered before the government-initiated sale) while another site at Chai Wan had been withdrawn. In addition, plans were underway to sell the ex-Yuen Long Estate site for small and medium-sized flats by tender within December 2010. Therefore, Government had resumed initiative on the supply of land, taking into account the supply and demand situation. As regard the resumption of land auctions on a regular basis, SDEV said that this would be a less flexible arrangement to Government. Following the announcement of plans for the supply of land by the Financial Secretary

(FS) in his Budget Speech each year, the Development Bureau would be holding briefing sessions to explain to the media and the public about the arrangements for land supply in the coming year.

4. Mr CHAN Kam-lam said that AL could not be relied upon as the sole source of land supply to meet the market demand for residential flats. He enquired about the means to make available land for the targeted production of 20 000 private residential flats annually. He was concerned about the long lead time required by the Urban Renewal Authority (URA) in the redevelopment process. SDEV said that there had been satisfactory progress in the sale of land this year. As at end November 2010, 10 sites had been sold from the 2010-2011 AL, allowing for the production of some 5 000 flats. A multi-pronged approach would be adopted as follows to make available land for the targeted production of 20 000 private residential flats annually to meet the housing demand -

- (a) more Government land would be included in the 2011-2012 AL. Based on the current situation, the Administration was confident that the new residential sites on the 2011-2012 AL (i.e. not including those sites to be rolled over from the 2010-2011 AL) could produce more than 10,000 flats;
- (b) the property development projects of Mass Transit Railway Corporation Limited (MTRCL) would provide a large number of flats along the rail lines;
- (c) URA would provide more land for redevelopment through its role as "facilitator" to assist the owners of old buildings to assemble titles and initiate redevelopment;
- (d) private development projects through lease modification and land exchange would continue to be a main source of supply; and
- (e) private redevelopment projects not subject to lease modification or land exchange had been able to produce more flats recently, the number of which had been increased from an annual average of about 830 in 2003-2009 to 1 800 in the first ten months of 2010.

5. Mr James TO enquired if there were any land production programmes for private housing so that the community would have more confidence in the supply of private residential flats. He said that instead of

making available land under AL on a yearly basis, consideration could be given to providing a five-year rolling programme on land production for private housing, as was the practice before 2002. The Permanent Secretary for Development (Planning and Lands) said that various Government bureaux and departments were involved in the preparation of AL. The Planning Department (PlanD) would identify Government land which could be used to develop private housing. There would be planning in terms of land use, land formation, roads and other related infrastructural works before the land would be included in AL. PlanD would also review the planned use of various government, institution or community (G/IC) sites from time to time so as to flexibly cater for the Government's overall policy and to meet the changing aspirations and needs of the community. Where there had been no confirmed development programme or available funding for the implementation of the proposed facilities on a reserved site for five years or more after first reservation, PlanD and relevant bureaux/departments would regularly review the reserved G/IC site to ascertain the need for further site reservation. Should the reserved G/IC site be no longer needed or appropriate replacement sites be identified, consideration would be given to releasing the site to other uses, including residential use, with a view to achieving optimal use of land resources. He added that information on the availability of land would not be provided to the public unless there was certainty in land production, lest such might give confusing information to the property market. SDEV said that the new residential sites on the 2011-2012 AL would include the former North Point Estate site and the former Ho Man Tin Estate site returned by the Housing Authority (HA), as well as other sites in various districts including Tung Chung and Tseung Kwan O. Meanwhile, information on the residential sites to be made available on the 2012-2013 AL could not be accurate at this stage as such would be subject to changes. It had not been the practice in the past to disclose the availability of specific sites for sale on a five-year basis.

6. In response to Mrs Sophie LEUNG's request for consideration on the need for reclamation and the use of country park areas in housing development, SDEV said that the Steering Committee on Housing Land Supply (the Steering Committee) chaired by FS would think out of the box to review existing land uses and explore new land resources. It would coordinate issues relating to housing sites so as to speed up housing land supply. Given the density of development and the designation of a high percentage of land as country parks, there had been much difficulty in the further development of Hong Kong. As announced by CE in the 2010-2011 Policy Address, the public would be consulted on the proposal for reclamation on an appropriate scale outside Victoria Harbour to generate

more land in the long run. Public discussion would be held to identify additional sources of land for public use.

7. Professor Patrick LAU said that the number of residential flats which could be made available in the short, medium and long term should be provided. Efforts should also be made to expedite the development of the Kai Tak Development Area and other new development areas in the northern New Territories, as well as the development of quarry sites at Anderson Road to provide more land to meet housing needs. SDEV said that while new residential sites would be provided on the 2011-2012 AL, the exact number of residential flats that could be produced would vary in accordance with changes in land planning and land use. She was quite confident that the new residential sites on the 2011-2012 AL could produce more than 10,000 flats. As to the medium and long term development, the Steering Committee would try to expedite the development of Kai Tak Development Area. As the contract for the quarry works at Anderson Road would not expire until 2015, planning studies for the quarry site would commence early next year.

8. Mr Alan LEONG said that to enable sufficient supply of private residential flats, there was a need to ensure the supply of land and the occupancy of flats, and to prevent hoarding of land by developers. To restore initiative on the part of Government in the provision of land, he would suggest that consideration be given to resuming land auctions, which might or might not be on a regular basis. SDEV said that Government had introduced regular land sales as such. As the measures to be introduced shortly to address the problem of "inflated buildings" had given rise to some uncertainties in the property market prior to implementation from 1 April 2011, Government would need to be more cautious on initiating more land sale before April.

Supply of flats

9. Mr Ronny TONG said that apart from specifying the minimum number of flats and the unit size restrictions in the land sale conditions, consideration should also be given to specifying the timeframe for the completion time of flats to prevent hoarding of land by developers, who might wish to delay the development in an attempt to offer the sale of flats at a most opportune time to maximize their profits. The Director of Lands (D of L) said that as a general practice developers would be required to complete the construction of the minimum gross floor area specified in the land grant documents or lease conditions fit for occupation within the Building Covenant (BC) period imposed in the land grant documents or

lease conditions. Such a BC period would be set, having regard to the complexity of the proposed development. Should the lot owners of individual development projects fail to comply with the BC period, the lot owners concerned would normally apply to the Lands Department (LandsD) for an extension of the BC period with justifications. In processing such applications, LandsD would consider the relevant factors such as the progress of development and the justifications provided by lot owners etc. If the application was approved, the applicant would be required to comply with the conditions, including the payment of premium, as imposed by LandsD.

10. Mr James TO said that it was necessary to ensure the timely production of flats within the BC period, except for unforeseen circumstances which were beyond control. Consideration should be given to the resumption of land from developers engaged in the hoarding of land. He would request that information about applications for extending the BC period, approved cases and payment of premium, etc. should be provided for members' reference. Sharing similar concerns, Mr Alan LEONG enquired about the means to ensure compliance with BC, so that developers would not delay the development of land but would try to complete their projects within the BC period. D of L said that the requirement of the BC period was strictly enforced. Developers would try to complete the construction within the BC period so that the flats could be put up for sale and they could reap profits in return for the investments made. Indeed, they normally were keen in applying for approval for the pre-sale of uncompleted flats under the Consent Scheme. Cases of land hoarding by developers were rare as developers would wish to collect money from sale of flats as quickly as possible and they could be required to pay premium if they failed to complete the project within the BC period. Higher premium would normally be levied for repeated extensions of the BC period. LandsD was seeking legal advice from the Department of Justice on the provision of more public information about applications for extending the BC period.

11. Mr WONG Kwok-hing said that while efforts had been made by Government to supply sufficient land for the annual production of 20 000 private residential flats, he enquired about the means to ensure that the 20 000 private residential flats to be built would be small and medium size flats of a "no frills" nature which would meet the needs of the community. He also enquired whether the flats to be provided by MTRCL's property development projects would be included within the annual targeted production of 20 000 private residential flats and if so, whether these flats would be luxury flats or "no frills" flats. SDEV said that there was no agreement on what should be regarded as "no frills" flats or space efficient

flats. Any specifications on the minimum number of flats and the unit size restrictions should be set out in the land sale conditions, as was the case of the ex-Yuen Long Estate site, which would be used as a pilot. In the light of the experience gained, the Administration would explore applying this arrangement to other sites. She added that specifications on the minimum number of flats and the unit size restrictions in the land sale conditions would impact on the cost of land. The Administration would be willing to bear the reduction in the cost of land to meet the housing needs of the community. The Development Bureau would not be in a position to regulate the production of flats from MTRCL's property development projects, which would cross-subsidize the cost of rail operation. Nevertheless, MTRCL would be encouraged to provide more small and medium flats along the West Rail to meet the housing demands of the community.

12. Mr Albert CHAN requested that more information on the availability of land for the production of private residential flats should be provided for members' reference. While MTRCL and URA would be expected to provide small to medium size flats in their residential developments along their rail lines and urban renewal projects respectively, there was no control on the flats produced by private developers, who were holding a majority of private land. Most of the private developments were luxurious developments costing over \$10,000 per square foot. In order to increase the supply of small and medium size flats to meet the housing demand of the general public, he would suggest that administrative measures be provided to encourage private developers to produce small and medium size flats instead of luxurious developments when they applied for change in land use of their agricultural land. SDEV said that she would try to provide more information on the availability of land for the production of private residential flats. She added that the production of public or private residential flats from rural land might face objections from the local community or the general public, as in the case of the development at Nam San Wai. Consultation had to be carried out before proceeding with development projects. On the suggested provision of administrative measures to encourage private developers to produce small and medium size flats instead of luxurious developments, she said that such might be worth pursuing if it was carried out in a fair and transparent manner. However, given the sensitivity of the issue, care had to be exercised when considering the provision of measures to facilitate private developers in the delivery of development projects. It was for the same caution that the Development Opportunities Office was not providing its coordinated advisory services to private land development projects which were solely for residential purpose. She said that if it was members' request that administrative measures be provided to encourage private developers to produce small and medium size

flats instead of luxurious developments, she would be prepared to consider the request.

13. The Chairman said that following the announcement on the new stamp duty measures by FS on 19 November 2010, the property index of an estate agency had indicated that there had been an increase in property prices by 0.94% within the week from 29 November 2010 to 5 December 2010, though the number of transactions had been drastically reduced. He was concerned that, in the absence of assurance on a sufficient supply of residential flats, the effect of administrative and stamp duty measures would die down after a while. Given the aspirations for home ownership, there would always be a demand for private residential flats, particularly in the prevailing low interest environment. SDEV said that adequate supply could only be assured by both Government efforts and community understanding. Over the years, a lot of difficulties were experienced in the provision of land for housing development. By way of illustration, the housing development along the West Rail had been delayed as a result of the request for a planning review to address “wall effect”. In the absence of certainty in land production, the Administration would not be able to confirm the actual supply of residential flats. Nevertheless, efforts would be made to provide sufficient land that had the capacity to produce an annual average of 20 000 private residential flats each year in the next 10 years.

14. The Chairman enquired if MTRCL could expedite the production of land for the delivery of its property development projects along rail lines in an attempt to provide more residential flats to meet the housing demand. SDEV said that MTRCL was acting as an agent in the property development projects along the West Rail and as such, Government had played an initiating role. Efforts had been made to expedite the planning and development of West Rail projects. While planning reviews were being undertaken at the Nam Cheong Station and the Yuen Long Station, planning studies had yet to be completed at the Kam Sheung Road Station and the Pat Heung Repairing Centre. There were other property developments along rail lines which were owned by MTRCL for which Government could not take the lead and these would include the developments at the Tseung Kwan O Extension, Tai Wai Extension and Tin Shui Wai.

15. The Chairman enquired whether STH, being a member of the MTRCL Board of Directors, could request MTRCL to expedite the production of land for its property development projects. STH said that MTRCL would try to meet the needs of the property market. It would invite tenders to jointly develop the land along the rail lines and the terms of

development would be governed by contract. Discussion had been held with MTRCL on the provision of more small and medium flats along the rail lines. It was expected that about 20% of the flats to be developed at the property development project at the Wong Chuk Hang Station would be smaller units of about 50 square meters.

16. Mr Frederick FUNG was concerned that Government had all along stated that it would try to make available land for the production of 20 000 private residential flats but it could not confirm that 20 000 private residential flats could be produced per year. He pointed out that the annual production of 20 000 private residential flats was relatively low as compared to earlier years, and would not be able to meet the housing demand. To ensure sufficient supply of residential flats, he would suggest that, in the event of unsuccessful land auctions, the available land should be entrusted to URA and the Hong Kong Housing Society (HKHS) for the development of residential flats to meet the targeted production of 20 000 each year. He recalled that at the last CE Question and Answer Session, CE had indicated that strenuous efforts had to be made to secure more land for residential developments. He enquired about the mechanism for the allocation of land. SDEV said that various Government bureaux and departments were involved in land use and planning. The Steering Committee chaired by FS would review existing land uses and explore new land resources to speed up housing land supply. While Government could undertake to provide sufficient land for the annual production of 20 000 private residential flats, there were practical difficulties in confirming that 20 000 flats could be produced annually from the various sources, particularly if flats were to be produced from private development projects.

17. Mr Frederick FUNG said that in view of the practical difficulties in ensuring the production of flats, more land should be provided to meet the targeted production of 20 000. The number of flats produced rather than the amount of land to be made available should be used as the target for housing production. In view of low interest rate environment and the inflow of funds, the demand for housing would continue to rise and in this connection, he would support raising the targeted production of flats at 25 000.

18. Dr Priscilla LEUNG supported that a committee be set up to formulate a long term housing strategy which took account of demographic changes and enabled more comprehensive planning. STH said that the former housing strategy aimed to achieve 70% home ownership, to supply 85 000 residential flats per year, and to meet the pledge of maintaining the average waiting time for public rental housing (PRH) at around three years. With the re-positioning of the housing policy in 2002-2003, consensus had

been reached that the targets on home ownership and supply of residential flats should no longer be kept. There would be proper planning to ensure a stable land supply for the residential property market.

19. Mr Alan LEONG enquired about the measures which could be taken to reduce the vacancy rate of residential flats. STH said that vacancy rate was currently about 5% which was relatively low. The reason for flats being left vacant was mostly because these were awaiting letting or pending sale. There were practical difficulties in reducing the vacancy rate of flats.

Public housing

20. Mrs Sophie LEUNG supported the increase in land supply for the provision of subvented housing in which 40% of the population was residing in. She said that opportunity should be taken to review the policy on financially well-off tenants. There might also be a need for public discussion on the optimum percentage of population which subvented housing should serve. Such would help to identify the types of subvented housing to be provided and would also assist in deciding whether use could be made of the country park areas for housing development. The need for reclamation could also be looked into. STH said that PRH was meant for low-income families who could not afford private rental accommodation. At present about 30% of the population were residing in PRH flats while 18% of the population were residing in subsidized sale flats provided by HA and HKHS. Of the 52% of the population residing in private flats, 70% were owner-occupier households. There was no set target on the percentage of population who should benefit from subsidized housing nor the percentage of home ownership. To purchase a property or not was a matter of personal choice and affordability. As long as there was a stable and steady supply of affordable housing in the private sector, there might not be a need to offer different types of subsidized housing for the community to choose from. Sufficient land would be made available for an annual production of some 20 000 private residential flats. On Mrs LEUNG's request for the provision of more land for the development of "no frills" flats for first time home buyers, STH said that the Home Ownership Scheme flats for sale in the secondary market were a source of supply of "no frills" flats for first time home buyers.

21. Mr WONG Kwok-hing said that there was a need to increase the production of PRH flats as the annual production of 15 000 PRH flats was insufficient to meet the housing demand. STH said that the annual production of 15 000 PRH around flats and the recovery of a similar number of PRH flats from the existing stock were able to maintain the average

waiting time for PRH at three years. To ensure an adequate and steady supply of suitable land for PRH development, the Transport and Housing Bureau and the Housing Department, would continue to liaise closely with the Development Bureau, the concerned Government departments, district councils and local communities to identify suitable sites in different parts of the territory for PRH development. HA had a five-year rolling Public Housing Construction Programme which was reviewed on an annual basis and suitable adjustments would be made in accordance with the latest demand and supply situation.

Admin

22. Mr Albert CHAN shared the concern that the present supply of PRH flats was unable to meet the housing needs of low-income families. He hoped that production of PRH flats should be stepped up, taking into account population development. He was aggrieved over the district objection, notably from the Sham Shui Po District Council, on the PRH development in the district, despite that the scale of development had been significantly reduced. He would request that a list be provided by the Administration setting out the objections received from District Councils (DC) against PRH developments within their districts. A public hearing should be held to discuss the provision of land for PRH development and the justifications for the objections against the PRH development within the different districts. He would also support the five-year Rolling Public Housing Construction Programme, which should not be constrained by district objection. Mrs Sophie LEUNG supported that there should be a public debate on PRH development on a territory-wide basis instead of on a district basis, because the latter might be influenced by voters in the districts. STH said that the annual supply of about 30 000 PRH flats per year through production and recovery would be able to meet the target of maintaining the average waiting time at around three years for applicants on the Waiting List. While best use would be made of the land identified for the production of PRH flats, there was a need to resolve issues of concern raised by the local community related to PRH development, for example, development parameters, supporting facilities, infrastructure provision or adverse impact on property prices. The views of local community as reflected by the consultation with DCs would be taken into account in the planning of PRH development. Sufficient ancillary facilities for residents in PRH would be provided in accordance with the Hong Kong Planning Standards and Guidelines. Issues such as building density and disposition, as well as the provision of view corridors, would need to be discussed in consultation with the local community. Most of the land identified for PRH development was in the urban and extended urban areas, with a small percentage in the New Territories.

23. Dr Priscilla LEUNG said that there should be a more comprehensive land use planning on a territory-wide basis, taking into account demographic changes. She said that the objection raised by Sham Shui Po District Council was not directed against PRH development but against the present land planning, which had obstructed the sea view and had disallowed the development of a town hall along the harbour front. Reference should be made to the past experience in the development of the new towns at Shatin and Tsuen Wan. SDEV said that the heights and disposition of buildings, as well as the provision of breezeways and view corridors were taken into account in the planning of land and buildings. Efforts had also been made to reduce the development density, although such might reduce flat supply as well as income from land sales. More balanced planning would be made in developing new towns, such as Hung Shui Kiu.

24. Ms Cyd HO said that PRH developments needed not be provided on a large scale and smaller sites could also be considered. More flexibility should be exercised in the identification of PRH sites. Consideration could be given to developing smaller PRH sites within redeveloped areas and older districts as ancillary facilities such as wet markets and town halls were already available in these areas. STH said that HA would consider all viable sites for PRH development, regardless of their sizes. Besides, with the development of smaller sites in the vicinity of major PRH estates, there could be shared use of ancillary facilities. The Permanent Secretary for Transport and Housing (Housing) (PSTH(H)) said that smaller sites which could provide for 500 to 600 PRH flats would still be considered if they were able to share the ancillary facilities of larger estates within the vicinity and were able to comply with planning and environmental requirements as well as district interests.

25. Mr Frederick FUNG was concerned that the annual production of about 15 000 PRH flats would not be able to meet the demand of the 130 000 applicants on the Waiting List. He enquired if there was a dedicated department which was responsible for identifying land for PRH development. He also pointed out that the actual waiting time for PRH flats would be much longer than three years if the applicants had declined the initial offers. PSTH(H) said that a coordinating committee had been set up to identify sites for PRH development. It was the responsibility of HA to produce on average 15 000 PRH flats per year. Joint efforts were made with relevant departments such as the Social Welfare Department and the Education Department in the provision of ancillary facilities for PRH sites. He said that records showed that after rejecting the first offer, it took on

average about eight months or so for the applicants to be rehoused up to the third offer.

III Planning of the North West Kowloon Reclamation Site 6

- (LC Paper No. CB(1)679/10-11(04)) -- Administration's paper on planning on the North West Kowloon Reclamation Site 6
- LC Paper No. FS06/10-11 -- Paper on North West Kowloon Reclamation Site 6 prepared by the Research Division of the Legislative Council Secretariat (Fact sheet)
- LC Paper No. CB(2)1609/09-10(01) -- Judiciary Administration's supplementary information paper on proposed construction of the West Kowloon Law Courts Building
- LC Paper No. CB(2)2052/09-10(01) -- Dr Hon Priscilla LEUNG Mei-fun's letter dated 24 June 2010 on proposed public works project - construction of the West Kowloon Law Courts Building
- LC Paper No. CB(2)2052/09-10(02) -- Judiciary Administration's paper in response to letter from Dr Hon Priscilla LEUNG Mei-fun as set out in LC Paper No. CB(2)2052/09-10(01))

Briefing by Administration

26. With the aid of PowerPoint, Deputy Director (Development and Construction) (DD/DC) briefed members that North West Kowloon Reclamation Site 6 (Site 6) was situated between the West Rail Nam Cheong Station and Hoi Lai Estate within Sham Shui Po (SSP) District, which had been zoned as Comprehensive Development Area (CDA) on the Outline Zoning Plan (OZP). Since May 2009, Site 6 had been specified for PRH

purpose in the Explanatory Statement of the corresponding OZP. In order to take the project forward, staff of Housing Department and Planning Department had consulted SSP District Council on three occasions, i.e. 25 June 2009, 12 January 2010 and 29 June 2010. She also highlighted that:

- (a) the initial proposal put forward by the Administration in June 2009 was to provide 2 400 PRH flats in four domestic blocks of 39 to 41 storeys;
- (b) opinions collected showed that local residents were in favour of bringing in a City Hall/civic centre, wet market and District Law Court on Site 6 instead of a PRH estate;
- (c) there were concerns that the PRH blocks might adversely affect air ventilation and road traffic within the area;
- (d) the latest proposal put forward by the Administration in June 2010 included three domestic blocks ranging from 33 to 37 storeys producing about 2 000 PRH flats;
- (e) a study by the Administration showed that the proposed PRH blocks on Site 6 would have no adverse effect on local road network, and air ventilation. As regards ventilation, a gap of over 210 metres would be maintained between PRH buildings on Site 6 and the future Nam Cheong MTR Station private development and a gap of over 230 metres between Site 6 and Ho Lai Estate;
- (f) while a more suitable site had been identified for the District Law Court, there was no suitable replacement site in SSP district for PRH purpose;
- (g) to accommodate the views of SSP District Council, the Administration had reduced the number of PRH blocks on Site 6 from four to three. Wet market would be provided on site, and there was plan to upgrade the existing community halls/centres in SSP district. The District Council, however, did not find the Administration's revised proposals acceptable; and
- (h) the Administration intended to submit the Planning Brief and Master Layout Plan to the Town Planning Board (TPB) in

early 2012 and early 2013 respectively, aiming to complete the PRH project in 2019.

Discussion

Town Planning of Sham Shui Po

27. Dr Priscilla LEUNG opined that the strong objection from SSP District Council reflected that the Administration's development plan in respect of Site 6 of SSP was a failure. She criticized that in the absence of a good coordination amongst relevant policy bureaux/departments, the Administration had failed to catch up with the changing environment and rising aspirations of local residents. In comparison with districts such as Tsuen Wan, SSP district was lagging far behind in terms of communal and other supporting facilities. She believed that in providing PRH in the densely-populated SSP district, the Administration had got lost and failed to find a right way out. Further, Dr LEUNG considered it unfair for the middle class to bear the consequence of poor town planning. She urged the Administration to re-plan Site 6 so as to bring in a City Hall and/or the District Law Court. If possible, international schools and other facilities best suiting needs of the district should also be considered.

28. DD/DC thanked Dr LEUNG for her views and assured members that the Administration would continue to listen to views and concerns regarding Site 6. She believed that being time-proven, the town planning mechanism in Hong Kong was open and effective which allowed adequate opportunities for public to express their views. District Planning Officer /Tsuen Wan and West Kowloon (DPO/TW&WK) supplemented that in line with the Government's housing policy, Site 6 had long been designated for PRH purpose. To obtain local views, Housing Department and Planning Department had jointly approached SSP District Council for advice, and had as a result brought a number of changes to the plan. He further advised that together with the collected views, a Planning Brief for the PRH development on the Site would be submitted to TPB for consideration and endorsement prior to commencement of the project.

Provision of City Hall and communal facilities

29. Dr Priscilla LEUNG queried the Administration's stance that SSP did not need a City Hall, and pointed out that due to poor town planning, residents of SSP had to travel to other districts to gain access to cultural and communal facilities. She disagreed that the West Kowloon Cultural District could replace the functions of a City Hall and be used as an excuse for

turning down the district's repeated requests for a City Hall. Ir Dr Raymond HO opined that the proposal to bring in a City Hall in SSP district was a reasonable aspiration of local residents. Like Tin Shui Wai, SSP district had been denied of sufficient communal and cultural facilities for decades. Mr Frederick FUNG, citing the aborted plan to build a City Hall in the 1990s as an example, also supported that Site 6 should be reserved for cultural and communal facilities for local residents. He was against any attempt to replace PRH with private residential development on this piece of land.

30. Concerning the City Hall proposal, DD/DC advised that when Housing Department proceeded with the planning work a few years ago, these facilities were not proposed in Site 6 under the Outline Zoning Plan. Even so, the Administration could still consider setting up community facilities for gatherings and activities of local residents, though not necessarily in the form of a City Hall. DPO/TW&WK supplemented that the policy on provision of City Hall and communal facilities fell under the purview of the Secretary for Home Affairs (SHA). He understood that SHA had also responded to SSP District Council on this issue. The Home Affairs Bureau's view was that residents of SSP district could use the communal facilities within it as well as those in the nearby districts and the West Kowloon Cultural District.

Provision of wet market

31. Mr Frederick FUNG said that contrary to Dr Priscilla LEUNG who preferred City Hall and District Law Court to wet market on Site 6, he welcomed the Administration's proposal to provide a wet market at the site. He said that wet market was badly needed in places such as Fu Cheong Estate and Hoi Lai Estate situated in the vicinity of Site 6. As a matter of fact, local residents had voiced out their concerns to the Administration repeatedly over the years through different means. DD/DC advised that the decision to provide wet market on Site 6 was taken in response to local views.

Option of planning for Site 6

32. Mr James TO said that at the meeting with SSP District Council on 29 June 2010, the Administration had actually put forward two options for the District Council to consider. Option A was to reduce the height of three PRH blocks and to place shopping, social services and recreational facilities within a one-storey podium. Option B was to exchange the site of a PRH block with a planned government complex site at the junction of Sham Mong Road and Fat Tseung Street West. No consensus view was reached at

the meeting. Given that Site 6 would only be available for development in 2015, there was still plenty of time for the Administration and SSP District Council to explore Option B and other options, if any.

33. DD/DC advised that two options were placed before the SSP District Council on 29 June 2010. Option B involving another piece of land in SSP district zoned “Government, Institution or Community” would require approval from the TPB for the change in land use. It might also be not cost-effective to have one single PRH block built in an isolated location. While the Administration was willing to listen to views on both options, it had to adhere to a tight work schedule. There was a need for HA to submit the Planning Brief on Site 6 to TPB in early 2012, followed by the Master Layout Plan, tender exercise and site formation works. In view of the controversial nature of Site 6, Mr James TO requested the Administration to provide information on Option B to Members of the Legislative Council, and to explore other development options, if any, with SSP District Council and local residents.

Collection of local views

34. Ir Dr Raymond HO expressed concern about the Administration's way of collecting public views at district level. He was disappointed that in a bid to take Site 6 forward, the Administration had consulted SSP District Council on three occasions, and yet failed to settle the matter satisfactorily. He urged the Administration to review and improve the consultation mechanism at district level. For highly controversial issues such as Site 6, the Administration should give members of the District Council sufficient time to gather views from the local community and to channel them back to the Administration. Before taking the project forward, the Administration should strive to map out an acceptable solution on Site 6 with the SSP District Council.

35. DD/DC thanked Mr HO for his views and responded that although the Administration aimed to complete the PRH estate on Site 6 in 2019, members of the public could still express their views when TPB considered the Master Layout Plan for Site 6.

Call for additional meeting

36. Dr Priscilla LEUNG expressed grave concern that inadequate time had been allotted to discuss the highly controversial development plan for Site 6. She suggested that another meeting involving also the Panel on Administration of Justice and Legal Services should be held. She reiterated

her objection to the building of a PRH estate, and insisted that a City Hall or a District Law Court would be a better option for the site. To prepare for further discussion on Site 6, she hoped the Administration could escalate the subject to a cross-bureau level involving both Development Bureau and Home Affairs Bureau.

(Post-meeting note: A letter from Dr Priscilla LEUNG requesting to discuss Site 6 again in a Panel on Development (DEV Panel) meeting has been received. The request will be discussed in the DEV Panel meeting on 25 January 2011.)

IV Any other business

37. There being no other business, the meeting ended at 6:45 pm.

Council Business Division 1
Legislative Council Secretariat
14 April 2011