

**立法會**  
**Legislative Council**

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**Panel on Development**

**Minutes of special meeting**  
**held on Friday, 14 October 2011, at 11:45 am**  
**in Conference Room 1 of the Legislative Council Complex**

- Members present** : Prof Hon Patrick LAU Sau-shing, SBS, JP (Chairman)  
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP  
Hon CHAN Kam-lam, SBS, JP  
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP  
Hon WONG Yung-kan, SBS, JP  
Hon LEE Wing-tat  
Hon CHEUNG Hok-ming, GBS, JP  
Hon KAM Nai-wai, MH  
Hon Cyd HO Sau-lan  
Hon Starry LEE Wai-king, JP  
Dr Hon LAM Tai-fai, BBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, JP  
Hon IP Kwok-him, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Alan LEONG Kah-kit, SC  
Hon Tanya CHAN  
Hon Albert CHAN Wai-yip
- Members attending** : Hon WONG Kwok-hing, MH  
Hon Ronny TONG Ka-wah, SC

**Members absent** : Hon LAU Wong-fat, GBM, GBS, JP (Deputy Chairman)  
Hon James TO Kun-sun  
Hon Timothy FOK Tsun-ting, GBS, JP  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon Frederick FUNG Kin-kee, SBS, JP  
Hon Mrs Regina IP LAU Suk-yea, GBS, JP

**Public officers attending** : **Agenda item I**

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

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

Mr WAI Chi-sing, JP  
Permanent Secretary for Development (Works)

Mr Enoch LAM Tin-sing, JP  
Deputy Secretary (Works)<sup>2</sup>  
Development Bureau

Mr Jimmy LEUNG Cheuk-fai, JP  
Director of Planning

Mr HON Chi-keung, JP  
Director of Civil Engineering and Development

**Clerk in attendance** : Ms Connie SZETO  
Chief Council Secretary (1)4

**Staff in attendance** : Ms Sharon CHUNG  
Senior Council Secretary (1)4

Mr Simon CHEUNG  
Senior Council Secretary (1)9

Ms Christina SHIU  
Legislative Assistant (1)4

Ms Silvia YAU  
Clerical Assistant (1)4

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Action

**I Briefing by the Secretary for Development on relevant policy initiatives in the Chief Executive's Policy Address 2011-2012**

(LC Paper No. CB(1)35/11-12(01) -- Administration's paper on initiatives of the Development Bureau in the 2011-2012 Policy Address and Policy Agenda)

The Chairman welcomed the Secretary for Development ("SDEV") and other officials to the meeting. In order to allow more time for members to discuss the policy initiatives in the Chief Executive's ("CE's") Policy Address 2011-2012 under the Development Bureau ("DEVB"), members agreed that the meeting should proceed directly to the question and answer session with SDEV.

Measures to increase land supply

*Land development plans*

2. Mr WONG Kwok-hing expressed concern that the Administration's failure to provide adequate land for housing development in the past few years had resulted in soaring property prices and discontent from members of the public. He enquired whether the Administration had formulated strategies and plans for developing land in the short, medium and long term, as well as for creating a land reserve. He cautioned that unless the Administration had sufficient land reserve in hand, it would be impossible to meet the rising demand for both private and public housing. Referring to a recent comment made by the CE that shortage in land supply had adversely affected the supply of public rental housing ("PRH"), he enquired about the extent of the shortage in housing land supply and its impact on the provision of PRH.

3. SDEV said that she shared members' views that it was of paramount importance for Hong Kong to ensure a steady land supply and create a land reserve to cater for housing and other developments. She admitted that while

the major housing policy review in 2002 had resulted in shrinkage in land supply in the following years, pursuant to the relevant initiatives announced by the CE in his policy addresses in recent years, the Administration had been stepping up efforts to increase land supply. For instance, the Steering Committee on Housing Land Supply led by the Financial Secretary was striving to expand land resources for meeting housing development need. Moreover, measures were devised to increase land resources for development of the six industries in Hong Kong. On the creation of a land reserve for Hong Kong, SDEV pointed out that the initiative was included in the 2010-2011 Policy Address, and was being pursued actively by the Administration. Under the initiative, the Administration would review existing land uses and explore new land resources to build up a land reserve for meeting long term economic and social developments of Hong Kong. Newly-formed land would be kept in the land reserve and made available to the market when needs arose. As for the supply of land for various developments in the coming years, SDEV assured members that short, medium and long term land supply plans had been formulated to meet the needs of the territory at different stages. She advised that in a 5-year period analysis, there should be adequate supply of housing land for the first 5-year period. In addition to sites under the property development projects along the West Rail, sites under the Tseng Kwan O New Town Development Final Phase and the new Kai Tak Development Area ("KTDA") would become the major sources of housing land supply for this period. Furthermore, the Administration would review sites zoned "Government, Institution or Community" ("GIC") with no specific development plans and continue to explore the feasibility of turning suitable Government-owned industrial sites into housing use. Housing land supply for the second 5-year period would be tight. As for the third 5-year period, it was envisaged that land supply would pick up steadily when sites in new development areas in North East New Territories and Hung Shui Kiu, Tung Chung New Town, as well as the Anderson Road Quarry ("ARQ") came on stream.

#### *Land for public housing development*

4. Mr Albert CHAN urged the Administration to actively explore the option and provide flexibility in converting private agricultural land into housing land for building PRH and Home Ownership Scheme ("HOS") flats. He was confident that this would achieve a "win-win" situation for land owners, developers and low-income families. While appreciating Mr CHAN's views, SDEV said that there would be public concern about the proposal as it might be perceived as collusion between the Government and the business sector.

5. Mr LEE Wing-tat said that he was not optimistic about the prospect to create a land reserve in Hong Kong, and pointed out that the Administration would encounter great difficulties in the next few years in implementing the initiative. He enquired how the Administration's targets of maintaining an average production of 15 000 PRH units and producing 5 000 HOS flats a year as announced in the 2011-2012 Policy Address had been worked out, and expressed grave concern as to how the Administration could meet such targets. Noting that the Administration was able to make available land for development of 55 000 private flats in 2012 and 2013 but the Administration's target was to supply land for development of 40 000 private flats in the next two years, Mr LEE opined that in order to reduce waiting time for PRH and increase production of HOS, the Administration should set aside all available land, including Tseng Kwan O Area 66 and idle GIC sites, for construction of PRH and HOS flats.

6. SDEV advised that the major role of DEVB was to identify land to meet the policy objectives of various policy bureaux. The targets for building 15 000 PRH, 5 000 HOS and 5 000 My Home Purchase Plan units in 2012 were set by the Transport and Housing Bureau and the Hong Kong Housing Authority. As regards whether the Administration could convert sites earmarked for private housing development for construction of public housing, she explained that there would be limitations as most of these sites were not owned by the Government. Furthermore, she did not consider that all idling GIC sites, which were small in number and size, could be used for public housing development.

7. On the proposed measure to explore the possibility of converting spoiled agricultural land for public housing development, Ms Cyd HO cautioned that while private land owners would welcome the measure, a number of environmental groups had raised concern about rezoning agricultural land with high conservation value for housing and other developments. She enquired how the Administration could protect agricultural land with high conservation value. Noting from paragraph 21 of the Administration's paper that some 29.4 hectares of former industrial land could be converted into housing land for development of 4 200 PRH flats and 16 530 private flats, she expressed concern about the small number of PRH flats to be produced. She was worried that the small number of PRH flats would not meet the housing needs of low-income families. In her opinion, the Administration should make available not less than 50% of the land identified through various measures for public housing development.

8. In response, SDEV said that the Administration would be highly selective in identifying suitable agricultural land for conversion into housing land. She expected that only genuine spoiled agricultural land in the proximity to built-up areas, which were considered suitable for public housing development, would be explored. On the provision of land for public housing development, she pointed out that the Administration had encountered difficulties in recent years in seeking support from relevant District Councils in identifying sites for PRH construction. While she would convey members' views on the need to expedite public housing development to the relevant bureaux and departments, it would not be possible to give details on the allocation of housing sites for private and public housing as well as a time-table on the delivery of sites at the present stage. The Administration would keep the Panel informed on the progress of various measures to increase housing land supply.

#### *Land resources in green belt areas*

9. Miss Tanya CHAN expressed concern about the Administration's initiative to make use of land in green belt areas in the New Territories for housing purpose. She was worried that no guidelines were in place to assess the suitability of selected sites in green belt areas for development purposes.

10. SDEV assured members that the targets of review of green belt zone covered de-vegetated, deserted or formed areas, and therefore no longer performing their original functions. As in the case of preservation of King Yin Lei, the Administration had arranged a land exchange with the concerned owner using a piece of land that was an artificial slope adjoining the green belt zone. The case had illustrated that pockets of land within green belt zones might also be considered for residential development if they did not serve significant greening purpose. She added that some of the six measures to expand land resources included in the 2011-2012 Policy Address were contentious. The Administration was aware of the need to engage the public and the relevant sectors in the discussion of these measures.

#### *Review of GIC sites*

11. In implementing the initiative to review idle GIC sites for housing and other developments, Ms Starry LEE opined that the Administration should take into account the need of providing sufficient community facilities in districts for local residents. She expressed concern that while the Administration had been expediting the development of major

infrastructures in recent years, the provision of community facilities, such as community halls, had been proceeding in a slow pace.

12. SDEV advised that development of GIC sites which had specific development plans and clear implementation time-tables would not be affected. The focus of review of GIC sites would be on sites which had long been reserved but had no concrete development plans, or sites which were no longer needed for their original use such as government quarters. The Administration would also study ways to overcome the constraints posed by government utilities to the development of adjacent areas. For instance, advancement in odour treatment technology in recent years would considerably reduce nuisance caused by sewage treatment plants, thus offering opportunity for the Administration to consider development in the surrounding areas of such public utilities.

#### Development of Kowloon East

13. While welcoming the Administration's plan to develop Kowloon East ("KE") covering KTDA, Kwun Tong and Kowloon Bay as another core business district for Hong Kong, Ms Starry LEE relayed the concern of residents of Kowloon City that the Administration should include the district in the KE development. She opined that the Administration should strive to integrate new developments in KTDA with Kowloon City through different means, including connecting the district with KTDA through the proposed environmentally friendly linkage system ("EFLS"), so as to revitalize the economy of Kowloon City and achieve facelift for the district. She urged that the Administration should include the Kowloon City District Council in the forthcoming public consultation exercise on the KE development.

14. SDEV said that while the Administration fully understood the aspiration of local residents for extending EFLS to Kowloon City, due to various considerations particularly the visual impact to neighbouring residential areas, the development of EFLS would have to be confined to the commercial areas in KTDA, Kowloon Bay and Kwun Tong in the initial stage. The Administration would consult local residents and concerned District Councils on the plan to further extend EFLS to Kowloon City and other older districts in due course.

15. Mr CHAN Kam-lam welcomed the Administration's decision to develop KE, and believed that the project would create synergies and revitalize the economy of older districts in the area. He also welcomed the proposal to set up the Kowloon East Development Office ("KEDO") to take

forward the transformation of KE. He enquired whether the Planning Master Plan on KE development would incorporate programmes to redevelop older districts in the region. He said that the Democratic Alliance for the Betterment and Progress of Hong Kong had been actively pursuing the provision of EFLS in KE and the proposal to construct the system was well supported. He urged the Administration to commence public consultation on the initial findings of EFLS as early as possible and expedite completion of the system before the initial target date of 2023 in order to bring early economic benefits for the district. Where appropriate, consideration could be given to commence the system in phases. Furthermore, he suggested that the Administration should consider converting the existing typhoon shelters and cargo handling areas in Kwun Tong and To Kwa Wan into floating jetties for mooring of yachts and pleasure boats. Mr Paul TSE expressed similar views that the Administration should bring forward the completion date of EFLS.

16. SDEV said that KEDO would assume a key role in steering and overseeing the overall planning and transformation of KE. The Administration had already completed the outline zoning plan for KTDA. It would work out plans to further enhance connectivity within KE and with other districts. On the mode of transport for KE, she said that it was necessary to consult the public before making the decision on the provision of EFLS. The operation of EFLS had to dovetail the Shatin-to-Central Link and the Administration took note of members' views on the need to expedite completion of the system. In future, EFLS would connect the KTDA, Kowloon Bay and Kwun Tong, and link up the existing MTR stations in Kowloon Bay and Kwun Tong as well as the future Kai Tak Station. As for the suggestion to convert the typhoon shelters in Kwun Tong and To Kwa Wan into mooring jetties for yachts and pleasure boats, she said that as the existing facilities had functional purposes, the Administration had to examine the suggestion carefully. SDEV added that the Administration would provide a detailed paper on the development of KE for discussion of the Panel in due course.

17. Mr Albert CHAN said that the proposal to develop KE had been discussed for over ten years. While he welcomed the KE development, which would signify the setting up of Hong Kong's second core business district in parallel with the first one in Central, he queried why the development of KE had not followed the normal town planning procedures which involve statutory consultation and formulation of relevant zoning and development plans, but had adopted an "administration-led" approach. He expressed concern about changes in the land uses in KE which might give



rise to suspicion that the development involved collusion between the Government and the business sector.

18. SDEV stressed that the development of KE had followed the usual town planning procedures and in compliance with relevant statutory requirements. The development of KTDA had gone through the necessary town planning procedures. The Administration had conducted several rounds of public engagement exercise with a view to seeking public views and building up consensus on land uses for various developments within KTDA, including the preservation of Lung Tsun Stone Bridge remnants and improvement in the district's connectivity with neighbouring areas. As for the development of Kowloon Bay and Kwun Tong, as a result of the town planning process completed some 10 years ago, all "industrial" lots in the two areas had been re-zoned "Other Specified Uses (Business)". She supplemented that the two proposed Action Areas in Kowloon East would require rezoning after detailed proposals for these two sites were firmed up.

19. While welcoming the Administration's proposal to develop EFLS in the KE development, Mr Alan LEONG sought clarification on the need of reclamation along the waterfront of Kwun Tong and Kowloon Bay to provide land for construction of the system. Referring to the proposed helipad in KTDA, he enquired about progress of the project and expressed concern about possible negative impact on the surrounding environment.

20. SDEV advised that the construction of EFLS might require small scale reclamation at the end of the former Kai Tak runway. In this connection, she was pleased to note the Society for Protection of the Harbour's support for the Administration to carry out small scale reclamation necessary to meet genuine needs related to public enjoyment under the "proportionality test" it had advocated. As regards development of the helipad in KTDA, SDEV said that the proposal had been included in the relevant zoning plans of KTDA and the Transport and Housing Bureau was the responsible project proponent. She believed that the helipad would be an important infrastructure for Hong Kong's economic development and there would be opportunities for members to express views on the project when the Administration sought funding approval for the project from the Legislative Council.

21. Mr Paul TSE said that it was encouraging that the Administration had decided to embark on the KE development. Nevertheless, as revealed by the experiences in the development of KTDA and the West Kowloon Cultural District, he expressed concern whether the Administration would be

able to implement the project according to the forecast time-table. While indicating support for the helipad in KTDA, he suggested that the Administration should consider introducing seaplane service and harbour taxi in KTDA, which would be attractive tourism facilities as shown by similar facilities in Vancouver and other European cities, and would complement development of the cruise terminal in KTDA. As the first berth of the cruise terminal would be operational in 2013 and EFLS would not be available before 2023, Mr TSE asked whether the Administration would consider converting the rail bridge planned to link KTDA to Kwun Tong to accommodate motor transport so as to improve connectivity of the cruise terminal with adjacent areas.

22. On the development of KE, SDEV said that the major challenge lied with the fragmented ownership in the industrial buildings in Kwun Tong and Kowloon Bay and stressed the need for the Administration to conduct consultation with the public and stakeholders in building consensus that was necessary to expedite the development. She welcomed Mr Paul TSE's suggestion to bring in seaplane and harbour taxi services in KTDA and said that the Harbourfront Commission had set up a dedicated working group to examine matters relating to land-water transport interface. As for the bridge linking KTDA and Kwun Tong, she said that the initial plan was for it to accommodate a monorail and pedestrian traffic.

#### Implementation of the new Urban Renewal Strategy

23. Ms Starry LEE referred to the "demand-led" scheme and "facilitator" scheme under the new Urban Renewal Strategy implemented by the Urban Renewal Authority ("URA") since February 2011 which aimed to facilitate redevelopment, and urged URA to consider increasing the quota for the former scheme.

24. SDEV advised that the Administration and URA were analyzing views collected from all sides on the new "facilitator" scheme and "demand-led" scheme. The Administration and URA were aware of the aspirations of residents of old districts to redevelop their properties as early as possible in order to revitalize the economy of the districts and bring improvement to the living environment.

#### Redevelopment of the Central Government Offices West Wing

25. Miss Tanya CHAN considered it necessary for the Administration to devise effective measures for preserving historic buildings in the private

domain. On the proposed redevelopment of the Central Government Offices West Wing ("CGO West Wing") which was a project under the "Conserving Central" initiative, she said that the Civic Party had expressed concern about the project. She enquired how the Administration would respond to the public aspirations that the Government should retain ownership of the site and not turning it into a Grade A office tower. Mr Alan LEONG expressed similar concern. Noting that the Administration would reserve office space in the new office building to accommodate the Securities and Futures Commission ("SFC") and the Hong Kong Stock Exchange ("HKSE"), he asked whether the two organizations were aware of such plan.

26. On the preservation of historic buildings in the private domain, SDEV advised that the first hurdle the Administration had to overcome was the private ownership of the buildings. She added that for sites with great development potentials, it would be extremely difficult to convince the concerned owners to preserve the buildings thereon without the provision of financial incentives. Therefore, in the negotiation with the owners, taking into account the heritage conservation objective and the need to respect private property rights, the Administration had to offer incentives in some cases with the hope to arrive at an acceptable preservation option. A successful example was the preservation of the historic clock tower at the building of the China Light & Power Limited at Argyle Street. Through adjustment in redevelopment parameters, the Administration and the company had reached agreement to preserve the building, which would be turned into two museums for free public access.

27. As for the redevelopment of CGO West Wing, SDEV said that the mainstream view from the public consultation conducted in the end of 2010 revealed the need to bring in more Grade A office space in Central. She said that in response to public aspirations, the Administration had decided to revise the redevelopment scheme by expanding the area of the open space to provide more greenery area for public enjoyment and significantly reducing the size of the shopping arcade. To ensure public access, the new open space would be managed by the Leisure and Cultural Services Department. Reduction in the scale of the shopping centre under the redevelopment scheme could address public concern about possible adverse impact on the traffic and environment of Central. Further to that, part of the new commercial complex might be set aside for the offices of SFC and HKSE, suitable GIC and financial and legal facilities uses in order to enhance Central's image as a core financial district. She confirmed that both SFC and HKSE had been informed of the Administration's redevelopment scheme on CGO West Wing and were holding internal discussion on the idea under

their respective corporate governance structure. The Administration would submit a paper on the redevelopment scheme for discussion of the Panel in due course.

28. Mr KAM Nai-wai considered that the Administration should not only confine to the "mainstream views" received during the public consultation in revising the redevelopment scheme of CGO West Wing. He opined that the proposal to bring in the offices of SFC and HKSE to the site was a compromise by the Administration. Given that the new KE development could provide a large quantity of Grade A offices, he hoped that the Administration could maintain the integrity of the Government Hill and give up the redevelopment scheme on CGO West Wing.

29. SDEV reiterated that as assessed in the Heritage Study on Central Government Offices Complex undertaken by heritage conservation experts of the United Kingdom, CGO West Wing was not assessed a "historic" building with high historical and architectural value. She disagreed that the option to bring in offices of SFC and HKSE in the office tower in the CGO West Wing site was a compromise or concession on the part of the Government.

30. Mr Paul TSE suggested that the Administration should consider moving the offices of the Equal Opportunities Commission and the Office of the Privacy Commissioner for Personal Data to the new office tower in the CGO West Wing site.

31. SDEV said that in an endeavour to create synergy effect with the surrounding environment and to reinforce Central's image as a financial hub, due consideration would be given to whether the organizations to be brought into the CGO West Wing site had a strong case to operate in Central. As an illustration, office of the Hong Kong International Arbitration Centre might stand a better chance than the Mandatory Provident Fund Schemes Authority to be accommodated in the CGO West Wing site.

### Building Safety

32. Referring to paragraph 45 of the CE's Policy Address which stated that the Administration would introduce legislative proposal to empower the Buildings Department to apply court warrant to enter a flat for inspection as a way to enhance building safety, Mr Alan LEONG enquired about the Administration's plan in taking the matter forward.

33. SDEV advised that the original intention was to include the legislative proposal as committee stage amendment to the Buildings (Amendment) Bill 2010 for the implementation of the Mandatory Building Inspection Scheme and the Mandatory Window Inspection Scheme. In view of reservations expressed by some members of the Bills Committee and the legal adviser to the Bills Committee about including the legislative proposal within the scope of the Bill, the Administration had decided to introduce a new amendment bill for the proposal. The Administration's plan was to introduce the new amendment bill into the Legislative Council before the end of 2011.

#### Revitalizing industrial buildings

34. Mr LAM Tai-fai pointed out that due to the lack of Administration's support for local industries in the past several years, a large number of industrial buildings had been under-utilized or left vacant. He had high hopes on DEVB's efforts in revitalizing the industrial buildings, and welcomed the decision of the CE to further extend the relevant revitalization measures for three years to 2016. He enquired whether the Administration had set any targets for the revitalization measures to achieve, including the number of industrial buildings to be converted or redeveloped. In his views, it would be difficult for the Administration to assess the effectiveness of the measures without setting any targets.

35. SDEV said that the implementation of the measures to revitalize industrial buildings was making good progress. By the end of September 2011, the Lands Department had received 63 applications and approved 35 of them. These 63 applications already represented 25% of the industrial buildings in single ownership located in areas which had been rezoned for non-industrial uses. The Administration found the result encouraging as it was recognised from the outset that fragmented ownership would be the greatest hurdle to the revitalisation of industrial buildings. To further improve the revitalization measures, the Administration had decided to introduce a number of refinements. For instance, the placing of Gross Floor Area-exempted utility installations, such as machine room for lifts, on the main roof level of a wholly converted industrial building would not be regarded as increase in building height. Addition of claddings or installation of curtain walls on the exterior of a wholly converted industrial building would not be treated as an increase in building bulk. Moreover, minor changes to the existing building frame, subject to certain conditions, would be allowed. She added that while the Administration could not set any targets for the revitalization scheme given her above explanation, it was

confident that the scheme would be further enhanced and there was great potential for the industrial buildings in Kwun Tong, Kowloon Bay and Wong Chuk Hang to be transformed.

Supporting Hong Kong's construction and related engineering professionals to do business in the Mainland

36. Mr LAM Tai-fai noted from paragraph 48 of the Administration's paper that since the signing of the Mainland and Hong Kong Closer Economic Partnership Agreement in 2003, 1 225 numbers of Hong Kong construction and related engineering professionals had obtained the Mainland professional qualifications of their counterparts through mutual recognition of professional qualifications. He enquired about the number of these professionals who were practicing in the Mainland and the difficulties faced by the Administration in assisting the construction industry and related engineering professionals to gain access to the Mainland market.

37. Permanent Secretary for Development (Works) advised that in order for the construction and related engineering professionals from Hong Kong to practise in the Mainland, they were first required to obtain professional qualifications of their Mainland counterparts through mutual recognition. The next step might involve sitting and passing of relevant Mainland examinations by the professionals for practice in the Mainland. So far, more than 100 Hong Kong professionals had passed these examinations. The Administration would continue discussions with the Mainland authorities on related issues to assist Hong Kong's construction and related engineering professionals to practise in Mainland.

Supply of Dongjiang water

38. Mr KAM Nai-wai expressed grave concern about the increase in the purchase cost of Dongjiang ("DJ") water in recent years and likely substantial rise in the cost in the next agreement period from 2012 to 2014 which would exert pressure on the Administration to increase water charges. He called on the Administration to increase flexibility in the arrangement for the supply of DJ water and to step up its efforts to conserve the use of water. He further enquired about the Administration's plan in implementing seawater desalination technology in Hong Kong as a means to diversify the supply sources of drinking water.

39. SDEV advised that the Administration would discuss with the Panel on the arrangements for the supply of DJ water at the next meeting on

25 October 2011. She assured members that arrangements were in place in the current supply agreement for the flexible supply of DJ water to Hong Kong based on agreed annual quantities which would avoid over supply and wastage of DJ water. In the next agreement period for DJ water, the Administration would continue to adopt a "package deal lump sum approach" to ensure a reliable supply quantity and good quality of DJ water in meeting actual needs of Hong Kong. On the implementation of seawater desalination technology in Hong Kong, SDEV said that the initiative aimed at exploring new water supply sources and implied nothing on the reliability of supply of DJ water. She added that at present, even with technological advancement, the cost of water desalination remained far higher than that of DJ water. The Administration had been keeping abreast of developments in seawater desalination technologies over the past few years in monitoring the economic viability of this potential source of water supply. Noting the reduction in cost due to technological advancement, the Administration would conduct a feasibility study for building a desalination plant in Tseung Kwan O to assess the viability of the option.

#### Development of Anderson Road Quarry

40. Mr Paul TSE enquired about the future development ARQ. Given its favourable environment and good sea-view location, he considered that ARQ had potential to become a tourism asset for Hong Kong. He suggested that the Administration should consider reducing public housing development at the site and provide appropriate tourism facilities, such as hotels, to make ARQ a new tourist attraction in Hong Kong.

41. SDEV advised that the Administration had commenced public consultation on the future development of ARQ and would brief the Panel on the details in due course. She agreed with Mr Paul TSE's views that there were potentials for ARQ to develop tourist facilities. There were successful overseas experiences on developing caverns into featured restaurants and wineries. The Administration would provide Mr TSE with relevant information in this aspect.

**II Any other business**

42. There being no other business, the meeting ended at 1:05 pm.

Council Business Division 1  
Legislative Council Secretariat  
12 January 2012