

立法會
Legislative Council

LC Paper No. CB(1)753/14-15
(These minutes have been seen
by the Administration)

Ref : CB1/PL/DEV

Panel on Development

Minutes of meeting
held on Tuesday, 27 January 2015, at 2:30 pm
in Conference Room 1 of the Legislative Council Complex

Members present : Hon Tony TSE Wai-chuen, BBS (Chairman)
Dr Hon LAU Wong-fat, GBM, GBS, JP
(Deputy Chairman)
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Emily LAU Wai-hing, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Cyd HO Sau-lan, JP
Hon CHAN Hak-kan, JP
Hon CHAN Kin-por, BBS, JP
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun, 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
Hon CHAN Han-pan, JP
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 Fernando CHEUNG Chiu-hung
Dr Hon Elizabeth QUAT, JP

Members attending : Hon WONG Kwok-hing, BBS, MH
Hon Charles Peter MOK, JP
Dr Hon KWOK Ka-ki
Hon POON Siu-ping, BBS, MH

Member absent : Ir Dr Hon LO Wai-kwok, BBS, MH, JP

Public officers attending : Agenda item IV

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

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

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

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

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

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

Ms Selene TSOI Sze-long
Deputy Secretary for Development
(Planning and Lands)³

Miss Vivian KO Wai-kwan
Deputy Secretary for Development (Works)1
(Acting)

Mr CHAN Chi-ming, JP
Deputy Secretary for Development (Works)2

Ms Brenda AU Kit-ying
Head of Energizing Kowloon East Office
Development Bureau

Mr HUI Siu-wai, JP
Director of Buildings

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

Ms Bernadette LINN, JP
Director of Lands

Mr LING Kar-kan, JP
Director of Planning

Clerk in attendance : Ms Sharon CHUNG
Chief Council Secretary (1)2

Staff in attendance : Mr Fred PANG
Senior Council Secretary (1)2

Mr Raymond CHOW
Council Secretary (1)2

Ms Christina SHIU
Legislative Assistant (1)2

Action

- I Confirmation of minutes**
(LC Paper No. CB(1)448/14-15 -- Minutes of the special
meeting on 3 December
2014)

The minutes of the special meeting on 3 December 2014 were confirmed.

II Information papers issued since the last meeting

(LC Paper No. CB(1)446/14-15(01) -- Issues raised at the meeting between Legislative Council Members and North District Council members on 22 May 2014 relating to the policy on tree management

LC Paper No. CB(1)458/14-15(01) -- Administration's response to the joint letter dated 9 December 2014 from Hon Charles Peter MOK, Hon Kenneth LEUNG and Dr Hon Kenneth CHAN Ka-lok on the conservation plans for archaeological features discovered at To Kwa Wan Station (LC Paper No. CB(1)367/14-15(01)

LC Paper No. CB(1)461/14-15(01) -- Administration's paper on progress report on the HKSAR's work in support of reconstruction in the Sichuan earthquake stricken areas

LC Paper No. IN03/14-15 -- Paper on assessment of the value of resumed properties prepared by the Research Office of the Legislative Council Secretariat (Information note)

LC Paper No. IN04/14-15 -- Paper on resolving disputes arising from land resumption prepared by the Research Office of the Legislative Council Secretariat (Information note))

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

III Items for discussion at the next meeting

(LC Paper No. CB(1)447/14-15(01) -- List of outstanding items for discussion

LC Paper No. CB(1)447/14-15(02) -- List of follow-up actions)

3. Members agreed that the next meeting scheduled for Tuesday, 24 February 2015, at 2:30 pm be extended to end at 6:30 pm and the following items proposed by the Administration be discussed --

- (a) PWP Item No. 3450RO -- Converting Tsun Yip Street Playground as Kwun Tong Industrial Culture Park;
- (b) PWP Item No. 666CL -- Formation, Roads and Drains in Area 54, Tuen Mun -- Phase 1 Stage 1 Works; and PWP Item No. 681CL -- Formation, Roads and Drains in Area 54, Tuen Mun -- Phase 2 Stages 3 & 4A Works;
- (c) PWP Item No. 181WF -- In-situ Re-provisioning of Sha Tin Water Treatment Works (South Works) -- Advance Works;
- (d) Progress Report on Kai Tak Development and PWP Item No. 711CL -- Kai Tak Development -- Infrastructure Works for Developments at the Southern Part of the Former Runway; and
- (e) PWP Item No. 45CG -- District Cooling System at Kai Tak Development.

4. Mr LEUNG Kwok-hung suggested that, as there were five items to be discussed at the next meeting, the Chairman might consider arranging an additional meeting. Mr CHAN Chi-chuen said that, for a long meeting with several items on the agenda, members tended to spend more time on deliberating the items at the top of the agenda, leaving insufficient time for other items. He asked the Chairman to consider placing those items of greater concerns to members at the top of the agenda.

5. The Chairman advised that, in view of the large number of items to be discussed in the next few months, he would, in consultation with members, arrange special meetings if necessary. On the order of agenda items, priority was given to those items that had an urgency for discussion or were of greater concerns to members.

(*Post-meeting note:* An information paper on PWP Item No. 99WC -- Water Supply to Northwestern Tuen Mun (LC Paper No. CB(1)554/14-15(01)) was circulated to members on 13 February 2015. Some members requested that a discussion on the paper should be held at a Panel meeting. With the concurrence of the Chairman, item (b) above was revised to "Three PWP Items related to Proposed Developments in Area 54, Tuen Mun (666CL, 681CL and 99WC)" to include PWP Item No. 99WC. At the request of the Administration and with the concurrence of the Chairman, items (d) and (e) above have been deferred to a future meeting. Members were informed of the above meeting arrangements vide LC Paper Nos. CB(1)546/14-15 and CB(1)566/14-15 on 13 and 17 February 2015 respectively.)

IV Briefing by the Secretary for Development on the Chief Executive's 2015 Policy Address

(LC Paper No. CB(1)447/14-15(03) -- Administration's paper on initiatives of Development Bureau in the 2015 Policy Address and Policy Agenda)

Relevant papers

Address by the Chief Executive at the Legislative Council meeting on 14 January 2015

The 2015 Policy Agenda booklet

(LC Paper No. CB(1)407/14-15(01) -- Administration's paper on increasing land supply)

6. At the invitation of the Chairman, Secretary for Development ("SDEV") briefed the Panel on the major policy initiatives of the Development Bureau ("DEVB") in the Chief Executive's 2015 Policy Address ("the Policy Address"). With the aid of a powerpoint presentation, Permanent Secretary for Development (Planning & Lands) ("PS/DEV(P&L)") and Permanent Secretary for Development (Works) ("PS/DEV(W)") elaborated on the multi-pronged strategy adopted by the Administration to increase land supply, the setting up of a dedicated Construction Industry Recruitment Centre, enhancement measures in respect of importation of skilled labour, the policy review on conservation of built heritage, etc. Details of DEVB's policy initiatives were set out in the Administration's paper (LC Paper No. CB(1)447/14-15(03)).

(*Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)491/14-15(01) by email on 27 January 2015.*)

Increasing land supply

7. Mr WONG Kwok-hing said he was pleased to learn that the current-term Government had recognized the land supply-demand imbalance in Hong Kong as a real problem and undertaken measures to avert the imbalance by increasing land supply. Noting that under the Long Term Housing Strategy ("LTHS"), the Administration aimed to provide 480 000 housing units in the coming 10 years (2015-2016 to 2024-2025), but only the land resources required for the first five years had been secured, he asked how the Administration would ensure that land resources would be available to meet the housing supply target for the latter five years. Mr LEUNG Che-cheung shared a similar concern.

8. SDEV advised that under LTHS, the split between public and private housing for the new housing production target was 60:40. Accordingly, the target of public housing supply for the 10-year period would be around 290 000 units. At present, land resources had been identified or secured for providing up to 254 000 public housing units. For the other some 30 000 units, the Administration would continue to secure the necessary land resources by undertaking a multi-pronged strategy, including conducting land use reviews, increasing the development intensity of individual sites as appropriate, and exploring new sources of developable land/space. As announced in the 2014 Policy Address, some 150 potential housing sites had been identified and assessed to have potential for rezoning for housing development to provide over 210 000 flats, more than 70% of which would be for public housing supply.

9. Mr James TIEN opined that the land development policy adopted by the current-term Government might not sustain beyond its term of office, which lasted for only five years. He expressed concern on whether there would be no land for the Government of the next term to put on sale, if all the available and developable land in Hong Kong was sold out during the current term.

10. SDEV advised that with the short-, medium- and long-term initiatives adopted, the Administration aimed at ensuring a sustainable land supply for Hong Kong's future development. The short- to medium-term initiatives included land use reviews, increase of development intensity, exploring the development opportunities along rail lines, etc. The long-term initiatives, such as developing New Development Areas ("NDAs") in Kwu Tung North, Fanling North and Hung Shui Kiu, studying the development of the New Territories ("NT") North and Lantau, extending the Tung Chung New Town, were also in progress. The three NDAs and Tung Chung New Town Extension would start to be ready for initial population intake in around 2023 and 2024. SDEV said he was confident that, through the joint efforts of various government bureaux/departments and support of the community in building up land reserve, the Administration could ensure a stable and sustainable supply of land for public and private housing development in future.

11. With reference to slides 10 and 11 of the powerpoint presentation materials on the information about the major long-term land supply projects, Mr Frederick FUNG queried whether these projects, which were expected to provide about 227 800 housing units in total in the long run, would help the Administration meet the target of supplying 480 000 housing units in the next 10 years. For some controversial long-term projects like developing artificial islands in the central waters, even if they were given the green light during the term of office of the current Government, the implementation timeframe would go beyond its term. Hence, these projects would not be the solutions to the pressing housing shortage problem.

12. SDEV explained that only a small proportion of the housing units to be provided under the 10-year housing supply target would rely on some of the major long-term land supply projects. Most of the units to be supplied in the next 10 years would come from the 150 potential housing sites aforementioned, which included Government, Institution or Community ("G/IC") sites and Green Belt sites to be rezoned and could provide 210 000 units. Besides, for the various initiatives to increase land supply announced in the 2013 Policy Address, 36 sites which were not included in the said some 150 potential housing sites had been zoned/rezoned as at end-January 2015 for producing some 37 000 units.

Optimal use of land resources

13. Citing the housing development under planning in Kai Tak as an example, Dr Fernando CHEUNG commented that the Administration had not optimized the use of land resources to cater for the public's housing

needs. He said that only about 36 hectares ("ha") of the land in Kai Tak Development ("KTD"), which had an area of 323 ha, had been designated for residential development. Of the 36 ha of land, only 9 ha had been reserved for public housing development. In his view, the rezoning of Green Belt sites was conducted by the Administration to facilitate the development of luxury residential properties for the rich and such use of land resources represented an inequitable allocation of scarce public resources. He considered that the housing problem in Hong Kong stemmed from mis-allocation of land resources but not shortage of land. He sought information about the locations of the sites to provide the 254 000 public housing units mentioned by SEDV and the 70 Green Belt sites to be rezoned for residential use.

14. SDEV replied that the 150 potential housing sites, including many Green Belt sites, were scattered across 16 districts in Hong Kong. With the exception of the Tai Po District Council, the Administration had already briefed or provided the relevant site information to 15 out of the 16 District Councils concerned. Such information had also been provided in a paper to the Panel. He reiterated that over 70% of the flat supply from those sites would be subsidized housing. As regards KTD, SDEV advised that the current development plan was the outcome of rounds of discussion between the Administration and community stakeholders over many years. Under the plan, the population intake of KTD had been significantly downsized from the original some 200 000 to the current 90 000. Though there were views urging for a drastic increase in the development intensity in KTD, such views went against the consensus reached on the planning of KTD and had not been adopted. However, the development intensity of KTD would be suitably increased to address the housing shortage. SDEV stressed that the housing problem faced by Hong Kong was due to shortage of land but not "mis-allocation" of land resources.

Vacant government land

15. Dr KWOK Ka-ki said he was disappointed that a major part of DEVB's policy initiatives on increasing land supply was related to long-term measures, which could not address the imminent housing need of those living in subdivided flats and waiting for allocation of public housing units. Referring to the Administration's reply to a Council question raised at the meeting in 2012 that there were 4 000 ha of idle land, he questioned why the Administration claimed that there were only some 390 ha of land available for development. He requested the Administration to provide a full list of the locations of the concerned land sites. He further commented that, notwithstanding the fact that the sizable area of land designated for "Village

Type Development", totalling 933 ha, was more suitable for residential use, the Administration kept on selling small plots of land in the urban area to developers to construct "toothpick-like" buildings. Dr KWOK questioned whether the Administration would continue its high land price policy, disregarding the acute housing problem in Hong Kong. Mr James TIEN concurred with the view that the Administration had adopted a high land price policy, which was reflected by the Administration's sale of land by tender operated under the "highest bid wins" principle.

16. SDEV said the Administration had explained to Members of the Legislative Council ("LegCo") on many occasions that the figure of 4 000 ha did not represent the size of vacant government land that could potentially be put to development. SDEV referred to the tabulated information on unleased and unallocated land previously provided to LegCo, with roads or passageways, man-made slopes and land allocated under the Simplified Temporary Land Allocation and fragmented sites deducted. Whether the 390 ha of land shown therein could be developed would be subject to further technical assessment. The tabulated information and details on the locations of those sites had already been uploaded to DEVB's website for public information. Moreover, as mentioned earlier, DEVB had carried out land use reviews which covered government land currently vacant or under Short Term Tenancies ("STTs") for conversion to residential use. Many sites already had their STTs terminated for residential development, while some sites were still leased under STTs out of practical needs. For the "Village Type Development" sites scattered across the territory, they were generally not suitable for high-density development because of the sporadic locations and infrastructural constraints. SDEV stressed that the Administration did not have a high land price policy.

17. Mr Frederick FUNG opined that there were insufficient short-term initiatives to address the imminent housing need of the public, in particular the households living in subdivided flats. He suggested that the Administration should make use of vacant government land to provide interim housing for these households. In reply, SDEV said that the Administration had introduced various short-term initiatives to increase land supply but the support from the community and LegCo Members were crucial for the success of these initiatives.

Rezoning of Green Belt sites

18. Referring to the Administration's plan to rezone 70 Green Belt sites for residential use, Mr CHAN Hak-kan enquired about the number of flats and the ratio of public-to-private housing units that would be produced at these sites. He opined that the Administration should not only focus on the provision of public housing units, as there was also a strong demand for small- and medium-sized private housing units. He asked whether the Administration would set a target for supply of the latter type of units, such as requiring developers to provide price-restricted and size-restricted flats at certain sites.

19. SDEV replied that the Green Belt sites concerned would have a capacity to provide more than 80 000 public and private housing units, of which over 70% would be public housing units. In the past few years, the Administration had specified in the land sale conditions for certain sites the minimum number of flats to be produced or restrictions on flat size. Over 70% of the flats to be produced from the residential sites sold in 2012-2013 and 2013-2014 were expected to be small- and medium-sized private housing units. Subject to the actual conditions of the residential sites concerned, the Administration would consider imposing the minimum flat number requirement in the land sale conditions on a case-by-case basis. SDEV said that, recently, in response to market demand, developers had produced or planned to produce more small- and medium-sized residential units. The specification in land sale conditions of the minimum number of flats to be provided might become unnecessary.

North East New Territories New Development Areas

20. Mr Albert CHAN said that the controversies over the Administration's land development proposals arose from the Administration's failure to handle the land planning and land resumption process in a fair, just and open manner. He criticized that in developing the North East New Territories ("NENT") NDAs, the Administration planned to designate the land owned by large consortia and near the proposed Kwu Tung Station for private residential developments so as to transfer benefits to these consortia. Instead of resuming the land occupied by the Fanling Golf Club, the Administration chose to resume the agricultural land where there were farming activities supporting the livelihood of low-income families. Many people in Hong Kong were opposed to the development of NENT NDAs because the Administration planned to turn NENT into "a backyard for the rich people from the Mainland". He urged the Administration to develop the

under-utilized land in Hong Kong, such as military sites, to achieve the housing supply target set out in LTHS.

21. Mr LEUNG Kwok-hung asked whether the Administration would invoke Article 105 of the Basic Law to resume the agricultural land in the NT acquired and hoarded by individual owners or consortia and compensate these owners according to the current value of the agricultural land, irrespective of the development potential of the land concerned. If not, he queried why the Administration had adopted such an approach to resuming the land of villagers affected by the development of NENT NDAs.

22. SDEV stressed that the Administration had adopted a multi-pronged approach to increasing land supply in the short, medium and long term. As for the NENT NDAs, SDEV stressed that, as the Administration had clarified many times before, the areas would not become "a backyard for the rich people from the Mainland" or a special zone allowing visa-free entry of Mainlanders. The areas concerned would provide about 60 000 flats, 60% of which being public housing units. Regarding the private housing units to be provided in NENT NDAs, most of them would be small- and medium-sized flats. The Administration had initiated the Preliminary Feasibility Study on Developing the New Territories North, which included the examination of the development potential of the Fanling Golf Course. In parallel, a policy review on the Private Recreational Lease ("PRL") was being conducted by the Home Affairs Bureau.

Use of military sites for housing development

23. Mr CHAN Chi-chuen enquired if the Administration had discussed with the Hong Kong Garrison of the Chinese People's Liberation Army ("Hong Kong Garrison") on handing over some of the vacant military sites to the Administration. Noting that the a land development process usually took 11 to 15 years, Mr Paul TSE opined that vacant military sites, such as those used as firing ranges before in Tuen Mun, should be handed over to the Administration early to facilitate the formulation and implementation of land development plans.

24. Mr Frederick FUNG pointed out that under Article 13 of the Law of the People's Republic of China on the Garrisoning of the Hong Kong Special Administrative Region, with the consent of the Central Government, the Administration could offer alternative sites in exchange for the existing military sites for public use. In this connection, he urged the Administration to initiate exchange of sites with the Hong Kong Garrison for the military sites of the Gun Club Hill Barracks in Tsim Sha Tsui, the barracks in

Kowloon Tong and the Shek Kong Camp in Yuen Long, so that these sites could be released for residential development.

25. SDEV advised that the British military forces stationed in Hong Kong before 1997 had returned the military sites that were no longer required for defence purposes to Hong Kong for disposal before the return of Hong Kong to China. At present, all the existing military sites in Hong Kong were needed for defence purposes and the Administration had no plan to make any changes to the use of these sites.

Resumption of land granted under Private Recreational Leases

26. Mr CHAN Chi-chuen expressed concern that government land had been granted under PRLs by the Administration to private sports clubs at nil or nominal rents but many recreational and sports facilities provided by these clubs were restricted to the use of club members only. Given that land resources in Hong Kong were precious, the Administration should apply the relevant lease terms to resume the land granted under PRLs for other development purposes. Mr CHAN asked when the findings of the PRL policy review would be released to the public. SDEV replied that the preliminary findings of the Home Affairs Bureau would be ready in 2015.

Urban renewal

27. Referring to latest revision to the Demand-led Redevelopment Project Pilot Scheme ("Demand-led Scheme") of the Urban Renewal Authority ("URA"), which included increasing the minimum site size of applications from 400 square metres ("m²") to 700 m², the Chairman opined that the revision had made the redevelopment of small sites more difficult. He considered that, instead of taking a profit-minded and "block-by-block" redevelopment approach, URA should pursue urban renewal from a wider perspective, i.e. to improve the living environment of old areas. The Chairman also urged the Administration to consider redeveloping aged buildings constructed under the Civil Servants Co-operative Building Society Scheme ("CBS buildings") to provide more housing units in the urban area.

28. SDEV said that URA carried out redevelopment projects for social benefits. The Authority did not expect that each project would generate profits. However, the experience from the operation of the Demand-led Scheme in the past three years indicated that substantial funding support for the projects under the Scheme was required under the prevailing conditions of the property market. Therefore, to optimize the use of public funds and to

avoid the construction of "pencil-type" buildings, URA had revised the application requirements in respect of the Scheme. Apart from the projects initiated by property owners under the Demand-led Scheme, URA also undertook redevelopment projects on its own initiative. For the URA-initiated projects, there was no restriction on the site size, hence allowing flexibility for URA to commence redevelopment projects in accordance with the building conditions and the local environment. As for the CBS buildings, SDEV advised that the Administration had been exploring ways to facilitate their redevelopment and would brief the Panel on the progress in due course.

Development of "brownfield sites"

29. Referring to the illegal use of some "brownfield sites" for logistical operation, Miss Alice MAK asked if the Administration would formulate a land policy to facilitate the development of the logistics industry. In view of the proposal to develop a logistics and technology quarter in the proposed Hung Shui Kiu NDA, she said that DEVB should collaborate with the Transport and Housing Bureau ("THB") to work out measures to help the existing logistics operators in Hung Shui Kiu to relocate their business to the logistics and technology quarter and generate job opportunities for the residents of the NDA. SDEV advised that an inter-departmental task force, comprising members from various bureaux and departments including THB, had been set up to handle the brownfield sites and operations within the proposed Hung Shui Kiu NDA.

Manpower of the Lands Department

30. Miss Alice MAK said she had learnt from staff of the Lands Department that there was shortage of front-line staff for handling the additional workload arising from the Administration's initiatives to increase land supply. In response, SDEV advised that DEVB would seek additional manpower resources to relieve the work pressure of the staff involved in the initiatives to increase land supply. The concerned departments would also review the priorities of various tasks to ensure efficient use of manpower resources.

Increasing development intensity

31. Dr Elizabeth QUAT suggested that, to meet the strong demand for housing, office space and community facilities, the Administration should suitably relax the plot ratios ("PRs") for new developments to provide more usable floor areas. In addition, the Administration should take measures to provide more vehicle parking spaces for users with special needs (e.g. Rehabus and nanny vans).

32. SDEV advised that as announced in the 2014 Policy Address, the Administration would increase the maximum domestic PRs allowed for housing sites as one of the short-term initiatives to increase land supply. Except for the north of Hong Kong Island and Kowloon Peninsula, which were more densely populated, the maximum domestic PRs for all other areas that could be allowed for residential development would increase by 20% as appropriate. Such ratio might be increased by more than 20% subject to the site conditions, traffic and infrastructure capacity, and air ventilation impact. The Administration would also maximize the use of G/IC sites as far as possible. For example, some homes for the elderly were co-located with other community facilities in the G/IC sites or in public housing estates. Director of Planning ("D of Plan") said that in some circumstances, the provision of community facilities required by the Government could be excluded from PR calculation. As for parking spaces for users with special needs, the Administration strived to provide sufficient numbers of such spaces in planning the development of public facilities.

33. Dr Elizabeth QUAT emphasized that there was actual shortage of vehicle parking spaces for people with special needs. She urged the Administration to ensure that the departments concerned would work together to address the problem.

34. Mr WU Chi-wai pointed out that, despite the Administration's explanation that the provision of community facilities could be excluded from PR calculation, many government project sites, such as the Rank and File Quarters for Customs and Exercise Department at Yau Yue Wan Village Road, had been under-utilized. As such, he urged the Administration to examine all of its projects to ensure that their PRs would be fully utilized and to set out a policy to maximize the use of government land by co-locating various community facilities within the same site.

35. The Chairman said that community facilities could be either provided at G/IC sites or located within private developments. He observed that the PRs for G/IC sites were usually lower than those of the sites for private

development, therefore it seemed that the land resources at G/IC sites might have not been fully utilized. For the community facilities located within private developments, he asked whether such facilities were excluded from PR restrictions. He suggested the Administration should review the land utilization issues related to these two types of community facilities.

36. D of Plan replied that the Administration endeavoured to ensure optimal use of land resources. If the permitted PR of a government project had not been fully utilized, the Administration would develop other facilities jointly at the site, such as incorporating other G/IC facilities at a site for a community hall. However, in doing so, the Administration had to strike a balance between high-density development and quality of urban liveability. SDEV said that the Administration would endeavor to maximize the utilization of land resources of its projects. He added that there were government premises constructed over public transport interchanges and even under flyovers to maximize the use of land resources.

37. In view of the objections from the community and some LegCo Members to the proposed development of NENT NDAs and artificial islands in the central waters, Mr IP Kwok-him enquired how the Administration could ensure that the land supply under the long-term initiatives could be delivered on time. Citing the number of public housing units to be developed in KTD, i.e. 13 000 units, at various sites with a total area of 9 ha, Mr IP opined that the development intensity of the residential project above the West Rail Kam Sheung Road Station and Pat Heung Maintenance Depot (i.e. a supply of 8 700 flats at sites of about 33 ha in total) was too low.

38. Referring to the Administration's long-term initiatives for increasing land supply, PS/DEV(P&L) said that in the face of the urgent housing need, the community as a whole would need to put the overall housing need of Hong Kong above its own interests. As regards the Kam Sheung Road Station residential development project, he advised that the site concerned had been fully utilized, taking into account the relevant planning considerations, such as traffic and infrastructure capacities in the area. That said, the Administration would examine the feasibility of enhancing the infrastructure facilities of the adjacent areas to see whether they could support further housing developments in the vicinity.

East Lantau Metropolis

39. Mr WONG Kwok-hing opined that the Administration's proposal of developing artificial islands in the central waters between Lantau and Hong Kong Island was a feasible way to increase land supply in the long term. He asked whether the Administration would consider linking the artificial islands with Lantau and Hong Kong Island by sub-sea tunnel or railway so as to enhance the connectivity of the artificial islands. SDEV advised that the proposal for carrying out strategic studies for developing artificial islands in the central waters had yet to be submitted to the Finance Committee for funding approval and the studies would include the transport connections between the artificial islands and Hong Kong Island.

40. Mr Michael TIEN said that the New People's Party welcomed the Administration's plan to link up the proposed East Lantau Metropolis, to be developed on the artificial islands, with Hong Kong Island, Lantau and the NT West by transport infrastructure. Taking in view that the transport infrastructure would include a railway, he urged the Administration to consider adopting the financing arrangement for the Airport Express project where development rights had been granted to the MTR Corporation Limited as a funding support, so that no capital injection from the Administration would be required for the proposed transport infrastructure. He asked whether the strategic studies for developing artificial islands would cover the development of the 5th rail harbour crossing to connect Hong Kong Island West and North West NT via the artificial islands and a preliminary financial assessment of the proposed railway project. Mr CHAN Han-pan also enquired about the scope of the strategic studies in respect of transport connections.

41. SDEV advised that the artificial islands, with a reclaimed area of 600 to 800 ha, could be developed as a new town to accommodate several hundred thousand people and a third central business district. The strategic studies would cover the engineering feasibility of the project, relocation of not-in-my-backyard facilities onto the artificial islands, and transport linkage of those islands with Hong Kong Island, Lantau and the NT West. Railway would be among one of the possible transport options to be studied. PS/DEV(W) confirmed that the strategic studies would include a preliminary financial assessment of the proposed railway project.

Energizing Kowloon East

42. Mr Charles Peter MOK welcomed the Administration's initiative of using Kowloon East as a pilot area to explore the feasibility of developing a "Smart City", but commented that the Administration should consider refining the Chinese translation of the term "Smart City", i.e. "聰明城市". He opined that "智慧城市" or "智能城市" might be a better translation. He also considered that a holistic approach should be adopted in the planning of a "Smart City". Moreover, inter-departmental co-operation for the development of new infrastructure in Kowloon East would be essential to the success of the proposed initiative. The Administration should make public-sector information more accessible to the public to facilitate the development of online services and mobile applications by individuals and private enterprises. A public-private partnership model should be considered in the development of a "Smart City".

43. PS/DEV(W) explained that, for the Chinese translation of the term "Smart City", the Administration intended to adopt one that was not so widely used. He said that "Smart City" referred to the concept of bringing various kinds of data possessed and generated by individuals and building structures on to a common platform and making use of such data for city management to create a low-carbon, energy-efficient city. SDEV thanked Mr MOK for his suggestions and said that the Administration would consider them.

44. In response to Mr Paul TSE's enquiry about the progress of various projects to improve the connectivity of Kowloon East under the "Energizing Kowloon East" initiative, Head of Energizing Kowloon East Office, Development Bureau said that the Administration had put in place short-, medium- and long-term measures to enhance the pedestrian environment of Kowloon East. Examples of the long-term measures included the development of an Environmentally Friendly Linkage System ("EFLS"), whereas short-term measures comprised junction improvements and greening works. The proposed development of a "Smart City" in Kowloon East would feature the use of open and big data, a low-carbon green community as well as walkability and mobility, and tie in with the concept of developing a "walkable" Kowloon East.

Importation of workers for the construction industry

45. Mr POON Siu-ping expressed doubt on the accuracy of the manpower forecast by the Construction Industry Council ("CIC"), which indicated that

the construction industry would still need 10 000 to 15 000 additional skilled workers every year. Noting that the Administration was going to launch "further enhancement" measures to the Supplementary Labour Scheme ("SLS") to address the keen demand of the construction industry for skilled workers, he urged the Administration to ensure the priority of local construction workers in employment. Expressing concern on the increase of industrial accidents in the construction industry, Mr POON opined that the high accident toll would deter young people from joining the industry.

46. SDEV advised that CIC's manpower forecast was made in a scientific way and it was necessary for the Administration to launch "further enhancement" measures to SLS. The accident toll at construction sites had reduced significantly as a result of the measures undertaken by the Administration to improve work safety at such sites. PS/DEV(W) supplemented that the manpower forecast had been jointly made by CIC and the Administration. The forecast figures had been worked out on the basis of the volume of construction outputs for both the public and private sectors and the manpower required per unit of construction output. As regards SLS, the Administration considered that there was room to enhance the arrangements on importation of construction workers, having regard to the unique characteristics of the industry. The enhancement measures launched in 2014 were intended to expedite the preparatory work for SLS applications, while the "further enhancement" measures to be launched would target on enhancing the flexibility of deployment and maximizing the productivity of imported workers. For example, imported skilled workers would be allowed to work across more than one public works projects under the same contractor. As regards the industrial accidents in the construction industry, the Administration observed that fatal incidents continued to be a concern and would keep up its efforts in improving industrial safety at construction sites.

47. Miss Alice MAK said that if the labour sector agreed to the "further enhancement" measures to SLS, they would be followed by other measures including the expansion of importation of labour, as hinted in paragraph 105 of the Policy Address, where it was stated that the Administration would explore the introduction of other more effective and appropriate measures if the "further enhancement" measures could not effectively resolve the acute shortage problem of skilled workers. Given that local construction workers were still facing the problem of under-employment, she stressed that the Administration should not exaggerate the labour shortage problem in the construction industry.

48. Expressing opposition to the enhancement measures to SLS, Miss CHAN Yuen-han emphasized that the public policy should be formulated to benefit the general public, instead of tilting towards property developers and consortia.

49. Mr James TIEN opined that the Administration should solicit the support of LegCo Members representing the labour sector for the importation of skilled workers to construct more public rental housing and subsidized housing units for the interest of the public.

50. SDEV stressed that importation of skilled workers under SLS was operated on two cardinal principles, i.e. local workers should be given priority in filling the job vacancies available, and their wage level would not be affected by importation of labour. He appealed to members to work out solutions with the Administration to overcome the labour shortage problem in the construction industry and the adverse impact caused by the shortage, such as delay on construction works for housing projects.

51. Referring to a recent housing affordability survey which indicated that the housing expenses had imposed a heavy burden on local households, Mr Paul TSE suggested that the Administration should provide facts and data to the public to enhance their understanding about the current situation of supply of construction workers in Hong Kong, so as to facilitate public discussion on the subject of importation of skilled construction workers. He also urged the Administration to face up to the issue of the escalating construction costs in recent years.

52. Miss Alice MAK held the view that delay on some housing projects had been caused by those objecting to the locations of the projects and the rezoning of some of the 150 potential housing sites, rather than the shortage of construction workers. She also disagreed with the comments that project cost overrun and escalating construction costs were due to shortage of construction workers. She suggested that the Administration should review the procurement system for public works projects to keep the construction costs within budget.

Ancillary transport facilities to support housing developments

53. Mr CHAN Hak-kan asked whether the Administration would include the development of green transport infrastructure, such as charging facilities for electric buses, in the planning of NDAs. SDEV advised that one of the guiding principles for development of NDAs was to promote green community. As such, the Administration would include the development of

green transport facilities in the planning for NDAs. For instance, an EFLS would be provided in Kowloon East to connect KTD with Kwun Tong, Ngau Tau Kok and Kowloon Bay.

54. Mr CHAN Kam-lam expressed support for the Administration's multi-pronged approach to increasing land supply in the short, medium and long term to meet housing and development needs. Relaying the worries of the local residents, Mr CHAN urged the Administration to improve the road networks near the ex-Cha Kwo Ling Kaolin Mine Site in parallel with the planning of housing development in the area. Mr Paul TSE also called on the Administration to address the concern of the local residents on the impact of developing the ex-mine site on the traffic in the area.

55. D of Plan advised that the Administration had conducted a study on development of the ex-Cha Kwo Ling Kaolin Mine Site, including a traffic impact assessment. It had also consulted the local residents on the traffic impact of the proposed development. Whilst local residents showed strong concern on the traffic, results of the traffic impact assessment indicated that the traffic flow of the area could be improved through road enhancement works. Moreover, given that the site concerned would be developed to provide mainly small- and medium-sized flats as well as subsidized housing units, it was expected that private car usage of the future residents would be relatively low. SDEV assured members that the Administration would maintain close communication with the local residents on the development of the ex-Cha Kwo Ling Kaolin Mine Site.

56. Pointing out that Yuen Long, the North District and the Islands District would be the key development areas for increasing housing supply, Mr LEUNG Che-cheung expressed concern over the adequacy of transport facilities in these areas. He was particularly worried about the situation in Yuen Long as there would be about 400 000 new residents in the district after the completion of the new development projects. He urged the Administration to explain clearly to the relevant District Councils the transportation arrangements for coping with the increase of population in these districts when soliciting their support for the development projects. Mr James TIEN echoed a similar concern. He said that it was important for the capacity of the East Rail to be increased to tie in with the developments in the NT East, where a number of residential sites had been sold and would be put up for sale. Miss CHAN Yuen-han emphasized that the Administration should attend to the side effects of land development, such as traffic congestion and noise nuisances, which had aroused lots of complaints from the local communities.

57. SDEV assured members that traffic impact assessments would be conducted in the planning of development projects and mitigation measures would be worked out. D of Plan said that Tuen Mun and Yuen Long would be the two districts with higher population intake in the next few years owing to the launch of various public and private housing projects as well as large-scale NDA projects. To cater for future traffic demand, road construction and improvement works would be implemented in the concerned areas. At the wider district level, major transport infrastructure works, such as the construction of the Tuen Mun - Chek Lap Kok Link, would also be carried out.

58. Mr CHAN Han-pan welcomed the Administration's adoption of short-, medium- and long-term initiatives to increase land supply. He expressed support for the Administration's plan to develop Tsing Yi West. However, he was concerned about the traffic congestion problems and insufficient provision of transport infrastructure and facilities, including car parking spaces, in the NT, and in particular, the Tsuen Wan town centre. He asked whether there was effective coordination among the government bureaux/departments concerned in the planning of ancillary transport facilities.

59. SDEV replied that in light of the population growth in the NT, THB had released the Railway Development Strategy in 2014, under which several new railway projects in the NT would be implemented in phases as a measure to strengthen the transport infrastructure. In planning development projects, DEVB and THB collaborated closely to study the transportation issues and work out solutions. SDEV undertook to follow up Mr CHAN's views on provision of car parking spaces in Tsuen Wan town centre with the relevant departments.

[At 4:17 pm, the Chairman ordered that the meeting be extended for 15 minutes to 4:45 pm to allow sufficient time for discussion. The Chairman said that, after 4:45 pm, if members had no objection, he would further extend the meeting as appropriate to allow those members who were waiting to ask questions to speak. Members agreed to the Chairman's suggestion.]

Other issues

60. Dr Kenneth CHAN said he was disappointed that the Policy Address only focused on land supply issues and had ignored many other policy areas like tree management, the Small House Policy and the town planning mechanism. He held the view that, having regard to the issues arising from the tree collapse incidents, the Administration should expeditiously enact legislation on trees and improve its tree management policy. While a review of the Small House Policy would inevitably involve complicated issues, such a review was essential to the Administration's work on making optimal use of land resources. As for the town planning mechanism, Dr CHAN pointed out that a review was needed to democratize the mechanism to smoothen the land planning process.

61. SDEV said that the Administration had already provided written responses to the Panel to the concerns raised by Dr CHAN. The Administration had nothing to add at this stage.

62. Mr Paul TSE said that, after the introduction of the Administration's further measures to address the overheated property market, the time taken for registration of agreements for sale and purchase of land as well as applications for modifications to land leases for provision of columbaria had been prolonged. He asked whether the delay was caused by the Administration's work on the handling of special stamp duty and buyer's stamp duty.

63. Director of Lands advised that some leases might take a longer time to finalize due to the complexities involved. The Lands Department would accord priorities to the handling of land leases related to housing land supply. Modifications to land leases for the development of columbaria normally took a longer time due to the diversified views from different stakeholder groups including the local community. In any case, if a land lease was finalized and ready for registration, the Lands Department would send it to the Land Registry for registration as soon as possible. She had no idea, however, as to whether there had been any obvious changes in the time required for completion of the registration process on the part of the Land Registry. SDEV said the Administration would follow up with Mr TSE on his concerns about land registration matters.

64. Mr LEUNG Kwok-hung said he did not agree with the Chief Executive that the shortage of international school places in Hong Kong was due to the shortage of land for developing such schools. He held the view that the problem arose from the failure of the local education system to retain

the students from middle-class families. He asked the Administration whether a substantial amount of land had already been allocated to the development of international schools. SDEV responded that DEVB was a resource bureau responsible for formulating strategic planning for land supply to cater for the needs of various bureaux, including the Education Bureau, in meeting their policy objectives.

V Any other business

65. There being no other business, the meeting ended at 5:14 pm.

Council Business Division 1
Legislative Council Secretariat
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