

立法會
Legislative Council

LC Paper No. CB(1)735/12-13
(These minutes have been seen
by the Administration)

Ref : CB1/PL/DEV/1

Panel on Development

Minutes of meeting
held on Tuesday, 22 January 2013, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex

Members present : Dr Hon LAU Wong-fat, GBM, GBS, JP (Chairman)
Hon Tony TSE Wai-chuen (Deputy Chairman)
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Cyd HO Sau-lan
Hon CHAN Hak-kan, JP
Hon CHAN Kin-por, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, JP
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon James TIEN Pei-chun, GBS, JP
Hon WU Chi-wai, MH
Hon Gary FAN Kwok-wai
Hon CHAN Chi-chuen
Hon CHAN Han-pan
Dr Hon Kenneth CHAN Ka-lok
Hon CHAN Yuen-han, SBS, JP

Hon LEUNG Che-cheung, BBS, MH, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, JP
Dr Hon KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kwok, BBS, MH, JP

Members attending : Hon WONG Kwok-hing, MH
Hon TANG Ka-piu

Member absent : Hon Emily LAU Wai-hing, JP

Public officers attending : **Agenda item IV**

Mr Paul CHAN Mo-po, MH, JP
Secretary for Development

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

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

Mr Thomas CHAN Chung-ching, JP
Deputy Secretary for Development
(Planning and Lands)1

Mr Rex CHANG Wai-yuen, JP
Deputy Secretary for Development
(Planning and Lands)2

Ms Grace LUI Kit-yuk, JP
Deputy Secretary for Development (Works)1

Mr Raymond LEE Kai-wing
Head of Energizing Kowloon East Office
Development Bureau

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

Agenda item V

Mr LIU Chun-san
Principal Assistant Secretary (Works) 2
Development Bureau

Mrs Sorais LEE KWAN Siu-kuen
Head (Kai Tak Office)
Civil Engineering and Development Department

Ms YING Fun-fong
Chief Engineer/Kowloon 3
Civil Engineering and Development Department

Agenda item VI

Miss Vivian LAU, JP
Deputy Secretary for the Environment

Mrs Dorothy MA
Principal Assistant Secretary for the Environment (Energy)2

Mr LI Kwok-keung
Assistant Director/Electricity and Energy Efficiency
Electrical and Mechanical Services Department

Mr MAK Ka-chun
Chief Engineer/Energy Efficiency B
Electrical and Mechanical Services Department

Agenda item VII

Mr Jimmy CHAN Pai-ming
Principal Assistant Secretary (Works)3
Development Bureau

Mr LEUNG Wing-lim

Assistant Director/New Works
Water Supplies Department

Mr Stephen CHING Kai-ming
Acting Chief Engineer/Design
Water Supplies Department

Agenda item VIII

Mr Thomas CHAN Chung-ching, JP
Deputy Secretary for Development
(Planning & Lands)1

Miss Elsa CHEUK Hau-kwan
Chief Town Planner/Special Duties
Planning Department

Mr Bosco CHAN Bun-pui
Deputy Project Manager (HK Island & Islands)
Civil Engineering and Development Department

Mr David LO Kwok-chung
Chief Engineer/Islands
Civil Engineering and Development Department

Clerk in attendance : Ms Sharon CHUNG
Chief Council Secretary (1)6

Staff in attendance : Mr Anthony CHU
Senior Council Secretary (1)6

Mr Fred PANG
Council Secretary (1)6

Ms Christina SHIU
Legislative Assistant (1)6

I Confirmation of minutes

(LC Paper No. CB(1)429/12-13 -- Minutes of meeting on 27 November 2012)

Members noted the following amendment proposed by Mr CHAN Kin-por and tabled at the meeting to paragraph 13 of the minutes of the meeting held on 27 November 2012 --

"13. Mr James TO declared that he was a non-executive director of URA. Mr CHAN Kin-por declared that he was a director and consultant of a Hong Kong office of an international ~~insurance~~ reinsurance company which might be involved in providing reinsurance cover for works projects in Hong Kong. Mr CHAN said that, though he had no direct or indirect pecuniary interest in the funding proposals, he made the declaration for the sake of prudence. He considered that his declaration this time should apply to other discussion items of the Panel in future."

Subject to the above amendment, the minutes of the meeting held on 27 November 2012 were confirmed.

II Information paper issued since the last meeting

2. Members noted that no information paper had been issued since the last meeting on 7 January 2013.

III Items for discussion at the next meeting

(LC Paper No. CB(1)428/12-13(01) -- List of outstanding items for discussion

LC Paper No. CB(1)428/12-13(02) -- List of follow-up actions)

3. Members agreed that the following items proposed by the Administration would be discussed at the regular meeting scheduled for 26 February 2013 at 2:30 pm and the meeting would be extended for 45 minutes to end at 5:15 pm.

(a) PWP Item No 7414RO -- Improvement works at Mui Wo;

- (b) Planning Study on Future Land Use at Anderson Road Quarry -- final Recommended Outline Development Plan; and
- (c) Progress report on heritage conservation initiatives.

(Post-meeting note: With the concurrence of the Panel Chairman, a new item on "Policy relating to a recent case of sale of hotel rooms by a developer" was added to the agenda of the meeting on 26 February 2013. Members were informed of the arrangement vide LC Paper No. CB(1)580/12-13 issued on 20 February 2013.)

IV Briefing by the Secretary for Development on relevant policy initiatives in the Chief Executive's 2013 Policy Address

(LC Paper No.CB(1)428/12-13(03) -- Administration's paper on 2013 Policy Address -- Policy Initiatives of Development Bureau

Relevant paper

-- Address by the Chief Executive at the Legislative Council meeting on 16 January 2013 -- "Seek Change, Maintain Stability, Serve the People with Pragmatism")

4. With the aid of a powerpoint presentation, the Secretary for Development ("SDEV") briefed the Panel on the policy initiatives of the Development Bureau ("DEVB") in the Chief Executive's 2013 Policy Address ("the Policy Address").

(Post-meeting note: A soft copy of the powerpoint presentation materials (LC Paper No. CB(1)461/12-13(01)) was circulated to members by email on 23 January 2013.)

Increasing land supply

Sourcing land for providing subsidized housing

5. Mr WONG Kwok-hing said that the Secretary for Transport and Housing had advised the Panel on Housing that the major hurdle to increasing public rental housing ("PRH") supply quickly lied in the shortage

of suitable land. Noting that the number of 75 000 new PRH units to be supplied over the five years starting from 2012-2013, making an average of 15 000 units per year, was more or less the same as that produced in the past few years, and the target production of 20 000 units annually was only applicable for the five years from 2018, he asked whether DEVB could identify more suitable sites for developing PRH, so that the actual production could exceed the target. As regards the Home Ownership Scheme ("HOS"), the production target as revealed in the Policy Address was about 5 000 units per year over the four years starting from 2016-2017, he asked the Administration to confirm whether land would be made available in a timely manner to meet the target.

6. SDEV assured members that DEVB and the Planning Department ("PlanD") spared no efforts in sourcing suitable sites for building PRH and HOS units to meet the set targets. This was reflected in the commitments under the 10 short- to medium-term housing and land supply measures announced by the Chief Executive ("CE") in August 2012 to expedite the supply of housing, and a recent decision, upon members' suggestion made at a joint meeting of the Panel on Development and the Panel on Housing in November 2012, to take a site in Tseung Kwan O from the List of Sites for Sale by Application ("Application List") for the Hong Kong Housing Authority ("HKHA") to develop HOS buildings. He explained that, since HKHA required a lead time of at least three to five years to construct PRH or HOS buildings, there were practical constraints on increasing subsidized housing, including PRH or HOS units, in a short period of time. While he fully understood the public's dire need for housing, it was difficult for him to commit at this stage any other targets in production of subsidized housing than those announced in the Policy Address.

Land zoned for village-type development and sites on the List of Sites for Sale by Application

7. Dr KWOK Ka-ki said that the Policy Address had painted a rosy picture about increasing housing supply for Hong Kong people and enhancing the living space for the future generation. However, in his view, the truth behind the picture was that more than 1 200 hectares ("ha") of land had been reserved for building New Territories ("NT") small houses and property prices were sustained at an unrealistically high level. Despite the pressing demand for housing, the numbers of public and private housing units to be produced in the next five years under the Policy Address were more or less the same as those promulgated by the former CE. He asked if the Administration would release the land reserved for NT small houses for

providing housing to the general public and use some of the sites on the Application List for PRH and HOS developments. He added that some of the sites on the Application List had not drawn any interest from private developers for years but they were readily available for housing developments.

8. Mr Alan LEONG said that although CE had expressed sympathy for people living in cage homes, cubicle apartments and sub-divided units, all the measures proposed in the Policy Address would not offer immediate relief for these people. He supported using some of the sites on the Application List for developing PRH to meet grass-root people's demand for housing.

9. In response, SDEV advised that the land zoned for village-type development was scattered over various districts in Hong Kong and mainly located in recognized villages in NT. In general, the sites on this type of land were not suitable for large-scale developments due to their sporadic locations and infrastructural constraints. If housing developments were to be carried out at these sites, large-scale infrastructural developments would be required and the suitability of the location and size of each site would have to be examined. He said that the Administration recognized the need for a review of the Small House Policy, which had been implemented for almost four decades. Given the complexity of the issues involved, the review would take time and even if the land were to be released for other developments, it would unlikely produce a considerable supply of flats in the short to medium term.

10. As regards the residential sites on the Application List, SDEV explained that after deducting those sites which had been/were to be sold in the first quarter of 2013, there were 23 sites. Among these sites, eight were relatively small which could only provide not more than 60 residential units and were unsuitable for mass developments. This was the reason why those sites had remained on the Application List for a long time. To cater for the public's demand for private residential units, the Administration had a responsibility to maintain a steady supply of land for private housing developments as well. The target of providing land for an annual supply of 20 000 private residential units had been achieved in the past two years through land sale, railway property development projects, urban renewal projects, lease modifications and other private redevelopments. The same target would continue to apply this year. It was paramount for the Administration to strike a balance between the supply of public and private housing. He assured members that the Administration already had an

established mechanism for allocating land for construction of subsidized housing. Suitable sites would be provided to HKHA for development of public housing and would not be put up on the Application List in the first instance.

11. Mr WU Chi-wai enquired whether the Administration would resume the regular sale of land and withdraw the Application List system to ensure a steady supply of residential sites. In reply, SDEV said that the Administration had fine-tuned the arrangement for the sale of Government land in 2010. While retaining the Application List system, the Administration also initiated land sale through public auction or tender. The sites on the Application List were announced annually after the delivery of the Budget Speech, and the programme for Government-initiated land sale was announced quarterly in advance, in effect proactively supplying land to the market on a regular basis.

Developing new towns

12. Mr Albert CHAN opined that it was pivotal for the Administration's land planning work to effectively address the public's need for housing. Given that there were more than 200 000 applicants on the Application Waiting List for PRH, the target for provision of PRH in the Policy Address, i.e. annual supply of 15 000 units from 2012-2013 to 2017-2018, thereafter 20 000 from 2018 to 2023, could hardly meet the demand. His estimation was that around 400 000 PRH units were needed over the next 10 years to satisfy the housing need of those on the Application Waiting List and to cope with the increase in the population, which would grow from 7 million to 7.87 million. Based on his estimation, there was a shortfall of around 200 000 PRH units in the Administration's plan. He considered that the most effective way to create land for building 400 000 PRH units would be developing a new town as big as the Tuen Mun New Town or the Tseung Kwan O New Town. The development of new towns, supported by the public before, had been made possible by levelling hills and reclaiming land from the sea. Stressing that it would not be fruitful to increase land supply in a piecemeal approach, he called on the Administration to draw up an overall plan for creating land to meet Hong Kong people's housing need in the next 10 years.

13. SDEV agreed that, to solve the serious housing shortage problem, long-term and rigorous solutions were required. He said that the Administration was aware that the short- to medium-term measures introduced under the Policy Address to increase housing and land supply

would not fundamentally address the housing problem. As such, long-term measures, including reclamation outside Victoria Harbour and developing New Development Areas ("NDAs") in North East NT ("NENT") and Hung Shui Kiu, were being considered. As a new initiative, PlanD would undertake a planning study to identify further development opportunities in North NT (including land released from the Frontier Closed Area), with a view to developing a modern new town of a similar scale as the Fanling/Sheung Shui New Town. He further advised that the proposed potential reclamation sites in the Policy Address could provide a total of 600 ha of land. As regards the formulation of a long-term housing strategy, the Long Term Housing Strategy Steering Committee chaired by the Secretary for Transport and Housing was in action and would produce a report within this year.

North East New Territories New Development Areas

14. Mr CHAN Chi-chuen opined that the Policy Address had attached little importance to the NENT NDAs project, judging from the limited number of words dedicated to the subject. Noting that more than half of the 53 800 residential units to be provided under the project would be PRH units but the first batch would only be available as late as 2022, he asked the Administration for a time frame for completing all the PRH developments in NENT NDAs. Referring to the two-day public hearings on the NENT NDAs Planning and Engineering Study held by the Panel in December 2012, he recalled that over 90% of the deputations attending the meetings considered the Administration's public consultation on the project grossly inadequate. He asked the Administration to learn from the experience so that future public consultation could be improved. In view of the strong oppositions against the NENT NDAs proposal, he cautioned that the Administration would face great resistance in the legislature and the public in the implementation of the project and asked if the Administration had any alternative plans for the project. Dissatisfied with the statement in the Policy Address that the Administration would take forward only "as appropriate" the "Hong Kong property for Hong Kong people" ("HKPHKP") policy for the private housing sites in NENT NDAs, Mr CHAN considered that the Administration had not allayed public concern about developing the NDAs into a backyard for rich Mainlanders.

15. SDEV said that the reason for not giving a detailed account of the NENT NDAs proposal in the Policy Address was that a lot of background information about it had been given to the public recently. The Administration was analyzing the public comments received during the

Stage 3 Public Engagement ("PE3") exercise for the NENT NDAs Planning and Engineering Study and examining from the planning and engineering feasibility perspectives whether and how to adjust the Recommended Outline Development Plans ("RODPs") to address public concerns. He advised that, as more than one option for refining the proposal were being examined, no concrete numbers and timetables about PRH developments in the NDAs could be confirmed at this stage, except that the housing developments would be completed in phases over a period of 10 years starting from 2022. The adjustments to the proposal would include appropriately increasing the development intensity, identifying sites for HOS developments and increasing the proportion of public housing to over 50%. He further explained that low-density developments had been proposed for the Ping Che/Ta Kwu Ling NDA in PE3 in view of the limited transportation infrastructure there. As regards the implementation of the HKPHKP policy in NENT NDAs, SDEV considered that, given the changes in the market conditions over the long time span of 20 years between now and the development of the housing sites therein, it was imprudent to set a fixed number or proportion of flats subject to the HKPHKP restriction at this juncture. According to the current planning, PRH and HOS units would be developed in NENT NDAs and most of the private residential flats would be small- to medium-sized ones. Hence, the public should rest assured that NENT NDAs would be developed for the benefits of Hong Kong people.

16. Mr LEUNG Kwok-hung said that the original proposal of 20% of housing land in NENT NDAs for PRH could not address the public's demand. He asked whether the Administration would increase the proportion of housing land to be allocated for PRH developments under the project. SDEV replied that the proportion of 20% of housing land for PRH had been proposed for PE3 in the light of the prevailing planning considerations at that time. The ratio would be suitably adjusted upon the views collected during PE3. As the Administration was conducting technical assessment on increasing housing land for PRH and development intensity in NENT NDAs, it was still early to commit the exact increase in the housing land ratio for PRH. In response to Mr LEUNG's query about the independent role of the Chairman of the Town Planning Board ("TPB"), who was also the Permanent Secretary for Development (Planning and Lands), SDEV stressed that TPB was an independent statutory body operating in accordance with the established procedures and the Administration would not intervene with the decisions of TPB.

17. Mr Gary FAN was disappointed with the Policy Address as the proposed supply of 75 000 PRH units in the coming five years brought no

immediate mitigation to the present shortage of housing. He said there was a public perception that CE was callous in enforcing his policy as, under the proposal on developing NENT NDAs, many villagers would be evicted from their homes and farmland. He opined that, instead of developing NENT, the Administration should accord priority to making effective use of the 800 ha of agricultural land which was abandoned or not in use. He also criticized the Administration's refusal to resume part of site of the Fanling Golf Course for housing developments on the grounds of lack of infrastructure facilities. In his view, this position of the Administration would only create class conflicts.

18. Mr James TO said that in deliberating whether to convert a large golf course into a housing site, the Administration should also take into account the use of land in the vicinity. If the site of Fanling Golf Course was to be developed, the Administration should consider combining it with the site of CE's cottage in Fanling, which was known to be under-utilized, for a large-scale housing project.

19. Disagreeing with Mr Gary FAN on his comments about CE, SDEV said that according to his observation, CE cared about the well-being of Hong Kong people and worked hard on policy issues. Regarding the development of the 800 ha of "brownfield sites", which referred to developed land, or agricultural and industrial land which was deserted or damaged and currently used as open storage, container yards and workshops, in the NT, SDEV said that the Administration had already conducted reviews and planning studies on how to optimize the use of these sites. In the last round of review, "green belt" areas which were devegetated and land which was no longer serving the intended function had been identified for rezoning to residential use. A new round of reviews would commence within 2013. Moreover, some 250 ha of land which was used for open storage or port back-up purposes had been included in the Hung Shui Kiu NDA for which the Stage 2 public engagement exercise would be launched by the end of the second quarter of 2013. SDEV further said that many open storage/recycling yards and port back-up facilities at these brownfield sites were licensed. They provided logistics support services for the logistics industry and employment opportunities for the local community. In implementing the planning and development of these sites, clearance and re-housing exercises as well as complicated land resumption and compensation issues would be involved. On the lease of the Fanling Golf Course, SDEV advised that the policy on private recreational leases was under the purview of the Home Affairs Bureau.

20. Mr Abraham SHEK queried whether the Administration's resumption of land from private developers or individuals in NENT and Hung Shui Kiu would violate Articles 6 and 105 of the Basic Law, which were about protection of private property rights. He stressed that in developing land, the Administration had to abide by the Basic Law and the law of Hong Kong. SDEV assured members that the Administration would act according to the law. When in doubt, the Administration would seek the legal opinions of the Department of Justice. However, the Administration and the private sector did not always concur on the interpretation of the law.

Development of Tsing Yi

21. Mr CHAN Han-pan said he had prepared a proposal on the development of Tsing Yi and it would be provided to the Administration for consideration. Under his proposal, the oil depots on the west coast of Tsing Yi would be relocated to caverns so that the sites currently occupied by these facilities could be released for housing development. In his view, with enhanced transportation infrastructure, a bridgehead economy area could be fostered at Tsing Yi West to complement the development of Tung Chung. He noted that in the Policy Address, reclamation at Tsing Yi Southwest was proposed as a source of land supply. However, he was concerned that the reclamation and housing development processes would take too long to address housing needs. He opined that, to conserve the natural environment, reclamation should only be considered as the last resort as a measure to increase land supply.

22. SDEV thanked Mr CHAN for his proposal on the development of Tsing Yi. He said that the Administration would study his suggestions. On rock cavern development, SDEV advised that the Administration was studying the feasibility of relocating the Sha Tin Sewage Treatment Works to a cavern to release the site for housing or other uses. The Administration had also proposed three potential public facilities for relocation to caverns and as pilot schemes for further consultation and studies. He agreed with Mr CHAN that the relocation of these facilities, if supported by feasibility studies and the public, would take a long time. Given the long leading time and the relatively small amount of land, i.e. 6 ha, to be released from the original sites, relocation of existing Government facilities to caverns was not a major initiative, among others, for increasing land supply. He supplemented that the Administration would further explore the potential of developing underground spaces in the urban areas. This would include studying the possibility of linking up the underground spaces of existing or planned structures in the urban areas.

23. Referring to the proposal to include Tsing Yi Southwest as one of the potential near-shore reclamation sites, Miss Alice MAK pointed out that if housing developments were to be provided at the area, the nearby oil depots and other heavy industries would have to make way for them. She expressed concern that reclamation and relocation of oil depots would take a long time, thus not an effective way to provide housing land in the short term. Recalling that the land use planning for Tsing Yi in the 1980's was that the northeast of the island was for housing development while the southwest was for heavy industries with a hill in between serving as a barrier, she opined that such planning did not work well and supported that a new development plan for Tsing Yi should be formulated, including a review on whether heavy industries should continue to operate on the island. SDEV acknowledged that the Tsing Yi Southwest reclamation proposal, if supported, would take quite some time to implement and was only intended to be a measure to increase land supply in the long term.

Tung Chung new town extension

24. Miss Alice MAK remarked that Tung Chung was a planning blunder. The problems included insufficient employment opportunities in Tung Chung as well as the Hong Kong International Airport, and inadequate transportation infrastructure which had isolated Yat Tung Estate, making local residents spend a large portion of their income on travelling to and from work in other districts. Given that abundant land was available near Tung Chung, she supported that the Administration should expedite the further development of the town.

25. SDEV said that with the anticipated completion of the Hong Kong-Zhuhai-Macao Bridge and the Tuen Mun - Chek Lap Kok Link in the near future, Lantau, in particular Tung Chung, was poised to become a hub for both air and land transports. The Administration was undertaking a study to examine the feasibility of extending the Tung Chung New Town to accommodate a target population of 220 000 and to leverage on the future economic development opportunities that would help create more jobs for residents in Tung Chung.

Construction of artificial islands

26. Referring to the Administration's proposal of constructing artificial islands outside Victoria Harbour, Mr Frederick FUNG suggested that one possible location was the central waters between Hong Kong Island and

Cheung Chau. The artificial island at this location, either detached from or attached to Cheung Chau, could be linked up by bridges with Lantau, Tuen Mun and Hong Kong Island. Container terminals or other heavy industries operating in Kwai Chung, Tsing Yi and Tuen Mun could then be moved to the island to release land for housing developments.

27. In response, SDEV advised that the Administration was considering constructing artificial islands in the central waters between Hong Kong Island and Lantau, and to relocate "not in my backyard" facilities onto those islands. Separately, on near-shore reclamation outside Victoria Harbour, a public consultation exercise would be conducted in March 2013 to gauge public views on the selection of potential sites.

Rezoning "Government, Institution or Community" sites for housing development

28. Referring to the Administration's initiative of converting some Government, Institution or Community ("GIC") sites and Government sites for housing developments, Mr CHAN Kam-lam pointed out that there were concerns in local communities. Citing some GIC sites in Lei Yue Mun and Yau Tong as examples, he said that the Kwun Tong District Council had expressed deep worry whether replacement sites could be found for some GIC sites originally designated for use as carparks and medical facilities. He called on the Administration to strike a balance between the provision of housing and community facilities in the district, and to address local residents' concerns in the consultation process.

29. SDEV assured members that before the Administration proceeded to rezone a GIC or Government site for housing development, it would definitely listen to the views of the relevant District Councils ("DCs") and local communities, and address their concerns as far as possible. Each case would be considered on its own merits and the relevant circumstances. For instance, for a GIC site which was no longer needed for its original use but was suitable for housing developments, the Administration would accord priority to its conversion. For a GIC site for which a replacement had to be found to provide certain community facilities, the Administration would ensure that the replacement site would meet the requirements under the Hong Kong Planning Standards and Guidelines for the specified use. Besides, the relevant bureaux/departments would be fully consulted. One way to make better use of GIC sites was to co-locate different facilities at one site, thereby releasing other GIC sites for housing developments.

30. Mr WU Chi-wai said that the planning process for converting a GIC site might be long, as it was not uncommon that local residents might oppose to the conversion. He suggested that the Administration should consider co-locating community facilities and residential developments at the same site. In response, SDEV said that the feasibility of such integration would, to a large extent, depend on the nature of the facilities.

31. The Deputy Chairman welcomed the Administration's policy initiatives to rezone suitable GIC lands for residential developments and co-locate different community facilities at one site so that land resources could be better deployed. He proposed that the Administration should consider reducing the number of military sites so that some of these sites could be rezoned for other uses.

Rezoning "green belt" sites for residential use

32. Mr CHAN Hak-kan showed appreciation on the Administration's efforts in introducing measures to increase the supply of land and housing. Noting that one of the short- to medium-term measures to increase housing land supply was to rezone some "green belt" sites for residential use, he enquired about the estimated total area of such sites. He emphasized that, when developing housing at these sites, conserved land and country parks must not be affected.

33. SDEV said that those sites in "green belt" areas that had been reviewed by PlanD for possible housing developments were either devegetated or deserted and had no conservation value. During the Stage 1 review, PlanD had identified 13 sites with a total area of 57 ha. For seven of the sites, the rezoning process would be completed by 2017 to provide some 13 500 units. PlanD was carrying out the Stage 2 review of "green belt" areas to identify more suitable sites for housing developments.

Rezoning of industrial sites

34. Mr Michael TIEN said that the Tsuen Wan DC had passed a motion urging the Administration to conduct a comprehensive review of the use of residential and commercial sites in Tsuen Wan and accelerate the rezoning of under-utilized industrial sites into Comprehensive Development Areas ("CDAs"). Considering that the requirement for owners who wished to redevelop industrial buildings to make individual applications to PlanD not an efficient way to optimize the use of land resources, he requested the

Administration to introduce measures to facilitate the rezoning of under-utilized industrial sites.

35. SDEV noted Mr TIEN's views. He advised that PlanD had conducted three rounds of review of industrial land since 2000. Some 253 ha of industrial land had already been rezoned to non-industrial uses. PlanD would commence another round of review of industrial land in 2013 with a view to examining the possibility of converting more industrial land to other uses, including residential use.

Relaxing or lifting the Pok Fu Lam and Mid-levels moratorium

36. Referring to the proposal in the Policy Address to relax or lift the development restrictions in Pok Fu Lam and the Mid-levels, Dr Kenneth CHAN pointed out that the Transport Department had commissioned a study on the traffic in the Mid-levels area and the study concluded that the moratorium currently in force to restrict new land sale or lease modification in the area might only be relaxed or lifted after the commissioning of the West Island Line. He enquired about the justifications for the present proposal. He also asked about the area of the land that would be covered by the proposed relaxation.

37. SDEV replied that the administrative moratorium had been in force for a long time. Meanwhile, there were developments in the transportation infrastructure in Pok Fu Lam and the Mid-Levels. Moreover, the West Island Line and the South Island Line (East) would be commissioned in the next few years. In view of the latest developments, the Transport and Housing Bureau ("THB") had started to conduct a detailed assessment of the potential impact of relaxing or lifting the moratorium. When the study was completed and a decision was made, the Administration would inform the public about the justifications for relaxing the moratorium. For Pok Fu Lam, the moratorium covered Wah Fu Estate. He explained that even if the moratorium was eventually relaxed or lifted, developers still had to follow the relevant procedures to seek approval for redevelopment plans. Before proceeding with a major works project, a traffic impact assessment ("TIA") could be required to evaluate the impact of the project on local traffic. Responding to Dr Kenneth CHAN's enquiry about the land premium that might be payable in redeveloping a site with the moratorium lifted, SDEV advised that issues related to land premium would be handled under the established mechanism and a full premium for lease modification would apply as appropriate.

38. Mr IP Kwok-him relayed the concern of the Central and Western DC about the proposal to relax or lift the moratorium. Given the traffic congestions at the Mid-levels, he asked if the proposal would mainly apply to Pok Fu Lam, where there were more sites suitable for housing developments. He enquired about the criteria for determining the plot ratio and development intensity for each site if the moratorium was relaxed/lifted, and whether an environmental impact assessment ("EIA"), not only TIA, would be conducted for each redevelopment project.

39. SDEV said that in determining the plot ratio and development intensity of individual sites, a wide range of factors would be considered, including the adequacy of ancillary infrastructure and the impact of the development on the local environment. In reviewing the Pok Fu Lam and Mid-levels moratorium, the Administration would not only assess the traffic impact, but also geotechnical issues where applicable. He reiterated that even if the moratorium was eventually relaxed or lifted, every redevelopment project would have to go through the existing planning procedures, under which EIA and TIA would be required as appropriate.

Railway property development projects

40. Mr LEUNG Che-cheung enquired if HOS units would be provided at the property development projects above Kam Tin South West Rail Kam Sheung Road Station and Pat Heung Maintenance Depot, both of which were at a planning stage, to address the housing shortage problem. Different from the Administration's estimation of about 8 700 flats to be built at the two sites, he said that with a total area of about 33 ha, the sites could provide around 15 000 HOS units, assuming a plot ratio of 5, unit size of 500 square feet and 50% to be allocated for HOS developments. Pointing out that the Yuen Long DC and local residents were not opposed to developing high-density HOS buildings at these two sites, he asked whether the Administration already had a plan to allocate these sites for private housing developments.

41. SDEV clarified that the property developments above West Rail Tin Shui Wai Station, Kam Tin South West Rail Kam Sheung Road Station and Pat Heung Maintenance Depot had been planned for private housing and the MTR Corporation Limited would tender out the development project above Tin Shui Wai Station soon. Engineering studies would be conducted for the adjoining areas of Kam Sheung Road Station and Pat Heung Maintenance Depot of about 110 ha for future provision of private and public housing. He would request PlanD to study the best use of these areas taking into account

members' views on the provision of HOS and PRH units therein. He advised that new HOS developments would take place in Tin Shui Wai, but not at the site above West Rail Tin Shui Wai Station.

42. Mr Michael TIEN said that the construction of the Northern Link had been on the drawing board for a long time. While a consultancy report published in 2003 had confirmed the need for a new railway to link up the West Rail and the East Rail and to facilitate cross-boundary passenger traffic in the northwest of the territory, the Administration indicated that there was no urgency. He pointed out that if housing projects were to be developed above the stations of the Northern Link, they could provide around 50 000 residential flats to help relieve the housing supply problem. He enquired about the Administration's position on the implementation of the Northern Link.

43. SDEV advised that THB was currently conducting a review on the Railway Development Strategy 2000 which covered the Northern Link and a report would be available soon. He supplemented that if high-density housing developments were to take place in NENT NDAs, it would be essential to improve the transportation infrastructure.

Streamlining land administration procedures and approval processes

44. The Deputy Chairman opined that, to increase housing supply in the short term, the Administration should review the efficiency of its land administration procedures and approval processes for development plans. If these procedures and processes could be shortened, the completion of development projects could be advanced accordingly. Mr James TIEN shared the same concern. He said that, at present, the average lead time for a residential development project in Hong Kong was about five years, much longer than that in Mainland, which was about two and a half years. As there would be more residential development proposals and building plans for the Administration's processing in the next few years, he asked whether the Government's works departments had sufficient manpower to handle the increased workload and suggested that the approval process be reviewed.

45. In response, SDEV said that the Administration was exploring ways to streamline the land administration procedures and approval processes, including the provision of one-stop service for processing residential development plans. In fact, measures had been taken to speed up the processing of pre-sale consent applications and there were good results. As regards the manpower at relevant departments for handling the increasing

workload, SDEV said that the Administration attached great importance to the adequacy of manpower support in these departments in the light of the need to accelerate the supply of housing. The manpower situations at these departments were kept in constant review. Additional resources would be allocated as and when necessary.

46. The Deputy Chairman further pointed out that developers encountered many hurdles in the development of CDAs, mainly due to the lengthy approval process. There were around 130 CDAs in Hong Kong, making up a total area of several hundred hectares. However, the progress of development at many of these sites was slow. He opined that, to speed up the development process, the Administration should not only review the approval procedures but also make good use of its internal resources to undertake planning for CDAs before putting them up for sale. Should any multi-ownership issues be involved in the development of these sites, the Urban Renewal Authority ("URA") should be invited to assist. SDEV responded that the Administration had received similar comments from the real estate industry and would study ways to expedite the development of CDAs.

Developing hillside and ex-quarry sites

47. On the development potential of the ex-Lamma Quarry site at Sok Kwu Wan, Lamma Island, Ms Claudia MO relayed the view of an ecologist who lived on Lamma Island that the development of the site should be examined in the context of an overall plan for the whole Lamma and no luxury flats were needed. Reference could be made to the Eden Project in Cornwall, United Kingdom, to convert the site into an eco park. She also asked the Administration if it would consider developing land at the hillside, such as the vast piece of land at the foot of the Lion Rock.

48. SDEV said that a few land use options had been set out in the Administration's consultation paper on the future land use of the ex-Lamma Quarry Area. The Stage 1 community engagement exercise was in progress and the Administration welcomed views from the public. PlanD would analyze the views collected for formulating preferred development options. On developing land at the hillside, Permanent Secretary for Development (Works) ("PS/DEV(W)") said that the Administration had to consider the cost-effectiveness. As a general guideline, developing a slope with a gradient of more than 20 degrees was considered not a cost-effective option, though the local characters would be taken into account in applying the guidelines with flexibility. He added that levelling hills should tie in with

reclamation so that the soil from the hill could be used for reclamation. On the possibility of developing the land at the foot of the Lion Rock, the Administration would have to gather more information about its exact location and suitability for development. The area might have been covered by PlanD's review of "green belt" sites that were devegetated, deserted or formed.

Civil servants co-operative building society scheme

49. The Deputy Chairman suggested that the Administration could consider initiating the redevelopment of the buildings developed under the Civil Servants Co-operative Building Society Scheme ("CBS") in the urban areas. He said that, with the deterioration in the conditions and environment of some CBS buildings, many occupants who were retired civil servants welcomed the redevelopment of the buildings. However, any such redevelopment would involve wrangling with administrative procedures, including the dissolution of CBSs and the transfer of legal titles from CBSs to individual CBS members, subject to the unanimous consent of all the owners of a building. Hence, developers had been discouraged from redeveloping CBS buildings. SDEV said that as there was an oral question on CBS buildings at the Council meeting of 23 January 2013, he would respond to the Deputy Chairman's suggestion and answer further questions on that occasion.

50. Mr LEUNG Kwok-hung said he would have great reservation if URA would be invited to take part in the redevelopment of CBS buildings, as he had doubt on the ability of the Chairman of URA in this respect.

West Kowloon Cultural District

51. Mr Abraham SHEK asked whether the Administration would consider re-planning the West Kowloon Cultural District ("WKCD") so that more housing projects could be developed at the site. As regards the upfront endowment of \$21.6 billion granted for the WKCD project, the funds could be used as subsidies to arts groups for nurturing arts development in Hong Kong. SDEV advised that the WKCD site had been handed over to the WKCD Authority. As the project had gone through a long process of consultation and planning, the Administration had no intention to make any changes at this stage.

Increasing the supply of residential units

Provision of small- and medium-sized flats

52. Ms Cyd HO said that the short- to medium-term measures to increase land supply should aim at providing housing for those in need, rather than facilitating property speculation. SDEV responded that the focus of the Administration's efforts in increasing housing and land supply was to provide more small- and medium-sized flats in the near future. He added that in the past two years, restrictions on the maximum size or minimum number of units had been included to the land sale conditions for certain sites to increase the supply of small- and medium-sized flats. Ms HO further requested that the Administration provide the following information to the Panel --

- (a) the number of flats that would be available from residential sites which had been sold in the past two years with the inclusion of restrictions on the size and/or the minimum number of flats in the land sale conditions; and
- (b) the ratio of the number of flats in (a) above to that of luxury residential flats from the sites sold in the same period.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)553/12-13(01) on 14 February 2013.)

Flat and land hoarding

53. Referring to media reports about some 1 000 residential units being left vacant for four to five years, Mr CHAN Hak-kan asked if the Administration would introduce any measures, apart from the proposed "vacant property tax", to address the flat hoarding problem, including whether to stipulate in the land sale conditions that the developers had to put up completed flats for sale on the market within a specified period. He commented that even if there were ample supply of housing land, the housing problem would still persist if developers did not sell completed flats to the public.

54. SDEV said that there were in fact two types of vacant flats. The first type was those flats which had been sold to individual owners, who, for various reasons, did not occupy the flats. The second type was those flats of

which the construction had been completed but not put on sale on the market. He believed that Panel members and the public were more concerned about the second type. The Administration noted only isolated cases of flats not put up for sale and left idle after completion but would study the suggestion of including provisions in the land sale conditions requiring that the flats had to be put on sale on the market within a specified period after completion.

55. Mr James TO pointed out that back in 1997, when property prices were high, the Administration had included provisions in the land sale conditions that the developer must offer a reasonable number of flats for sale within a certain period after completion. The measure was discontinued in 2003-2004 due to a downturn in the property market. He asked if the Administration would re-launch this measure to prevent flat hoarding.

56. SDEV emphasized that the Administration was very concerned about flat hoarding and was closely monitoring the situation. He reiterated that flat hoarding was only limited to isolated cases. If the situation worsened, the Administration would not hesitate to take action. In response to Mr Abraham SHEK's enquiry about the legality of flat hoarding, SDEV said that keeping completed flats from selling on the market did not constitute violation of any law.

57. Mr Michael TIEN enquired about the amount of land acquired by private developers and not put into development in each district, and whether the Administration would take any measures to require developers to develop vacant land under their ownership within a certain period after acquisition. SDEV replied that the Administration had information on Government land but not the information requested by Mr TIEN concerning private land. When a Government site was sold or when the Government granted approval for land lease modification/land exchange, the Lands Department ("LandsD"), in general, included a building covenant clause in the land sale conditions or the lease which required the developer to complete the development within a specified period, normally a few years, depending on the scale of the development. For redevelopment on sites not requiring lease modification/land exchange, there was no such requirement. Mr TIEN expressed disappointment that the Administration had no intention to discuss with private developers how to speed up the development of vacant land under their ownership.

Increasing development intensity

58. Mr CHAN Han-pan supported the Administration's initiatives in the Policy Address to optimize the use of land resources but he cautioned that any increase in the development intensity should be handled with care so as not to affect the air ventilation between buildings. SDEV said that the Administration would study carefully any proposal on increasing development intensity to ensure that the surrounding environment would not be adversely affected. He supplemented that any such proposal would have to comply with the planning requirements in respect of air quality, ventilation and traffic impact.

59. Mr IP Kwok-him noted that approximately 8 700 flats would be built on 33 ha of land above Kam Tin South West Rail Kam Sheung Road Station and Pat Heung Maintenance Depot, which was equivalent to about 264 flats per ha. However, according to paragraphs 52 and 53 of the Administration's paper, about 11 900 residential flats could be produced from a total of 27 ha of land zoned GIC sites, equivalent to about 440 flats per ha. While expressing support for the Administration's measures to increase development intensity to boost housing supply, he sought the Administration's explanation on the difference between the development intensity in the two cases mentioned above.

60. SDEV reiterated that the plot ratios and development intensity of individual sites were determined after considering a wide range of factors, such as the adequacy of ancillary infrastructure and the environmental impact. DEVB would review the development intensity of unleased or unallocated residential sites as far as allowable in planning terms, including the plot ratios for developments at the sites at Kam Sheung Road Station and Pat Heung Maintenance Depot. Recently, increases in the plot ratios for four sites in Tseung Kwan O had been approved by TPB, resulting in an increase in the number of flats to be produced from 2 800 to 3 200.

61. Mr Frederick FUNG said he had suggested to THB that, to increase the supply of housing land, the Administration could consider redeveloping aged PRH estates as most of the buildings in these estates were only 15 storeys tall. He also proposed that the building height restriction in areas formerly under the flight path, including Kowloon Tong and Yau Yat Chuen, be removed so that the low-density buildings in those areas could be redeveloped to make better use of land resources. In Kowloon City, URA or HKHA could be engaged to carry out urban renewal projects to enhance the efficiency of land use in the district.

62. SDEV advised that URA was undertaking a few renewal projects in Kowloon City. As regards a planning review of the areas under the former flight path, he would follow it up with PlanD.

Private sector participation

63. With reference to paragraph 8 of the Administration's paper on making use of private developers' capacity for development to construct public and private residential units, Mr WU Chi-wai suggested that the Administration should consider re-launching subsidized housing projects involving private developers, such as the Private Sector Participation Scheme ("PSPS") and the Sandwich Class Housing Scheme. Believing that private developers were in a better capacity to expedite the production of housing, he hoped 80% of the eligible households would benefit from the supply of subsidized housing in the short to medium term.

64. SDEV said that the Administration would actively consider making use of private developers' capacity to provide housing, infrastructure and ancillary facilities at potential sites which would not involve land resumption, such as ex-quarry sites. To ensure that the developer would provide the necessary infrastructure and ancillary facilities at a potential site according to the Administration's requirements, the developer would only be paid the project costs upon satisfactory completion of the infrastructure works project. Regarding re-launching PSPS, SDEV undertook to convey the suggestion to THB.

Former Diamond Hill Squatter Area

65. On the development of the former Diamond Hill Squatter Area (Tai Hom Village), Mr WU Chi-wai sought justifications from the Administration on including office buildings and hotels in the proposed development plans despite pressing demand for housing. He opined that there was no need for office building developments at the area as there would be new office space supply in the nearby San Po Kong area.

66. SDEV said that the Administration had consulted the Wong Tai Sin DC on the development of the site. The District Council reflected residents' views that more private housing should be provided at the site to balance the large number public housing buildings in the district, and the development of hotels could provide employment opportunities.

Formulation of a population policy

67. Ms Cyd HO pointed out that, without a population policy in place, it would be difficult for the Administration to ascertain the long-term need for housing. The purpose for increasing 2 000 to 3 000 ha of land by near-shore reclamation and constructing artificial islands would also be obscure, since it was not clear for how many people the new land was created. She considered it crucial in planning land supply to be able to foresee how many new population Hong Kong would have at certain times and whether they could be accommodated. In her view, the Administration should discuss with the Central Government whether the Hong Kong Special Administrative Region Government would be allowed to have full control over the number of immigrants to be admitted from the Mainland. She also suggested that the Administration should study the minimum area of land that a person would need for basic living, including space for education, medical services, transportation and leisure, etc. Based on this figure and the population of Hong Kong at different times, the Administration would then be able to work out how much land should be developed. Mr Gary FAN also expressed disappointment on the absence of a population policy in the Policy Address.

68. SDEV agreed that a population policy was key to the future development of Hong Kong. He advised that the Steering Committee on Population Policy, chaired by the Chief Secretary for Administration, was studying the matter and a report would be released soon. Due to the pressing demand for housing, it was necessary for the Administration to take immediate action by implementing short- to medium-term measures to increase housing land supply. At the same time, long-term measures such as reclamation had to be introduced to create a land reserve and provide land for building more spacious housing units for those who wished to improve their living environment.

Infrastructure planning

69. While showing support for the Administration's introduction of short-, medium- and long-term measures to increase land supply, Ir Dr LO Wai-kyok said that there was insufficient information about infrastructure planning, which was essential to housing and land development, in the Policy Address. He pointed out that the public should be given information about the Administration's long-term infrastructure planning programme, not only the estimated expenditure on infrastructure works projects, for the next 10 years or so. As regards the Administration's measures to review the

existing procurement system for public works projects for enhancing the competition in tendering for the projects, he enquired what action the Administration would take to facilitate construction companies of different scales to participate in the tendering exercises.

70. PS/DEV(W) explained that THB had formulated infrastructure development plans for Hong Kong's external and internal connectivity, and other policy bureaux had devised such plans for internal development needs under their respective purviews. Noting the construction industry's need for information about future infrastructure projects in Hong Kong, the Construction Industry Council was considering to disseminating information about forecast of long-term expenditure on infrastructure projects, together with forecast of private sector projects (based on public information), to facilitate the construction industry's business planning. As regards the review of the existing procurement system for public works projects, he advised that the Administration was examining the tender limits for each existing group of public works contractors with a view to enhancing the participation of more contractors, of different scales, in the tendering exercises.

Harbourfront planning

71. Dr Priscilla LEUNG welcomed the proposal in the Policy Address to establish a dedicated statutory Harbourfront Authority to push ahead the design, development, operation and management of harbourfront projects in a holistic manner. Citing the poor accessibility of the Sham Shui Po waterfront and the water quality problem at the Yau Ma Tei waterfront as examples of issues to address, she enquired whether the Harbourfront Authority to be set up would handle the accessibility and environmental problems at harbourfront areas. In her view, harbourfront development warranted cross-bureaux action as it involved a wide range of issues such as environmental protection, tourism and transport development. Given that WKCD was a leading harbourfront project that would set an example, she considered that water transportation such as water taxi should be provided therein to promote further development of this transportation mode. Referring to the closure of some cross-harbour ferry services in recent years, she suggested that the Administration should discuss with local concern groups their proposals on reviving the operation of ferry services, which were a key feature of the Victoria Harbour.

72. SDEV said that the Administration was working with the Harbourfront Commission ("HC") on launching a public engagement

exercise within this year to gauge public views on the proposal to set up a Harbourfront Authority. There were several task forces under HC responsible for the enhancement of different waterfront areas. Views on harbourfront development could be conveyed to these task forces for their consideration.

Kai Tak Development Area

73. Dr CHIANG Lai-wan enquired about the timetable for formulating concrete plans to develop the proposed Kai Tak Fantasy at the runway tip to serve as a tourism attraction. In reply, SDEV said that the proposal of setting up Kai Tak Fantasy, a recreational landmark, was to make the runway tip in the Kai Tak Development Area a destination for all. The first berth of the Kai Tak Cruise Terminal, which was the signature facility of the runway tip, would be commissioned within this year. An international competition would be held to seek the most innovative ideas for Kai Tak Fantasy.

Construction manpower

74. Miss Alice MAK welcomed the Administration's initiatives on attracting new entrants to the construction industry and enhancing the training and work conditions for existing construction workers. However, she was worried that the Administration would consider importing construction workers as one of the measures to address the manpower needs, given that there were some 10 000 unemployed workers in the construction industry.

75. SDEV said that as he had explained at a Legislative Council meeting, the Administration did not have any plan to import construction workers. Under the existing policy, import of workers had to be processed through the Labour Department's Supplementary Labour Scheme which was applicable to industries with shortage of skilled personnel. One of the objectives of the Scheme was to transfer the relevant skills to the local workforce.

76. Mr James TIEN pointed out that SDEV's reply apparently did not match with CE's remarks made at the Question and Answer Session on 17 January that when the local labour force was insufficient to support Hong Kong's development needs, the Administration would consider importing construction workers.

Relocation of Water Supplies Department's Mongkok office

77. Dr Priscilla LEUNG was disappointed that a suitable industrial building could not be identified for relocating the NT West Regional Office of the Water Supplies Department ("WSD") in Mong Kok. Pointing out that the relocation of the Office and redevelopment of the vacated site into a district Public Transport Terminus facility was vital to relieving the traffic congestion in Mong Kok, she sought the Administration's undertaking that the relocation timetable would not be delayed and enquired about the latest position of the relocation plan.

78. SDEV said that the Administration was equally keen to relocate the Office so as to release the site, a piece of valuable land in the urban area, for redevelopment. PS/DEV(W) added that although the Finance Committee (FC) had approved the funds for purchasing and converting an industrial building to accommodate the Office but no suitable buildings satisfying WSD's requirements and within the approved budget could be identified. The Administration was considering other relocation plans, including the construction of a new building in Tin Shui Wai for accommodating the Office and other WSD facilities. The Administration would strive to adhere to the original relocation schedule, i.e. to vacate WSD's Office in Mong Kok in 2017-2018.

Urban renewal - redevelopment of "13 Streets"

79. Ms Claudia MO said although the owners of "13 Streets" at Ma Tau Wai had been looking forward to the redevelopment of their properties, it seemed that the redevelopment project had been delayed due to red tape. She asked the Administration to expedite the redevelopment project. SDEV undertook to look into the matter.

Building safety - Operation Building Bright

80. Mr IP Kwok-him said that Operation Building Bright, being a one-off project providing subsidies and one-stop technical assistance to owners of old buildings to carry out repair works, and at the same time creating job opportunities for the construction sector as well as improving building safety and the cityscape, had brought tremendous benefits to the community. He asked the Administration to consider re-launching the project, subject to availability of resources, for building owners who had missed the previous opportunity. SDEV noted Mr IP's suggestion.

V Progress update on Kai Tak Development and PWP Item No. 469CL -- Kai Tak Development -- Infrastructure at north apron area of Kai Tak Airport

(LC Paper No. CB(1)428/12-13(04) -- Administration's paper on Progress report on Kai Tak Development and PWP Item No. 469CL -- Kai Tak Development -- infrastructure at north apron area of Kai Tak Airport

LC Paper No. CB(1)428/12-13(05) -- Paper on Kai Tak Development prepared by the Legislative Council Secretariat (Updated background brief)

81. Principal Assistant Secretary (Works)2, Development Bureau ("PAS(Works)2/DEVB") advised members that the Kai Tak Development ("KTD") project had made good progress. Key KTD component projects targeted for completion in 2013 included the Kai Tak Cruise Terminal building, the first berth at the Cruise Terminal, public rental housing developments in the north apron area, early phases of the District Cooling System ("DCS"), Runway Park Phase 1, associated supporting infrastructure, bio-remediation works at Kai Tak Approach Channel ("KTAC") and Kwun Tong Typhoon Shelter, etc. Since 2009, FC had approved funds for proceeding with a series of KTD-related public works projects ("PWPs") with aggregate approved project estimate of about \$21.7 billion. The new proposal presented to the meeting was about upgrading part of the PWP Item No. 469CL entitled "Kai Tak development - infrastructure at the north apron area of Kai Tak Airport" to Category A, at an estimated cost of about \$2,255 million for the construction of stages 3A and 4 infrastructure works at the north apron area of the former Kai Tak Airport.

82. With the aid of a powerpoint presentation, Head(Kai Tak Office), Civil Engineering and Development Department ("Head(KTO)/CEDD") highlighted the progress of some major component projects at KTD, including the Kai Tak Cruise Terminal associated infrastructure, the preservation of the remnants of Lung Tsun Stone Bridge, the transformation of Kai Tak Nullah to Kai Tak River, the Environmentally Friendly Linkage System ("EFLS") and briefed members on the details of PWP Item No. 469CL. She said that, subject to the Panel's support, the Administration would seek the recommendation of the Public Works Subcommittee

("PWSC") and funding approval of FC in the second quarter of 2013 to part-upgrade PWP Item No. 469CL to Category A.

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members by email vide LC Paper No. CB(1)461/12-13(02) on 23 January 2013.)

83. The Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of the Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects. Under Rule 84 of RoP of LegCo, a member should not vote upon any question in which he had a direct pecuniary interest except under certain circumstances as provided for in Rule 84.

On-shore power supply facilities at the Cruise Terminal

84. Mr CHAN Hak-kan enquired whether the Administration would install on-shore power supply facilities at the new Cruise Terminal so that cruise vessels could reduce its emission when they were berthed. PAS(Works)2/DEVB advised that the Chief Executive had announced in his 2013 Policy Address that the Administration planned to seek funding approval from LegCo to install on-shore power supply facilities at the Cruise Terminal. Head(KTO)/CEDD added that space had been reserved and the required ducting for electrical cables had been laid at the Cruise Terminal for the installation of such facilities.

85. In response to Mr CHAN's further enquiry on whether the installation of on-shore power supply facilities would tie in with the commissioning of the first berth of the Cruise Terminal this year, PAS(Works)2/DEVB advised that since the international standard for on-shore power had not been promulgated until mid-2012, it would take some time for the Administration to prepare the design of the facilities as well as to seek funding approval from LegCo for the installation works. Given that the Cruise Terminal might not be too busy during its initial period of operation, it was anticipated that the short-term absence of on-shore power supply facilities would not make any significant adverse impact on the environment. He added that the Cruise Terminal project was under the purview of the Commerce and Economic Development Bureau.

Multi-purpose Sports Complex

86. Ir Dr LO Wai-kwok was concerned about the latest position of the development of the Multi-purpose Sports Complex ("MPSC"). Taking in view that MPSC was only in its initial planning stage and the detailed layout and design of the facilities were not yet available, he enquired whether the design of MPSC, when it was drawn up, would bring about changes to the requirements for the infrastructure works under PWP Item No. 469CL. PAS(Works)2/DEVB replied that according to the Home Affairs Bureau, the construction of MPSC would basically follow its original project plan, while the detailed layout and design of the facilities were subject to future consultations with the sports sector and other stakeholders. As such, he did not anticipate that any significant changes to the proposed infrastructure works under PWP Item No. 469CL would arise from further progress of the development of MPSC.

The Environmentally Friendly Linkage System

87. Ir Dr LO Wai-kwok said that local residents and relevant District Councils were very concerned about the alignment of the proposed EFLS for Kowloon East, which would cover KTD. Noting that during the Stage 1 public engagement ("PE") exercise for the proposed EFLS, some local groups and members of the public had put forward the suggestion that the alignment proposed by the Administration should be extended to the adjoining areas such as To Kwa Wan and Kowloon City, he enquired whether the Administration would further consider it at the upcoming Stage 2 PE. In reply, PAS(Works)2/DEVB advised that the Administration would analyze the views collected during Stage 1 PE, including the suggestion about the alignment, and make a report to facilitate members of the public to discuss the way forward for the proposed EFLS at Stage 2 PE, which was scheduled for commencement in mid-2013.

88. Mr CHAN Hak-kan stressed the importance for the Administration to examine the applicability of green modes of transport at KTD such as zero-emission buses and environmentally friendly mass transit transport systems, as well as the provision of adequate supporting facilities for green transport, including battery charging devices for buses and private cars.

Measures to tackle pollution problems at the Kai Tak Approach Channel

89. The Panel noted that the Environmental Impact Assessment report for the KTD project released in March 2009 had recommended a three-pronged

approach to tackling the contaminated sediments and the odour problem at KTAC, comprising (a) interception of polluted discharges from the hinterland into KTAC; (b) in-situ bio-remediation treatment of contaminated sediments; and (c) construction of a 600-metre opening at the former runway to enhance tidal flushing effects. Mr CHAN Hak-kan enquired about the progress of the bio-remediation works at KTAC.

90. Head(KTO)/CEDD advised that following the completion of the dredging works to remove part of the contaminated sediments at KTAC, the Administration had commenced the in-situ bio-remediation treatment which was expected to be completed by end-2013. The works to intercept polluted discharges from the hinterland was in progress. To monitor the effectiveness of these measures over time, water quality field data were collected and analyzed on a regular basis. Furthermore, the Administration had commissioned the Hong Kong Polytechnic University to use a physical model to study how the creation of an opening at the former runway might affect the water flow within KTAC. Subject to the results of the tests, which were expected to be completed in 2013, the Administration would review the need of the proposed opening for water circulation enhancement.

91. Mr CHAN Hak-kan considered that the bio-remediation treatment should not be a one-off exercise. He enquired whether the Administration would conduct it at regular intervals. Head(KTO)/CEDD replied that the Administration would consider the way forward for tackling the pollution problems at KTAC after ascertaining the effectiveness of the measures adopted.

Ex-airport taxiway bridge across the Kai Tak Approach Channel

92. Mr CHAN Kam-lam considered that it was necessary to re-build the ex-airport taxiway bridge across KTAC to ensure that there was enough clearance of the bridge above the sea level, making it possible for carrying out activities such as water sports under the bridge in future. Head(KTO)/CEDD said that the schedule for re-building the bridge would be subject to the commissioning of the proposed new roads, such as D2 and D3, as these roads would be the only traffic link between the southern part of the former runway and other areas during the reconstruction of the bridge.

93. Mr CHAN Kam-lam had reservation about delaying the reconstruction of the bridge until the new roads were ready. He suggested that the Administration should construct a new bridge to replace the existing one as soon as possible before the traffic at KTD became busy.

Head(KTO)/CEDD advised that building a new bridge across KTAC to connect the existing and new road networks might not be technically feasible in view of the possible site constraints. PAS(Works)2/DEVB added that compared with the Administration's original plan to re-build the taxiway bridge at a later stage, Mr CHAN's suggestion might incur a higher cost. The Administration would further consider the suggestion.

Road network for the Kai Tak Development area

94. Mr WU Chi-wai recalled that there had been a proposal to construct a new road connecting KTD with the area in the vicinity of Rhythm Garden and Choi Hung Estate. He asked about the latest position of the proposal. Noting that Road L1 would directly connect KTD with San Po Kong, Mr CHAN Kam-lam enquired whether there were any roads to connect Wong Tai Sin with KTD directly.

95. Head(KTO)/CEDD replied that apart from Road L1, two new roads would be constructed to connect Prince Edward Road East ("PERE") with Sze Mei Street, San Po Kong. Furthermore, as part of the stage 3B infrastructure works, an ex-flyover, truncated years before, near the Regal Oriental Hotel in Kowloon City would be rehabilitated to connect PERE with KTD in future. Mr CHAN Kam-lam remained of the view that if there were no direct road links between Wong Tai Sin and KTD, the traffic from Wong Tai Sin heading for KTD would tend to use Road L1, hence resulting in congestion in the industrial area in San Po Kong. In response to Mr CHAN Kam-lam's request, the Administration undertook to provide a map showing the planned road network for KTD and its connections with the existing/new road networks of the neighbouring areas.

(Post-meeting note: The Administration's supplementary information was circulated to members on 18 February 2013 vide LC Paper No. CB(1)563/12-13(01).)

96. The Panel noted that the Administration planned to demolish the flyover across PERE located to the west of Rhythm Garden. Mr CHAN Kam-lam enquired about the route that could be taken by motorists at KTD heading for Sai Kung when the flyover had been closed for demolition works. Chief Engineer(Kowloon 3)/CEDD responded that since the Administration would rehabilitate and extend the ex-flyover near the Regal Oriental Hotel to link up KTD and PERE, future traffic from KTD to Sai Kung could be routed through the flyover and PERE. Mr CHAN cautioned that in planning the road network for KTD, the Administration should

examine whether the road capacities could accommodate the additional traffic flows generated as a result of the population intake and the economic activities in the area. PAS(Works)2/DEVB assured members that in the ongoing planning of the infrastructure works at KTD, traffic impact assessments had been conducted and roads would be suitably designed.

Cycle tracks connecting Kai Tak Development and its neighbouring areas

97. Mr WU Chi-wai subscribed to the view that the Administration should promote a "bicycle-friendly" environment in new development areas. Taking into account that KTD and its adjoining districts were currently connected by some subways and a new one had been planned to provide a pedestrian link between KTD and San Po Kong, he asked whether the Administration would set aside space in these subways for developing cycle tracks.

98. Head(KTO)/CEDD confirmed that the Administration had strived to provide a "bicycle-friendly" environment at KTD. While a cycle track of 6 kilometres long would be constructed in accordance with the Kai Tak Outline Zoning Plan, the Administration was considering extending the cycle track network to link up all the main green features at KTD so that people could ride bicycles along the track for leisure. As regards the suggestion to provide cycle tracks in the subways, Head(KTO)/CEDD explained that it was difficult for the Administration to do so given the limited space inside the subways. Chief Engineer (Kowloon 3)/CEDD added that the proposed new subway between KTD and San Po Kong, which was about 6 metres in width, would be connected to a proposed underground street and would serve as a major pedestrian link in future. The Administration considered that, for the sake of safety, it was not appropriate to provide a cycle track in it. Pointing out that it was a transport-related policy initiative of the Administration to promote a "bicycle-friendly" environment in new development areas, Mr WU Chi-wai expressed disappointment on the Administration's reply.

Submission of the proposal to the Public Works Subcommittee

99. In concluding the discussion on the item, the Chairman said that members in general supported the Administration's proposal to seek the recommendation of PWSC for part-upgrading PWP Item No. 469CL to Category A.

VI PWP Item No. 45CG -- District Cooling System at Kai Tak Development

(LC Paper No. CB(1)428/12-13(06) -- Administration's paper on PWP Item No. 45CG -- District Cooling System at the Kai Tak Development

LC Paper No. CB(1)428/12-13(07) -- Paper on the provision of a District Cooling System at Kai Tak Development prepared by the Legislative Council Secretariat (Updated background brief))

100. Deputy Secretary for the Environment ("DSE/ENB") briefed members on Phase III (Package A) of PWP Item No. 45CG, entitled "District Cooling System at the Kai Tak Development". She said that the proposed project aimed to provide chilled water supply from DCS to a number of public developments at KTD, including the Trade and Industry Tower, the Centre of Excellence in Paediatrics and possibly two primary schools, to be completed from 2014 to 2017. The estimated capital cost of the project was about \$1,300 million in money-of-the-day prices. The actual cost would depend on the tender prices to be received. DSE/ENB added that the funding approval for DCS Phases I and II had been granted in February 2011 and the construction works were underway to provide district cooling services for the first batch of users at KTD, including the occupants of the Cruise Terminal building and the non-domestic areas of public housing estates in the north apron area. Subject to the Panel's support, the Administration would seek endorsement from PWSC and funding approval from FC for the project.

101. The Chairman reminded members that in accordance with Rule 83A of RoP of LegCo, they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects. Under Rule 84 of RoP of LegCo, a member should not vote upon any question in which he had a direct pecuniary interest except under certain circumstances as provided for in Rule 84.

Mandatory requirement for connection to the District Cooling System

102. The Panel noted that DCS would provide district cooling services to all non-domestic public and private developments at KTD with a planned

total air-conditioned gross floor area of about 1.73 million square metres requiring about 284 megawatt of refrigeration cooling capacity. The Administration would mandate connection to DCS by private non-domestic developments at KTD. Ir Dr LO Wai-kwok enquired how the mandatory requirement would be implemented.

103. DSE/ENB replied that all private non-domestic developments using central air-conditioning installation at KTD would be required to connect to DCS by way of appropriate provisions in the conditions of land sale. She supplemented that the Panel on Environment Affairs ("EA Panel") had been consulted on the proposed mandatory requirement when members considered the funding proposals for implementing Phases I and II of DCS.

Provision of district cooling services to other potential users

104. Ir Dr LO Wai-kwok considered it necessary for the Administration to maintain an optimal number of subscribers to district cooling services to be provided by DCS in order to fully utilize the capacity of DCS and hence achieving optimum cost-effectiveness. He enquired whether the Administration would allow private residential developments to connect to DCS voluntarily in future.

105. In reply, DSE/ENB advised that while the Administration would keep an open mind to the arrangement of allowing voluntary connection to DCS by private residential buildings, priority would be given to non-domestic users at KTD, taking into consideration that DCS was an energy-efficient system for high-demand users such as commercial business operators. It might not be cost-effective for residential users to connect their buildings to DCS, given that their demand for cooling services would unlikely be sustained throughout the year.

106. Mr WU Chi-wai opined that developments in the neighbouring areas of KTD such as some new buildings in To Kwa Wan and Kowloon City might give rise to new demand for DCS. He enquired whether DCS at KTD could accommodate such demand, having regard to its designed capacity as well as the availability of connection facilities under the current design.

107. DSE/ENB advised that the capacity of DCS at KTD had been designed to cater for additional cooling plant capacity of about 10% in future. However, to allow users in the neighbouring areas of KTD to connect to DCS, additional installations such as underground chilled water distribution pipes would be required. In response to Mr CHAN Kam-lam's

enquiry on whether DCS would serve the two stations of the Shatin to Central Link at KTD, DSE/ENB replied in the positive.

Charging arrangements for district cooling services

108. Mr WU Chi-wai enquired information about the charging arrangements for district cooling services. Assistant Director/Electricity and Energy Efficiency, Electrical and Mechanical Services Department ("AD(E&EE)/EMSD") advised that the Administration had consulted members of EA Panel in July 2012 about the framework for the proposed charging mechanism for district cooling services. In line with international practices, the Administration suggested that the tariff for district cooling services would comprise two major components, namely the capacity charge and the consumption charge. The capacity charge would be levied to amortize the initial capital investment for DCS over a period of time, whereas the consumption charge, collected on a monthly or quarterly basis, would be levied to cover costs that would vary according to the user's energy consumption, to be measured by meters. Mr WU held the view that the Administration should consider whether users of district cooling services should be given a choice to pay the capacity charge either in a lump sum or by instalments. The Administration undertook to consider Mr WU's suggestion when developing the details of the charging arrangement.

109. While expressing support for the DCS project, Mr CHAN Kam-lam stressed the importance for the Administration to enhance the transparency of the charging arrangements for district cooling services. He said that the Administration should set up the charging mechanism, including the arrangement for tariff adjustments, as early as possible to facilitate relevant stakeholders to estimate their affordability in subscribing to such services. DSE/ENB acknowledged the need to ensure the transparency of the charging arrangements for district cooling services. She assured members that, having consulted EA Panel on the framework of the proposed charging mechanism in July 2012, the Administration would introduce the relevant legislative proposal into LegCo for scrutiny in a timely manner to tie in with the scheduled commissioning of relevant user buildings and facilities at KTD.

Tariff level for district cooling services

110. Mr CHAN Kin-por declared interest as being a director and consultant of a Hong Kong office of an international reinsurance company which might be involved in providing reinsurance cover for works projects in Hong Kong.

Noting that two primary schools would be users of district cooling services, Mr CHAN expressed concern about their affordability in paying the tariffs. He said that according to some school sponsoring bodies, the additional expenditure to be incurred by a primary school for use of district cooling services would be up to a few thousand dollars per student per annum. He urged the Administration to ensure that schools at KTD would not be required to pay the district cooling services tariffs at a level higher than the cost of using other air-conditioning systems. Mr CHAN further said that, as a matter of fairness, similar considerations should apply for working out the level of tariff to be imposed on commercial users.

111. DSE/ENB reiterated that the target users of district cooling services were occupants of non-domestic buildings at KTD using central air-conditioning installations and with a high demand for cooling services throughout the year. The Administration intended to recover the full costs of construction and operation of DCS over a 30-year life span through the tariffs. While there would be no government subsidy for the use of district cooling services, the tariff level would be set at a competitive level compared with the amortized cost for using individual water-cooled air conditioning systems, which were currently the most energy-efficient systems and were widely used in individual commercial premises and shopping malls. She said that, different from commercial users, schools rarely used centralized air-conditioning services. The Administration would keep close communication with relevant school sponsoring bodies and Government departments to understand the schools' demand for cooling capacity and consumption of cooling services to ascertain if the schools at KTD could benefit from district cooling services.

112. Mr Albert CHAN expressed support for the DCS project in view of its environmental benefits. He cautioned that since the DCS to be provided at KTD was the first of its kind in Hong Kong, the Administration should pay due regard to the needs and concerns of users in the implementation of the project. Citing the practice of the Hong Kong Housing Authority in charging shop tenants in public housing estates engaged in non-profit making activities concessionary rentals as an example, Mr CHAN opined that in determining the tariff level for district cooling services, the Administration should take into account not only the prevailing market prices but also the individual affordability of the actual users, such as schools and shop operators. DSE/ENB responded that at the stages of planning and designing DCS, the Administration had drawn reference from the experience of overseas countries such as Singapore, Malaysia, the United States and France, which had widely adopted the DCS technology. The Administration

would continue to make reference to other countries' experience in implementing the DCS project at KTD.

113. Supporting the view that users of district cooling services should be entitled to a lower air-conditioning charge as they were required to subscribe to the district cooling services, Ir Dr LO Wai-kwok asked whether the Administration would take any pricing measures to encourage district cooling services users to conserve energy. In reply, DSE/ENB said that the Administration would consider adopting a charging strategy that would encourage energy saving, and would discuss with developers the feasibility of installing individual air-conditioning system meters on each floor, if not in each unit, of the commercial buildings at KTD. With the provision of individual meters, tenants would be aware of their individual air-conditioning electricity consumption levels, hence be encouraged to take energy saving measures.

Pipe-laying works

114. Referring to the scope of the proposed PWP, Mr CHAN Kam-lam queried why part of the pipe-laying works for the areas covered by DCS Phase III was not included in the project. DSE/ENB explained that, as DCS would only be connected to non-domestic buildings at KTD, not until the land use in a specified area had been confirmed would the Administration proceed to seek funding approval from LegCo for the pipe-laying works. DSE/ENB assured members that ENB would continue to liaise closely with relevant Government departments to ensure that the pipe-laying works would tie in with the progress of developments at KTD so that district cooling services would be provided to users in a timely manner.

115. Mr WU Chi-wai enquired how the Administration would coordinate the laying of chilled water distribution pipes under the DCS project with the installation of other underground utilities. AD(E&EE)/EMSD advised that the pipe-laying works for the DCS project would be proceeded in tandem with road construction works in KTD. Close coordination among relevant Government departments and utilities companies with respect to distribution and installation of different types of underground pipes, electricity and communication cables would be maintained.

Other issues

116. Referring to the KTD-related proposals under agenda item V of the meeting, Mr Albert CHAN requested to put on record that he had all along

been opposing the proposed development of a MPSC at KTD. He held the view that the Administration had made a mistake in reserving a large piece of land in urban area for the construction of MPSC, causing an adverse impact on the overall urban planning in Hong Kong.

Submission of the proposal to the Public Works Subcommittee

117. In concluding the discussion on the item, the Chairman said that members in general supported the Administration's proposal to seek the endorsement of PWSC for allocating funds to Phase III (Package A) of PWP Item No. 45CG.

VII PWP Item No. 333WF -- Improvement of fresh water supply to Cheung Chau

(LC Paper No. CB(1)405/12-13(01) -- Administration's paper on PWP Item No. 333WF -- Improvement of fresh water supply to Cheung Chau)

118. Principal Assistant Secretary (Works) 3, Development Bureau ("PAS/DEV(W)3") briefed members on the Administration's proposal to upgrade PWP Item No. 333WF - "Improvement of fresh water supply to Cheung Chau" to Category A, at an estimated cost of \$254.8 million in money-of-the-day prices, for carrying out mainlaying works to improve the fresh water supply to Cheung Chau. He highlighted that the scope of the project comprised laying of about 1.4 kilometres of submarine fresh water main of 500 millimetres ("mm") in diameter across the Adamasta Channel from Lantau Island to Cheung Chau and laying of about 200 metres of fresh water mains on both Lantau Island and Cheung Chau. As a 250 mm diameter submarine water main had become out of service in 2008 due to aging and leakage problems, only a 500 mm diameter submarine main was left as the sole submarine main supplying fresh water to Cheung Chau. As such, it was necessary to provide a new emergency back-up supply by laying a new submarine main in order to enhance the reliability of fresh water supply to Cheung Chau. Subject to the approval of the FC, the Administration planned to commence the proposed works in September 2013 for completion in September 2015.

119. The Chairman reminded members that in accordance with Rule 83A of RoP of LegCo, they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting

before they spoke on the subjects. Under Rule 84 of RoP of LegCo, a member should not vote upon any question in which he had a direct pecuniary interest except under certain circumstances as provided for in Rule 84.

120. Mr Albert CHAN enquired about the size of population that could be served by the new submarine fresh water main. He was concerned that the main might have to be upgraded in the near future if its capacity could not cater for any substantial increase in the population of Cheung Chau. Assistant Director/New Works, Water Supplies Department ("AD(NW)/WSD") said that the current population of Cheung Chau was around 22 000 and the figure had been quite stable. The new main could cater for the development of Cheung Chau in the foreseeable future. In case that there would be a large-scale development in Cheung Chau, there should be sufficient time for the Administration to plan and construct a new fresh water main to meet the additional demand. As the existing 500 mm diameter water main had been supplying fresh water to Cheung Chau at a population of around 22 000, he said that with the new 500 mm diameter water main, the two mains together could provide fresh water supply to up to 50 000 people.

121. Mr CHAN Kam-lam observed that the new water main would be laid under the seabed in the rock layer and would not re-use the connecting water mains on Lantau Island and Cheung Chau which had served the disused water main. He sought the Administration's explanation for not re-using those connecting water mains to save construction cost. PAS/DEV(W)3 explained that the old water main disused in 2008 was 250 mm in diameter while the new one was larger, 500 mm in diameter, therefore the old connecting mains were not suitable for re-use. He also advised that the new water main would be installed in the rock layer by making use of the horizontal directional drilling ("HDD") technology, which would minimize the impact to the marine environment or disruption to the marine traffic and could shorten the duration of the submarine mainlaying works. HDD involved the use of boring technique to construct underground pipeline below the seabed. To employ HDD for the present works project, suitable locations had to be identified on both Lantau Island and Cheung Chau for operating the necessary equipment. The present alignment for the new submarine main had been decided after considering the relevant requirements and the rock conditions. In response to Mr CHAN's enquiry about marine traffic at the Adamasta Channel, AD(NW)/WSD said that the Channel was a busy fairway for high speed crafts.

122. Mr CHAN expressed concern about the additional costs for employing HDD vis-à-vis the conventional method of laying submarine mains on the seabed and sought justifications from the Administration. In reply, AD(NW)/WSD said that the cost for applying the HDD method was substantially, in terms of multiple, higher than that for applying the conventional method. AD(NW)/WSD added that using the conventional method of laying water mains would cause disruption to the marine environment and there was a fish culture zone at Cheung Sha Wan on Lantau Island which was located about 1.5 kilometres from the works site. PAS/DEV(W)3 said that in view of the relatively short length of the new water main and the advantages of HDD, the Administration had decided to use the new method. He advised that similar trenchless pipe laying methods had also been adopted for laying underground pipes and mains in the urban areas to minimize the impact of the works on road traffic.

123. In concluding the discussion on the item, the Chairman said that members in general supported the Administration's proposal to seek the endorsement of PWSC for the upgrading of 333WF to Category A.

VIII Planning and Engineering Study on Future Land Use at the Ex-Lamma Quarry Area at Sok Kwu Wan, Lamma Island -- Feasibility Study: Stage 1 Community Engagement

(LC Paper No. CB(1)428/12-13(08) -- Administration's paper on Planning and Engineering Study on Future Land Use at the Ex-Lamma Quarry Area at Sok Kwu Wan, Lamma Island -- Feasibility Study: Stage 1 Community Engagement)

124. To allow more time for discussion on the subject, members agreed that the Administration's briefing be skipped and the question-and-answer session would start right away. Members noted a submission, which was tabled at the meeting, from Dr Andy Cornish on the subject.

(Post-meeting note: A soft copy of the submission (LC Paper No. CB(1)462/12-13(01)) was circulated to members by email on 23 January 2013.)

Future land use at the ex-Lamma Quarry Area

Developing an eco park or a country park

125. Noting that under the proposed initial land use options for the ex-Lamma Quarry Area at Sok Ku Wan, Lamma Island ("the Site") as detailed in the Administration's paper, housing developments would be considered, Mr Albert CHAN cautioned that a piecemeal approach to increasing housing land supply might lead to mismatch between the attributes of a piece of land and its specified use. Based on his discussion with some local residents' groups on future use of the Site, Mr CHAN said that there was a strong opinion, supported by studies, for making use of the local ecological and cultural characteristics to develop the Site into an eco-tourism project, similar to the Eden Project in Cornwall, United Kingdom. Upon comparing the Site and the Eden Project, he found that the scales were similar, i.e. the former was 20 hectares ("ha") in size while the latter was 15 ha, and both were ex-quarries in the countryside. Given the small number of residential units, i.e. 1 000 to 2 000, that could be provided under the initial land use options, he called on the Administration to seriously consider the suggestion to convert the Site, which was the only site in Hong Kong with characteristics similar to those of the Eden Project, into an eco park.

126. In response, Deputy Secretary for Development (Planning and Lands)1 ("DS/DEV(P&L)1") said that the objective of the Stage 1 community engagement exercise ("Stage 1 CE"), which was in progress, for the Planning and Engineering Study on Future Land Use at the Ex-Lamma Quarry Area at Sok Kwu Wan, Lamma Island -- Feasibility Study ("the Study") was to seek the public's views on the proposed initial land use options. At this stage, the Administration kept an open mind to any suggestions on the future use of the Site. As the Site was one of the major potential sources of housing land supply in the short- to medium- term, it was important to conduct a planning study on how to optimize the use of the Site to meet the needs of society. The Planning Department and the Civil Engineering and Development Department had held informal discussions with local parties, green groups, professional institutions and other concern groups in March and April 2012. The three initial land use options proposed, covering the provision of both public and private housing, were arrived at based on the initial views collected during the discussions. He further said that the idea of an eco park, such as the Eden Project, had been considered but the Eden Project might not be an appropriate reference as, unlike the parks proposed in the land use options under the Study, it charged an

entrance fee and its total area was larger than that of the Site. Recognizing that there were already some nature-themed parks in Hong Kong operated by the Administration, consideration might be given to incorporating some elements of the Eden Project into the future development at the Site. Mr CHAN said that according to his information, the area of the Site was larger than that of Eden Project.

127. Dr Fernando CHEUNG said that many local residents held the view that, albeit conducting a community engagement exercise, the Administration had already decided to allow for housing developments at the Site. However, they did not see the need to provide luxury flats and a marina, as proposed in the land use options. They queried whether the Administration would listen to and take on board their views on the future land use at the Site. He asked if the Administration would consider alternative land use options such as developing an eco park or a country park, and through what channels local residents could make their voices heard.

128. DS/DEV(P&L)1 said that the Administration had proposed three initial land use options for the Stage 1 CE. The options covered not only housing developments, but also facilities such as an eco-tourism centre, parks, hotel and resort facilities, etc. The Administration would listen to and consider all public views, including the suggestion of incorporating certain elements of the Eden Project into the development of the Site. The views collected during the Stage 1 CE would provide essential inputs to the formulation of the preferred development options at the next stage of the Study.

129. Mr WU Chi-wai pointed out that, while he agreed to make the optimal use of land resources to ease the shortage in housing land, development of land should be considered on the suitability and the environment of individual sites. In view of the rural character of Lamma Island, he urged that the Administration should consider, as one of the potential land use options, converting the Site to a country park, retaining the natural resources as much as possible and making no land development. Miss Alice MAK opined that if a park was to be developed at the Site, in addition to reflecting the character of Lamma Island, there must be attractions for visitors, otherwise, the park might be under-utilized.

130. DS/DEV(P&L)1 emphasized that one of the objectives of the Stage 1 CE was to explore the optimal use of the Site and the Administration had an open mind to the views of members and the public. On the suggestion of converting the Site to an eco park or country park, he pointed out that the

proposed land use options included the preservation of the man-made lake and, based on the preliminary recommendations of an ecological study, the conservation of attributes with ecological value.

Housing developments

131. Taking into account that Lamma Island was the second largest outlying island in Hong Kong, with an abundance of land resources, Mr CHAN Kam-lam supported that the Study should proceed expeditiously and the scope be expanded to include the planning for the whole island, not only confining to the Site. In his view, Lamma Island had great room for ecology conservation initiatives as well as development of tourism, leisure facilities and housing. Noting that provision of subsidized and private housing at the Site had been proposed under the three initial land use options, he stressed the importance of providing sufficient employment opportunities on the island for the additional population intake.

132. Chief Town Planner/Special Duties, Planning Department ("CTP(SD)/PlanD") advised that housing developments were the major land uses in Options 1a and 1b, as set out in paragraphs 11 to 13 of the Administration's paper. Public views supporting the provision of both private and subsidized housing had been received. The ratio between the two types of housing would be examined at the next stage of the Study. For both options, a marketplace, retail and dining areas were included to attract visitors, enhance economic vitalities and provide employment opportunities.

133. Referring to the existing PRH developments at Tai O and Peng Chau, Mr WU Chi-wai asked about the Administration's observations of the problems, in particular those relating to transportation, faced by PRH residents on these outlying islands. He urged that the Administration should learn from experience to ensure that the residents of the future subsidized housing developments, if any, at the Site would not face the same problems.

134. Mr TANG Ka-piu pointed out that the demand for PRH on different outlying islands varied with the local situations. For instance, Cheung Chau indigenous villagers were not entitled to small houses, hence they were willing to move into PRH units to improve their living conditions. This explained why the occupancy rate of PRH at Cheung Chau was high. On the contrary, PRH units at Ping Chau were not in great demand as the living conditions of the indigenous villagers were better and more spacious. He highlighted the importance of consulting Lamma Island residents on their need for PRH. If it was decided that subsidized housing was to be provided

on Lamma Island, relevant issues, such as connectivity, community facilities and employment opportunities had to be carefully planned. He expressed regret that under Option 1b, it was proposed that the scenic man-made lake had to be partially filled to allow for housing developments. He stressed the importance of making new developments compatible with the special characters of a place and integrate with the existing economic activities in an organic manner.

135. Dr Fernando CHEUNG shared Mr TANG Ka-piu's concern about the low demand for PRH on some outlying islands and cast doubt on whether PRH should be provided on Lamma Island.

136. Miss Alice MAK agreed that the Administration had to seriously study the demand for subsidized housing at the Site and the types of housing to be provided. Citing the case of Tung Chung, where many residents had given up job opportunities offered in other districts due to their concern about the high travelling expenses, she asked the Administration to ensure that there would be adequate employment opportunities on Lamma Island in future if subsidized housing would be provided. Otherwise, the demand for the housing units would be low, as the public would not prefer to spend a large portion of their income on travelling to and from their work places.

137. DS/DEV(P&L)1 said that the Administration welcomed members' and the public's views on the provision of subsidized housing at the Site and would follow up with the HKHA on the concerns about the demand for such housing. He added that during past discussions on the land use of the Site with local stakeholder groups, the Administration had received views that provision of subsidized housing should be explored. Concerning the integration of existing and new economic activities, and the provision of employment opportunities, he said that some of the proposed facilities, such as the parks, the hotel and the eco-tourism centre, would serve such purposes. However, as the scale of the future developments at the Site was not large, the number of jobs that could be provided would be limited.

[To allow sufficient time for discussion, the Chairman directed that the meeting be extended for 15 minutes.]

Provision of leisure facilities

138. Mr TANG Ka-piu suggested that the Administration should consider incorporating some of the facilities, including a water sports centre and a hilltop observation deck, which were only included in Option 2, into Option 1a or 1b, so that these leisure facilities could be developed in parallel with housing projects. In response, DS/DEV(P&L)1 assured members that the Administration kept an open mind on the land use at the Site and would continue to listen to public views about the provision of different facilities therein.

External connectivity

139. Stressing that the transportation linkage between the future developments at the Site and the Hong Kong Island must be enhanced, Mr CHAN Kam-lam said that the new pier proposed to be constructed at the Site should have an adequate capacity to accommodate the increased number of commuters. For the longer-term planning, the Administration should explore the feasibility of constructing a tunnel to connect Lamma Island and the Hong Kong Island so as to provide greater room for the development of the former.

140. In response, CTP(SD)/PlanD advised that ferry services would be the major means of external transportation for the residents of the future developments at the Site. With the construction of the proposed new pier, the ferry services would be improved to cater for the residents' transportation needs. She noted Mr CHAN's view on the construction of a tunnel to connect Lamma Island and the Hong Kong Island.

141. Given that the population on Lamma Island would increase by at least 50% under the proposed land use options, Mr WU Chi-wai was concerned about the pressure that the enlarged population would exert on the transportation services. He opined that the increase in the population might not be sufficient to attain economy of scale for the operation of the enhanced ferry service. As a result, residents would have to pay high fares. He called on the Administration to ensure that, if the Site would be developed for housing and other uses, sufficient and affordable public transportation would be in place to serve the residents.

142. DS/DEV(P&L)1 considered that the increase in the number of passengers would likely enlarge the scale of the ferry services and enhance

its viability. He advised that the Administration would look further into the transportation issues at the next stage of the Study.

143. In response to Mr WU's enquiry about whether there was a blueprint for the development of the whole Lamma Island, DS/DEV(P&L)1 said that the Lamma Island Outline Zoning Plan ("OZP") had been approved by the Town Planning Board. Under the Lamma Island OZP, there would be developments on the north side of the island, while the south side would be conserved to protect the environment. As the Site was a major site zoned "Undetermined" on the OZP, the Administration had launched the Study to work out with stakeholders an optimal option for the use of the land resources at the Site.

Environmental impact assessment for the Site

144. Dr Fernando CHEUNG pointed out that, according to a local group, EIA for the Site had started in June 2011 but the report was not yet available. He asked whether and when the Administration would release the EIA Report. He also requested the Administration to consider conducting a social impact assessment for the proposed developments at the Site to examine how they would affect the social lives of the existing residents.

145. Deputy Project Manager (HK Island & Islands), Civil Engineering and Development Department clarified that the Director of Environmental Protection had issued an EIA Study Brief in July 2011. The EIA study, including an ecological survey, was in progress. The survey had been extended for six months, due to complete in early 2013. The EIA report would be prepared taking into account the findings of the survey. He assured members that the Administration would make the EIA Report public when it was completed.

IX Any other business

146. There being no other business, the meeting ended at 6:43 pm.