

立法會
Legislative Council

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Panel on Development

**Minutes of special meeting
held on Monday, 7 April 2014, at 4:30 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 CHAN Kam-lam, SBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Cyd HO Sau-lan
Dr Hon LAM Tai-fai, SBS, JP
Hon CHAN Hak-kan, JP
Hon CHAN Kin-por, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon Michael TIEN Puk-sun, BBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing
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 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 absent : Hon James TO Kun-sun
Hon Emily LAU Wai-hing, JP
Hon James TIEN Pei-chun, GBS, JP

Public officers attending : **Agenda item I**

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

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

Mr LAM Sai-hung
Head of Civil Engineering Office
Civil Engineering and Development Department

Mr LEE Man-chow
Chief Engineer/Port Works
Civil Engineering and Development Department

Mr David LAM Chi-man
Chief Town Planner/Strategic Planning
Planning Department

Agenda item II

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

Mr Ryan CHIU Pit-ming
Principal Assistant Secretary (Planning and Lands) 3
Development Bureau

Mr LEUNG Siu-man
Assistant Director/Corporate Services
Buildings Department

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

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

Ms Christina SHIU
Legislative Assistant (1)6

I PWP Item No. 768CL -- Strategic studies for artificial islands in the Central Waters

(LC Paper No. CB(1)1100/13-14(09) -- Administration's paper on 768CL -- Strategic studies for artificial islands in the central waters

LC Paper No. CB(1)1100/13-14(04) -- Paper on relocation of Government facilities to caverns and development of artificial islands prepared by the Legislative Council Secretariat (Background brief))

Relevant papers

(LC Paper No. CB(1)1113/13-14(01) -- Submission from Peng Chau Reclamation Concern Group dated 17 March 2014

LC Paper No. CB(1)1165/13-14(02) -- Submission from Save Lantau Alliance dated 18 March 2014)

With the aid of a powerpoint presentation, Permanent Secretary for Development (Works) ("PS/DEV(W)") and Head of Civil Engineering Office, Civil Engineering and Development Department ("Head/Civil Engineering Office/CEDD") highlighted the salient points of the background of the two-stage public engagement ("PE") on "Enhancing Land

Supply Strategy: Reclamation outside Victoria Harbour and Rock Cavern Development" and the Administration's proposal to upgrade 768CL to Category A at an estimated cost of \$226.9 million in money-of-the-day prices for carrying out the strategic studies for artificial islands in the central waters ("the Study") and associated site investigation works. The Administration planned to seek the endorsement of the Public Works Subcommittee ("PWSC") in May 2014 for upgrading 768CL with a view to seeking funding approval from the Finance Committee ("FC") in May 2014. Subject to the funding approval of FC, the Study and the associated investigation works would commence in second half of 2014 for completion in second half of 2017.

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)1226/13-14(01) by email on 8 April 2014.)

2. 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.

3. The Panel noted that the following papers had been tabled at the meeting -

(a) Letter dated 7 April 2014 from Mr Gary FAN suggesting that a special meeting to receive public views on the Study be held; and

(b) Submission from Mr Kenneth LO, a member of the public.

(Post-meeting note: Items (a) and (b) above were circulated to members vide LC Paper Nos. CB(1)1224/13-14(01) and CB(1)1225/13-14(01) respectively on 8 April 2014.)

Planning issues

4. Mr Albert CHAN stressed the importance of setting a territorial development strategy before getting down to planning for individual areas and drawing up individual outline zoning plans. He opined that the Administration had not followed this established planning approach and had

instead put forward land development proposals in a hasty manner. He suggested that the Administration should update its territorial development strategy. With an updated strategy, the Administration would have a direction to follow in planning the scale and uses of reclaimed land. Taking in view that some developers had already proposed reclamation in the central waters back in 1987, he proposed that consideration should be given to relocating the airport and the container port at Kwai Chung to artificial islands in the central waters and using the vacated land for housing and other purposes.

5. Chief Town Planner (Strategic Planning), Planning Department said that after reviewing the latest planning and development of the territory, it was considered that artificial islands in the central waters would have a potential for developing into a new core business district ("CBD") and an East Lantau Metropolis ("ELM") given its proximity to the urban areas. PS/DEV(W) supplemented that the area of the central waters was not large enough for constructing an artificial island as big as the present airport island. Mr IP Kwok-him disagreed to the suggestion about relocating the airport. He said that the present location of the airport at Chek Lap Kok had been finalized after years of heated debate.

6. The Deputy Chairman opined that according to the paper provided by the Administration on the funding proposal, the Study would focus on the technical feasibility of developing artificial islands in the central waters but would not examine the economic and social impacts. While he had no objection to forwarding the funding proposal to PWSC for consideration, he had reservation on the efficacy of the Study given its narrow scope. He said that, as reclamation was a long-term land supply measure, a macro perspective should be adopted to first map out a direction for the strategic development of Hong Kong before deciding on the scale and locations of the artificial islands. In this connection, he pointed out that since the completion of the "Hong Kong 2030 Planning Vision and Strategy" Study ("the HK2030 Study") in 2007, there had been many significant changes to the social and economic environments of Hong Kong and the region. He urged the Administration to review and update the territorial development strategy for Hong Kong.

7. Mr IP Kwok-him said that the construction of artificial islands in the central waters and the associated infrastructural works would be a mega project, on which the public and stakeholders should be thoroughly consulted. Sharing the Deputy Chairman's concern, he said that the planning of the artificial islands had to be considered from a macro perspective. He considered that the Study should include whether the new CBD should be

located in the central waters having regard to the future development of Hong Kong.

8. PS/DEV(W) agreed that a territorial development strategy was essential to land planning. In this connection, the Administration had conducted the HK2030 Study. At present, a number of land development projects, such as the implementation of New Development Areas in Hung Shui Kiu and Northeast New Territories, were being taken forward following the recommendations of the Final Report of the HK2030 Study. However, the progress of these projects had fallen behind schedule by a few years. There was a need to create new land to cater for the new and longer term social and economic developments of Hong Kong. For each policy initiative to increase land supply, the Administration would undertake technical and feasibility studies. After the relevant studies had been completed, the Administration would include the feasible options to the strategic plan. The proposed development of artificial islands in the central waters followed this approach.

9. Mr LEUNG Kwok-hung asked the Administration to provide information relating to the studies, if any, on the notion of developing the ELM, a novel idea proposed in the 2014 Policy Address, to facilitate members to scrutinize the present funding proposal. In reply, PS/DEV(W) said that the background of developing artificial islands in the waters east of Lantau could be traced back to the study on "Enhancing Land Supply Strategy: Reclamation outside Victoria Harbour and Rock Cavern Development" launched in 2011. During the Stage 1 PE conducted as part of the study, there was broad support for a six-pronged approach for enhancing land supply, including reclamation outside Victoria Harbour. Taking the public views on the site selection criteria into consideration, the Administration had examined the whole Hong Kong waters and concluded that the central waters had a great potential for developing artificial islands. In 2013, the public were consulted on the five proposed near-shore reclamation sites as well as the proposed development of artificial islands in the central waters. Having conducted internal broad-brush assessments, the Administration considered that Kau Yi Chau had a potential for artificial island development with a land area of around 600 to 800 hectares ("ha"). Given its proximity to the urban areas, the artificial island could be developed as a new town or a new CBD.

Development of artificial islands as a measure to increase land supply

10. Mr Michael TIEN said that according to the report of the Working Group on Long-Term Fiscal Planning, Hong Kong would have a structural

deficit in 15 years at the latest due to government expenditure growing faster than government revenue and Gross Domestic Product. According to the Administration, one of the factors that impeded the development of Hong Kong was the shortage of land. Citing the reclamation works carried out for various purposes in Singapore as successful examples of land development initiatives, Mr TIEN expressed support for the Administration's proposal to conduct the Study and requested that the process be expedited. He said that, on a new piece of land, there would be great planning flexibility to provide the infrastructure facilities needed for new developments.

11. Mr WU Chi-wai said that according to the 2014 Policy Address, artificial islands in the central waters would provide 1 600 to 2 400 ha of land. However, the present proposal only covered an artificial island with an area of about 600 to 800 ha at Kau Yi Chau. He asked about the possible extent of the reclamation works in the central waters and whether more artificial islands would be explored in other studies.

12. PS/DEV(W) said that the extent and locations of the artificial islands could only be ascertained after the Study had been completed. While it was estimated that the possible artificial island at Kau Yi Chau would provide 600 to 800 ha of land, other artificial islands could possibly be built at Hei Ling Chau and other areas in the central waters. The area of land mentioned in the 2014 Policy Address was the sum of areas of all the artificial islands.

13. Ir Dr LO Wai-kwok supported conducting the proposed Study, which would provide more information for public discussion on whether developing artificial islands in the central waters was preferred. He opined that, while redevelopment or rezoning of land could only provide small and scattered sites for development, reclamation would be a more effective source of land supply that could provide a large piece of developable land. He urged the Administration to address members' concerns expressed at the meeting. Citing the construction of the airport island at Chek Lap Kok as an example of reclamation works causing no adverse impact on water quality, he said that engineering professionals would be able to implement mitigation measures to control the impact of reclamation on the environment to an acceptable level. In response, PS/DEV(W) remarked that, to provide land resources to meet the future needs of Hong Kong in a timely manner, it was necessary for the Administration to conduct studies on various initiatives to increase land supply, including near-shore reclamation outside Victoria Harbour and development of artificial islands.

14. Mr CHAN Kin-por supported the proposed development of artificial islands in the central waters as a means to increase land supply. He said that

the initiative was less controversial than other ones and the cost was relatively low. Moreover, the development of a vast piece of new land would allow great flexibility for planning. He opined that more than one artificial island could be created to accommodate different facilities and developments. He asked if the Administration had made reference to successful overseas experience on reclamation.

15. PS/DEV(W) said that the Administration had made reference to overseas experience but it should be noted that reclamation had a long history in Hong Kong. The Hong Kong boundary crossing facilities island of the Hong Kong-Zhuhai-Macao Bridge under construction was also a sizable artificial island. Currently, the latest technology that would minimize the impact of reclamation on the environment was applied in Hong Kong. In response to Mr CHAN Kin-por's enquiry on whether the hill at Kau Yi Chau could be levelled so that the soil could be used for reclamation, PS/DEV(W) advised that as there were areas of high ecological value at Kau Yi Chau, the pros and cons of levelling the hill would need to be examined carefully.

Details of the Study

Cost of the Study

16. Mr IP Kwok-him pointed out that, as the results of reclamation were irreversible, any decision on whether to proceed with reclamation works should be made in a cautious manner. While supporting the proposal to conduct the Study, he queried about the justifications for the substantial cost of \$226 million. In reply, Head/Civil Engineering Office/CEDD said that in view of the large area in the central waters to be covered by the Study and the complex issues to be examined, a number of technical assessments, by way of computer modeling and field surveys, had to be undertaken to map out the scope of reclamation works for developing artificial islands. Other technical issues, such as land uses and transport links, would also be examined.

Area covered by the Study

17. Pointing out that the construction of artificial islands had been proposed before and after 1997, Mr Gary FAN asked whether the Administration had learnt any lessons from the past decisions on not pursuing the proposal. He expressed grave concern that the area covered by the Study had encroached upon Victoria Harbour, which would be in conflict with the Protection of the Harbour Ordinance (Cap. 531). PS/DEV(W) clarified that the proposal on reclamation in the central waters discussed in the 1990s was for the construction of a container port. After an internal review, the Administration held the view that artificial islands in the central waters could be developed as a new town and a new CBD. The purpose of including part of Victoria Harbour under the Study was to ensure that the provision of transport links between the artificial islands and Hong Kong Island or Kowloon would not affect the harbour.

Impact of reclamation works on the environment

18. Taking in view that there were other reclamation projects under construction or planning in the Hong Kong waters, Mr CHAN Hak-kan and Mr LEUNG Che-cheung expressed concern about the cumulative environmental impact of these works and the proposed development of artificial islands. Sharing similar concerns, Miss Alice MAK requested that the Study should include the impact of artificial islands on the marine and terrestrial ecology as well as the water flow.

19. Mr Gary FAN was worried that the construction of artificial islands in the central waters would have adverse impact on the habitats of White-bellied Sea Eagle and corals in the area. Taking into account that near-shore reclamation was proposed for Sunny Bay and Siu Ho Wan in the North Lantau, and other major reclamation works were underway in the western waters, Mr FAN asked if the Administration would conduct a cumulative environmental impact assessment ("EIA") for the western waters.

20. PS/DEV(W) said that for designated projects, such as the proposed reclamation for the artificial islands, the Administration was required to undertake an EIA in future planning and engineering studies to implement mitigation measures to protect the environment. He acknowledged that there were environmental constraints in the central waters. The Study would examine the impact of artificial islands on the environment, the water flow, port operation and marine safety, etc. and propose mitigation measures.

21. PS/DEV(W) further advised that the Administration was concerned about the carrying capacity of the western waters. As such, CEDD had commenced a cumulative EIA for the three potential near-shore reclamation sites at Sunny Bay, Lung Kwu Tan and Siu Ho Wan in the western waters. The results would be available in the second half of 2014.

22. Mr LEUNG Che-cheung said that he did not support reclamation at Mui Wo in view of the possible adverse impact on the environment and tourism. PS/DEV(W) explained that the extent of reclamation at Mui Wo would only be ascertained after the Study had been completed. If transport links between the artificial islands and Lantau had to be provided, it was likely that reclamation of a small scale at Mui Wo would be required. The Study would see if the scale of reclamation at Mui Wo would be extended to capitalize on the opportunity.

Land uses

23. While supporting the Administration's multi-pronged approach to increasing land supply to address the housing shortage problem, Miss Alice MAK said that it was important that affordable housing would be provided on new land. Her view was shared by Mr CHAN Hak-kan. PS/DEV(W) advised that taking the possible artificial island at Kau Yi Chau of 600 to 800 ha as an example, it could have both commercial and residential developments.

Transport links

24. Miss Alice MAK opined that it was necessary to provide tunnels or an elevated road network to connect the proposed artificial islands with other parts of the territory and to study the carrying capacity of the connecting points. Mr LEUNG Che-cheung and Mr CHAN Han-pan stated support for the proposal to conduct the Study but stressed that the local residents as well as the public should be fully consulted. Concerned about the external connectivity of the proposed artificial islands, they opined that the ferry would not be an effective means of transport and suggested that a railway or a road network be provided. Mr CHAN asked if the Administration would take the opportunity of developing artificial islands to enhance the external connectivity of the outlying islands in the central waters.

25. Mr Michael TIEN pointed out that passenger demand for the West Rail had already exceeded its design capacity during peak hours and the West Rail could not cope with the future increase in population in the proposed Hung Shui Kiu New Development Area. He suggested that

consideration should be given to constructing a new railway for the western part of the territory linking up Hong Kong Island West, the proposed artificial islands, Sunny Bay, Siu Lam and Tuen Mun. He asked if the Study would examine the use of railway as the major means of transport for the artificial islands and the construction of a new railway with the proposed alignment.

26. PS/DEV(W) noted members' suggestions and confirmed that the Study would examine the connectivity of the artificial islands with other parts of the territory, including the use of the railway as one of the options, taking into consideration the cost-effectiveness of each option. He added that railway was the backbone of public transport in Hong Kong.

27. Dr CHIANG Lai-wan expressed support for the proposal to conduct the Study. She held the view that, as reclamation was costly and would inevitably have an impact on the environment and the livelihood of the fishermen, the Administration should conduct studies on the measures to mitigate the impacts. She asked if the Study would cover the feasibility of providing a connecting route between the artificial islands and the western part of Hong Kong Island or Kowloon West.

28. PS/DEV(W) said that according to the Administration's preliminary idea, the artificial islands in the central waters could be connected to Lantau North and further to New Territories West as well as the western part of Kowloon and Hong Kong Island. The Study would examine the transport links in detail.

Impact on the fisheries industry

29. In response to Miss Alice MAK's concern about the impact of the development of artificial islands on the livelihood of the fishermen, PS/DEV(W) said that the Study would earmark about \$15 million for a fisheries impact assessment to assess the potential impact and formulate necessary mitigation measures. The Administration would also explore the use of the Sustainable Fisheries Development Fund, which had been approved by LegCo in January 2014, to promote the sustainable development of the local fisheries industry. He added that after conducting a preliminary survey on the Hong Kong waters, it was found that only a few fish culture zones were present in the central waters.

30. Mr CHAN Hak-kan pointed out that the proposed artificial islands would inevitably have an impact on the livelihood of the fishermen who had already been facing a difficult operating environment arising from the trawl

ban and the reclamation projects under progress/planning. He asked whether the Administration would formulate a strategy for the development of the fisheries industry. In reply, PS/DEV(W) said that the Administration would, in collaboration with the fisheries industry, explore new methods and measures that could modernize the industry and promote its development. Mr CHAN expressed disappointment on the Administration's reply and considered that it had proposed no concrete measures.

31. Mr CHAN Han-pan said that the fisheries industry objected to reclamation projects and was very disappointed with the Administration's lukewarm response to its request for assistance on the development of the industry. He asked if the Administration would review its policy in this respect. PS/DEV(W) said that the Administration was mindful of the request of the fisheries industry. He reassured members that, apart from the fisheries impact assessment, the Administration would make use of the Sustainable Fisheries Development Fund to facilitate the development of the industry.

Materials used for reclamation works

32. Pointing out that the public fill bank at Tseung Kwan O was already full and the Administration had to use public money to deliver excess public fill to Tai Shan, Mr CHAN Hak-kan enquired whether the Study would examine the use of public fill and municipal solid waste ("MSW"), the latter of which was used by Singapore, in reclamation works. Mr LEUNG Che-cheung also asked whether sufficient public fill would be available locally for the construction of the artificial islands.

33. PS/DEV(W) advised that the land reclaimed in Singapore using MSW was for conservation purpose rather than development. The amount of materials required for constructing the artificial islands could only be ascertained after the extent of reclamation was known. The Administration would strive to use materials available locally for reclamation, including public fill and MSW, if found suitable.

Public consultation on the development of artificial islands

34. Miss CHAN Yuen-han expressed concern about overdevelopment in Hong Kong. She called on the Administration to proceed cautiously with the proposal of developing artificial islands in the central waters in view of the impact on the environment and the livelihood of the fishermen. She stressed that a balance had to be achieved between increasing land supply for housing and conserving the environment. She enquired about the public views collected during the Stage 2 PE on "Enhancing Land Supply Strategy: Reclamation outside Victoria Harbour and Rock Cavern Development". According to her understanding, there were public concerns about the construction of artificial islands. She supported the proposal that a special meeting to receive public views on the Study be held so that the fisheries industry, green groups and the public might make their views known to the Panel.

35. PS/DEV(W) said that the Administration had adopted an open attitude to hearing public views on enhancing land supply strategy. The results of the Stage 1 PE showed that the respondents generally agreed on the initial site selection criteria for reclamation outside Victoria Harbour, among which the impacts on the local community and the environment were the most important ones. During the Stage 2 PE, CEDD had discussed with fishermen associations on how to minimize the impact of near-shore reclamation on the operation of the fisheries industry. Preliminary assessments concluded that the central waters had a good potential for developing artificial islands. However, the proposed Study was needed to ascertain the preliminary engineering feasibility and evaluate the environmental implications.

36. Given the vast area of the proposed artificial islands, which could be up to 2 000 ha, and their impact on the cityscape and the environment, Dr Fernando CHEUNG stressed that the Administration should conduct a thorough public consultation on the proposal. He noticed that the Administration had not launched any publicity or consultation exercise on it. He said that the public had expressed objection to reclamation during the Stage 1 PE. At the Stage 2 PE, no concrete information on the extent and locations of the artificial islands had been given to the public. It was only when the Administration submitted the present proposal that Kau Yi Chau and Hei Ling Chau were mentioned as the locations for developing artificial islands. He considered that the Administration had cheated the public by not disclosing the proposed locations during the past PE exercises. He was opposed to the present proposal and held the view that the Administration should first study all other sources of land supply before considering

reclamation and artificial islands. He supported that the Panel should conduct a fresh round of public hearing to gather views on the present proposal. Mr Gary FAN also queried why the proposed location of Kau Yi Chau had not been mentioned during the PE exercises.

37. PS/DEV(W) clarified that during the Stage 1 PE, the Administration had put forward 25 proposed reclamation sites for public discussion on the site selection criteria and one of the sites was near Peng Chau and Hei Ling Chau. During the Stage 2 PE, the opportunity of developing artificial islands in the central waters was identified for public consultation. Given the complex technical issues associated with the development of artificial islands in the central waters, the extent and the locations could not be ascertained before the Study had been completed.

38. On whether a fresh round of consultation should be conducted, Mr YIU Si-wing held the view that it would be useful if the consultation was to be a more comprehensive exercise and would give more useful information for deliberation. Otherwise, a fresh round of consultation might not be necessary. He sought details from the Administration on the public consultation undertaken during the Stage 2 PE.

39. PS/DEV(W) explained that the Administration had organized different activities to seek public views during the Stage 1 and Stage 2 PE, including attending the special meetings of the Panel to receive public views. As land development was a long process which spanned over many years, the Administration would consult the public at different stages of the process. He assured members that stakeholder consultation activities would be organized under the Study.

40. Mr CHAN Kin-por stressed the importance for the public to be provided with correct and complete information during the PE exercises regarding the pros and cons of each land supply option, including reclamation, so that they would make an informed choice. He was concerned that, without sufficient information, public discussion on land development options would be dragged on, affecting the pace of development of Hong Kong. He held the view that the Study would provide more information for the public to discuss whether artificial islands in the central waters should be pursued. PS/DEV(W) assured members that the Administration would provide adequate information to the public to gauge their views at each stage of the land development process.

Development of Lantau

41. Mr YIU Si-wing considered that reclamation should be the last resort as a measure to increase land supply. He asked if the Administration had considered developing the country park at Lantau, which occupied 75% of the land on the island, for housing and other uses to obviate the need for or reduce the extent of reclamation. Mr CHAN Han-pan sought clarification from the Administration on whether the country park at Lantau would be used for development.

42. PS/DEV(W) pointed out that developing the country park was a highly contentious issue with no public consensus at present. The Administration had no plan to develop the country park and would continue to listen to public views on the issue. As most country parks were located in remote areas, the provision of infrastructure facilities and transport networks would be another issue for consideration. The Administration considered that reclamation was a more preferable option for increasing land supply due to its relatively lower environmental impact.

43. Mr WU Chi-wai enquired whether the Study would take into account the Revised Concept Plan for Lantau, formulated in 2007, in considering the planning constraints for the proposed artificial islands. He was concerned that the landing sites for the transport links to/from the artificial islands would be provided at environmentally sensitive areas at Lantau. He would not support the funding proposal if the Revised Concept Plan for Lantau was not adopted as a basis for the Study.

44. PS/DEV(W) advised that the Revised Concept Plan for Lantau did not touch on potential artificial islands development in the central waters. The Study, of which the focus was to examine the feasibility of constructing artificial islands in the central waters, would make reference to the Revised Concept Plan for Lantau. The development of Lantau would be discussed in the Lantau Development Advisory Committee and the Revised Concept Plan for Lantau would be the basis of discussion.

Population policy

45. Ms Cyd HO said that she was opposed to the present proposal due to the lack of a population policy in Hong Kong and the grave environmental impact of reclamation works. With a low birth rate, Hong Kong's population growth was mainly attributable to immigration. There was no public consensus on the policy of accepting Mainland immigrants for reasons other than family reunion. Artificial islands were no guarantee that the living quality of Hong Kong people could be improved or Hong Kong's homogenous economy could be diversified. The public were also concerned

that housing on new reclaimed sites would only be developed for the rich Mainlanders. She considered that it was irresponsible for the Administration to put forward reclamation and artificial islands proposals without first formulating a population policy. She was also dissatisfied that the Administration had not included population and social impact assessments in the Study. Given the wide implications of building artificial islands in Hong Kong, she opined that inter-departmental efforts should be involved in the impact assessments.

46. PS/DEV(W) said that management on both demand side and supply side of land development planning had to be done concurrently. The future uses of newly developed land could only be ascertained after conducting the relevant feasibility and technical studies.

Special meeting to receive views

47. Referring to the letter from Mr Gary FAN which had been tabled at the meeting, the Chairman sought members' views on whether the Panel should hold a special meeting to receive public views on the present proposal. Mr IP Kwok-him queried about the focus of the hearing at this stage. Mr Abraham SHEK opined that it would be preferable for the Panel to hold a meeting to receive views after the findings of the Study were available. Taking into consideration that the previous PE exercises conducted by the Administration had not covered ELM and the development of artificial islands to be a new CBD, Mr LEUNG Kwok-hung and Dr Fernando CHEUNG supported that the Panel should hold a special meeting to receive views on the proposal. The Chairman put the suggestion of holding such a meeting to vote. Three members voted for and eight members voted against the suggestion. The Chairman decided that the Panel would not hold a special meeting to receive views on the proposal at this stage.

Submission of the funding proposal to the Public Works Subcommittee

48. The Chairman invited members to indicate whether they supported the submission of the funding proposal to PWSC for consideration. The Chairman put the question to vote. Dr Fernando CHEUNG requested a division. Of the 15 members present, 13 members voted. Ten members voted for and three members voted against the proposal. The voting result was as follows:

For

Mr CHAN Kam-lam
Mr Abraham SHEK

Mrs Regina IP
Mr Michael TIEN

Mr CHAN Hak-kan
Mr CHAN Kin-por
Mr IP Kwok-him
(10 members)

Mr YIU Si-wing
Dr CHIANG Lai-wan
Ir Dr LO Wai-kwok

Against

Mr LEUNG Kwok-hung
Mr WU Chi-wai
(3 members)

Dr Fernando CHEUNG

49. The Chairman concluded that the Panel supported the Administration's submission of the proposal to PWSC for upgrading the Study and associated site investigation works (PWP Item No. 768CL) to Category A.

II Revision of fees for services under the purview of the Buildings Department

(LC Paper No. CB(1)1100/13-14(10) -- Administration's paper on revision of fees for services under the purview of the Buildings Department)

50. Deputy Secretary for Development (Planning and Lands)2 ("DS/DEV(P&L)2") briefed members on the Administration's proposal to revise eight fee items in respect of application for approval of plans of building works and licensing of oil storage installations by the Buildings Department ("BD"). The details were set out in the Administration's paper (LC Paper No. CB(1)1100/13-14(10)).

Frequency of adjustment of fees

51. Mr YIU Si-wing stated support for the "user pays" principle and the setting of fees and charges at levels sufficient to recover the full cost of providing the services. Given that the fees in respect of the applications for approval of plans of building works as well as alteration and addition works had been last revised in 1995, Mr YIU expressed concern that the one-off adjustment of 27% would have an impact on the users as the increase was significantly higher than the annual inflation and would be beyond the users' expectation. He suggested that a review mechanism should be established under which any adjustment should be made in a shorter timeframe to spread out any increases.

52. DS/DEV(P&L)2 explained that under the existing policy, BD would conduct regular reviews on the fees and charges under its purview. For instance, the fees under the Building (Oil Storage Installations) Regulations ("B(OSI)R") under the present proposal had been last revised in 2011. As regards the fees under the Building (Administration) Regulations ("B(A)R"), which had been last revised in 1995, he advised that the Administration had frozen most fees and charges during late 1990s and early 2000s amid the unfavourable economic conditions. Furthermore, BD had been taking measures to reduce or contain the costs of providing services through efficiency enhancement, delegation of authority and streamlining work procedures. These measures had reduced the relevant costs and hence had to some extent obviated the need to adjust the fees earlier. After a recent review on the relevant costs, the Administration considered that it was necessary to make adjustments to the fees in order to achieve full cost recovery. He noted Mr YIU's views and would take it into account in future fee adjustments.

The "user pays" principle

53. While expressing support for the "user pays" principle, Mr IP Kwok-him stressed that the implementation of the principle and full cost recovery should be subject to the actual circumstances. For instance, if the fees were directly related to people's livelihood, the Administration should be more cautious in making adjustments. As the present proposals were not directly related to people's livelihood, he would support the adjustments.

54. Dr CHIANG Lai-wan asked whether BD had suffered a loss in processing the applications for approval of plans of building works in the past 19 years, during which the relevant fees had not been adjusted. She also enquired whether BD and other departments under the Development Bureau had duly reviewed the fees under their purview and would make adjustments in the future. In reply, DS/DEV(P&L)2 reiterated that BD would conduct regular reviews on the fees under its purview and would strive to attain full cost recovery in accordance with the "user pays" principle.

Submission of applications before fee adjustment

55. As an adjustment of 27% was not a small extent, the Deputy Chairman expressed concern that there might be a last-minute rush to submit the relevant applications under B(A)R before the adjustments took effect.

56. DS/DEV(P&L)2 said that subject to members' views on the proposed revisions, the Administration planned to table the legislative amendments to B(A)R and B(OSI)R to LegCo in the second quarter of 2014 to bring the fee

adjustments into effect. As the fees under B(A)R were insignificant when comparing with the property development costs, he believed that there would not be a last-minute rush to submit applications before the commencement of the fee adjustments. Assistant Director/Corporate Services, Buildings Department added that when the stakeholders were consulted by BD, they had no comment on the proposed revisions but requested that the application processes under B(A)R be expedited. He pointed out that at present, BD processed the applications according to the timeframes stipulated in the relevant ordinance. The Administration had considered various measures to speed up the process for the approval of plans in response to the industry's request. By way of illustration, the industry were allowed to discuss with BD the plans of building works informally before the applications were submitted so to facilitate the subsequent processing.

III Any other business

57. There being no other business, the meeting ended at 6:31 pm.

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