

立法會
Legislative Council

LC Paper No. CB(1)12/14-15
(These minutes have been seen
by the Administration)

Ref : CB1/PL/DEV/1

Panel on Development

Minutes of special meeting
held on Monday, 7 July 2014, at 2:30 pm
in Conference Room 1 of the Legislative Council Complex

Members present : Dr Hon LAU Wong-fat, GBM, GBS, JP (Chairman)
Hon Tony TSE Wai-chuen, BBS (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, JP
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-yeet, 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 James TIEN Pei-chun, GBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing
Hon Gary FAN Kwok-wai
Hon CHAN Chi-chuen
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 CHAN Han-pan, JP

Public officers attending : **Agenda item I**

Mr Eric MA Siu-cheung, JP
Under Secretary for Development
Development Bureau

Mr Kevin CHOI
Principal Assistant Secretary (Planning & Lands)²
Development Bureau

Ms Christine TSE Kin-ching
Assistant Director of Planning/Special Duties
Planning Department

Miss Elsa CHEUK Hau-kwan
Chief Town Planner/Housing & Office Land Supply
Planning Department

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

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

Agenda item II

Mr Eric MA Siu-cheung, JP
Under Secretary for Development
Development Bureau

Mr Michael CHAN
Principal Assistant Secretary (Planning & Lands)5
Development Bureau

Ms Amy CHEUNG Yi-mei
Assistant Director of Planning/Territorial
Planning Department

Mr IP Wing-cheung
Chief Engineer/New Territories 1
Civil Engineering and Development Department

Agenda item III

Mr WONG Chung-leung
Principal Assistant Secretary (Works)3
Development Bureau

Dr Richard PANG Pui-loi, JP
Deputy Head of Geotechnical Engineering Office
(Mainland)
Civil Engineering and Development Department

Agenda item IV

Mr WONG Chung-leung
Principal Assistant Secretary (Works)3
Development Bureau

Mr LEE Kwong-ming
Assistant Director/Finance & Information Technology
Water Supplies Department

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

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

Mr Fred PANG
Senior Council Secretary (1)8

Ms Christina SHIU
Legislative Assistant (1)6

Action

I Planning and Engineering Study on Future Land Use at the Ex-Lamma Quarry Area at Sok Kwu Wan, Lamma Island -- Feasibility Study: Stage 2 Community Engagement and Draft Recommended Outline Development Plan

(LC Paper No. CB(1)1456/13-14(06) -- Administration's paper on Planning and Engineering Study on Future Land Use at the Ex-Lamma Quarry Area at Sok Kwu Wan, Lamma Island -- Feasibility Study: Stage Two Community Engagement

LC Paper No. CB(1)1456/13-14(07) -- Paper on future land use of the Ex-Lamma Quarry Area at Sok Kwu Wan of Lamma Island prepared by the Legislative Council Secretariat (Background brief))

Relevant papers

(LC Paper No. CB(1)1491/13-14(06) -- Submission from Lamma Island Concern Group dated 17 May 2014

LC Paper No. CB(1)1531/13-14(01) -- Submission from Eco-Education & Resources Centre

LC Paper No. CB(1)1531/13-14(02) Submission from South Lamma Concern Group
LC Paper No. CB(1)1531/13-14(03) Submission from Living Lamma dated 26 May 2014)

Under Secretary for Development ("USDEV") briefed members on the background of the Stage One Community Engagement ("CE") on the Planning and Engineering Study on Future Land Use at the Ex-Lamma Quarry Area at Sok Kwu Wan, Lamma Island - Feasibility Study ("the Study") and the draft Recommended Outline Development Plan ("RODP"). The Stage Two CE on the draft RODP had started on 14 March 2014 and ended on 17 May 2014. With the aid of a powerpoint presentation, Chief Town Planner/Housing & Office Land Supply, Planning Department, highlighted the salient points of the major views collected during the Stage One and Stage Two CE, as well as the planned population, housing mix and development parameters proposed in the draft RODP.

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)1760/13-14(01) by email on 8 July 2014.)

The draft Recommended Outline Development Plan

2. Mr LEUNG Che-cheung expressed support for conducting the Study to explore increasing housing land supply at the ex-Lamma Quarry site ("the Site"). However, he considered the proposed mixed development of subsidized and private housing as well as tourism facilities under the draft RODP undesirable. He was concerned whether residents of the subsidized housing units could afford the high ferry fares and whether the new ferry services would be financially viable, given that the number of the new population would only be around 5 000. As regards tourism, taking in view that only 260 hotel rooms would be provided, he enquired whether the target group was local people or overseas tourists. He suggested that small inns targeting local people could be planned at the Site. He also asked if the Site could provide a marina for berthing of pleasure yachts.

3. Assistant Director of Planning/Special Duties, Planning Department ("AD/PlanD(SD)"), explained that the "Tourism plus Housing" land use theme and the housing mix proposed under the draft RODP was arrived at after considering the public views received during the Stage One CE. The man-made lake and a two-hectare area would be used for recreational purposes. Eco-tourism could also be organized for visitors to learn more

about Lamma Island. As regards tourism facilities, the industry had expressed the view that Hong Kong lacked resort hotels. In this connection, it was proposed that the Site would provide such hotels for both local people and overseas tourists.

4. Dr CHIANG Lai-wan supported the conduct of the Study to explore increasing housing land supply. She called on the Administration to take a cautious approach in developing Lamma Island, which had the advantage of being close to the urban areas and had retained a natural undeveloped environment. The Administration should have a clear objective in developing the Site. She expressed concern that under the "Tourism plus Housing" land use theme proposed under the draft RODP, it might be difficult to plan transport links and commercial activities for the area. She suggested that while the northern part of Lamma Island could be developed for housing, the southern part should be conserved for retaining the natural environment or used as an eco-park.

5. Principal Assistant Secretary (Planning & Lands)2, Development Bureau, said that the Administration would strive to conserve and protect the natural environment at the southern part of Lamma Island, which had a higher conservation value. For the northern part, the 5 000 existing residents could not form a critical mass at present to support new transport services. The Administration considered that developing the Site for housing, tourism and recreational purposes could achieve a balance and enhance the vibrancy in the northern part of Lamma Island, particularly in Sok Kwu Wan. Public views received during the Stage One CE also supported that tourism development at the Site should include leisure elements for both local and overseas visitors.

6. Dr Fernando CHEUNG noted that during the Stage One CE, Option 2 (i.e. housing for a population of 2 800) had the most support but housing for a population of 5 000 was proposed under the draft RODP. He queried about the rationale behind the proposal. He also pointed out that a lot of public views supported developing the Site into an eco-park.

7. AD/PlanD(SD) acknowledged that during the Stage One CE, majority of the views supported the land use theme of Option 2, i.e. housing and tourism, with a population of 2 800. However, there were also views, including those from Sok Kwu Wan residents, that the new population figure was too low and suggesting that the population should be increased so as to provide more housing and community facilities at the Site. Responding to Mr Gary FAN's enquiry, she advised that the 500 submissions received

during the Stage One CE had been uploaded onto the dedicated website for the Study.

8. Dr Fernando CHEUNG was not convinced by the Administration's explanation and considered that the Administration did not respect the majority view received during the Stage One CE. He opined that increasing the new population to 5 000 would only allow more luxurious properties to be provided at the Site.

Developing an eco-park or a country park at the Site

9. Mr Gary FAN pointed out that the Administration had conducted a 'Planning and Development Study on Hong Kong Island South and Lamma Island' ("the HKIS and LI Study") in the early 2000's and it recommended that the Site be used for recreational purposes. However, all the three land use options put forward during the Stage One CE included housing development. The public had not been given a choice of turning the Site into an eco-park. He asked whether the Administration had already decided that housing must be provided at the Site. With reference to a petition made by a green group, with some 5 000 signatures, requesting that the Site be converted to an eco-park, he asked if PlanD had studied the pros and cons of the suggestion vis-à-vis the housing cum tourism option under the draft RODP.

10. AD/PlanD(SD) said that the HKIS and LI Study commencing in 1998 recommended that part of the Site be reserved for providing sewage treatment facilities under the Strategic Sewage Disposal Scheme, while a recreational and education centre could be created within the Site as an interim land use. Subsequently, the Site was not needed for sewage treatment facilities. PlanD had re-zoned the Site to "Undetermined", pending further studies. The present Study was then started in 2012 to determine the optimal land use for the Site. As stated in the 2013 Policy Address, the Site could be considered for the provision of housing to address the housing shortage problem. Public views received during the Stage One CE also supported that housing development be provided at the Site. Housing, recreational and tourism elements had been included in various options for public consultation. She assured members that the Study had examined whether the Site was suitable for housing and other uses. In reply to Dr Fernando CHEUNG's enquiry on the report of the HKIS and LI Study, AD/PlanD(SD) said that the report was for internal reference and would not be made available to the public.

11. Mr Albert CHAN said that the Administration's established practice for land development was first to set a territorial development strategy before getting down to planning for individual areas and drawing up individual outline zoning plans. He opined that the present multi-pronged approach to increasing land supply had deviated from the established practice. The Administration had set the housing production targets and would indiscriminately use every available site for housing development. Given the ecological and cultural characteristics of the Site, he supported that it should be developed as an eco-park similar to the Eden Project in England. While welcoming the proposal to designate part of the Site for eco-tourism, he said that the Administration's policy had restrained the planning for the Site. He considered that the Administration should focus its efforts on developing a new town which could accommodate hundreds of thousands of people rather than pursuing small-scale housing development at small sites. He said he would only support the Administration to undertake conceptual studies on different development options, including the development of an eco-park, and urged the Administration to adopt an open mind in considering the land use of the Site. He and Miss CHAN Yuen-han suggested that a visit to the Site should be arranged for Panel members.

12. USDEV responded that it was generally accepted by the community that Hong Kong needed land for housing and other purposes. AD/PlanD(SD) said that some elements of the Eden Project, such as eco-tourism, organic farming and environmental education, could be incorporated into the development of the man-made lake and the areas reserved for recreational activities.

13. While appreciating the Administration's efforts made in increasing housing land supply, Miss CHAN Yuen-han stressed the importance for the Administration to give due regard to the unique features of each site in the land development process. To address Sok Kwu Wan residents' request of bringing in more people to the area, she suggested that the Administration could consider alternatives other than housing development to make the best use of the characteristics of the Site. In her view, it was inappropriate for the Administration to start the planning of the Site with the assumption that housing development must be included. Instead, the Administration should compare the economic returns of each of the possible options, including one without housing development. In reply, USDEV said that the Administration would continue to listen to public views on the future land use of the Site.

14. Mr WU Chi-wai cast doubt on whether setting up a community of 5 000 at the Site would have the effect of providing enhanced transport services for residents in Sok Kwu Wan. In his view, consideration could be given to developing a theme park with tourism facilities, similar to the Eden Project, at the Site, and the operator of the park could be required to plan the required transport links. He said that, from the experience of developing public rental housing ("PRH") on outlying islands, it was essential for transport links, community and infrastructure facilities to be planned and implemented well before the population intake.

15. Deputy Project Manager (HK Island & Islands), Civil Engineering and Development Department ("DPM/CEDD(H&I")), said that the Administration had maintained close liaison with Sok Kwu Wan residents on the proposed development at the Site. Low population level in the area had caused the present difficulties for the residents, such as weak external connectivity, inadequate infrastructure and community facilities. The local residents had expressed the view that the provision of housing at the Site would attract more people to the area. AD/PlanD(SD) reiterated that some leisure and recreational elements, including eco-tourism, had been incorporated into the draft RODP to tie in with the local characteristics of Lamma Island. She further advised that the Administration had made reference to the Eden Project in the study process, and it was considered that a theme park would have greater impacts on the local environment as well as the visual and traffic aspects as compared with the current proposal, which was more sustainable and compatible with the area.

16. The Deputy Chairman said that members supported efficient use of precious land resources. Two issues, namely, external connectivity and vibrancy of the local economy, needed to be considered in the planning for the Site. He shared other members' views that adding 5 000 new population to improve the external connectivity of Lamma Island was not a suitable approach for the Site, as the new housing development might not blend in well with the environment of the Site. Given its own characteristics, the Site was more suitable for developing as an eco-park with education facilities to attract visitors and enhance the external connectivity. He expressed concern about the financial viability of the new ferry services to be provided for the future community.

17. Ir Dr LO Wai-kwok said that it was commonly accepted by the community that Hong Kong was in shortage of land for housing and other purposes. It was necessary for the Administration to increase housing land supply to provide housing for the future generations. He suggested that the

Administration should formulate a strategic plan for the development of outlying islands so that housing could be provided at suitable locations and local economies could be vitalised. He opined that developing an eco-park at the Site might not be the best way to bring vitality to the area. Instead, the housing development proposed under the draft RODP could provide a quality living environment for Hong Kong people. He also supported the provision of hotels at the Site.

18. Dr KWOK Ka-ki said that, according to his understanding, Sok Kwu Wan residents had requested more community and medical facilities without agreeing to the proposal to increase the population at the Site to 5 000. In his view, Sok Kwu Wan was attractive due to its serenity and rural setting. He was worried about the impact of over-development at the Site on the area. He was also concerned that, without an adequate provision of schools on Lamma Island, some children of the new population would have to travel daily to the urban areas. While supporting the provision of more housing, he considered that the low-density private housing development proposed under the draft RODP would not help relieve the housing shortage problem. He suggested that the Site be used for eco-tourism and recreational purposes, such as the provision of holiday camps, to benefit the Hong Kong community as a whole. AD/PlanD(SD) remarked that while housing had been included in the various development options to help address needs, the lake and outdoor recreation centre were also proposed to provide a wide range of recreational facilities at the Site, which could be operated as holiday camps by non-governmental organizations.

19. Miss Alice MAK said she understood that the Administration was making lots of efforts to increase housing land supply. However, she considered that the provision of only 700 subsidized housing units at the Site insignificant for solving the housing shortage problem. Moreover, the possible environmental impact to be made by the housing development at the Site could be significant and the private housing might not blend in well with the environment. She suggested that eco-tourism should be adopted as the theme for the development of the Site and youth hostels and holiday camps should be provided. She did not subscribe to the Administration's explanation that the development of a theme park would have a greater environmental impact on the island than the development of housing.

Development cost

20. Mr WU Chi-wai sought information on the site formation cost for the 34 hectares of land at the Site. In reply, DPM/CEDD(H&I) said that future

development would make use of the three existing platforms at the Site. The Administration would only need to provide the basic infrastructure. The relevant cost, not yet available at the present stage, should not be significant.

21. Dr LAM Tai-fai said that the present-term Government faced grave challenges in making land available for housing and other purposes. He supported the Administration's efforts in optimizing land uses to address the housing needs of Hong Kong people. He queried why the Administration did not have an estimate on the development cost for the proposed development project at the Site as the information was essential for members to consider whether the project was cost-effective. He also enquired when the first population intake at the Site would take place.

22. USDEV said that the cost for the project could only be finalized after the development plan had been completed. As most of the land at the Site was Government land, the land development process could be completed in a relatively short time. DPM/CEDD(H&I) supplemented that at this stage, it was envisaged that the first population intake would be around 2021. Dr LAM Tai-fai and Mr WU Chi-wai expressed dissatisfaction about the lack of information on the estimated development cost. Mr WU stressed that the information should be provided to members as soon as possible for their consideration.

External connectivity

23. Mr CHAN Kam-lam supported the conduct of the Study to examine the development of housing land on Lamma Island. In order to relieve the burden posed by ferry fares on the residents of future subsidized housing units to be provided at the Site, he considered it necessary to examine the provision of other direct transport links between Lamma Island and the urban areas. Mr WU Chi-wai opined that the Administration must ensure that the transport links to and from the Site would meet the needs of the residents; furthermore, the fare would be set at a level within the affordability of the residents.

24. DPM/CEDD(H&I) advised that the present ferry route serving Yung Shue Wan, with a population of 5 000, and Central had met the transport needs of the residents. With private housing as well as housing units under the Home Ownership Scheme ("HOS") to be provided at the Site which would accommodate a similar population of about 5 000, he believed that adequate ferry services could be provided.

25. Mr YIU Si-wing was of view that ferry services alone would not be able to meet the transport needs of the future residents at the Site. Given that the residents could only travel between Yung Shue Wan and Sok Kwu Wan on foot or by bicycle, the two ferry routes for Yung Shue Wan and Sok Kwu Wan respectively were not complementary to each other. He opined that the Administration should consider allowing green vehicles to be used on Lamma Island. DPM/CEDD(H&I) said that while Lamma Island would be kept as a car-free zone, the Administration would keep an open mind to exploring the use of green vehicles on the site.

Provision of housing and other facilities

26. Mr CHAN Kam-lam asked if the Study could examine increasing the number of units to be provided, say, for a target population of 10 000, at the Site as well as the impact of the increased development intensity on the environment and transport demand. AD/PlanD(SD) advised that out of the three different options with population of 2 800, 5 000 and 7 000 respectively, the public considered a population of 5 000 acceptable. The Administration also considered an additional population of 5 000 on the island the most appropriate in view of the capacity of the infrastructure, the need for the preservation of the ridgeline, and the adoption of a stepped-height building design. A new population of 5 000 at the Site could also achieve a more balanced development on the island, having regard to the existing population of Lamma Island of 6 000, which concentrated mostly around Yung Shue Wan.

27. Mr LEUNG Kwok-hung was concerned that the 1 200 private housing units and 700 HOS units proposed to be provided under the draft RODP could not address the public's demand for PRH. He asked how the Administration had arrived at the aforesaid proportion between private and subsidized housing.

28. Dr KWOK Ka-ki considered that the plan to provide HOS units at the Site was not practicable, since the high ferry fare would likely be beyond the affordability of the residents.

29. Mr CHAN Kam-lam said that the Administration had to consider if the provision of PRH on Lamma Island was appropriate. Dr LAM Tai-fai asked, in view of the great demand for PRH, whether the Administration had studied if such type of housing could be provided at the Site.

30. USDEV advised that the proposed private-to-subsidized housing ratio was arrived at after consulting local residents and other stakeholders, including the Hong Kong Housing Authority. AD/PlanD(SD) added that during the Stage One CE, the majority of public views received indicated that PRH was considered not suitable for Lamma Island, given that the ferry fare might pose a huge financial burden on PRH residents. Besides, there would only be limited employment opportunities on the island. As Sok Kwu Wan residents had requested that more affordable housing units be provided in the area, 700 HOS units were proposed under the draft RODP. The 1 200 private housing units would provide the public with a choice to live in a leisure and rural environment which was not far away from the urban areas.

31. In reply to Ir Dr LO Wai-kwok's enquiry about the water quality of the man-made lake, DPM/CEDD(H&I) said that as the streams from the hill would replenish the water in the lake, the water quality of the lake could be maintained at a satisfactory level.

32. Given the small scale of the retail facilities to be provided at the Site, Mr YIU Si-wing considered that the visitors to the Site would mainly be local people rather than Mainland tourists. Apart from water sports activities, he suggested that a beach and a cluster of seafood eateries should be provided to enhance the attractiveness of the Site.

33. DPM/CEDD(H&I) advised that a convenient pedestrian path was being considered for connecting the Site to Sok Kwu Wan, where there were already a number of seafood restaurants, to bring vibrancy to the existing economic activities in the area. AD/PlanD(SD) supplemented that the vision for the development of the Site was to create a green sustainable neighborhood which could complement the local character. Paths would also be provided to connect the Site with the hiking trails to Yung Shue Wan. A variety of leisure and recreational facilities would be available at the Site to enhance its attractiveness for the visitors.

34. Dr CHIANG Lai-wan observed that new developments had often neglected the needs of the elderly and their aspiration for a better living environment. In her view, consideration should be given to designating some private housing and subsidized housing at the Site for the elderly, complemented by the necessary community facilities, to address their needs. Holiday houses and camping areas could also be provided for the enjoyment of the general public.

35. Mr LEUNG Che-cheung relayed the views of local village representatives about inadequate medical facilities at Sok Kwu Wan. Despite the Administration's proposal of bringing a new population of 5 000 to the Site, he was concerned that sufficient medical facilities would not be available. Due to the remoteness of Lamma Island, he was also worried that it would be difficult to deploy suitable medical personnel to man the facilities. Dr LAM Tai-fai requested that the Administration should make public the information about medical and communities facilities to be provided at the Site.

36. AD/PlanD(SD) said that under the draft RODP, there would be a community health centre and a service centre including social welfare facilities and library at the Site. Views had been received on extending the service hours of the community health centre to 24 hours daily, if possible. Such requests would be relayed to the relevant department for further consideration.

37. In concluding the discussion, the Chairman requested that the Administration should consider members' views expressed at the meeting.

II Planning and engineering study for housing sites in Yuen Long South -- Investigation -- Preliminary Outline Development Plan and Stage 2 Community Engagement

(LC Paper No. CB(1)1456/13-14(08) -- Administration's paper on planning and engineering study for housing sites in Yuen Long South -- Investigation -- Preliminary Outline Development Plan and Stage 2 Community Engagement

LC Paper No. CB(1)1456/13-14(09) Paper on planning and engineering study for housing sites in Yuen Long south prepared by the Legislative Council Secretariat (Updated background brief)

38. USDEV briefed members on the background for the Stage 1 and Stage 2 CE under the "Planning and Engineering Study for Housing Sites in Yuen

Long South -- Investigation" ("the YLS Study") and the Preliminary Outline Development Plan ("PODP") formulated for Yuen Long South ("YLS"). With the aid of a powerpoint presentation, Assistant Director of Planning/Territorial, PlanD ("AD/PlanD(T)"), highlighted the major comments collected during the Stage 1 CE, the salient points of the PODP and the Stage 2 CE, as well as the way forward for the YLS project.

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)1760/13-14(02) by email on 8 July 2014.)

The Preliminary Outline Development Plan and the planning parameters for Yuen Long South

39. Mr Albert CHAN said that though he did not find the general direction of the development proposal for YLS objectionable, he queried if the Administration had defined the role of YLS in the overall development of the region, in particular, how it would complement the development of the proposed Hung Shui Kiu New Development Area ("HSK NDA") and Tin Shui Wai. He noted the irregular shape of the YLS Potential Development Areas ("PDAs") and expressed concern that the PODP was drawn up based on the land holdings of private developers and in a way contributed to transferring benefits to private developers. He sought information on the ownership of the private land in the area covered by the YLS Study.

40. AD/PlanD(T) said that YLS was planned mainly for residential purposes and would be developed as an extension of the Yuen Long New Town. Without direct transport links to the urban areas, in particular no railway station to be provided, YLS was not suitable for developing as a major centre for economic activities. Around 20% of the land in YLS was Government land, most of which was currently used for providing infrastructure facilities, such as drainage systems and roads. She advised that the study team only identified the distribution of Government land and private land within the PDAs. The team did not have information on the owners of the private land in YLS. Mr Albert CHAN did not agree that YLS was not suitable for developing into a major centre for economic activities. He remarked that an interchange could be provided in YLS to connect the area to Yuen Long Highway. Moreover, in the vicinity of YLS, there would be a new railway station at the proposed HSK NDA.

41. Mr Albert CHAN sought clarification on the proposed plot ratios for the developments in YLS. He found it unusual for the area near the town

centre (i.e. the Planning Area for the "Garden Community") to have a plot ratio lower than that in the peripheral areas (i.e. the Planning Area for "LOHAS Living"). In reply, AD/PlanD(T) said that despite its relative proximity to Yuen Long Town, a plot ratio of 1 was proposed for the "Garden Community" Planning Area, so that the new developments would be compatible with the existing low-density and low-rise residential clusters there.

Development of agricultural and livestock industries

42. Mr YIU Si-wing supported conducting the YLS Study to explore increasing housing land supply in the area. Noting that there were some 29 farms in Yuen Long which were open to the public for leisure farming, he called on the Administration to formulate a plan to promote the development of agriculture industry in YLS, such as building large leisure farms that allowed the public to enjoy farming experience. In view of the lack of ancillary facilities for the livestock industry to develop in Hong Kong, he also suggested that a designated area in YLS for the industry to operate be planned.

43. USDEV said that the Stage 2 CE for the YLS Study was underway and the Administration was open to public views on the planning of YLS. Mr YIU's suggestions were noted and would be considered. With improved infrastructure and transport links in the area, he believed that the farmland in YLS had good potential to be used for leisure farming/tourism purposes.

44. Mr YIU Si-wing pointed out that there were numerous constraints on the operation of leisure farming and urged the Administration to undertake a cross-departmental review on the existing policies with a view to facilitating the development of the activity. USDEV said he would convey Mr YIU's view to the Food and Health Bureau for consideration.

Impact of the proposed developments on villagers and the compensation mechanism

45. Dr LAM Tai-fai said that during the land development process, it was inevitable that some parties would be adversely affected. It was imperative that the impact on the affectees be minimized. Citing the controversies over the North East New Territories ("NENT") NDAs project as an example, he said that the Administration would likely meet a lot of oppositions from the affected villagers when implementing land development projects in the New Territories. He remarked that, although the YLS project was of a smaller

scale than the NENT NDAs project, the Administration should not ignore and must allay the suspicion that the development of YLS was to transfer benefits to private developers. As the compensation to be made to the affectees had always been a contentious issue in a development project, the Administration should review the compensation mechanism in order to address the demand of the affectees before taking forward the YLS project. During the review, the views of Heung Yee Kuk and the local communities should be sought and the affectees should also be kept informed of the plans and progress of the project as well as the compensation details. Dr LAM also sought the Administration's views on the suggestion for increasing the maximum compensation for eligible affectees of the NENT NDAs project from \$0.6 million to \$2 million each. He called on the Administration to provide more details on the transport links and community facilities for YLS for public information.

46. USDEV assured members that the Administration would keep close liaison with the affectees of the YLS development project. Local residents had been consulted and their demand would be conveyed to the relevant bureaux and departments and addressed in the next stage of the YLS Study. He further said that the compensation of \$2 million previously suggested by some local representatives in NENT far exceeded the maximum amount under the existing policy. As public money was involved, the Administration had to ensure that the compensation offered was appropriate. The compensation for those to be affected by the YLS project would be reviewed at the next stage of the YLS Study.

47. Miss CHAN Yuen-han urged the Administration to review the compensation mechanism for the affectees, in particular those villagers who had lived in the area for a long time, taking into account the lessons learnt from the NENT NDAs project and the case of Choi Yuen Village. A win-win option should be worked out before the land occupied by the affected villagers had to be resumed. If the compensation mechanism was not improved, she cautioned that the Administration would face strong opposition from the affected villagers.

48. Dr Fernando CHEUNG noted that the planning for YLS would not affect the indigenous villages. However, some affected non-indigenous residents and farmers, who rented land from indigenous villagers, were only aware of the scope of the project lately. Due to the anticipated increase in the value of the land in the area, some landowners had terminated the tenancy with the tenants and evicted them. He asked if the Administration would conduct a freezing survey on the identities of the occupants to protect them

once a planning study commenced. The information collected from the survey would be useful for the Administration to offer assistance to the residents and farmers during the planning process.

49. AD/PlanD(T) said that the YLS Study mainly focused on examining the development potential of the brownfield sites, which occupied a large proportion of the PDAs. She assured members that the Administration would strive to minimize the impact of the development on existing residents, and for this reason, two non-indigenous villages were proposed to be preserved under the PODP. Moreover, during the public consultation exercises, the Administration had received requests from non-indigenous villagers for preserving their structures. The Administration would strive to address these requests at the next stage when preparing the draft recommended outline development plan ("RODP"). USDEV advised that the YLS Study was only at the stage of going through Stage Two CE, and a freezing survey would only be conducted when the development plan was finalized.

50. Mr Alan LEONG enquired why SDEV seldom attended the meetings of the Panel to discuss land development proposals with members. He concurred with some members' views that it was necessary to formulate a win-win option for relevant parties, including the affected non-indigenous residents, for a land development project. He asked whether the Administration had learnt any lessons from the NENT NDAs project and the Choi Yuen Village incident on sharing the benefits of a land development project with the affected residents. Referring to a suggestion that housing development at YLS could obviate the need for or reduce the scope of the Kwu Tung North and Fanling North NDAs project, he asked about the interaction between the two projects.

51. USDEV said that subject to timely completion of the relevant procedures, it was envisaged that the first population intake for YLS would take place around 2025. Given that more than 80% of land in YLS was privately owned, the Administration had to carefully consider the implementation mechanism. Development of YLS had long been one of the Administration's long-term measures to increase land supply. It was, in no way, a replacement of the Kwu Tung North and Fanling North NDAs project. He assured members that the development of YLS would take into account the experience learnt in previous projects. USDEV supplemented that despite the Administration's best efforts, there would still be dissatisfaction with the Administration's proposed arrangements among

some stakeholders. The Administration would strive to make the best arrangements for all concerned parties.

52. Mr Alan LEONG expressed regret that the Administration seemed to have learnt nothing from the experience in the planning of the Kwu Tung North and Fanling North NDAs project. He drew the Administration to the concern that the residents affected by the project were only informed about it at a very late stage. Sharing similar concerns, Dr Fernando CHEUNG asked if the Administration had enhanced the communication with the local residents affected by the YLS project.

53. USDEV replied that two teams of social workers had been engaged for liaising with the residents to be affected by the Kwu Tung North and Fanling North NDAs project to offer necessary assistance. The YLS project would take account of the experience learnt from the aforesaid project. In addition, the Administration had made use of the Hong Kong Post's service to send the relevant information about the YLS Study to every mailing address in the area.

54. Dr Fernando CHEUNG said that according to a local organization, there were 10 hectares of farmland actively engaged in farming activities in YLS. However, almost all the farmers were not aware that they would be affected by the YLS project. As some landowners had resumed the land currently used for farming from the tenants, without making any compensation, after the announcement of the YLS Study, a large amount of farmland in YLS was now deserted. Given that the proposed development in YLS would only be implemented many years later, it was a waste of precious land resources to leave the farmland abandoned. He urged the Administration to work out measures to protect the farmland and the farmers. Principal Assistant Secretary (Planning & Lands)5, Development Bureau, said that a freezing survey, which was to record the information about the persons living in the structures but not the activities undertaken, would be conducted when the development plan was confirmed, and as explained by AD/PlanD(T), the largest piece of active farmland land in YLS had been preserved for agricultural use. USDEV said that he could liaise with Dr Fernando CHEUNG on the issue.

Implementation approach

55. Taking in view that more than 80% of land in YLS was privately owned, Miss CHAN Yuen-han asked about the implementation approach to be adopted for the development project. She expressed concern on how agricultural rehabilitation could be arranged by the Administration on private farmland.

56. Mr LEUNG Che-cheung opined that the Administration should allow private owners to develop their land in YLS as the process of land resumption by the Administration would be lengthy. Moreover, it would be unfair to landowners if the Administration resumed private land in low prices and sold it at high prices to developers. In his view, the Administration should only be responsible for developing subsidized housing and essential infrastructure facilities in the area.

57. USDEV said that the Administration adopted an open attitude to the implementation approach for YLS project at this stage. Diverse views were received during the Stage 1 CE on the subject. Some supported the "Conventional New Town Approach", i.e. the Administration to resume private land for development, while some considered that private property rights should be respected and therefore private sector participation in the development should be allowed. The Administration would work out an appropriate approach and a mixed approach would be a possible option.

Operation of logistics services in Yuen Long South

58. Miss Alice MAK stressed that the planning of YLS and HSK NDA, both intended for the development of logistics industry and creation of employment opportunities, should be well coordinated. Noting that under the PODP, some sites in YLS would be reserved for open storage and industrial uses, she said it was imperative for the Administration to ensure that the sites were suitable for the existing operators in the area to continue their business. According to her discussion with the operators, they found the proposed multi-storey flatted factory buildings to be provided in YLS and the proposed HSK NDA not suitable for the operation of the logistics industry. She pointed out that a planning mismatch would affect the number of employment opportunities to be generated in HSK NDA and YLS. She also requested the Administration to formulate a policy to facilitate the development of the logistics industry in Hong Kong.

59. AD/PlanD(T) said that the Administration was mindful of the views of the logistics industry on the planning of the sites in YLS and the HSK NDA for the use of the industry in future. The study team had held discussions with the relevant local stakeholders on their concerns, such as how their businesses could be relocated to the multi-storey factory buildings. The issues raised would require consideration, in particular regarding how to assist the logistics industry to continue their operations in the area in future. This aspect would be further examined at the next stage of the YLS Study.

60. Miss Alice MAK opined that if multi-storey factory buildings would be provided in the proposed HSK NDA, other alternatives, such as open storage yards, would be preferable in YLS to meet the need for storage of special items. She invited the Administration to attend a meeting to discuss the issue with the industry. USDEV thanked Miss MAK for arranging the meeting. He said the Administration adopted an open mind to the views of the industry.

61. Dr LAM Tai-fai queried the feasibility and practicability of the provision of multi-storey factory buildings in YLS for the existing industrial operators in the area. He questioned how the existing open storage and recycling industries, which were land intensive, could be accommodated inside factory buildings, and asked which types of industrial operations were intended to be accommodated in, as well as the number of storeys of the proposed factory buildings. He expressed concerns about the occupancy rates and cost-effectiveness of such buildings. AD/PlanD(T) said that the suggestion to provide multi-storey factory buildings up to six storeys was arrived at after reviewing the existing uses of the brownfield sites, which were mainly for storage purposes, with some for storage of construction materials and machinery. The number of storeys could be reviewed at the next stage of the YLS Study. The factory buildings would need to be specially designed to provide, for example, high headroom as well as facilities which could allow goods vehicles to reach the upper floors in order to cater for the needs of the existing operations. As these buildings were mainly for storage purpose, Dr LAM considered that they should be referred to as warehouses instead of factory buildings.

Impact on buildings with heritage and cultural values

62. Citing the case of Kam Lan Koon, a Taoist temple in YLS, which had years of history but was not a graded historic building, Miss Alice MAK urged the Administration to conserve buildings with a long history and special cultural values in YLS and the proposed HSK NDA. She also

suggested that the Administration should organize heritage tours to the declared monuments, historic buildings, buildings with special cultural characteristics and village markets in Yuen Long. In reply, AD/PlanD(T) said that the study team had a meeting with representatives of Kam Lan Koon and had explained that a larger site abutting a planned vehicular road had been reserved for the temple on the PODP, noting that the existing site of the temple was not served by a vehicular road. The Administration understood the organization's aspiration for in-situ preservation of the temple and would consider its views when preparing the draft RODP at the next stage.

External connectivity and the Yuen Long Nullah

63. Mr LEUNG Che-cheung said that the Yuen Long District Council was in principle supportive of the YLS proposal despite that some issues had not yet been addressed. He said that the existing Kung Um Road did not have extra capacities to handle the new transport demands arising from the new population, therefore a new road was proposed. As the traffic on Yuen Long Highway was already very heavy, he called on the Administration to carefully examine the connecting point of the new road to Yuen Long Highway and the traffic network in the area. He suggested that an environmentally friendly transport mode be adopted for the new road so as to improve the environment of the southern part of YLS, which comprised mainly low-rise and low-density developments. Improvement should also be made to enhance Kung Um Road to better serve the existing residents. On some local residents' suggestion about decking the Yuen Long Nullah for the road, Mr LEUNG pointed out that the Yuen Long District Council did not support decking of the section of the Nullah in Yuen Long Town. He suggested that the Administration should consider decking the Yuen Long Nullah (i.e. the section adjacent to Kung Um Road) by semi-enclosure and revitalize the Nullah as a river.

64. USDEV said that the Administration would examine in detail the views and concerns on various issues expressed by members and those received during the Stage 2 CE in the next stage of the YLS Study. As regards Kung Um Road, the Administration would strive to strike a balance between minimizing the environmental impact and meeting the transport needs. The Administration would examine the partial decking option for the Yuen Long Nullah. He further advised that, under the PODP, it was proposed that an environmentally friendly transport system be provided to connect the Tong Yan San Tsuen Interchange with the southern part of YLS.

In response to the Chairman's enquiry, USDEV said that the Yuen Long District Council had been consulted on the PODP.

III Revision of fees and charges under Mines (Safety) Regulations, Cap 285B, Dangerous Goods (General) Regulations, Cap. 295B, and Dangerous Goods (Government Explosives Depots) Regulations, Cap. 295D under the purview of the Civil Engineering and Development Department

(LC Paper No. CB(1)1459/13-14(02) -- Administration's paper on revision of fees and charges under Mines (Safety) Regulations, Cap 285B, Dangerous Goods (General) Regulations, Cap. 295B, and Dangerous Goods (Government Explosives Depots) Regulations, Cap. 295D under the purview of the Civil Engineering and Development Department)

IV Revision of non-livelihood related fees and charges under the purview of the Water Supplies Department

(LC Paper No. CB(1)1459/13-14(01) -- Administration's paper on revision of non-livelihood related fees and charges under the purview of the Water Supplies Department)

65. The Chairman proposed and members agreed that the discussion on agenda items III and IV be combined. The Chairman advised that, to allow more time for the discussion, the meeting would be extended for 15 minutes.

66. At the invitation of the Chairman, Principal Assistant Secretary (Works)3, Development Bureau ("PAS(Works)3/DEVB") briefed members on the Administration's proposals to revise: (a) 27 Government fees and charges related to mine blasting certificate, manufacture, storage and discharge of dangerous goods and explosives storage and delivery under the purview of the Civil Engineering and Development Department ("CEDD"); and (b) 25 Government fees and charges for services under the purview of the Water Supplies Department ("WSD"). The details were set out in the

Administration's papers, LC Paper No. CB(1)1459/13-14(02) and LC Paper No. CB(1)1459/13-14(01), respectively. He advised that the fees and charges for the concerned services did not directly affect people's livelihood or general business activities.

Frequency of adjustment of fees

67. Mr YIU Si-wing considered it appropriate to revise the 27 fees and charges for the services under the purview of CEDD, taking into consideration that the Administration had not revised them for more than a decade. He enquired about the principles for determining the frequency of such revision. He was of the view that the review on such fees and charges should be made at a shorter interval, say every three to five years.

68. PAS(Works)3/DEVB replied that under the current practice, basically CEDD would conduct reviews on fees and charges annually to determine whether it should propose any revision. After a review in 2004 on the concerned 27 fees and charges under the purview of CEDD, it was found that the cost recovery rates were close to 100%. The Administration therefore had not proposed revision to the fees and charges at that time. In 2008, new work processes, such as on-site inspection, had been introduced to some of CEDD's services for public safety reasons. As a result, the Administration needed a longer time to ascertain the change in the costs of the provision of the concerned services.

The "user pays" principle

69. Dr Fernando CHEUNG enquired whether the fees and charges for the services provided by the Administration were all based on the full-cost recovery principle. PAS(Works)3/DEVB replied that in line with the "user pays" principle, the fees and charges for the concerned services provided by WSD and CEDD should be at levels sufficient to recover the full cost of providing the services as far as possible. At the request of Dr CHEUNG, the Administration would provide information on: (a) the criteria adopted by the Administration for deciding whether a service provided by the Government was "livelihood-related" or "non-livelihood related"; and (b) whether there were any services provided by the Government on which the fees charged were not based, or only partly based, on the "user pays" or full-cost recovery principle; if yes, the details, including the principles for determining the charges of such services.

(Post-meeting note: The Administration's supplementary information was circulated to members on 24 July 2014 vide LC Paper No. CB(1)1870/13-14(01).)

70. Mr YIU Si-wing said that the proposed fee adjustments for the 27 services under the purview of CEDD were minor but varied widely. To avoid confusing the users of the services, without compromising the full-cost recovery principle, the Administration should consider setting a unified level of adjustment to the fees and charges of which the existing recovery rates all fell within a specified range.

71. Mr CHAN Chi-chuen said that regarding the 27 services under the purview of CEDD, the cost recovery rates following the proposed fee adjustments would range from 27.2% to 100.1%. He enquired about the Administration's consideration for not setting the proposed fees and charges for some of these services at levels sufficient to recover the full cost. He noted that according to the guidelines for fee revision in paragraph 3 of its papers, the Administration would adopt a fee increase of about 20% only for those services, such as items 14 and 15 in the Annex to the paper, of which the cost recovery rates at the existing fee levels were less than 40%. He cast doubt on whether such an approach was in line with the "user pays" principle.

72. PAS(Works)3/DEVB replied that in working out the guidelines for fee revision, the Administration considered it appropriate to achieve full cost recovery gradually and avoid a steep fee increase. He reiterated that in each year, the Administration conducted a review on the cost of providing various services to ascertain whether it should adjust the fees and charges for the services. As regards the fee levels of items 14 and 15 referred to by Mr CHAN, he explained that their existing cost recovery rates were relatively low because the cost had increased following the introduction of some new work processes to deliver the services.

Impact of fee adjustments on users

73. Mr YIU Si-wing noted that of the 25 items of fees for the services under the purview of WSD, 24 items had been revised in December 2013. He enquired about the reason for revising the fees again within a short time. He opined that, as regards the services which were mainly used by non-corporate users such as plumbers, the Administration should be mindful of the impact of frequent fee revision on them. Dr Fernando CHEUNG subscribed to the view of Mr YIU that the Administration should pay due regard to the impact of fee adjustments on the livelihood of non-corporate users who required Government services such as the issuance of a plumber's licence.

74. PAS(Works)3/DEVB responded that Mr YIU's concern about the impact of fee adjustments on users was noted. He advised that most of the 25 non-livelihood related services under the purview of WSD were used by corporate users. As set out in the guidelines for fee revision in paragraph 3 of the two Administration's papers, the proposed changes to the fee levels were primarily determined according to the existing cost recovery rates. Consideration would also be given to users' affordability. He advised that the proposed amount of increase of the licence fee for plumbers for one year was \$9 only. In response to Mr YIU's enquiry on whether the proposed fee adjustments would result in an increase in water charges in future, PAS(Works)3/DEVB advised in the negative.

75. Mr CHAN Chi-chuen cast doubt on the Administration's statement that the adjustments of the 25 items of fees and charges for the services under the purview of WSD would not have any impact on people's livelihood. He queried whether the general households would not be affected by the proposed fee increase for providing and installing meters. In reply, PAS(Works)3/DEVB explained that the service to provide and install meters was mostly for new properties. Compared with property prices, the proposed fee adjustment was minor and hence its impact on the relevant parties should be insignificant.

V Any other business

76. There being no other business, the meeting ended at 6:02 pm.