

立法會 *Legislative Council*

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Report of the Panel on Development for submission to the Legislative Council

Purpose

This report gives an account of the work of the Panel on Development for the 2015-2016 session. It will be tabled at the meeting of the Legislative Council ("LegCo") on 13 July 2016 in accordance with Rule 77(14) of the Rules of Procedure of LegCo.

The Panel

2. The Panel was formed by the resolution of LegCo on 8 July 1998, as amended on 20 December 2000, 9 October 2002, 11 July 2007 and 2 July 2008 for the purpose of monitoring and examining Government policies and issues of public concern relating to lands, buildings, planning, water supply, development-related heritage conservation, Public Works Programme and other works matters. The terms of reference of the Panel are in **Appendix I**.

3. For the 2015-2016 session, the Panel comprises 31 members. Hon Tony TSE Wai-chuen and Hon LEUNG Che-cheung were elected Chairman and Deputy Chairman of the Panel respectively. The membership list of the Panel is in **Appendix II**.

Major work

Increasing housing land supply

4. The Administration's initiatives to increase land supply for private and public housing continued to be one of the major focuses of the Panel's discussions. In the light of the Administration's target of supplying a total

of 460 000 housing units (280 000 public housing units and 180 000 private housing units) in the ten-year period from 2016-2017 to 2025-2026 (as stated in the latest Long Term Housing Strategy ("LTHS") Annual Progress Report released in December 2015), the Panel monitored closely the Administration's progress in supplying land to meet the target. At the same time, through the discussions with the Administration on its initiatives to increase housing land supply, Panel members drew the Administration's attention to issues of public concerns and offered suggestions for refining land development proposals.

Land supply for public housing

5. In January 2016, the Panel received a briefing by the Secretary for Development on the initiatives of the Development Bureau ("DEVB") in the 2016 Policy Address and Policy Agenda. The Panel noted that, in 2015-2016, private housing land supply from various sources, including government land sale, railway property development projects, projects of the Urban Renewal Authority ("URA"), private development or redevelopment projects, was estimated in end-December 2015 to have a total capacity to provide around 20 300 flats, which exceeded the 2015-2016 private housing land supply target of 19 000 flats. Having regard to the recent unsuccessful tendering of two residential sites (i.e. one at Sai Shan Road, Tsing Yi and one in Au Tau, Yuen Long), some members suggested that the Administration should consider converting these two sites to subsidized housing development sites so as to catch up with the public housing demand.

6. The Administration held the view that reducing the proportion of land for providing private housing would convey a message to the market that land supply would be reduced for private residential development in general, and this might build up market expectations that property prices would increase. The Administration assured members that it would continue to take a multi-pronged strategy in respect of increasing land supply in the short, medium and long term in order to achieve the LTHS target.

Rezoning of potential housing sites identified in land use reviews

7. One of the main short- to medium-term measures adopted by the Administration to increase housing land supply is conducting land use reviews of existing land to identify potential sites suitable for housing development. The Panel noted that some 150 potential housing sites had been identified by land use reviews, and most of these sites would be made

available in the five years from 2014-2015 to 2018-2019 for housing development. According to the Administration, these sites could provide over 210 000 residential flats, with over 70% of them for public housing, subject to timely amendments to their respective statutory plans for change of land use and/or increase in development intensity. Members were concerned whether the land resources already identified in the land use reviews could be made available for housing development as planned, given that local communities might have concerns on the Administration's rezoning proposals.

8. The Administration assured members that it would maintain close communication with local communities on its land supply initiatives and continue to carry out the statutory rezoning procedures for the about 150 housing sites in batches. As at end-December 2015, statutory rezoning procedures for housing development for 46 sites had completed.

Development of the Anderson Road Quarry site

9. Another initiative to increase housing land supply in the short-to-medium term is the development of the Anderson Road Quarry ("ARQ") site. The Panel noted that the development of the ARQ site would cater for the housing need of a population of 25 000 with the production of about 9 400 private and subsidized housing flats. In March 2016, the Administration sought the Panel's support for a funding proposal to carry out site formation and associated infrastructure works for the development and phase 1 of the off-site pedestrian connectivity facilities.

10. Panel members in general supported the development of the ARQ site to address the acute housing shortage. Some members opined that the proposed private-to-subsidized housing ratio of 80:20 for the ARQ site was too high towards the supply of private housing, and a lower ratio should be adopted so that more subsidized housing units would be provided. There were views that the proposed private housing development would bring in more private cars, thus aggravating the traffic congestion problem in the concerned area.

11. The Administration advised that the proposed private-to-subsidized housing ratio for the site had taken into account the need of improving the existing housing mix in the Sau Mau Ping area, where about 90% of the housing units were public housing units. As regards members' concerns about the traffic impact to be generated by the ARQ site development, the Administration explained that upon the commissioning of the Tseung Kwan

O-Lam Tin Tunnel, the Kowloon-bound traffic along Tseung Kwan O Tunnel would be reduced, and the capacity of Tseung Kwan O Road could be spared for accommodating the new traffic demand.

Planning and Engineering Study for Housing Sites in Yuen Long south

12. The Planning and Engineering Study for housing sites in Yuen Long south ("YLS") is a project under the Administration's initiative to examine and optimize the development potential of the degraded brownfield land in YLS for housing purposes and other uses. The Administration consulted the Panel on the planning issues, guiding principles and the Preliminary Outline Development Plan for the YLS development in 2013 and 2014. In January 2016, the Administration briefed the Panel on the draft Recommended Outline Development Plan ("RODP") formulated for the development. According to the Administration, the development would provide 27 700 flats for a population of about 82 700.

13. In view of the limited carrying capacity of the MTR West Rail Line ("WRL") and the existing traffic congestion along Yuen Long Highway during the peak hours, members were concerned about the transport facilities to be provided to support the development. The Administration advised that the existing 7-car WRL trains would be gradually replaced by 8-car trains, and the train frequency would increase from 20 to 28, hence raising the carrying capacity of WRL by 60%. To ease the traffic burden on Yuen Long Highway, the Administration would study a possible new strategic highway connecting the Hung Shui Kiu New Development Area ("HSK NDA") with the urban areas.

14. The Panel noted that YLS was at present mainly occupied by open storage yards, warehouses, rural industrial workshops, intermingled with rural settlements, residential uses, agricultural land and livestock farms. In view of the long history of cultivation in YLS, members asked about the measures to be taken by the Administration to support agricultural development in the area. The Administration advised that under the draft RODP, the largest and contiguous piece of active agricultural land would be preserved. The arrangements for agricultural rehabilitation in YLS would be worked out by making reference to the HSK NDA project and the Kwu Tung North and Fanling North NDAs project.

Tung Chung New Town Extension

15. Further to consulting the Panel on the draft RODP for the Tung Chung New Town Extension ("TCNTE") in the last legislative session, the

Administration formulated the development proposal for TCNTE and, in December 2015, sought the Panel's support for a funding proposal to engage consultants to undertake detailed design and site investigation works for the implementation of TCNTE. The Panel noted that TCNTE would cover areas on the eastern and western flanks of the existing Tung Chung New Town, providing 49 400 flats to house a population of about 144 400, and a total gross floor area of about 877 000 square metres for office, retail and hotel uses. The first population intake of TCNTE was expected to take place in 2023 the earliest.

16. When discussing the funding proposal, members reiterated the need for enhancing the connectivity of Tung Chung. A suggestion was raised that a rail connection between Tung Chung and the Hong Kong International Airport ("HKIA") should be constructed. The Administration was also urged to tackle the manpower mismatch in Lantau as reflected by the existence of a large number of job vacancies in other parts of Lantau (except Tung Chung), such as HKIA, on the one hand, and the great demand for jobs from local residents of Tung Chung on the other.

17. The Administration advised that public transport would be a major means of transport in TCNTE, and two new railway stations had been proposed to be provided in Tung Chung West and Tung Chung East respectively. The consultancy study for the overall planning of Lantau would examine the feasibility of the construction of an extension railway connecting Tung Chung and HKIA. The Administration believed that with some 40 000 jobs to be created in TCNTE, and upon the enhancement of the transport services, the problem of manpower mismatch in Lantau would be alleviated.

18. Members urged the Administration to provide adequate community facilities, including public wet markets, elderly and child care centres, sports facilities, community halls, and car parking spaces, etc., to meet the needs of the existing residents in Tung Chung as well as the new population of TCNTE. Noting that the land to the east of the Tung Chung River would provide high-density development, members stressed that the Administration should preserve the natural and heritage assets in Tung Chung West and, mostly importantly, the ecology of the Tung Chung River. Some members requested that measures should be put in place to address public concerns over the impact of the noise generated by aircraft movements on residents of Tung Chung.

Proposed development strategy for Lantau

19. In the adjoining areas of Tung Chung, several large-scale infrastructure projects are in progress or in the pipeline, such as the Hong Kong-Zhuhai-Macao Bridge, the Tuen Mun-Chek Lap Kok Link and the third runway for HKIA. The Administration considered that Lantau would become an essential hub for both regional and international journeys to and from Hong Kong and the Pearl River Delta. To capitalize on the benefits to be brought about by the major infrastructure projects in Lantau, the Chief Executive established the Lantau Development Advisory Committee ("LanDAC") in January 2014 to prepare the economic and social development strategy for Lantau.

20. In January 2016, LanDAC published its first-term work report. The report proposed to develop Lantau into a smart and low-carbon community for living, work, business, leisure and study while balancing and enhancing development and conservation. Initial proposals in the report covered spatial planning and land use, conservation, strategic traffic and transport infrastructure, recreation and tourism, and social development.

21. The Panel gave views on the development strategy proposed by LanDAC for Lantau at its meeting on 23 February 2016. On 16 April 2016, the Panel held a special meeting to receive views from deputations on the subject. Some members considered that development of Lantau would bring benefits to the long-term development of Hong Kong. They shared the views of some deputations that the Administration should study the enhancement of the traffic and transport infrastructures in Lantau to facilitate local employment, and the improvement of other infrastructure facilities, such as public sewerage systems, to improve the living environment in the rural areas. The Administration was also urged to pay heed to the concerns of local residents, including the fishermen living in Lantau, on the possible adverse impact of the proposed reclamation projects associated with the development of Lantau.

22. The Administration advised that the impact of the proposed reclamation projects on the fisheries operators would be minimized, and compensation arrangements would be provided to the fisheries operators affected by the projects. To cater for local residents' requests, bend improvement works of relevant roads in South Lantau would be taken forward to improve road safety. The proposed traffic relaxation measures to allow more tour coaches and private cars to access the closed roads in South Lantau would not be in a large scale.

23. Some members and deputations were concerned that the proposed initiatives for developing Lantau, including those for developing recreation and tourism facilities in South Lantau, would cause devastation to the natural environment of Lantau, and bring about a lot of visitors to Lantau, hence adversely affecting the daily life of local residents. The Administration explained that, under the proposed development strategy, the conservation of South Lantau would be strengthened. Some Panel members held the view that LanDAC comprised members who were not familiar with the ecological and cultural features of Lantau, and the proposals put forward by LanDAC lacked details regarding conservation initiatives.

Proposed establishment of the Lantau Development Office

24. At the meeting on 23 February 2016, the Panel deliberated the Administration's staffing proposal on the establishment of the Lantau Development Office ("LDO") under the Civil Engineering and Development Department ("CEDD") to take forward and manage the development initiatives for Lantau. Most members present at the meeting did not support the proposal. To address members' concerns, the Administration provided supplementary information on the proposal. The Panel revisited the discussion on the proposal at the meeting on 26 April 2016.

25. Members who were supportive of the staffing proposal took the view that the proposed LDO would help co-ordinate the work of various government departments with respect to the development of Lantau, and provide a single point of access to members of the public who wished to give their views on the subject matter. Some members, nevertheless, expressed objection to the establishment of LDO. They cited the Administration's proposal to develop the East Lantau Metropolis ("ELM") in the central waters by way of construction of artificial islands as an example to point out that there had yet to be a consensus among the public on the Administration's proposals on the development of Lantau.

26. The Administration explained that the establishment of LDO did not mean that the proposed development initiatives would be implemented in Lantau immediately without public consultation. The tasks to be undertaken by the proposed LDO would include short-, medium- and long-term proposals. The development of ELM would be a long-term development initiative, and its implementation had not yet been confirmed. It was necessary for the Administration to set up a dedicated and multi-disciplinary office to undertake a wide range of studies and planning

before the implementation plans of the development projects in Lantau could be formulated.

27. After discussion, the Panel supported the submission of the staffing proposal to the Establishment Subcommittee ("ESC") for consideration.

Energizing Kowloon East

28. Apart from the supply of housing land, the Panel also pursued with the Administration the progress of providing development space for commercial, office, hotel, retail and services, as well as research and development uses. During the session, members continued to follow up the Energizing Kowloon East ("EKE") initiative, which was announced in the 2011-12 Policy Address to transform Kowloon East (including the Kai Tak Development ("KTD") area, Kowloon Bay Business Area and Kwun Tong Business Area) into an attractive core business district.

29. The Panel noted that to facilitate the transformation of Kowloon East, the Energizing Kowloon East Office ("EKEO") under DEVB had been advocating, among others, the "walkability" of the district (by way of providing more footbridges between buildings, etc.) as well as developing the unused spaces underneath Kwun Tong Bypass for providing venues for arts and cultural activities. Some members suggested that the Administration should consider adopting the same measures to revitalize other districts. The Administration undertook to consider the suggestion as appropriate.

30. At the meeting on 24 May 2016, EKEO sought the Panel's support for a proposal to relocate the existing Kowloon Bay, New Kowloon Bay and To Kwa Wan vehicle examination centres ("VECs") of the Transport Department to the proposed new site at Sai Tso Wan, Tsing Yi. EKEO advised that the proposal, as part of the plan to take forward the EKE initiative, would release the development potential and facilitate comprehensive development of the Kowloon Bay Business Area, and make way for the planned development at KTD, including the provision of a waterfront promenade for public enjoyment.

31. Most members present at the aforesaid meeting did not support the proposal, mainly due to the concerns that the future commissioning of the new VEC would generate adverse traffic impact on the road network in Tsing Yi, and the proposed reprovisioning arrangement for the affected temporary parking spaces currently provided at the project site was unsatisfactory.

Kai Tak Development

32. At the meeting on 23 February 2016, the Administration briefed the Panel on the progress of the KTD project, and sought the Panel's support for two KTD-related projects, namely, Phase III (Package C) of the District Cooling System ("DCS"), and the infrastructure works at the north apron area of the former Kai Tak Airport covering construction of roads, pedestrian subways, a landscaped elevated walkway, etc.

33. Some members commented that, although the Administration had earlier on completed the infrastructure works to support the public rental housing ("PRH") development at KTD, comprising Kai Ching Estate and Tak Long Estate, there was a lack of substantive progress in providing community facilities, such as the proposed Kai Tak Avenue Park, for the residents. They urged the Kai Tak Office to properly prioritize and co-ordinate the implementation of KTD-related projects.

34. Regarding the operation of the energy-efficient DCS at KTD, the Panel noted that public and private non-domestic developments (such as the Kai Tak Cruise Terminal building, the Trade and Industry Tower, the Ching Long Shopping Centre) were required to connect to the System, and the two primary schools adjacent to the PRH development would be connected under a pilot scheme. Questions were raised as to whether the pilot scheme would be extended to a secondary school to be reprovisioned at KTD. The Administration explained that, based on past experience, buildings using central air-conditioning services for long hours/periods would achieve a better energy efficiency performance if they switched to DCS. While schools were not this type of buildings and the Administration did not have sufficient operational data at the present stage to ascertain whether DCS would be the most suitable air-conditioning system for all schools, the Administration would consider the connection of DCS to other schools at KTD after the pilot scheme was completed and operational data were available for evaluation.

Development of Tuen Mun Areas 40 and 46

35. In November 2015, the Administration briefed the Panel on the stage 1 community engagement for the "Planning and Engineering Study for Tuen Mun Areas 40 and 46 and the Adjoining Areas", and the proposed land uses for the potential development areas ("PDAs") identified under the study. Referring to the Administration's advice that the PDAs were suitable to be developed into a modern logistics/green industry hub, some members enquired how the proposed land uses could dovetail with the

territorial land development strategy for Hong Kong. There were views that, to develop the PDAs for logistics uses, the Administration should consider providing new transport infrastructure to cope with the future increase in traffic generated by logistics operations, together with sites and facilities of an appropriate scale to attract the brownfield operators in other districts to move in.

36. The Administration explained that the proposed land uses for the PDAs followed the planning framework and vision set out in the final report of the "Hong Kong 2030: Planning Vision and Strategy" Study. The planning of the PDAs had taken into account the capacities of road networks. The completion of the Tuen Mun West Bypass would be a prerequisite for the development of the proposed PDAs. The Administration believed that the PDAs could be developed into a high value-added logistics hub, having regard to their proximity to the Tuen Mun New Town where the manpower supply was sufficient. On the question whether multi-storey logistics facilities would be provided in the PDAs to meet the strong demand for operational space of the logistics industry, the Administration advised that consideration was being given to developing logistics buildings in the PDAs.

Proposed establishment of the Project Cost Management Office

37. At the meeting on 15 March 2016, the Administration briefed the Panel on a proposal to establish a Project Cost Management Office ("PCMO") under the Works Branch of DEVB. According to the proposal, the dedicated office would pursue cost management through a three-pronged approach, i.e. comprehensively reviewing existing works policies and requirements; closely scrutinizing project estimates; and enhancing project management of public works projects.

38. While members in general supported the submission of the proposal to ESC for consideration, concerns had been raised on whether a proposed new measure, i.e. requiring works departments to adopt the "no frills" principle on the designs of public works projects, would compromise the quality of works and other design objectives of the projects. Some members held the view that it was not necessary to set up a dedicated office to enhance cost control of public works projects. Instead of pursuing the staffing proposal, relevant bureaux/departments should have made reference to the cases of cost overrun in public works projects in recent years, and worked out measures to control project costs.

39. In view of the fact that the Capital Works Programme covered a wide spectrum of projects, including not only civil engineering projects, but also building works and other projects, members sought explanation on why the Administration proposed appointing a Government Engineer to lead the dedicated office. The Administration explained that PCMO would be a multi-disciplinary team comprising professionals such as engineers, architects and quantity surveyors. The officer leading the team was required to be skilled in planning and implementing large-scale public works projects, and have good experience in project management. It was therefore appropriate for a Government Engineer to lead the office.

Review of the Landslip Prevention and Mitigation Programme

40. To reduce landslide risks in Hong Kong, CEDD launched the Landslip Prevention and Mitigation Programme ("LPMitP") in 2010. Under the programme, a risk-based priority ranking system is adopted to determine the rankings of man-made slopes and natural hillsides. Landslide prevention and mitigation works will be carried out according to the priorities on the ranking list. In November 2015, after conducting a review on the progress and effectiveness of the programme, the Administration briefed the Panel on the recommendations of the review.

41. The Panel noted the recommendation that the Administration should continue with the implementation of LPMitP, with the pledged annual outputs remaining unchanged (i.e. upgrading 150 government man-made slopes; conducting safety-screening studies for 100 private man-made slopes; and implementing risk mitigation works for 30 natural hillside catchments). In view of the limited pledged annual outputs of the programme, some members were concerned about the time required to complete the works to deal with the landslide risks arising from the remaining 17 600 substandard man-made slopes and 2 800 vulnerable natural hillside catchments that might pose a hazard to the community.

42. The Administration explained that the pledged annual outputs of LPMitP would enable relevant government departments to deal with approximately the worst 1% of both the remaining man-made slopes and natural hillside catchments. Having regard to the capacity of the geotechnical engineering profession and workforce, the Administration considered the current delivery targets appropriate in balancing the needs to contain landslide risks and to minimize the disturbance to the public.

43. Taking in view that Hong Kong still faced landslide hazards caused by incidents of extreme rainfall, some members considered that the

Administration should continue to improve the slope safety system by conducting investigation, carrying out engineering works, and setting out clearly the demarcation of slope maintenance responsibilities between the Government and private owners. They also called on the Administration to pay heed to the difficulties for private owners in maintaining slopes.

Tree management on private properties and revamp of the Guidelines for Tree Risk Assessment and Management Arrangement

44. The Panel received a briefing by the Administration on the revision of the Guidelines for Tree Risk Assessment and Management Arrangement in November 2015. The Administration advised that the revised guidelines included, among others, the operation of a TRIAGE System, under which trees would be classified according to the severity of their structural health issues. While the guidelines were binding on government tree management departments only, the Administration encouraged private property owners to follow the guidelines in managing their trees. In addition, to help improve the standard of practice among private property owners for tree management, the Administration had been preparing a Handbook for Tree Management ("the draft handbook").

45. Members were concerned whether the supply of local tree management personnel would be adequate to meet the increasing demand for tree inspection and maintenance works brought about by the introduction of the revised guidelines. Taking in view that private property owners were only required to adopt the recommendations in the guidelines and the draft handbook on a voluntary basis, some members sought confirmation on whether the Administration would enact legislation on tree management, and urged the Administration to make an early announcement of its plan in this respect, so that the industry would step up training of tree management professionals to cater for future demand.

46. The Administration held the view that adequate supply of qualified personnel at different levels for undertaking tree-related works was one of the prerequisites for the introduction of legislation on tree management. Given that the supply of qualified personnel at different levels was still insufficient, the Administration considered that imposing mandatory requirements on tree management for private properties at the present stage might result in significant impact on the demand for tree management professionals. The Administration assured members that the Greening, Landscape and Tree Management Section under DEVB would continue to take initiatives to strengthen the capacity of the arboriculture, horticulture and landscape management and maintenance industry.

Building safety

47. The difficulties faced by private property owners in building repair and maintenance works were all along issues of concern to members. During the session, members continued to follow up the progress of the Administration's work in combating acts of bid-rigging encountered by building owners when they engaged outside agents to undertake repair and maintenance works for their buildings. The Panel noted that in May 2016, URA launched the Building Rehabilitation Facilitating Services (Pilot Scheme) to provide technical support for owners to carry out building repair and maintenance works. According to the Administration, the aforesaid Pilot Scheme, which included provision of guidelines and contract samples, arranging professionals to provide independent advice, establishing an electronic tendering platform, etc., would help reduce the risk of bid-rigging at the works procurement stage.

Validation scheme for signboard control

48. The existence of unauthorized signboards is a persistent building safety problem in Hong Kong. It is estimated that there are about 120 000 signboards in Hong Kong. While many of them are in active use by business operators, others are simply abandoned. The Administration put in place in September 2013 a validation scheme for unauthorized signboards. Unauthorized signboards that fall within the prescribed technical specifications and erected before 2 September 2013 are eligible for validation on the condition that they have undergone safety inspection, strengthening (if necessary), and certification by prescribed registered contractors. The owners of validated signboards should, at intervals of not more than five years, either make a fresh validation submission for the signboards concerned or remove them. In May 2016, the Panel received an update on the implementation of the scheme. The Administration advised that in the 16 months from the commencement of the validation scheme in September 2013 to end-2014 and the 15 months from January 2015 to end-March 2016, the Buildings Department ("BD") had received 176 and 273 validation applications respectively.

49. Members were concerned about the actions taken by the Administration to deal with the signboards which were ineligible for joining the validation scheme due to non-compliance with the technical specifications, such as those large unauthorized signboards. The Administration advised that BD would continue to step up enforcement action against these signboards. A pilot large-scale operation ("LSO") had been launched on a section of Fuk Wing Street in Sham Shui Po in

May 2014, and removal orders had been issued against 117 unauthorized signboards requiring their removal. In 2015, BD had extended such LSOs to sections of five other target streets in different districts. On the question about the Administration's progress in clearing the backlog of outstanding removal orders, the Administration advised that BD had been redeploying more resources to expedite the clearance of the backlog cases.

Water resources

50. The Panel followed up with the Administration the implementation of measures to regain public confidence in the quality of drinking water in Hong Kong, in response to the "lead in drinking water" incident that occurred in 2015. As advised by the Administration at a meeting of the Panel held in January 2016, the Administration had enhanced the "Quality Water Supply Scheme for Buildings — Fresh Water", particularly the protocols of water quality examination to include the testing of four heavy metals, including lead, and expand the scope of water sampling. Other measures to ensure the quality of drinking water included stepping up the control over the use of pipes and fittings in inside service, enhancing the inspection and approval of plumbing works, etc.

Regulation of quality of drinking water

51. Whether and when the Administration would enact legislation on safety of drinking water continued to be an issue of concern to members. The Administration advised that the Water Supplies Department had commenced a review on the Waterworks Ordinance (Cap. 102) and the Waterworks Regulations (Cap. 102A). In addition, the Administration had been following up the motion on "Legislating for Safety of Drinking Water" passed at the Council meeting of 28 October 2015, and would consider the findings and recommendations of the Commission of Inquiry into Excess Lead Found in Drinking Water.

Management of water supply

52. During the session, the Administration consulted the Panel on a number of funding proposals to enhance the water supply facilities to meet the increasing water demand in various districts. These proposals included constructing a new service reservoir at Table Hill and laying associated water mains to improve the water supply to Sheung Shui and Fanling, and carrying out uprating works for the Chai Wan salt water supply system to cope with the anticipated increase in salt water demand of the Chai Wan and Siu Sai Wan areas.

53. When discussing these proposals, members asked about the Administration's latest efforts in using reclaimed water to replace fresh water for toilet flushing. The Administration advised that relevant studies conducted by the concerned government departments, together with a pilot scheme implemented in some schools in the North District on using reclaimed water for flushing, had proved that such use of reclaimed water was technically feasible. The Water Supplies Department had commenced the design of the necessary infrastructure to effect the supply of reclaimed water to Sheung Shui and Fanling for flushing and non-potable uses. As reclaimed water after tertiary treatment was of high quality and could be used for a wide range of purposes, it was necessary for the Administration to review the Waterworks Regulations (Cap. 102A) to cater for possible uses of reclaimed water and to sanction unauthorized uses. Members urged the Administration to expedite the review of the said Regulations to help save fresh water resources.

Water Intelligent Network

54. In addition to the safety of drinking water and the provision of water supply facilities, the Panel was concerned about the frequent occurrences of water main bursts. Members noted that a programme of Replacement and Rehabilitation of water mains ("R&R Programme") was launched in 2000 to replace and rehabilitate around 3 000 kilometres ("km") of aged water mains in Hong Kong. According to the Administration, following the substantial completion of the programme, the annual number of water main bursts had been reduced from the peak of about 2 500 in 2000 to 145 in 2015. To enable better monitoring of the conditions of the water distribution network, the Administration sought the Panel's support in May 2016 for a funding proposal to implement Water Intelligent Network ("WIN") in Hong Kong. The essence of WIN was continuous monitoring of the performance of the water distribution network in a holistic manner by utilizing advanced technologies.

55. Members generally supported the proposed project. Noting that out of the total of some 8 000 km of water mains in Hong Kong, about 5 000 km had not been covered in the R&R Programme, members were concerned about the conditions of these water mains, and the replacement plan for them. The Administration explained that with the establishment of WIN, the Administration could, instead of launching a wholesale replacement of the remaining water mains, take a different network management approach by analyzing the conditions of the water distribution network and reprovisioning the water mains that were identified as having a relatively high risk of failure.

Funding and legislative proposals

56. Besides the planning studies and works projects mentioned in the earlier part of this report, the Panel has examined a number of other financial proposals relating to public works projects before they were submitted to the Public Works Subcommittee for consideration. These proposals included those on the construction of a footbridge system at the junction of Sham Mong Road and Tonkin Street West in Sham Shui Po; extension of an existing carpark at Mui Wo; improvement works at Tai O including the construction of a public transport terminus and an entrance plaza; re-provisioning of the Shing Yip Street Rest Garden at a site to its immediate southwest as the Tsui Ping River Garden, etc.

57. As regards legislative proposals, the Panel has given views on the proposed revisions of fees and charges for services under the Land Survey (Fees) Regulation (Cap. 473A); and the fee for granting or renewal of licence to excavate and search for antiquities under the Antiquities (Excavation and Search) Regulations (Cap. 53A).

Other subjects discussed

58. Other major subjects deliberated by the Panel during the session included the work of URA, progress report of the Administration on heritage conservation initiatives, etc.

Work of Subcommittees

59. The Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project formed under the Panel on Development and the Panel on Home Affairs has deliberated various issues, including the progress of the West Kowloon Cultural District ("WKCD") development, the hardware and the cultural software development, the integration and connectivity of WKCD with its neighbouring districts, and the financial situation of and arrangements for the WKCD project, etc. It has also received an update on the development of the Lyric Theatre Complex and M+.

60. In July 2015, the Panel agreed that a subcommittee, named as the Subcommittee on Redevelopment of Buildings Developed under the Civil Servants' Co-operative Building Society Scheme, should be formed under the Panel to study issues relating to redevelopment of buildings developed under the Civil Servants' Co-operative Building Society Scheme and, if appropriate, make recommendations on ways to facilitate the

redevelopment of these buildings. The Subcommittee commenced its work in January 2016 and has held a total of five meetings, including a meeting to receive views from deputations. A report on the work of the Subcommittee has been issued separately.

Meeting and visits

61. Up to the end of June 2016, the Panel has held a total of 11 meetings during the current session. The joint subcommittee and the subcommittee under the Panel have held a total of nine meetings.

Visit to Singapore to study its experience in developing water resources and safeguarding the quality of drinking water

62. A delegation of the Panel comprising 11 Panel members and one non-Panel member undertook an overseas duty visit to Singapore from 20 to 23 March 2016 to study the country's experience in developing water resources and safeguarding the quality of drinking water. A report on the visit has been issued separately.

Visit to Sha Tin Water Treatment Works

63. The Panel paid a visit to Sha Tin Water Treatment Works in June 2016 to observe the work of the Water Supplies Department in water treatment and water quality monitoring.

Legislative Council

Panel on Development

Terms of Reference

1. To monitor and examine Government policies and issues of public concern relating to lands, buildings, planning, water supply, development-related heritage conservation, Public Works Programme and other works matters.
2. To provide a forum for the exchange and dissemination of views on the above policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.
4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

Panel on Development

Membership list for 2015-2016 session

Chairman	Hon Tony TSE Wai-chuen, BBS
Deputy Chairman	Hon LEUNG Che-cheung, BBS, MH, JP
Members	<div>Hon Albert HO Chun-yan</div> <div>Hon James TO Kun-sun</div> <div>Hon CHAN Kam-lam, SBS, JP</div> <div>Dr Hon LAU Wong-fat, GBM, GBS, JP</div> <div>Hon Abraham SHEK Lai-him, GBS, JP</div> <div>Hon Frederick FUNG Kin-kee, SBS, JP</div> <div>Hon Cyd HO Sau-lan, JP</div> <div>Hon CHAN Hak-kan, JP</div> <div>Hon CHAN Kin-por, BBS, JP</div> <div>Hon IP Kwok-him, GBS, JP</div> <div>Hon Mrs Regina IP LAU Suk-yee, GBS, JP</div> <div>Hon Alan LEONG Kah-kit, SC</div> <div>Hon LEUNG Kwok-hung</div> <div>Hon Albert CHAN Wai-yip</div> <div>Hon Michael TIEN Puk-sun, BBS, JP</div> <div>Hon James TIEN Pei-chun, GBS, JP</div> <div>Hon WU Chi-wai, MH</div> <div>Hon YIU Si-wing, BBS</div> <div>Hon CHAN Chi-chuen</div> <div>Hon CHAN Han-pan, JP</div> <div>Dr Hon Kenneth CHAN Ka-lok</div> <div>Hon CHAN Yuen-han, SBS, JP</div> <div>Hon Alice MAK Mei-kuen, BBS, JP</div> <div>Dr Hon KWOK Ka-ki</div> <div>Dr Hon Fernando CHEUNG Chiu-hung</div> <div>Dr Hon Helena WONG Pik-wan</div> <div>Dr Hon Elizabeth QUAT, JP</div> <div>Ir Dr Hon LO Wai-kwok, SBS, MH, JP</div> <div>Hon Alvin YEUNG Ngok-kiu (since 4 March 2016)</div> <div> (Total: 31 members)</div>
Clerk	Ms Sharon CHUNG
Legal Adviser	Miss Winnie LO