

**立法會**  
**Legislative Council**

LC Paper No. CB(1)214/14-15  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/DEV/1

**Panel on Development**

**Minutes of meeting**  
**held on Tuesday, 24 June 2014, 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 Emily LAU Wai-hing, 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-ye, GBS, JP  
Hon Alan LEONG Kah-kit, SC  
Hon Albert CHAN Wai-yip  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon James TIEN Pei-chun, GBS, JP  
Hon WU Chi-wai, MH  
Hon YIU Si-wing  
Hon Gary FAN Kwok-wai  
Hon CHAN Chi-chuen  
Hon CHAN Han-pan  
Hon CHAN Yuen-han, SBS, 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 attending** : Hon Claudia MO  
Dr Hon Helena WONG Pik-wan

**Members absent** : Hon Abraham SHEK Lai-him, GBS, JP  
Hon LEUNG Kwok-hung  
Dr Hon Kenneth CHAN Ka-lok  
Hon LEUNG Che-cheung, BBS, MH, JP

**Public officers attending** : **Agenda item III**

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

Mr Rex CHANG Wai-yuen, JP  
Deputy Secretary for Development (Planning and Lands)<sup>2</sup>  
Development Bureau

Ms Winnie SO Chui-ying  
Principal Assistant Secretary (Planning and Lands)<sup>4</sup>  
Development Bureau

**Agenda item IV**

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

Mr Albert LAM Kai-chung, JP  
Deputy Secretary (Works)<sup>1</sup>  
Development Bureau

Miss Vivian KO  
Commissioner for Heritage  
Development Bureau

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

Mr YEUNG Kong-sang  
Chief Engineer / Railway Development 1-3  
Highways Department

**Attendance by  
Invitation**

**: Agenda item III**

Mr Victor SO Hing-woh, JP  
Chairman  
Urban Renewal Authority

Ms Iris TAM Siu-ying, JP  
Managing Director  
Urban Renewal Authority

Mr Pius CHENG Kai-wah  
Executive Director (Commercial and Operations)  
Urban Renewal Authority

Mr Ian WONG Wai-kuen  
Director, Acquisition and Clearance  
Urban Renewal Authority

Mr Lawrence TANG Kwan-lam  
General Manger (Building Rehabilitation)  
Urban Renewal Authority

**Agenda item IV**

Mr Andrew LAM Siu-lo, JP  
Chairman  
Antiquities Advisory Board

Mr Kelvin WU  
Senior Liaison Engineer  
MTR Corporation Limited

Ms Peggy WONG  
Project Manager  
ERM -- Hong Kong Limited

**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

Miss Joey LAW  
Clerical Assistant (1)6

Action

- I Information papers issued since the last meeting**  
(LC Paper No. CB(1)1518/13-14(01) -- Administration's response to the letters dated 10 April and 20 May 2014 from Hon Gary FAN Kwok-wai and Dr Hon KWOK Ka-ki on discovery of historical remains at the works site of Shatin to Central Link (LC Paper Nos. CB(1)1259/13-14(01) and CB(1)1479/13-14(01))
- LC Paper No. CB(1)1578/13-14(01) -- Administration's response to the letter from Dr Hon Kenneth CHAN Ka-lok and Dr Hon KWOK Ka-ki dated 29 April 2014 on the planning issues related to the property development project at West Rail Yuen Long Station (LC Paper No. CB(1)1341/13-14(01))

LC Paper No. CB(1)1629/13-14(01) -- Administration's paper on Proposed revision of fees and charges under the Aerial Ropeways (Safety) Ordinance under the purview of the Electrical and Mechanical Services Department)

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

## **II Items for discussion at the next meeting**

(LC Paper No. CB(1)1623/13-14(01) -- List of outstanding items for discussion

LC Paper No. CB(1)1623/13-14(02) -- List of follow-up actions)

2. The Chairman reminded members that a special meeting of the Panel had been scheduled for Monday, 7 July 2014, at 2:30 pm to discuss four agenda items. The notice of the meeting and the agenda had been issued to members on 6 June 2014.

3. Members agreed that the item proposed by the Administration, "PWP Item No. 065TR -- Detailed Feasibility Study for Environmentally Friendly Linkage System for Kowloon East", would be discussed at the next regular meeting scheduled for Wednesday, 16 July 2014, from 9:00 am to 11:00 am.

*(Post-meeting note: Due to time constraint, the item "PWP Item No. 13GB -- Liantang/Heung Yuen Wai Boundary Control Point and Associated Works -- Progress Update for Buildings and Associated Facilities" originally scheduled for discussion at the meeting on 24 June 2014 had been deferred to the meeting on 16 July 2014. At the request of the Administration and with the concurrence of the Chairman, a new item "Pilot Scheme for Arbitration on Land Premium" was added to the agenda of the meeting on 16 July 2014. To allow more time for discussion, the meeting had been extended to end at 12:15 pm. Members were notified of the above meeting arrangements vide LC Papers Nos. CB(1)1720/13-14 and CB(1)1794/13-14 on 30 June and 14 July 2014 respectively.)*

### **III Work of the Urban Renewal Authority**

(LC Paper No. CB(1)1623/13-14(03) -- Administration's paper on the work of the Urban Renewal Authority

LC Paper No. CB(1)1623/13-14(04) -- Paper on the work of the Urban Renewal Authority prepared by the Legislative Council Secretariat (Updated background brief))

4. The Secretary for Development ("SDEV") highlighted the work of the Urban Renewal Authority ("URA") in 2013-2014 and the background of the review on the "Demand-led Redevelopment Project Pilot Scheme" ("the Demand-led Scheme") currently conducted by URA.

5. The Chairman of URA ("Chairman/URA") said that URA had a net operating deficit, first time in five years, of \$2.3 billion for 2013-2014. It was estimated that in the five years from 1 April 2014 to 31 March 2019, a total expenditure of about \$33 billion, excluding operational overheads, would be required by URA to meet the costs of all projects contained in its 2014-2015 to 2018-2019 Corporate Plan. The operating deficit was attributed to three main factors, namely, (i) limited scope for increasing the plot ratios of the sites to be redeveloped; (ii) the sluggish property market; and (iii) high redevelopment costs, including high compensation for owner-occupiers of properties to be redeveloped, in particular those of street-front shops, as well as the rising construction costs. Although URA still had a sound financial position, it was expected that the Authority would face tough challenges in the future. As such, URA had set up an Ad hoc Committee in April 2014 to, inter alia, oversee a review on the fundamentals of the Demand-led Scheme. The views of three District Councils and URA's seven District Advisory Committees had been sought. When the results of the review were ready, with suitable adjustments to the Scheme as and when necessary, URA would launch the fourth round of invitation for applications under the Scheme. He welcomed members' views on the Scheme.

6. With the aid of a powerpoint presentation, Managing Director of URA ("MD/URA") briefed members on the work of URA in 2013-2014, its future work plan and details of the review on the Demand-led Scheme.

(*Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members via LC Paper No. CB(1)1682/13- 14(01) by email on 25 June 2014.*)

Approaches to urban renewal

7. Dr KWOK Ka-ki expressed disappointment about the slow pace of URA's work in urban renewal. He said that URA's redevelopment projects had often torn down the fabric of the communities previously formed in the redevelopment areas, as the affected property owners were unable to afford the high-priced redeveloped properties and move back to the areas. With reference to overseas examples, he suggested that URA should consider adopting the approach of co-operative housing society in redevelopment. Under this approach, URA was to facilitate the relevant owners in a redevelopment project, while the owners would be responsible for the redevelopment costs, with certain forms of financial assistance such as offering of reverse mortgage or subsidies for rents. Any profits generated from the redevelopment projects would accrue to the owners, who would own the redeveloped properties.

8. The Deputy Chairman also suggested that URA should consider inviting the affected owners to participate in the redevelopment projects and share the costs and profit/loss. However, this approach, if implemented, had to be undertaken with care, as the affected owners were not prepared for any loss from investing in the redevelopment projects.

9. Chairman/URA stressed that URA was committed to addressing Hong Kong's acute urban decay problem and the purpose of a redevelopment project was definitely not the pursuit of profits. The Ad hoc Committee, other than reviewing the Demand-led Scheme, would also consider the rehousing arrangements for affected owners in the original neighbourhoods. As regards the co-operative approach suggested by members, Chairman/URA opined that it would unlikely be financially viable, given the limited scope for increasing the development intensity of a site by way of redevelopment. He advised that, under the existing planning policy, an aged building in the urban areas which might have a plot ratio of well above 10 could only be redeveloped into a new one with plot ratios 7.5 and 1.5 respectively for the residential and the commercial portions.

10. Mr CHAN Hak-kan pointed out that most URA redevelopment projects were undertaken in partnership with private developers and therefore the prices of the redeveloped properties were set at a high level

beyond the affordability of the general public. As such, it would be impossible for the middle and lower classes to afford the new flats in the redeveloped areas. They had no choice but to move away from the urban areas. He suggested that URA should consider collaborating with the Hong Kong Housing Society ("HKHS") to redevelop old buildings in the urban areas into subsidized housing for the lower and middle classes. He also asked how URA would respond to the recommendations of the Long Term Housing Strategy Steering Committee that the Authority should provide more small and medium-sized flats.

11. Ms CHAN Yuen-han suggested that URA could co-operate with HKHS and co-operative housing societies in undertaking redevelopment projects to provide housing for specific target groups, such as the elderly.

12. Chairman/URA responded that while the development of subsidized housing was under the purview of the Transport and Housing Bureau ("THB"), URA adopted an open attitude in playing a role in the provision of subsidized housing. He advised that, in a number of redevelopment projects, URA had required the developers to provide small and medium-sized flats of around 400 to 500 square feet. The Ad hoc Committee would study the role of URA in providing subsidized housing units. He said that the average price of the units of a recent redevelopment project in Sham Shui Po, which was set at less than \$10,000 per square foot, was more affordable.

13. SDEV advised that URA was allowed to undertake redevelopment projects by itself, i.e. without engaging private developers as joint venture partners. However, it would be up to the URA Board to decide the appropriate approach, taking into account the pros and cons of both. There was also no prohibition on URA collaborating with HKHS to redevelop a site to provide subsidized housing units or units for specific groups. The provision of subsidized housing was under the purview of THB.

#### Review on the Demand-led Scheme

14. The Panel noted that the Ad hoc Committee had identified the following possible aspects of the Demand-led Scheme for further deliberation: (a) the possibility of raising the application threshold of owners' consent to ensure maximum support for a demand-led project at the outset; (b) the feasibility of raising the minimum application site area to optimize planning gain for the redevelopment; and (c) the feasibility of requiring future applicants to declare if the buildings covered by the application had any outstanding building orders, the existence of which



would be a discount factor in the application's score during the selection process.

15. The Deputy Chairman said that, with a large number of aged buildings in Hong Kong, URA played an important role in urban renewal. He considered the Demand-led Scheme a preferred approach for facilitating redevelopment of aged buildings, as the redevelopment projects were to be initiated by property owners proactively rather than having the owners accepting the redevelopment passively. In view of the small number of applications approved under the Scheme in the past three years, he had urged the Administration to conduct a review. He agreed that the minimum application site area, which was set at 400 square metres at present, should be reviewed, taking into consideration that the work of URA should achieve the regeneration of larger areas rather than the development of "toothpick" buildings.

16. On URA's proposal to require future applicants to declare if the buildings covered by the application had any outstanding building orders, Ms Claudia MO considered that URA should show more understanding when handling those cases where the property owners had failed to arrange building repair works. She said that the owners of these buildings, most of which did not have owners' corporations ("OCs"), were mostly elderly people who needed assistance.

17. Ms Cyd HO said that URA had reaped handsome profits at the expense of the property owners whose properties had been acquired for redevelopment at unreasonably low prices. She suggested that the review on the Demand-led Scheme should include the compensation for owners of street-front shops as well as residential units. She pointed out that if an affected shop had only been purchased a few years before URA made an acquisition offer, the offer available to the owner would likely be substantially below the purchase price.

18. MD/URA explained that, for the owner-occupiers of properties affected by URA' redevelopment projects, the acquisition offer was based on the value of a 7-year-old replacement flat in the same locality. This rate, roughly around double the market price of the affected property, would allow the owner-occupier to purchase a replacement property in a similar district. She said it was inappropriate to compare the acquisition price with the selling price of a redeveloped property, given that in a booming property market, the property price would rise, and vice versa. In a booming market, the replacement flats bought by the affected owners would also enjoy an increase in property values. She added that in one selected project from the

first round of applications, the decision of one shop-owner holding more than 20% of the undivided shares of the lot had been critical to the successful implementation of project. Drawing lessons from this case, for the second-round applications, URA had required that any owner with more than 20% of the undivided shares of the lot concerned had to be one of the applicants.

19. Mr James TO declared that he was a non-executive director of URA. He said that the Demand-led Scheme was a proposal under the new Urban Renewal Strategy ("URS") launched in 2011, which had been formulated after an extensive consultation for a few years. The review on the first URS had been led by the Development Bureau. He queried about the justifications for conducting a review on the Scheme after it had been implemented for only some three years. He further questioned that there were no significant changes during the three-year period which had rendered the Scheme financially unviable, except that during this three-year period, there were a new Chief Executive, a new SDEV and a new Chairman of URA. He urged SDEV and Chairman/URA to uphold the 'people first' principle of the 2011 URS when considering any changes to the existing policies on redevelopment. Mr TO opined that any review on URA's schemes related to the principles promulgated under the new URS should be led by SDEV, who should show his courage to do so, rather than by URA.

20. SDEV said that Mr James TO's remarks targeting individual officials were unnecessary and unfair. He said that the Demand-led Scheme had been launched as a pilot scheme. Given that the eight projects commenced so far had incurred financial loss, the Administration and URA considered it opportune to conduct a review on how the Scheme should be enhanced before launching another round of invitation for applications. The Administration had not set any framework for the review; nor had it any pre-determined positions on how the Scheme should be taken forward in future.

21. Chairman/URA said that back in 2011, when the Demand-led Scheme had yet to be launched, the construction cost was much lower than the cost now. Although the property price had already been on a rising trend at that time, the financial loss incurred by the first round of demand-led projects was not significant. However, with the construction cost at \$4,000 per square foot at present and the huge compensation to be paid out to the affected property owners, it was envisaged that the financial loss from demand-led projects would continue to rise. A review on the Scheme was therefore necessary.

### Compensation issues and the need to review the new Urban Renewal Strategy

22. While showing support for the work of URA in recent years, such as the launch of the Flat-for-flat ("FFF") Scheme, Miss CHAN Yuen-han considered that some issues related to urban renewal stood unresolved, such as compensation and the opposite positions on redevelopment between owners of upper-floor residential units and street-front shops. She commented that the frontline staff of URA were becoming more and more bureaucratic when handling the demands of affected owners and occupiers.

23. SDEV replied that in the implementation of redevelopment projects, there would inevitably be some stakeholders who were not satisfied with the compensation. He said that he had frequent exchanges with Chairman/URA and his senior team during regular bi-monthly meetings. His observation was that URA staff members were very dedicated to the mission of urban renewal and had offered their utmost assistance to those affected as far as practicable.

24. Ms Claudia MO expressed concern on the large difference between the acquisition offers of URA to owners of street-front shops and those of residential units in redevelopment projects. She said that, due to the booming retail business, there were cases where the acquisition prices for street-front shops accounted for 40% of the total acquisition costs of a redevelopment project. On the other hand, the owners of the residential units affected by the same project were completely dissatisfied with the acquisition prices and compensation. She asked if the Administration would review the policy on acquisition.

25. Chairman/URA responded that the acquisition offers made to property owners affected by redevelopment projects were determined pursuant to the principles approved by the Finance Committee in 2001 for resumptions in the urban areas and most of the owners had found the offers acceptable.

26. Dr Fernando CHEUNG said that URA had amassed a significant amount of financial reserve over the past 13 years. Despite that URA's mission was to improve the environment and living conditions of residents in old districts by adopting the 'people first' principle in urban renewal, the affected owners could not benefit from the redevelopment projects. The Administration was empowered to resume property interests under the Lands Resumption Ordinance (Cap. 124) for urban renewal. So far, no owners had

been successful in their appeals to the Lands Tribunal against the amount of compensation offered by URA. Since the prices of the redeveloped properties were beyond their affordability, these affected property owners could not move back to live in the redeveloped areas. He queried how URA's work could improve the living conditions of residents in old districts and the effectiveness of the FFF Scheme. He urged the Administration to undertake a review on the new URS as soon as possible.

27. SDEV said that the new URS had been formulated after several rounds of public consultation over two years. At this stage, the Administration had no plans to conduct a comprehensive review on URS as most of the new initiatives launched pursuant to the 2011 URS were only at their pilot stage.

28. Mr WU Chi-wai considered that in making the remark that the Administration would not review URS at this stage, SDEV had failed to grasp public sentiments on urban renewal. Citing the case of the "Thirteen Streets" in To Kwa Wan, Mr WU said that the property owners in the area and URA both agreed that those old buildings should be redeveloped, but the project had not proceeded just because it was considered financially unfeasible. He asked how the Administration would take forward those redevelopment projects which were rejected by URA on financial grounds. He suggested that the Administration should study the feasibility of requesting Hong Kong Housing Authority ("HKHA") to help redevelop those buildings into subsidized housing. SDEV said that at this stage, there was no need to review URA's role in urban renewal as stated in the 2011 URS as it had been drawn up after extensive public consultation over a two-year period. As regards the pace and details of the implementation of the recommendations under the 2011 URS, SDEV acknowledged that there could be room for further improvement.

29. Mrs Regina IP held the view that it was necessary to review URS and the operating mode of URA, since the principle that guided urban renewal at present was inherited from the "big market, small government" principle of the former colonial government, which leveraged on the value of land to finance the operation of URA. She considered that it was not uncommon for organizations to suffer from financial downturn from time to time. Insofar as URA's mission was to improve the environment of old urban areas and the living conditions of the residents in these areas, once it was concluded that an old area should be redeveloped, cost implication should not be URA's primary concern.

30. Mr Alan LEONG said that the new URS had been promulgated against the background that the previous strategy had failed to address public aspiration. The public therefore had high expectations that with the implementation of the 2011 URS, the work of URA on urban renewal would improve. However, the small number of successful cases under the FFF Scheme, the Demand-led Scheme and the facilitating service showed that the work of URA in these three years had not achieved any concrete results. He suggested that the Administration should review the effectiveness of the implementation of the various new measures recommended under the 2011 URS.

31. SDEV said that the new measures recommended in the 2011 URS had only been implemented for about two and a half years. It would take time to consolidate experience to map out any improvements. He considered that a comprehensive review of the 2011 URS premature. On individual measures, URA had already started a review on the Demand-led Scheme. He considered that a prudent approach for mapping out the way forward. He further advised that the Administration was conducting an internal study on the Urban Renewal Plan for Kowloon City submitted by the Kowloon City District Urban Renewal Forum. All these reviews and studies would take time. Chairman/URA added that the Ad hoc Committee would review the Demand-led Scheme in the light of the experience gained from processing the three rounds of applications with a view to improving the Scheme. Another review on enhancing the facilitating role of URA was also being conducted.

32. Mr Albert CHAN said that the public's expectations on and demands for urban renewal had been evolving. It was unacceptable for the Administration to conclude that a review on the new URS at this stage was not needed. He said he was disappointed that when Chairman/URA had been working for HKHS, due to financial reasons, HKHS had sacrificed public interest by abandoning the redevelopment project in Tsuen Wan. Given that the Administration's capital injection of \$10 billion into URA was to enable it to undertake unprofitable redevelopment projects, URA should not shirk its responsibilities by refusing to undertake redevelopment projects which were considered to have no financial gains. He urged URA to uphold the 'people first' principle and preserve local values in the urban renewal process.

33. Chairman/URA clarified that the Tsuen Wan project, previously planned by the former Lands Development Corporation, suffered financial loss and so the Administration had asked if HKHS would be willing to take it

up. After considering its resource position at the time, HKHS had decided not to take up the project.

### Civil Servants Co-operative Building Society Scheme

34. Ms Cyd HO suggested that the Administration and URA should actively consider redeveloping the buildings constructed a few decades before under the Civil Servants Co-operative Building Society Scheme ("CBS"). These buildings were mostly low-rise buildings with plot ratio gains through redevelopment. In her view, the main hurdle for the redevelopment of these buildings was that the Administration and the owners could not agree on the land premium to be paid to the Government if the land was to be redeveloped. She called on URA to liaise with the Lands Department to resolve the issue. Mr WU Chi-wai enquired whether URA would act as a facilitator in the discussions on land premium charging for redeveloping CBS buildings. Sharing similar views, the Deputy Chairman suggested that consideration should be given to redeveloping CBS buildings.

35. SDEV advised members that the Administration's review on redeveloping CBS buildings was still on-going. The issues involved were complicated and the scope for increasing the development intensities for some CBS sites was limited. From a preliminary assessment, it was found that redevelopment of CBS buildings would involve subsidies with public monies. As most of these buildings were in better condition than the other aged private buildings, the Administration had to consider where best to put the finite public resources. There were also concerns about giving double subsidies to the owners of CBS units. The Administration would carry on with the review and report the results to the Panel in due course.

### Financial position of the Urban Renewal Authority

36. Referring to Chairman/URA's remarks that there was only limited scope for increasing the plot ratios of the sites to be redeveloped and this would likely lead to financial loss for new projects, Ir Dr LO Wai-kwok urged the Administration to review the long-term policy to deal with the redevelopment of aged buildings in Hong Kong. In the short term, consideration could be given to enhancing the planning parameters, such as relaxing the plot ratios and height restrictions to make redevelopment projects financially more viable.

37. In reply, SDEV said that the planning parameters had been specified in the relevant outline zoning plans. It would be unfair to other developers if

these parameters were relaxed for URA alone. Minor adjustments to the parameters could however be achieved through the statutory town planning procedures.

38. Dr KWOK Ka-ki said that URA's work on rehabilitation of aged buildings would possibly cause financial loss. He asked if the Administration would provide financial support to URA by way of capital injection. Ms Claudia MO enquired whether URA would request such support from the Administration.

39. Dr CHIANG Lai-wan declared that she was a non-executive director of URA. She was concerned whether URA would not take up new redevelopment projects which would incur loss. Given the large number of aged buildings in Hong Kong, she was worried about the slow pace of redevelopment work undertaken by URA. She asked the Administration to review the role and position of URA. She opined that, so long as urban renewal was beneficial to the community, the Administration should provide the necessary financial support for URA's work in this aspect.

40. In response, Chairman/URA said that the land premium waiver granted by the Administration to URA for the sites for redevelopment was already a kind of financial support. As URA was to be operated on a self-financing basis in the long run, the URA Board had not considered requesting the Administration to further inject capital funds. At present, the financial situation of URA was still sound with a net asset value of \$23.9 billion as at 31 March 2014.

41. SDEV stressed that urban renewal was an on-going process to improve the environment of old districts and the living conditions of the residents. The Administration would continue to provide necessary support to URA for it to perform its functions in redevelopment of old areas and rehabilitation of dilapidated buildings.

42. Mr YIU Si-wing asked whether the \$33 billion expenditure for redevelopment projects in the next five years had included a provision for possible increase in construction cost, and whether URA had estimated the deficit for the coming five years. He enquired about the measures URA would adopt to address its financial problem apart from issuing bonds and requesting support from the Administration.

43. Chairman/URA said that \$33 billion was the estimated amount of acquisition and related costs in the coming five years. However, taking into

consideration that two large projects, namely, the Kwun Tung Town Centre Project (Development Areas 2 and 3) and the Sham Shui Po Hai Tan Street Project, would be put to tender this year, it was envisaged that the cash flow for URA would improve. Given the many factors involved, it would be difficult to forecast the operating loss, if any, for the coming five years.

44. Mr Albert CHAN recalled that at the time when the Lands Development Corporation was in operation, arrangements had been made by the Administration to offer "linked sites" to the corporation which would effectively link up the implementation of two projects of which one was profitable and the other not. He called on the Administration and URA to consider reviving this arrangement.

#### Rehabilitation of old buildings

45. Dr KWOK Ka-ki said that the number of dilapidated buildings in Hong Kong was increasing at a rate of 500 per year. The problem of urban decay was serious. He asked if the Administration had set a timeframe for URA to rehabilitate all old buildings and queried if URA had sufficient resources to undertake the work.

46. The Deputy Chairman urged the Administration to examine the role of URA in the rehabilitation of old buildings given that URA's work in this aspect would likely incur financial loss.

47. Deputy Secretary for Development (Planning and Lands)<sup>2</sup> advised that the Administration had adopted a multi-pronged approach to enhancing building safety in Hong Kong. Most of the buildings in Hong Kong were concrete buildings with a design working life of 50 to 60 years. These buildings would still be in satisfactory conditions if regular maintenance was carried out. The Administration had been encouraging owners to upkeep their properties, including the implementation of the Mandatory Building Inspection Scheme ("MBIS") and the Mandatory Window Inspection Scheme ("MWIS"). Various subsidy schemes managed by the Buildings Department, HKHS and URA were also available to assist owners of aged buildings in carrying out maintenance works.

48. Dr CHIANG Lai-wan noted that URA would take up HKHS' work in 2015 in respect of providing support for the maintenance of private aged buildings. She expressed concern about the increased workload for URA's frontline staff and the additional manpower needed. She urged URA to provide property owners with assistance for complying with the



requirements of MBIS/MWIS, say, by setting up local support resource centres.

49. Ms Cyd HO urged URA to strengthen its assistance for property owners or OCs in monitoring contractors' building maintenance works.

50. MD/URA stressed that building rehabilitation, which engaged more than 100 staff of URA, was a major work area of URA. The rehabilitation service area covered part of Hong Kong Island, Kowloon, Kwai Tsing and Tsuen Wan. With the transfer of HKHS' work on building rehabilitation to URA in 2015, the service area would be expanded to cover the whole territory. URA would provide assistance to property owners whose flats were found to be in need of maintenance under MBIS/MWIS. While agreeing that the additional workload would generate pressure on URA's manpower resources, MD/URA assured members that URA would accord priorities to the cases that were more urgent.

#### Measures to prevent tender-rigging

51. Mr WU Chi-wai said that the concurrent implementation of a number of building maintenance schemes launched by URA and the Administration had made building maintenance works a highly lucrative business. Some unscrupulous contractors had pushed up tender prices by employing tender-rigging practices. He asked if URA would provide direct service to property owners or OCs to monitor the work of building maintenance contractors. Mr Wu said that according to his knowledge, the number of Authorized Persons ("APs") who were willing to undertake monitoring of maintenance works was rather limited. Sharing similar concerns, Ms Cyd HO urged URA to enhance its support service for property owners or OCs by assisting them in the tender evaluation process to avoid tender-rigging.

52. MD/URA said that URA had implemented a new tendering process for Operation Building Bright contracts in view of some irregularities in previous tendering exercises. An accounting firm had been engaged to oversee the tendering exercises to ensure that they were transparent and fair. If the tendering process was proper, it would enhance competition among contractors and reduce opportunities for tender rigging. She was concerned that if URA took up the role of APs in the monitoring of maintenance works, URA would require a substantial amount of additional resources. She considered that URA should only provide advisory assistance.

53. Mrs Regina IP relayed the views of some members of the public that the assistance provided to property owners through the Building Rehab Info Net, which included a list of APs and Registered Inspectors, was limited. A major difficulty for property owners in arranging building maintenance works was the manpower shortage in the construction industry. She sought details on the response to the tenders under the new tendering arrangements launched by URA.

54. General Manager (Building Rehabilitation), URA, said that in the past, as the tendering process was overseen by APs, there were concerns that there would be conflict of interest among APs and building maintenance contractors, building management companies or OC members. Under the new tendering arrangements for OBB buildings procuring repair works contractors, independent accounting firms had replaced APs in collecting, opening and recording the Expressions of Interest for rehabilitation projects, distributing tender documents as well as collecting and opening of returned tenders. Up to end-March, 24 buildings had adopted these new arrangements and the number of contractors expressing interest to tender in each case had increased by at least three folds. So far, for all the cases with tenders returned and opened under this new tendering arrangement, there were a number of bids that were within the value of works estimated by the independent surveying consultant engaged by URA. The results were considered encouraging.

#### Revitalization and preservation of heritage

55. Mr CHAN Chi-chuen considered that the Comix Home Base, a revitalization project of URA, was a failure despite the large number of people who had visited the place and the awards it had received from the Hong Kong Institute of Architects. With a capital cost of \$300 million, the Comix Home Base, managed by the Hong Kong Arts Centre, had incurred a loss in its first year of operation. According to media reports, the occupancy rate of the exhibition areas was less than 50%. As the exhibits were not attractive and the publicity for the venue was weak, only a small portion of the general public was aware of its existence. He asked about the role of URA in the revitalization project, the maintenance costs and arrangements for the Comix Home Base, and how URA would ensure that the revenues and expenditures of the venue could achieve a balance.

56. MD/URA said that the Comix Home Base was a preservation project adopting comics as the theme for revitalization. The project was exemplary of the preservation of old buildings to meet new building standards. With an

attendance of 250 000 visitors in less than one year, URA and the operator would continue to work hard to promote the venue to the general public. Measures to increase the occupancy rate of the exhibition areas would also be taken. On working out a balanced financial position for the venue, she advised that the capital outlay of URA should not be taken into account in the calculations.

57. Citing the case of Wan Chai, Ms Claudia MO acknowledged that URA's work on urban renewal had brought about a facelift to some old districts. However, she was disappointed to see that the characteristics of old districts had disappeared during the redevelopment process.

58. Responding to Mr YIU Si-wing's enquiry on whether URA would consider preserving a street or area and turn it into a tourist attraction, MD/URA advised that a historic street would be included in the Graham Street redeveloped project. Along the street, taller buildings would be set back with low-rise buildings at the forefront. Some traditional brands would be invited to operate in the redeveloped area. For the conservation project at Prince Edward Road West, while the street-front shops would be leased to florists to tie in with the business activities on Flower Street, the upper floors would be for art and culture uses so as to maintain the characteristics of the area.

59. Miss CHAN Yuen-han stressed that in facilitating the renewal of an old district, it was URA's responsibility to develop the area, retain the local characteristics and enhance the vibrancy of the local economy.

60. MD/URA said that in implementing a redevelopment project, URA had strived to preserve the characteristics of the district. For instance, Lee Tung Street would be developed as a pedestrian precinct, with the open areas retaining the original layout and atmosphere. Some former operators of street-front shops on Lee Tung Street would be invited to re-establish their business in the new development. URA had also designated a new market under the Graham Street Project in order to accommodate the fresh food shops which had been operating in the area.

**IV Review of policy on the conservation of built heritage, progress report on heritage conservation initiatives and policy relating to preservation of historical remains discovered at works sites**

(LC Paper No. CB(1)1623/13-14(05) -- Administration's paper on  
Review of policy on the

conservation of built heritage, progress report on heritage conservation initiatives and policy relating to preservation of historical remains discovered at works sites

LC Paper No. CB(1)1623/13-14(06) -- Paper on heritage conservation initiatives and policy relating to preservation of historical remains discovered at works sites prepared by the Legislative Council Secretariat (Updated background brief)

61. SDEV gave introductory remarks on the progress made on various heritage conservation initiatives, the review of the policy on the conservation of built heritage ("the Heritage Policy Review"), the existing measures for the preservation of archaeological heritage in Hong Kong and the discovery of historical remains at the works sites of the To Kwa Wan ("TKW") Station of the Shatin-to-Central Link ("SCL"). Details were set out in the Administration's paper (LC Paper No. CB(1)1623/13-14(05).) With the aid of powerpoint presentations, Chairman of the Antiquities Advisory Board ("Chairman/AAB") briefed members on the Heritage Policy Review, Deputy Secretary (Works)1, Development Bureau, updated members on various heritage conservation initiatives since the last report to the Panel in February 2013 and Executive Secretary (Antiquities and Monuments), Leisure and Cultural Services Department ("ES(AM)/LCSD"), briefed members on the details about the archaeological discovery at the works site of the TKW Station of SCL.

*(During the introduction by the Administration and Chairman/AAB, Mr Albert CHAN and Miss Alice MAK separately drew the attention of the Chairman to the absence of a quorum. In accordance with House Rule 24(h), the Chairman ordered that the quorum bell be rung to summon members. A quorum was subsequently present.)*

*(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Papers Nos. CB(1)1682/13-14(02), (03) and (04) by email on 25 June 2014.)*

Archaeological discovery at the To Kwa Wan Station

62. Ms Claudia MO sought the Administration's response to a request from a group for designating the archaeological remains discovered at the site of the TKW Station as proposed monuments, increasing the transparency of the archaeological work carried out at the site, and engaging more archaeological experts in the work of the Antiquities and Monuments Office ("AMO"). She also referred to the news reports about the installation of sheet piles around the archaeological remains and expressed concerns about the impact of the installation and operation of sheet piling on the remains. She sought confirmation on whether the construction works for the TKW Station would be resumed after the archaeological and excavation works were completed.

63. SDEV advised that, in general, only a privately-owned graded historic building which faced an imminent threat of demolition or damages would be declared a proposed monument. During the period when the declaration was effective, the Administration would negotiate with the owner on an acceptable conservation method. This would not be applicable to the archaeological discovery at the site of the TKW Station. MTR Corporation Limited ("MTRCL") had suspended the construction works in the area where the archeological work was ongoing, except for those relating to the archaeological excavation. MTRCL would only resume construction works in the area where no more archaeological work was required.

64. SDEV further advised that the Administration agreed to the need to increase the transparency of the archaeological work. Both the THB and the Development Bureau ("DEVB") acknowledged the significant heritage value of the archaeological discovery at the TKW Station. A joint liaison group had been formed between the two bureaux to monitor the development of the archaeological work. AMO would report the progress of the archaeological excavation at the site to DEVB and AAB on a monthly basis. The reports had been uploaded onto the internet. The public were kept informed about the developments, since AAB held open meetings and its papers and minutes were available on its website. Chief Engineer / Railway Development 1-3, Highways Department, added that the archeological excavation works were ongoing and anticipated to complete by the third quarter of 2014. The preservation options and measures would be formulated after the completion of the archaeological field works. The archaeological work and discovery had inevitably delayed the construction works, with the actual impact subject to detailed assessment.

65. Mr Gary FAN pointed out that in February 2012, the Director of Environmental Protection ("DEP") had approved the environmental impact assessment ("EIA") Report for SCL and a licence for an archaeological survey-cum-excavation was issued in October 2012. He queried why the survey-cum-excavation area under the licence had not covered the whole construction site of SCL. As a number of archaeological remains had been discovered in the construction site outside the specified survey-cum-excavation area, he asked what lessons the Administration had learnt and whether DEP should take responsibility for the issuance of a licence which did not cover all the potential areas where there might be archaeological remains.

66. ES(AM)/LCSD explained that any preparation work to formulate the study area for an archaeological survey-cum-excavation was based on the information at hand. The area covered by the EIA heritage impact assessment for the TKW Station was made with reference to old photographs, maps and topological features of the construction site and findings of on-site surveys. Based on the available information, it was recommended in the EIA Report that an archaeological survey-cum-excavation be conducted at the northeast of the previous location of the Sacred Hill. During the excavation works, some 500 Song coins had been discovered at another site where the launching shaft would be located. The Administration had instructed that the site be put under an archeological watching brief, and construction works should be suspended if any remains were discovered. Since various remains had then been discovered at the site, the Administration had requested MTRCL to expand the survey-cum-excavation area to cover the whole construction site of the TKW Station.

67. Mr Gary FAN asked whether the archaeological survey-cum-excavation area could be expanded to the areas outside the TKW Station site. ES(AM)/LCSD advised that the priority of the Administration was to survey and excavate the archeological remains at the site of the TKW Station in order to work out a preservation plan. AMO would then consider if it was necessary to expand the archaeological survey-cum-excavation area. In response to Mr FAN's enquiry, Chairman/AAB supplemented that the area covered by the licence was larger than the site where construction works were/would be carried out. As there were concerns about the delay of commissioning of SCL caused by the archaeological work, priority was given to completing the archaeological work within the construction site.

68. Dr Helena WONG said she had suggested that MTRCL should adjust the design of the TKW Station so that SCL would pass beneath the archaeological remains while the Song-Yuan remains would be displayed in a museum to be constructed next to the TKW Station. In this way, the construction works for SCL would not be seriously delayed and the remains could be preserved and open to public viewing. She sought information on the monitoring work of AAB, AMO and DEVB on the archaeological work undertaken by the consultant, who had been appointed by MTRCL. She asked which party would make the final decision on whether to preserve the remains, such as the old well and the water channel, in-situ.

69. SDEV said that AMO was responsible for monitoring the progress of the archaeological work. AMO would conduct site visits to examine any remains discovered and would study the method recommended for the interim preservation of such remains. Reports would be submitted to AAB on the discoveries. Arrangements would be made for the Chairman and members of AAB to conduct site visits to these remains if necessary. The joint liaison group between DEVB and THB would ensure that, in preserving the remains, the impact on the construction of SCL would be kept to the minimal. Upon the completion of the archaeological work, AMO would work with the archaeological consultant engaged by MTRCL to assess the heritage value of the remains and suggest the long-term preservation methods in consultation with AAB. The Administration would then make a final decision on how to preserve the remains.

70. ES(AM)/LCSD supplemented that relevant experts would be invited to provide advice on the archaeological findings, if and where necessary. SDEV further said that the archaeologists, though employed by MTRCL, were independent professionals. He gave an analogy that the relationship between the company and the archaeologists was similar to that between a company and the auditor that it appointed.

71. Mr YIU Si-wing said that while it would be ideal to preserve the archaeological remains found at the site of the TKW Station in-situ, it was necessary to strike a balance between preservation of historical remains and the impact on the public. It would be more convenient if the remains could be preserved in a museum for public viewing. Citing the case of Murray House, he said that there had been successful precedents of relocating old buildings for better preservation. He asked about the criteria adopted by the Administration for determining whether certain archaeological remains should be preserved in-situ or otherwise.

72. Quoting a media report in which some archaeological experts had suggested that SCL could be commissioned without a long delay by skipping the TKW Station, Dr CHIANG Lai-wan relayed the concerns of TKW residents that reduced road transport services upon the commissioning of SCL would cause grave inconvenience to them. She asked the Administration to pay heed to these views and requested that SCL should only be commissioned after the construction of the TKW Station was completed.

#### Conservation of non-graded historic buildings

73. Referring to the new development areas under planning in the New Territories, Miss Alice MAK expressed concern that some non-graded local historic buildings with a long history and rich cultural values, such as Kam Lan Koon, a Taoist temple in Yuen Long South, would be demolished in the development process. She called on the Administration to conserve these buildings in the planning process.

74. SDEV advised that it would not be feasible to formulate an across-the-board policy on the handling of non-graded historic buildings and each case had to be considered on its own merits. The general principle was that no historic building should be demolished unless it was absolutely necessary. He undertook to convey Miss MAK's views on the preservation of Kam Lan Koon to the relevant department for attention. ES(AM)/LCSD supplemented that the list of graded historic buildings in Hong Kong had been forwarded to relevant departments, such as the Buildings Department, the Planning Department and the Lands Department. If a land development proposal would affect any graded historic buildings, the relevant department would liaise with AMO to work out mitigating measures.

#### Heritage trust

75. Mr James TO expressed disappointment on the lack of progress of the issue of setting up a heritage trust. He said that the issue had been discussed during the term of office of the former SDEV; however, it was still under consultation in the Heritage Policy Review. He considered that it was important to decide whether a heritage trust should be established to make use of public money to purchase privately owned built-heritage. He asked whether the Administration had formed its own view on the issue and opined that the Administration should put forward a proposal for public discussion.



76. SDEV advised that the former SDEV had commissioned a consultancy study on setting up a heritage trust and the report of the study had been uploaded onto the internet. The report recommended the Administration to set up a trust with an initial injection of \$900 million. He said that the sum appeared to be on the low side in meeting the aspiration of the community in protecting and maintaining privately owned built-heritage. As the heritage trust could be a major component in the conservation of privately owned built-heritage, some issues mentioned in the consultancy report required further discussion and consultation. As such, the relevant issues had been included in the present review on built-heritage. It was important for the public to form a consensus on whether to set up a trust and the amount of public money to be injected into the trust.

77. Chairman/AAB added that DEVB had invited AAB in February 2013 to conduct the Heritage Policy Review and the consultancy report on heritage trust was published two months later. AAB considered that it would be confusing to the public if two separate consultations, one on heritage conservation policy, the other on the set-up of a heritage trust, were to be conducted at the same time. As such, the latter had been incorporated into the Heritage Policy Review.

78. Mr WU Chi-wai said that as there was not yet a consensus among the public on expending public money on the purchase of privately-owned built-heritage, it was premature to discuss the amount of money to be injected into the heritage trust. He suggested that, in the meantime, the Administration should allocate resources to AMO and AAB to enhance education and publicity activities to promote conservation of built heritage as well as the maintenance works for monuments and graded historic buildings. Chairman/AAB advised that under the Heritage Policy Review, the public were invited to express views on whether to set up a heritage trust and, if yes, the functions and powers of the trust.

79. The Deputy Chairman considered that the role of the heritage trust as espoused in the consultation paper on the Heritage Policy Review was too passive. He suggested that the Administration should make reference to overseas experience in operating trusts without much subsidy from the Government, taking in view that the trust might generate sufficient revenues for a sustainable operation. He opined that heritage conservation should not become a burden to the society.

Information on sites of archaeological interest

80. Dr CHIANG Lai-wan asked if the Administration kept information on all sites of archaeological interest in Hong Kong and how the Administration could ensure that it would be notified about archaeological discovery at private construction sites. ES(AM)/LCSD explained that subsequent to a territory-wide survey in the 1980s and 1990s to identify sites of archaeological interest, the Administration had compiled a list of 208 such sites in Hong Kong. The list had been forwarded to concerned Government departments for reference to facilitate them to make early consideration on the protection of archaeological sites at the initial planning stage of a works project or development proposal. Details of each site were deposited at the library of AMO. The list was regularly updated and available on AMO's website. AMO, as well as the Government departments involved in public works, kept a close watch on any possible impact on historical remains caused by public or private works projects at these sites.

#### Monument declaration system

81. Mr WU Chi-wai expressed disappointment that in the consultation paper on the Heritage Policy Review, there was no proposal on setting up a mechanism to upgrade graded historic buildings to statutory monuments. He noted that the Administration had consulted AAB on the proposed declaration of a few buildings to be monuments. In this connection, he urged that immediate actions should be taken to declare them monuments to offer protection under the Antiquities and Monuments Ordinance (Cap. 53).

82. Chairman/AAB said that on setting up a mechanism to turn Grade 1 historic buildings into statutory monuments, the issue of whether and how much public money should be expensed on preserving privately-owned built-heritage had to be discussed. At present, the grading of historic buildings was an administrative measure. Under the Heritage Policy Review, the public were consulted on whether it was necessary to give statutory effects to the grading system to offer more protection for historic buildings. Such statutory effects would have an implication on the right to private property ownership. Under the Financial Assistance for Maintenance Scheme ("the Financial Assistance Scheme"), owners of privately-owned graded historic buildings could apply for financial assistance to help arrest the buildings from deterioration due to lack of maintenance. The limit was \$1 million per application. Owners who received financial assistance would be subject to some conditions but the historic buildings would not be turned automatically into monuments. Under the Heritage Policy Review, the public were consulted on enhancements to the Financial Assistance Scheme. Dr CHIANG Lai-wan

called on the Administration to review the adequacy of the \$1 million limit under the Financial Assistance Scheme.

Cost-effectiveness of the Administration's work on heritage conservation

83. Mr YIU Si-wing said that the public were generally in support of the Administration's work in conserving buildings with high heritage value but it was necessary to provide information on the efficacy of such work. He asked about the Administration's annual expenditure on conserving monuments and revitalizing graded historic buildings, and the number of visitors to these buildings. The Administration agreed to provide the following information, with a breakdown by declared monuments, historic buildings under the "Revitalizing Historic Buildings Through Partnership Scheme" ("the Revitalizing Scheme") and other historic buildings under the management of AMO, for each of the past three years --

- (a) the expenditure incurred on the repair, maintenance and management of the concerned monuments/historic buildings; and
- (b) the number of visitors to these places.

*(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)1782/13-14(01) on 10 July 2014.)*

84. SDEV advised that the resources involved in heritage conservation included land exchange, financial subsidy under the Revitalizing Scheme and the maintenance costs for monuments and historic buildings. With the opening of the six projects under Batch I of the Revitalization Scheme, the number of visitors would rise steadily. The Administration would continue to organize publicity and public education activities, such as the annual Heritage Fiesta event, to attract more visitors to tour the monuments and historic buildings. Some monuments and historic buildings were open to the public by appointment or during the open days.

85. The Deputy Chairman asked the Administration to enhance the transparency of its work on heritage conservation, such as by providing information on the public money spent in this respect. As there were no criteria based on which the Administration could calculate the compensation for the owners whose properties were declared monuments, he urged the Administration to consider setting out such criteria. He was concerned that if

the projects under the Revitalization Scheme were not financially sustainable, the Administration would have to subsidise their operation.

### Revitalizing Historic Buildings Through Partnership Scheme

86. Mr CHAN Chi-chuen asked about the Administration's role in revitalising historic buildings. By way of illustration, he asked how the Administration would evaluate the operation of the Former Police Married Quarters on Hollywood Road ("PMQ"). According to media reports, more than \$400 million of public money had been spent on the PMQ project. He considered that the number of visitors should not be the sole indicator on the efficacy of the project, as the business transaction volume of the shops at PMQ should also be considered. He asked how the Administration would ensure that the money was spent on a worthy cause and in a cost-effective manner. The Administration should also provide necessary assistance to the operators running business in historic buildings under the Revitalization Scheme.

87. Chairman/AAB replied that under the Revitalization Scheme, historic buildings were put to good adaptive re-use and the Administration would consider different proposals submitted by non-profit-making organisations for revitalizing selected Government-owned historic buildings. Five major criteria were adopted in assessing and examining the proposals, including reflection of historical value and significance, technical aspects, financial viability, social value and social enterprise operation, management capability and other considerations. Six projects under Batch I of the Revitalization Scheme had received positive responses from the public since they had been open to the public. The Administration would sign a tenancy agreement, clearly stipulating the parameters to be monitored during the period of operation, with the selected operator for the revitalisation of the building. The operator was required to submit business reports to the Administration regularly.

88. SDEV added that each project under the Revitalization Scheme required different amount of resources. The funding for PMQ had mainly been used to upgrade the building facilities to meet the present-day building regulation requirements. The Advisory Committee on Revitalisation of Historic Buildings would monitor the operation of the projects under the Scheme. PMQ had more than 100 studios offered for rent to local designers. Special events would be held to attract more visitors. He believed that, given more time, the operator of PMQ could learn from its experience to improve the operation of the business in the building.

### Fortified structure at Ha Pak Lai

89. Citing the case of a fortified structure, which was a statutory monument, situated on Government land at Ha Pak Lai and occupied by members of the public, Dr CHIANG Lai-wan asked about the number of monuments/graded historic buildings which were in a similar situation. She asked what the Administration would do with the fortified structure, which was in dilapidated conditions and required imminent maintenance. The Chairman asked the Administration to check carefully the relevant land records to ascertain its ownership.

90. ES(AM)/LCSD said that the case quoted by Dr CHIANG, being a registered squatter structure, was unique and there was no similar cases. Before declaring it a monument, the Administration had carefully checked the land records, which showed that the land was Government land. Advice had been sought from the Department of Justice, who had no other views on the ownership of the land in question. Although the structure was not open to the public, a display panel showing background information on the structure was put in front of the structure. The Administration was prepared to undertake maintenance works, which would require the co-operation of the occupants, for the structure. The Administration had met with the occupants. Some issues had to be resolved before maintenance works could be carried out. Dr CHAING urged the Administration to discuss the matter with the occupants so that the maintenance works could be carried out expeditiously and the structure could be open to the public for viewing.

91. In response to the Chairman's enquiry on whether the Administration would consider rehousing the occupants of the fortified structure to facilitate the implementation of maintenance works, ES(AM)/LCSD said that as the fortified structure was a registered squatter structure, rehousing arrangements should be made in accordance with the prevailing policy. The responsibility of AMO was to undertake maintenance works to arrest the deterioration of the structure. SDEV noted the Chairman's suggestion and said he would further study the case.

### **V Any other business**

92. In view of time constraint, the Chairman proposed and members agreed that the item "PWP Item No. 13GB -- Liantang/Heung Yuen Wai Boundary Control Point and associated works -- progress update for

buildings and associated facilities" would be deferred to the meeting scheduled for 16 July 2014.

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

Council Business Division 1  
Legislative Council Secretariat  
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