

立法會
Legislative Council

LC Paper No. CB(1)55/18-19
(These minutes have been seen
by the Administration)

Ref : CB1/PL/DEV

Panel on Development

Minutes of meeting
held on Tuesday, 29 May 2018, at 2:30 pm
in Conference Room 1 of the Legislative Council Complex

Members present : Hon Tommy CHEUNG Yu-yan, GBS, JP (Chairman)
Hon Kenneth LAU Ip-keung, BBS, MH, JP (Deputy
Chairman)
Hon Abraham SHEK Lai-him, GBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon CHAN Hak-kan, BBS, JP
Hon CHAN Kin-por, GBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon CHAN Chi-chuen
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon CHAN Chun-ying

Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho
Hon Gary FAN Kwok-wai
Hon Vincent CHENG Wing-shun, MH
Hon Tony TSE Wai-chuen, BBS

Members attending : Hon Martin LIAO Cheung-kong, SBS, JP
Hon YUNG Hoi-yan

Members absent : Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon CHAN Han-pan, JP
Dr Hon KWOK Ka-ki
Dr Hon Junius HO Kwan-yiu, JP
Hon Wilson OR Chong-shing, MH

Public officers attending : **Agenda item IV**

Mr HON Chi-keung, JP
Permanent Secretary (Works)
Development Bureau

Miss Joey LAM, JP
Deputy Secretary (Works)1
Development Bureau

Mr Vincent MAK, JP
Deputy Secretary (Works)2
Development Bureau

Mr Dominic CHOW
Principal Assistant Secretary (Works)1
Development Bureau

Mr John KWONG
Head of Project Cost Management Office
Development Bureau

Agenda item V

Ms Doris HO Pui-ling, JP
Deputy Secretary for Development (Planning and
Lands)1

Miss Cheryl CHOW Ho-kiu
Principal Assistant Secretary for Development (Planning
and Lands)2

Agenda item VI

Mr Michael WONG Wai-lun, JP
Secretary for Development

Ms Bernadette LINN, JP
Permanent Secretary (Planning & Lands)
Development Bureau

Ms Selene TSOI Sze-long, JP
Deputy Secretary (Planning & Lands)3
Development Bureau

Ms Christina CHONG Yau-ling
Principal Assistant Secretary (Planning & Lands)6
Development Bureau

Mr Thomas CHAN Chung-ching, JP
Director of Lands

Mr Tony MOYUNG Hon
Deputy Director of Lands (Specialist)

Agenda item VII

Mr Michael WONG Wai-lun, JP
Secretary for Development

Mr Alfred SIT Wing-hang
Director of Electrical and Mechanical Services

Mr CHEUNG Kim-ching
Chief Electrical and Mechanical Engineer/General
Legislation
Electrical and Mechanical Services Department

**Attendance by
Invitation : Agenda item IV**

Mr Albert CHENG
Executive Director
Construction Industry Council

Agenda item V

Mr Stanley WONG Yuen-fai, SBS, JP
Chairman
Task Force on Land Supply

Ir Dr Greg WONG Chak-yan, BBS, JP
Vice-chairman
Task Force on Land Supply

Clerk in attendance : Ms Doris LO
Chief Council Secretary (1)2

Staff in attendance : Miss Rita YUNG
Senior Council Secretary (1)2

Mr Raymond CHOW
Senior Council Secretary (1)6

Ms Christina SHIU
Legislative Assistant (1)2

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- I Confirmation of minutes**
(LC Paper No. CB(1)997/17-18 — Minutes of meeting on
27 February 2018)

The minutes of the meeting on 27 February 2018 were confirmed.

II Information papers issued since the last meeting

(LC Paper Nos. —	Referral memoranda on
CB(1)978/17-18(01)and (02)	issues raised at the
	meeting between
	Legislative Council
	Members and Yuen Long
	District Council members
	on 12 January 2018
	relating to protecting the
	traditional rights of the
	indigenous inhabitants of
	the New Territories; and
	Hung Shui Kiu New
	Development Area, Kam
	Tin South and Yuen
	Long South development
	projects (Restricted to
	members))

2. Members noted that the above information papers had been issued since the meeting on 24 April 2018.

III Items for discussion at the next meeting

(LC Paper No. CB(1)996/17-18(01) — List of outstanding items for discussion

LC Paper No. CB(1)996/17-18(02) — List of follow-up actions)

3. Members agreed that the next regular meeting would be scheduled for Tuesday, 26 June 2018, from 2:30 pm to 5:30 pm to discuss the following items proposed by the Administration:

- (a) Work of the Urban Renewal Authority;
- (b) PWP Item No. 702CL (Part) — Kai Tak Development — Stage 4 and Stage 5 infrastructure at the former runway and south apron;

- (c) PWP Item No. 45CG — District Cooling System at the Kai Tak Development; and
- (d) Automatic Meter Reading for Water Supplies in Hong Kong.

(Post-meeting note: As requested by the Administration, the title of the item in paragraph 3(b) above was subsequently revised as "PWP Item No. 702CL — Kai Tak Development — Remaining infrastructure works for developments at the former runway and south apron" to better reflect the scope of the works to be undertaken. The revised agenda was circulated to members vide LC Paper No. CB(1)1133/17-18 on 19 June 2018.)

IV Construction Innovation and Technology Fund

(LC Paper No. CB(1)996/17-18(03) — Administration's paper on Construction Innovation and Technology Fund)

4. At the invitation of the Chairman, Permanent Secretary (Works), Development Bureau ("PS(W)/DEVB"), briefed members on the proposed establishment of a \$1 billion Construction Innovation and Technology Fund ("the Fund") to encourage wider adoption of innovative construction methods and technologies in the construction industry.

5. With the aid of a powerpoint presentation, Principal Assistant Secretary (Works)1, Development Bureau, then briefed members on the details of the Fund, including its objectives, scope, target beneficiaries and funding arrangements, etc.. Members noted that the Administration would commission the Construction Industry Council ("CIC") to administer the Fund.

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)1044/17-18(01) by email on 30 May 2018.)

6. The Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of the Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects.

7. The Chairman stated that members belonging to the Liberal Party supported the proposed Fund.

Size of the Construction Innovation and Technology Fund and target beneficiaries

8. Mr LAU Kwok-fan said that members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the proposed establishment of the Fund. In view of the soaring costs in recent years, Mr LAU was concerned about whether the fund size of \$1 billion was big enough and whether the amount of funding support to be provided under the Fund would adequately incentivize stakeholders of the construction industry, in particular small- to medium-sized contractors, to adopt innovative construction technologies. He asked if the Administration would in parallel introduce other policy incentives to this end, such as including the adoption of innovative technologies as a tender assessment criteria for public works projects, and inject additional funding to the Fund upon using up the initial \$1 billion.

9. Mr CHAN Hak-kan was concerned that the Fund would mainly benefit those large contractors that had the capacity to adopt more innovative technologies. He asked if there would be a prescribed ceiling of funding support for each successful application. Pointing out that the fund administration costs might account for as much as 10% of some Government funds, Mr CHAN asked if the administration costs of the Fund should be paid out of the \$1 billion earmarked for the Fund.

10. PS(W)/DEVB replied that the Fund was the first funding scheme proposed by the Administration to promote the use of innovative construction technologies. To assess the effectiveness of the Fund, the Administration would conduct a mid-term review after two years of operation. If the Fund proved to be effective and the industry's response to it was positive, the Administration would consider further injection when necessary. To benefit more construction companies and support a wider array of innovative technologies, the Administration would impose ceilings on the funding support for individual applications and the cumulative total of funding provided to each applicant. On the on-going supportive measures to promote the use of innovative construction technologies, he advised that the Construction Innovation and Technology Application Centre set up under CIC had been an effective platform for promoting the use of latest innovative technologies.

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Further, starting from 2018, public works projects exceeding \$30 million were required to use Building Information Modelling ("BIM") from design to implementation. Some public sector projects were also piloting the use of Modular Integration Construction ("MiC"). The Administration would also consider making adoption of innovative technologies as one of the tender assessment criteria for public works projects at a later stage where appropriate. PS(W)/DEVB further advised that CIC would absorb the manpower and administration costs so that the entire Fund could be used for the direct benefit of the industry.

Application procedures

11. The Deputy Chairman stated that members belonging to the Business and Professionals Alliance for Hong Kong supported the Fund. He was keen to ensure that the Administration would implement simpler application procedures for the Fund. He further suggested setting a target processing time within which the applicants could be notified of the outcome of their applications. The Deputy Chairman also enquired about how the spot checks on the successful applications would be conducted, and whether and in what circumstances penalties (e.g. refund of the subsidized amount) would be imposed.

12. PS(W)/DEVB explained that to simplify and expedite the application process, the Administration would build up a list of pre-approved technologies (e.g. BIM and MiC). Applications for funding support to use these technologies would be approved after ascertaining the bona fides of the applicant, details of the project, proportionality of the quantum applied for vis-à-vis the scale of the project, etc. In addition, a Steering Committee comprising members from industry stakeholders would be formed to decide on the key operational parameters of the Fund (including the target processing time for the applications). Spot checks on the successful applications would be carried out and CIC would report on the outcome of spot checks to the Steering Committee regularly.

Training/retraining of construction workers

13. Miss Alice MAK indicated that she was a member of the Brick-laying and Construction Trade Workers' Union under the Hong Kong Federation of Trade Unions ("HKFTU"). While saying that members belonging to HKFTU supported the introduction of the Fund to promote the use of innovative construction technologies, Miss MAK considered it incumbent upon the Administration to collaborate with the

labour unions to provide appropriate in-service training/retraining courses in order to help the construction workers, in particular those elderly workers, adapt to the technological development.

14. PS(W)/DEVB replied that to enhance the capability of existing practitioners and students in construction-related disciplines to harness the latest construction technologies, the Fund would support them to attend local, Mainland or overseas technology enrichment courses. Besides, the Hong Kong Institute of Construction of CIC had been tasked to foster a new generation of construction workers well-versed in new construction technologies. Funding would also be provided to labour unions for organizing approved technology training courses for their members.

Adoption of off-site prefabrication

15. Mr Alvin YEUNG said that members belonging to the Civic Party would need to further decide whether to support the Fund. Dr CHENG Chung-tai held the same stance. Mr YEUNG expressed concern over the recent incident of the use of sub-standard steel bars in the Ming Wah Dai Ha redevelopment project. In view of the increasing use of prefabricated steel rebars in the industry, he enquired if the existing off-site prefabrication yards were located in or outside Hong Kong, how the Administration would ensure the quality of the prefabricated steel rebars produced, and whether the employment opportunities of bar benders would be affected. Dr CHENG expressed similar concerns over the quality control issues relating to off-site prefabrication.

16. PS(W)/DEVB said that Hong Kong was at present lagging behind overseas counterparts (Singapore, the United Kingdom, etc.) in the adoption of industrialized construction methods. Overseas experience showed that with proper monitoring, the quality of off-site prefabrication would be better than conventional site operations given the physical constraints on-site. On steel rebars, the Civil Engineering and Development Department ("CEDD") was responsible for maintaining a list of approved off-site prefabrication yards for public works projects and overseeing their quality assurance work. At present, all approved yards were located in Hong Kong. Moreover, CEDD was exploring the feasibility of standardizing the quality assurance requirements for prefabricated steel rebars to better ensure their quality. PS(W)/DEVB envisaged that in view of an ageing construction workforce and the difficulty to attract young people to take up bar-bending works at

construction sites, the manufacturing of prefabricated steel rebars at off-site yards would become the trend.

V Public Engagement by the Task Force on Land Supply

(LC Paper No. CB(1)996/17-18(04) — Task Force on Land Supply's paper on Public Engagement of the Task Force on Land Supply

LC Paper No. CB(1)996/17-18(05) — Paper on initiatives to increase land supply prepared by the Legislative Council Secretariat (Updated background brief))

Other relevant paper

Booklet and pamphlet entitled "Land for Hong Kong: Our Home, Our Say!"

(LC Paper No. CB(1)979/17-18(01) — Submission from Greenpeace dated 16 May 2018)

17. At the invitation of the Chairman, Deputy Secretary for Development (Planning & Lands)¹ ("DS/DEV(P&L)1") briefed members that the Task Force on Land Supply ("the Task Force"), comprising 22 non-official members and eight official members appointed by the Chief Executive, was established in September 2017 to take a macro review of land supply options and to engage the community in discussions on the pros and cons of different options and their priorities, with a view to forging the broadest consensus. On 26 April 2018, the Task Force launched a five-month public engagement ("PE") exercise to solicit views from all sectors of the society on 18 land supply options identified by the Task Force as well as other land supply-related issues.

18. Chairman, Task Force on Land Supply ("C/Task Force") then briefed members that the Task Force considered that there were 18 options which could potentially provide additional land. These options were grouped into three categories based on the estimated lead time to provide land, including four short-to-medium term options; six medium-to-long term options; and eight conceptual options. During the

PE exercise, the Task Force would reach out to a wide spectrum of the community through myriad activities and channels. Various informational and publicity materials had also been provided to raise public awareness and understanding of the relevant issues. Based on the views collected, the Task Force would draw up a broad framework of recommendations on the overall land supply strategy and prioritization of different land supply options for submission to the Administration, tentatively in end-2018.

Land demand of Hong Kong

19. Noting the Administration's estimation that Hong Kong would face a land shortfall of at least 1 200 hectares ("ha") in the long run up to 2046, Mr LEUNG Che-cheung asked about how this estimation was arrived at. Mr Gary FAN challenged that the figure was over-estimated. Dr CHENG Chung-tai opined that land demand forecast and land use planning should be based on population projections and dovetail with the population policy. He asked about the basis of population projections to support the said estimation on land shortfall, and expressed his view that the Government of the Hong Kong Special Administrative Region ("HKSARG") should take back the control over the quota and eligibility for "One-way Permits" ("OWPs") given the impact on the formulation of population and related policies for Hong Kong.

20. In response, DS/DEV(P&L)1 and C/Task Force said that according to the latest population and domestic household projections by the Census and Statistics Department, the overall population would continue to increase until it peaked at about 8.22 million in 2043. To address the development needs of Hong Kong, the Administration conducted the "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" study ("Hong Kong 2030+ study") to examine the strategies and feasible options for the overall spatial planning, land and infrastructure development for Hong Kong as a whole beyond 2030. According to Hong Kong 2030+ study, the land requirement for the next 30 years would be no less than 4 800 ha. Taking into account the land supply of 3 600 ha or so from committed and planned developments, Hong Kong would face a land shortfall of at least 1 200 ha in the long run up to 2046.

21. DS/DEV(P&L)1 further said that Permits for Proceeding to Hong Kong and Macao, commonly known as OWPs, were documents issued by relevant authorities in the Mainland to facilitate family reunion. The application, approval and issuance of OWPs fell within the remit of the

Mainland authorities. HKSARG did not consider that there was any need or justification to change the existing OWP scheme or approval arrangements.

Land supply options

Tapping into the private agricultural land reserve in the New Territories

22. Mr LAU Kwok-fan believed that the total area of the vast private agricultural land reserve in the New Territories ("NT") might reach 2 000 ha to 3 000 ha. He considered that the Administration should make full use of such private agricultural land reserve possibly through public-private-partnership ("PPP") for housing developments.

23. Mr Andrew WAN, Mr Gary FAN, Ms Tanya CHAN and Mr CHAN Chi-chuen had reservations about the use of private agricultural land reserve through PPP, as this approach might in effect encourage land hoarding by private developers and give rise to public concerns over possible collusion between the Government and businesses. Mr FAN considered that the Administration should instead make wider use of the statutory land resumption power provided for in the Land Resumption Ordinance (Cap. 124) ("LRO") and, by doing so, perform a leading role in development. Mr CHAN opined that the Administration should pay the land premium for resuming the large pieces of abandoned farmland held by major developers based on farmland prices.

24. In response, C/Task Force said that according to information available in the public domain, major developers were believed to be holding no less than 1 000 ha of agricultural land in NT, while the Task Force acknowledged that there were other agricultural land owned by individuals or private entities but their total area was unknown. To unleash the development potential of private land in NT, the Task Force proposed that the community could discuss whether and how the PPP approach should be adopted to optimize the development potential of private land in NT, in particular agricultural land. If private land and the efficiency of the private sector could be optimized, it was believed to have the benefits of bringing major positive impact to Hong Kong's housing supply, particularly in the short-to-medium term.

25. As regards the application of LRO, C/Task Force noted that the Administration had all along been acting prudently in accordance with the spirit and provisions of the LRO when triggering the statutory power

to resume private land after establishing the "public purpose", such as taking forward New Development Area ("NDA") projects and development of public rental housing.

Alternative uses of sites under Private Recreational Leases

26. Mr WU Chi-wai was concerned about the interface between the review and the six-month public consultation being conducted by Home Affairs Bureau ("HAB") on the policy of Private Recreational Leases ("PRL"), and the suggestion of the Task Force on the alternative uses of PRL sites, including how the Administration would resolve any conflicting public views solicited by HAB towards the development options of Fanling Golf Course ("FGC") proposed by the Task Force.

27. C/Task Force responded that while the review conducted by HAB in regard to the policy of PRL focused on reviewing the contribution of PRL sites towards sports development, the Task Force was concerned about whether the PRL sites held by private sports clubs could be a feasible option to increase land supply for housing or other developments. Hence, the role of the Task Force was to set out the basic information, benefits and costs of development, challenges and timelines of all potential land supply options (including PRL sites), so as to help the community to make a choice. The Task Force believed that the society could consider different angles when looking at this matter, and strike a balance between the contributions of individual sites to sports development and increasing land supply.

Increasing development intensity of "Village Type Development" zones

28. Ms Tanya CHAN and Mr Jeremy TAM opined that the Administration should review the Small House Policy and consider rezoning the land reserved for "Village Type Development" ("V") for housing developments. Mr TAM asked about the details of the option of increasing development intensity of "V" zones.

29. C/Task Force said that while there were over 900 ha of unleased and unallocated Government land within "V" zones, a considerable portion of the land involved gaps or passageways between existing small houses, slopes and other fragmented or irregular land parcels, rendering them unsuitable for large-scale development. There had been suggestions that small houses should be allowed to appropriately raise their development intensity for higher-rise development for better use of

the same amount of land, while taking into account the needs of indigenous villagers.

30. DS/DEV(P&L)1 advised that as the Small House Policy was currently subject to a judicial review, the Administration was of the view that it would not be appropriate to make any public comment on issues relating to the Small House Policy.

Other suggestions

31. Mr Gary FAN and Mr CHAN Chi-chuen said that the Administration should consider other land supply options, such as the land reserved for military use, for housing developments. DS/DEV(P&L)1 responded that all the existing military sites in Hong Kong were used for defence purposes and none were left idle. The Administration had no plan to seek any changes to the use of these sites.

The public engagement exercise and the design of the survey used to gauge public views on the land supply options

32. Mr Andrew WAN, Mr Gary FAN and Ms Tanya CHAN criticized that the PE exercise was biased and misleading, and the Task Force had pre-set position towards the land supply options. They opined that the Task Force was selective in putting forward the 18 land supply options, by including only those preferred options of the Administration. In addition, Mr WAN, Mr FAN, Ms CHAN, Mr Alvin YEUNG and Mr CHAN Chi-chuen alleged that the Task Force's survey to gauge public views on the land supply options was also designed in such a way as to lead the respondents to choose the options desired by the Administration. They doubted that the areas of the additional land to be released under certain options were under-estimated, yet respondents were asked to make enough choices among the options to meet the minimum target of providing 1 200 ha or more of additional land, tallying the areas in the selected options. For example, they questioned how the respective areas of additional land to be released by the option of "Alternative uses of sites under private recreational leases" in the short-to-medium term (i.e. 60 ha) and in the medium-to-long term (i.e. 120 ha) were calculated.

33. Of the land supply options included in the survey, Ms Tanya CHAN and Mr CHAN Chi-chuen expressed opposition to the development of areas on the periphery of country parks, and Mr CHAN

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was also opposed to the reclamation of part of Plover Cove Reservoir for new town development.

34. In response, C/Task Force said that the survey was jointly designed by the Task Force and a professor from a local university who was commissioned as the independent view collection and analysis agent for the Task Force. The total area of additional land expected to be released by the "short-to-medium term" and "medium-to-long term" options cited in the survey could add up to nearly 3 300 ha, thereby offering real and free choices for the members of public. On the option relating to PRL sites, he advised that there were a total of 66 PRL sites with a total area of about 408 ha. In line with the basis of assumption for other short-to-medium term options, the Task Force had assumed that roughly about 15% (i.e. about 60 ha) and 30% (i.e. about 120 ha) of the total PRL site area could be released respectively in the short-to-medium term and in the medium-to-long term for other developments. Further, he said that the medium-to-long term option of developing the periphery of country parks only involved two specific pilot areas totalling about 40 ha.

35. Mr Alvin YEUNG and Mr CHAN Chi-chuen further asked about how the responses to the survey would be dealt with in case the options selected by a respondent fell short of the minimum target of providing 1 200 ha or more of additional land, and/or suggestions to increase land supply other than those listed were made.

36. Mr LEUNG Che-cheung and Mr CHU Hoi-dick asked about the details regarding how the Task Force would analyze the survey results and make recommendations to the Administration on the options to be/not to be pursued. Specifically, they asked whether the Task Force would set a benchmark percentage to determine which options were having a majority of public support as reflected in the survey results and should be recommended or otherwise. Mr CHU also asked how the recommended land supply options would be prioritized.

37. Mr Abraham SHEK asked whether the Administration had formulated a comprehensive policy on land supply, and whether it would become a norm that a PE exercise should be launched every time before formulating new policies on different areas in the future. Ms Alice MAK expressed concern that in view of the anticipated controversies and diverse views on the matter, in the end it would be difficult to reach a consensus in the society on the land supply options to be pursued.

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38. C/Task Force emphasized that there was no single solution to the land shortage problem and a multi-pronged approach in increasing land supply was necessary. Hence, the Task Force had identified 18 land supply options for deliberation by the public. The Task Force aimed at building the broadest consensus in the society through the PE exercise. The responses to the survey, including quantitative and qualitative views, would be analyzed by the independent view collection and analysis agent who was from the academia. Furthermore, the respondents could also make land supply suggestions other than those listed. Having regard to the views collected, the Task Force would draw up a broad framework of recommendations on the overall land supply strategy and prioritization of different land supply options for submission to the Administration.

39. Mr Michael TIEN referred to some media reports saying that C/Task Force had openly expressed support for certain land supply options, and he opined that C/Task Force should refrain from having pre-set position towards the land supply options. C/Task Force took note of Mr TIEN's views, and clarified that in the relevant media interviews, he was merely making reference to the public views received at different PE events, such as forums and workshops held during the PE exercise, instead of expressing his personal views on individual land supply options.

Expediting the land use planning process

40. Mr WU Chi-wai and Mr CHU Hoi-dick opined that the crux of the public housing supply shortage was the uneven distribution of land for public or private housing developments. Mr LAU Kwok-fan opined that the Administration should devise measures to speed up the conversion of "non-spade ready" sites to "spade-ready" sites (i.e. sites that had been properly zoned, and did not require resumption, clearance, reprovisioning of existing facilities, site formation or provision of additional infrastructure) for public housing developments.

41. C/Task Force noted that the Administration had been making strenuous efforts to identifying suitable land for public housing developments to meet the supply target under the Long Term Housing Strategy. The Task Force would continue with its role in building community consensus through the PE exercise and make recommendations on the overall land supply strategy to the Administration. He reiterated that there was neither a single nor perfect option that could solve the overall land supply problem. A multi-pronged approach was therefore required to increase land supply.

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Also, he emphasized that the imbalance in the demand and supply of land concerned both the quantum and timing of available land; only when land was supplied at sufficient level and in a timely manner that the land shortage problem could be tackled. On the other hand, C/Task Force clarified that how the development of public housing on "non-spade ready" sites could be expedited fell outside the purview of the Task Force.

Special meeting to receive public views on planning for land supply in Hong Kong

42. Ms Tanya CHAN, Mr Jeremy TAM and Mr Gary FAN considered that the Panel should hold a special meeting to receive public views on the planning for land supply in Hong Kong before the conclusion of the PE exercise on 26 September 2018.

(Post-meeting note: Members were notified vide LC Paper No. CB(1)1253/17-18 issued on 12 July 2018 that the above special meeting was scheduled for Wednesday, 19 September 2018, from 9:00 am. The special meeting was held until 7:15 pm on 19 September 2018. A total of 123 individuals/deputations attended the special meeting to give their views.)

[At 3:51 pm, the Chairman suspended the meeting temporarily such that members could take part in a division at the meeting of the Establishment Subcommittee being held concurrently. The meeting resumed at 3:56 pm.]

VI Proposed enhancements to the general ex-gratia compensation and rehousing arrangements for Government's development clearance exercises

(LC Paper No. CB(1)951/17-18(01) — Administration's paper on proposed enhancements to the general ex-gratia compensation and rehousing arrangements for Government's development clearance exercises

LC Paper No. CB(1)996/17-18(06) — Paper on the proposed enhancements to the

- general ex-gratia compensation and rehousing arrangements for Government's development clearance exercises prepared by the Legislative Council Secretariat (Background brief)
- LC Paper No. CB(1)1045/17-18(01) — Submission from Union of Kwu Tung North Residents dated 27 May 2018
- LC Paper No. CB(1)1045/17-18(02) — Submission from a deputation (關注洪水橋新發展區聯盟) dated 28 May 2018)
- LC Paper No. CB(1)1045/17-18(03) — Submission from a deputation (粉嶺北新發展區寮屋居民關注組) dated 28 May 2018)

43. At the invitation of the Chairman, Secretary for Development ("SDEV") briefed members on the Administration's proposal to enhance the general ex-gratia compensation and rehousing ("C&R") arrangements to be offered to eligible domestic occupants in squatters and business undertakings affected by the Government's development clearance exercises. The enhancement proposal comprised the following five key features:

- (a) replacing "project-specific" packages with a unified as well as enhanced general ex-gratia C&R package applicable to all future Government's development clearance exercises;
- (b) offering to eligible households non-means tested rehousing in Dedicated Rehousing Estates ("Dedicated Estates") to be built and operated by the Hong Kong Housing Society ("HKHS");
- (c) relaxing the eligibility criteria and increasing the amount of cash ex-gratia allowances ("EGAs") for eligible households residing in surveyed/licenced domestic structures, i.e. EGA

for Permitted Occupiers of Licensed Structures and Surveyed Squatters Affected by Clearance ("EGAPO");

- (d) suitably extending the arrangements on non-means tested rehousing and enhanced cash EGAs to eligible households residing in surveyed/licenced non-domestic structures; and
- (e) relaxing the eligibility criteria of applicable EGAs for business undertakings on brownfields and in squatters.

44. SDEV advised that subject to the funding approval of the Finance Committee ("FC") on the parts of the proposal involving EGAs, the Administration planned to apply the proposed enhancements to all on-going and future land resumption and clearance exercises according to the following arrangements :

- (a) apply the proposed enhancements to EGAs to all eligible business undertakings on brownfields which had not yet received compensation or EGAs from the Government as of 11 April 2017;
- (b) apply the proposed enhancements to EGAs to all eligible business undertakings operating from surveyed/licenced structures which had not yet received EGAs from the Government as of 10 May 2018; and
- (c) apply the proposed enhancements to EGAs and rehousing at the same time as a package to all eligible domestic occupants in squatters who had not yet received EGAs or rehousing from the Government as of 10 May 2018.

45. The Chairman reminded members that in accordance with Rule 83A of RoP of LegCo, they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects.

Eligibility criteria

Ex-gratia allowances for eligible business undertakings on brownfields

46. Mr Frankie YICK said that when the Panel discussed the Administration's earlier proposal to extend EGA arrangement to eligible open-air/outdoor business undertakings affected by the

Government's development clearance exercises at the meeting on 23 May 2017, he suggested the Administration to (a) shorten the minimum 10-year continuous operational period requirement; (b) allow affected business undertakings which had operated in the same district and met the minimum continuous operational period requirement, albeit at different land lots during the period, to receive EGAs; and (c) extend the EGA coverage from land owners and operators/occupants to sublessors. While the minimum continuous operational period requirement was proposed to be shortened to seven years, Mr YICK urged the Administration to consider further shortening the minimum continuous operational period requirement to below seven years, and accepting his other two suggestions.

47. SDEV advised that to ensure prudent use of public funds, the Administration did not consider it appropriate to further shorten the proposed seven-year minimum continuous operational period requirement of open-air/outdoor business undertakings eligible for EGAs. Business undertakings which were dissatisfied with the EGA amount could make statutory claims for disturbance payments (e.g. business loss due to the removal of the business). As regards Mr YICK's other two suggestions, the Administration was working out the details relating to suggestion (b) in paragraph 46 to be presented together with the funding proposal to FC, yet it had no plan to extend the coverage of ex-gratia compensation from land owners and operators/occupants to sublessors (i.e. suggestion (c) in paragraph 46).

Ex-gratia allowance for Permitted Occupiers of Licensed Structures and Surveyed Squatters Affected by Clearance

48. The Deputy Chairman declared that he was the Chairman of the Heung Yee Kuk, and said that as the Heung Yee Kuk had given views on the enhancement proposal, he might have indirect interests on the subject.

49. The Deputy Chairman, Mr Gary FAN and Mr LEUNG Che-cheung were concerned that given the stringent occupation requirement of 31 years or more before the Pre-clearance Survey ("PCS") under the current banding, most affectees were unlikely able to receive the full EGAPO rate, notwithstanding that the maximum EGAPO amount could reach \$1,209,000 after removal of the existing \$600,000 cap under the enhancement proposal. Mr Gary FAN queried how the Administration had determined the criteria for assessing the quantum of EGAPO, leaving out most affectees from the banding for full EGAPO rate. Mr LEUNG urged the Administration to revise the

assessment criteria to benefit more affectees. The Deputy Chairman further pointed out that for the purpose of calculating the applicable EGAPo rates, the whole of Hong Kong was divided into three broad regions, i.e. Urban, Extended Urban and the New Territories, and the rate for the New Territories (i.e. \$12,096 per square metre ("m²")) was much lower than that for the Urban region (i.e. \$18,216 per m²). He asked if the Administration would consider combining the three different EGAPo rates into a single rate.

50. SDEV and Deputy Director of Lands (Specialist) explained that the prevailing banding system for assessing the quantum of EGAPo payable to eligible clearers based on their length of continuous occupation in squatter structures was already adopted before the enhancement proposal. In principle, the longer the duration of continuous occupation, the higher the proportion to the full EGAPo rate for the eligible clearers. Moreover, the EGAPo rates were calculated on the basis approved by FC and the rates were updated every six months in accordance with the latest rental data available to the Rating and Valuation Department on the average unit rental of village type houses and/or tenement buildings. Apart from EGAs, SDEV highlighted that a key feature under the enhancement proposal was offering a non-means tested rehousing option for eligible households, in the form of rental and subsidized sale flats units in Dedicated Estates, to address the genuine rehousing needs of the eligible households.

51. On the Deputy Chairman's enquiry about the number of households affected by the public housing developments at Wang Chau that could receive the full EGAPo rate under the enhancement proposal, SDEV advised that the Lands Department had conducted a PCS to ascertain the number of affected households concerned, but the detailed information as enquired was not yet available.

Measures to assist various groups of clearance affectees

52. Mr LAU Kwok-fan opined that the C&R arrangements had been a hurdle in the implementation of the Government's development projects including the Kwu Tung North and Fanling North New Development Area ("NDA") projects. Although he believed that the enhancement proposal would be welcomed by many affectees, Mr LAU called on the Administration to cater also for those affected occupants who were registered under the freezing survey four years ago in 2014 but were subsequently evicted by their landowners and hence became ineligible for the enhanced C&R arrangements. To minimize the uncertainty and

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impact on the residents, Mr LAU urged the Administration to pursue land resumption for the NDA projects in one go in lieu of the current phased land resumption plan, and deploy more officials to explain the enhancement proposal to the affectees.

53. Dr CHENG Chung-tai asked whether the Administration would undertake to adopt a "rehousing before clearance" approach in relocating the affected households. He requested the Administration to provide the detailed breakdowns of the number of households affected by the development clearance exercises for the Kwu Tung North and Fanling North NDA projects by the types of affected households, such as occupants of surveyed/licenced domestic /non-domestic structures and unauthorized structures (i.e. other than those tolerated by virtue of the 1982 Squatter Control Survey/licence status), and among them those who were covered/not covered in the freezing survey conducted in 2014, and those who were tenants, etc..

54. SDEV responded that it would be impractical to expect that the Government's development clearance exercises could only be carried out after every single affectee was rehoused. On the number of affected households in the Kwu Tung North and Fanling North NDA projects, he said that about 1 500 households were registered in the freezing survey conducted in 2014. He undertook to provide the breakdowns as requested after the meeting.

(Post-meeting note: The Chinese version of the Administration's supplementary information was circulated to members vide LC Paper No. CB(1)1262/17-18(01) on 13 July 2018.)

55. Miss Alice MAK asked about the additional number of affected households and business undertakings expected to be benefited upon the implementation of the proposed enhancements to the C&R arrangements, as well as whether and how the Administration would provide support to those affectees who could not be benefited despite implementation of the proposed enhancements. She also asked whether the proposed one-off voluntary registration exercise would help impede eviction of those long-term occupants of the surveyed/licenced non-domestic structures by their landowners prior to the clearance of the site to be developed, so as not to render these occupants ineligible for any compensation.

56. SDEV reiterated that the enhancement proposal included various measures to assist eligible households, such as offering a non-means tested rehousing option for eligible households and providing a modest

amount of Domestic Removal Allowance to all households registered in PCS (i.e. including even households residing in totally unauthorized structures). Meanwhile, the social service teams in the NDAs concerned would render assistance as appropriate to all clearerees. The Administration undertook to provide the information requested by Miss Alice MAK after the meeting.

(Post-meeting note: The Chinese version of the Administration's supplementary information was circulated to members vide LC Paper No. CB(1)1262/17-18(01) on 13 July 2018.)

57. Mr Gary FAN expressed disappointment at the Administration's reluctance to adopt the "rehousing before clearance" approach for the NDA projects, which was among the main requests of the clearance affectees. Further, he asked if the Administration would consider the request for farmland rehabilitation at the greenbelt areas of Kwu Tung North for those affected farmers.

58. Mr LEUNG Che-cheung pointed out that in the clearance exercise of Choi Yuen Tsuen for the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link project, the affected villagers could rehabilitate their farmland and erect domestic structures on the rehabilitated farmland. He urged the Administration to offer similar arrangements for those farmers affected by the NDA projects.

59. SDEV replied that under the existing Agricultural Land Rehabilitation Scheme, the Agriculture, Fisheries and Conservation Department would bring owners of farmland and interested farmers together to work out a rental agreement for leasing out the farmland.

60. Mr LAM Cheuk-ting urged the Administration to respond to the demands of the affectees in the Fanling North NDA project by (a) resuming the land in one go, so as to avoid subjecting the villagers to undesirable living environment; (b) ensuring that villagers registered in the freezing survey in 2014, including those who were subsequently evicted from NDAs, would receive the same treatment as far as compensation was concerned; and (c) adopting the date of land resumption, instead of the date of conducting the freezing survey, as the basis for calculating the length of residence.

61. SDEV and Permanent Secretary (Planning & Lands), Development Bureau ("PS(P&L)/DEVB"), responded that the Administration would try to expedite the land resumption exercise by consolidating the remaining

works of the Kwu Tung North and Fanling North NDA projects into a single phase as much as possible, with a view to offering ex-gratia compensation and rehousing arrangements to eligible households as early as possible. To ensure prudent use of public funds and prevent abuse, the Administration did not consider it appropriate to adopt the date of land resumption as the basis for calculating the length of continuous residence for the purpose of assessing the eligibility for ex-gratia C&R arrangements, as doing so would be tantamount to shortening the minimum continuous residence requirement before the freezing survey. As regards those who had been registered in PCS but moved out before the Government's commencement of development clearance exercises, the Administration would exercise discretion, where necessary, in considering their continuous length of residence as long as they were still living in surveyed/licensed structures within the same development area.

62. Mr CHU Hoi-dick requested the Administration to provide information on (a) whether it would consider reviewing the calculation basis of the prevailing ex-gratia compensation for farmers affected by land resumption and clearance, with a view to providing them with adequate amounts of compensation for pursuing agricultural rehabilitation; and (b) the arrangements for resettling the household pets and other domestic animals kept in the local community affected by land resumption and clearance exercises. Given that under the existing C&R arrangements, affected indigenous villagers would receive a more favourable treatment (e.g. village resite) than those affected non-indigenous villagers, Mr CHU also asked whether an option of village resite would be offered to affected non-indigenous villagers as well. The Administration undertook to provide the requested information after the meeting.

(Post-meeting note: The Chinese version of the Administration's supplementary information was circulated to members vide LC Paper No. CB(1)1262/17-18(01) on 13 July 2018.)

63. Expressing concern over plight faced by some tenants residing in unauthorized structures who were ineligible for rehousing, Mr CHAN Hak-kan urged the Administration to undertake compassionate measures so that these affectees could be rehoused to public housing flats as well. Mr CHAN also considered that suitable rehousing arrangements should be in place such that the clearance affectees could retain their original community ties.

64. SDEV replied that under the enhancement proposal, Dedicated Estates would be built to rehouse eligible households opting for non-means tested rehousing affected by the Government's development clearance exercises, such as the one at Pak Wo Road, Fanling and another at Hung Shui Kiu NDA. Apart from the non-means tested rehousing option to the Dedicated Estates, eligible households may also choose the option of means-tested rehousing to existing public rental housing units. SDEV added that on special compassionate grounds, the Administration might consider on a case-by-case basis referring certain ineligible households for rehousing to public housing on individual merits.

65. Mr KWONG Chun-yu urged the Administration to enhance the rehousing arrangements provided to the clearance affectees, such as relocating them in the same district, and providing an alternative rehousing option other than those under HKHS as the rent levels of the HKHS public housing flats were slightly higher than those of the flats under the Hong Kong Housing Authority ("HKHA"). Mr KWONG also asked if the households affected by the Wang Chau development project would be relocated within the same district.

66. SDEV reiterated that under the enhancement proposal, eligible households (including those affected by the Wang Chau Phase 1 development) would be offered non-means tested rehousing in Dedicated Estates, one of which was at Hung Shui Kiu NDA, which was close to Wang Chau. Moreover, before the Dedicated Estates were ready for population intake, eligible households would be offered one-off transitional units in HKHS's rental estates or HKHA's public rental housing estates, while households' preference for location (e.g. units in Yuen Long) would be taken into consideration. These households would also be given the option of staying in the transitional units or relocating to the Dedicated Estates once the latter were ready for population intake.

67. Dr Helena WONG sought information about the numbers of squatter structures and occupants registered in the 1982 Squatter Control Survey and the latest figures in 2018. Mr Jeremy TAM enquired if the Administration had any plan to resolve the squatter problem by extending the proposed enhancements to the C&R arrangements to cover those squatter occupants in the urban area.

68. SDEV responded that as a broad brush estimate, the additional financial implication arising from the enhancement proposal for those EGAs payable to domestic households in squatters was estimated to be in

the order of \$240 million, over the estimated expenditure of some \$320 million if the arrangements were to remain unchanged.

69. Director of Lands explained that the 1982 Squatter Control Survey was to register the location, dimension and use of squatter structures. According to the said survey, there were about 80 000 domestic structures and 300 000 non-domestic structures at that time. As no follow-up survey had been conducted afterwards, the Administration had no updated figures on the numbers of squatter structures and occupants across the territory. SDEV added that according to the Government's preliminary rough estimate at this stage, about 8 000 squatter households were estimated to be affected by the Government's development clearance exercises in the short-to-medium term. These projects included, amongst others, the Kwu Tung North and Fanling North NDA projects, the land clearance exercise of which was targeted to be launched in 2019, as well as the development projects in Hung Shui Kiu NDA, Yuen Long South and New Territories North. The Administration intended to apply the proposed enhancements as a unified and enhanced standard ex-gratia C&R package to the clearance exercises under all of these projects.

Public consultation

70. Dr CHENG Chung-tai and Mr Gary FAN opined that the Panel should hold a special meeting to receive public views on the proposed enhancements to the C&R arrangements. Mr FAN and Ms YUNG Hoi-yan urged the Administration to conduct public consultation on the enhancement proposal as well. Meanwhile, Ms YUNG sought information about the number of consultation sessions that had been held by the Administration so far to seek the views of the clearance affectees on the enhancement proposal.

71. The Chairman and Miss Alice MAK (Chairman of the Panel on Housing) advised that joint meeting(s) between the Panel on Development and the Panel on Housing would be held to receive public views on the enhancement proposal and another subject matter (i.e. Head 711 project no. B780CL — Site formation and infrastructure works for public housing development at Wang Chau, Yuen Long).

(Post-meeting note: Members were informed on 13 June 2018 vide LC Paper No. CB(1)1120/17-18 that the said joint meetings would be held from 9:00 am to 1:00 pm and from 5:45 pm to 7:45 pm on 26 June 2018, and from 10:45 am to 12:45 pm on 29 June 2018.)

72. PS(P&L)/DEVB said that in view of the public views towards the existing ex-gratia C&R arrangements, the Administration proposed enhancements to the existing arrangements. After the announcement of the enhancement proposal in May 2018, the Administration had started to brief affected households and relevant residents' organizations on the proposal.

Motions proposed by members

73. The Chairman said that he had received a total of four motions proposed by members. The first one was from Mr LAM Cheuk-ting, the second one from Mr LAU Kwok-fan, and the third and the fourth ones from Mr CHU Hoi-dick. The Chairman considered that all of the proposed motions were directly related to the agenda item under discussion. Members agreed that these motions be proceeded with at the meeting.

Motion proposed by Mr LAM Cheuk-ting

74. Mr LAM Cheuk-ting read out his proposed motion:

(Translation)

Regarding the ex-gratia compensation and rehousing arrangements for the clearance exercises carried out in respect of new development areas, this Panel requests the Government to:

1. resume the land concerned in one go, so as to avoid subjecting the villagers to undesirable living environment;
2. ensure that villagers who were registered upon the completion of the freezing survey in 2014, including those who were evicted from the new development areas, will receive the same treatment as far as compensation is concerned; and
3. adopt the date of land resumption as the basis for calculating the length of residence."

75. The Chairman put the motion to vote. The Chairman ordered a division and the voting bell was rung for five minutes. Sixteen members

voted for, two members voted against the motion, and five members abstained. The votes of individual members were as follows:

For:

Mr CHAN Hak-kan
Mr CHAN Chi-chuen
Dr Fernando CHEUNG
Mr LAM Chuek-ting
Mr CHAN Chun-ying
Mr LAU Kwok-fan
Mr KWONG Chun-yu
Mr Gary FAN
(16 members)

Mr WU Chi-wai
Mr LEUNG Che-cheung
Dr Helena WONG
Mr Holden CHOW
Ms Tanya CHAN
Dr CHENG Chung-tai
Mr Jeremy TAM
Mr Vincent CHENG

Against:

Mr WONG Kwok-kin
(2 members)

Mr Tony TSE

Abstain:

Mr Paul TSE
Miss Alice MAK
Mr HO Kai-ming
(5 members)

Mr Frankie YICK
Ir Dr LO Wai-kwok

76. The Chairman declared that the motion was carried.

Motion proposed by Mr LAU Kwok-fan

77. Mr LAU Kwok-fan read out his proposed motion:

(Translation)

"Regarding the land resumption arrangements for the Kwu Tung North and Fanling North New Development Areas, this Panel urges the authorities to discuss with the Hong Kong Housing Authority, the allocation of some rental units in Po Shek Wu Estate of Sheung Shui to rehouse affected residents before the completion of the dedicated rehousing estates at Pak Wo Road of Fanling; and proactively study in parallel, rehousing arrangements for eligible residents living in areas covered by the scope of the remaining works who have moved out voluntarily in advance, so as to improve the living environment for the residents and expedite the progress of land resumption and development."

78. The Chairman put the motion to vote. The Chairman announced that 17 members voted for, no member voted against the motion, and one member abstained. The Chairman declared that the motion was carried.

Motions proposed by Mr CHU Hoi-dick

79. Mr CHU Hoi-dick read out his proposed motion:

(Translation)

"This Panel requests that 'relocation' be included as an option in clearing non-indigenous villages in the rural area for development, so as to narrow the difference in the treatment received by non-indigenous and indigenous villages and give such villagers a chance to maintain their way of life and quality of life as far as possible."

80. The Chairman put the motion to vote. The Chairman announced that 11 members voted for, two members voted against the motion, and three members abstained. The Chairman declared that the motion was carried.

81. Mr CHU Hoi-dick read out his another proposed motion:

(Translation)

"This Panel requests the authorities to concurrently review the compensation mechanism for the agricultural sector in reviewing the compensation and rehousing mechanisms for squatters, so as to enable the affected farmers to have sufficient resources to relocate their farms."

82. The Chairman put the motion to vote. The Chairman announced that 18 members voted for, no member voted against the motion, and two members abstained. The Chairman declared that the motion was carried.

(Post-meeting note: The wording of the motions passed was circulated to members by email on 31 May 2018 vide LC Paper Nos. CB(1)1055/17-18(01) to (04). The Chinese version of the Administration's response to the motions was circulated to

members on 13 July 2018 vide LC Paper Nos. CB(1)1261/17-18(01) to (04).)

Concluding remarks

83. The Deputy Chairman said that members belonging to the Business and Professionals Alliance for Hong Kong supported the enhancement proposal. Mr Frankie YICK and Mr LAU Kwok-fan respectively stated that members belonging to the Liberal Party and the Democratic Alliance for the Betterment and Progress of Hong Kong supported the proposal. Dr CHENG Chung-tai indicated objection to the proposal.

84. Dr Helena WONG and Mr Jeremy TAM respectively said that members belonging to the Democratic Party and the Civic Party had yet to decide whether to support the enhancement proposal. Mr Gary FAN held the same stance. Mr CHU Hoi-dick and Miss Alice MAK respectively indicated that he and members belonging to the Hong Kong Federation of Trade Unions would only decide whether to support the proposal after the Administration had provided its responses to members' questions and concerns raised at the meeting.

[During the meeting, some observers spoke loudly in the public gallery. The Chairman repeatedly reminded observers that they must behave themselves and must not shout.]

VII Regulatory control over lift safety

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| (LC Paper No. CB(1)996/17-18(07) | — Administration's paper on enhancing safety of aged lifts |
| LC Paper No. CB(1)996/17-18(08) | — Paper on regulatory control over lift and escalator safety prepared by the Legislative Council Secretariat (Updated background brief)) |

Relevant papers

- | | |
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| (LC Paper No. CB(1)803/17-18(01) | — Letter dated 10 April 2018 from Hon HO |
|----------------------------------|--|

LC Paper No. CB(1)803/17-18(02)	— Kai-ming on lift safety Letter dated 11 April 2018 from Hon LAM Cheuk-ting on lift safety
LC Paper No. CB(1)850/17-18(01)	— Administration's response to the letter dated 10 April 2018 from Hon HO Kai-ming on lift safety [LC Paper No. CB(1)803/17-18(01)]
LC Paper No. CB(1)850/17-18(02)	— Administration's response to the letter dated 11 April 2018 from Hon LAM Cheuk-ting on lift safety [LC Paper No. CB(1)803/17-18(02)]
LC Paper No. CB(1)965/17-18(01)	— Letter dated 14 May 2018 from Hon LAM Cheuk-ting on lift safety
LC Paper No. CB(1)1026/17-18(01)	— Submission from HKELEV.com dated 24 May 2018)

85. At the invitation of the Chairman, SDEV briefed members on the follow-up work of the Electrical and Mechanical Services Department ("EMSD") on the lift incidents that happened at Waterside Plaza in Tsuen Wan on 8 April 2018 and Paris Court of Sheungshui Town Centre on 11 May 2018, and the proposed measures to enhance the safety of aged lifts. SDEV emphasized that, for the two lift incidents mentioned above, EMSD would investigate whether there had been contravention of the Lifts and Escalators Ordinance (Cap. 618)("LEO"). EMSD would enforce the law strictly if contravention had been identified.

Assistance to building owners to carry out lift modernization works

86. Mr LAM Cheuk-ting and Dr Helena WONG called on the Administration to subsidize those building owners with financial difficulty to carry out lift modernization works. Mr LAU Kwok-fan and Mr Vincent CHENG said that the Democratic Alliance for the Betterment and Progress of Hong Kong had suggested the Administration to consider setting up a dedicated fund of \$2 billion to provide subsidies to building owners to enhance the safety devices of aged lifts or replace them with

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new lifts. Dr Priscilla LEUNG supported launching a \$2 billion lift maintenance fund as soon as possible.

87. SDEV responded that the Administration was actively considering the offering of financial incentives to owners of buildings in need (e.g. residential buildings with aged lifts and relatively low average rateable values), including making reference to the on-going "Operation Building Bright 2.0 Scheme" ("OBB 2.0") and the "Fire Safety Improvement Works Subsidy Scheme", with a view to exploring the feasibility of allocating funding to subsidize those owners to encourage them to speed up the lift modernization works. The Administration aimed to submit the relevant funding proposal to the Legislative Council at the beginning of the 2018-2019 session.

88. Dr Priscilla LEUNG and Mr Alvin YUENG called on the Administration to provide assistance to those owners who lacked the technical knowledge and the ability to organize lift modernization works for their buildings. Dr LEUNG suggested that the Administration should provide independent technical advice to owners. Mr Vincent CHENG urged that in particular, the Administration should provide special assistance to the owners of buildings without an owners' corporation ("OC") or owners' committee.

89. In response, SDEV said that making reference to the on-going OBB 2.0, the Administration planned to enlist the Urban Renewal Authority ("URA") as the partner in implementing the proposed funding scheme to subsidize owners of buildings (both with OC/owners' committee or otherwise) to carry out lift modernization works. URA would provide technical advice and assistance to the owners for organizing the lift modernization works.

90. Ms YUNG Hoi-yan, Mr HO Kai-ming and Mr LAM Cheuk-ting called on the Administration to provide more information and support service to assist owners in selecting suitable lift contractors for lift maintenance and repair works, and monitoring their performance. Mr HO suggested that the Administration should consider requiring lift contractors to provide owners with component replacement and maintenance records of lifts, so as to ensure that owners were aware of the existing conditions of the safety components of lifts.

91. In response, Director of Electrical and Mechanical Services ("DEMS") said that EMSD had provided a "Sample Contract for Procurement of Comprehensive Lift/Escalator Maintenance Service" and

a "Sample Specifications for Engagement of Registered Lift Contractor for Carrying out Lift Modernization Works" for reference by Responsible Persons for Lifts in the procurement of maintenance services. In the past few years, EMSD conducted more than 90 seminars on management of contractors in different estates with more than 16 000 property owners and management company representatives attended. EMSD also released on a regular basis for public reference the maintenance price figures for lifts at private residential and commercial premises, and quarterly performance ratings of Registered Contractors in safety and service quality aspects.

92. Mr LAM Cheuk-ting and Dr Helena WONG asked whether the Administration would consider mandating the retrofitting of safety devices for aged lifts. Dr Priscilla LEUNG said that she had reservation about imposing such mandatory requirement.

93. SDEV responded that EMSD would study the feasibility of mandating the lift modernization works by making reference to relevant experience in other countries, the enactment and enforcement of similar ordinances in Hong Kong, while at the same time taking into account the associated impact on the community and the trade. The Administration would consult the public and the trade on an appropriate proposal in due course.

94. Mr CHAN Chi-chuen said that OCs of Tenants Purchase Scheme ("TPS") estates, such as that of Hin Keng Estate in Tai Wai, faced difficulties in identifying suitable contractors for lift modernization works, since there were separate lists of lift contractors recognized by EMSD and HKHA (which was also an owner of TPS estates). At the request of Mr CHAN, SDEV undertook to liaise with the Housing Department on the matter.

Monitoring of lift maintenance and repair works

95. Mr LAM Cheuk-ting considered that the Administration should formulate codes of practice or guidelines to require the original lift manufacturers to provide spare parts to other maintenance contractors in the market at reasonable prices and within reasonable time, so as to facilitate competition thereby improving overall maintenance quality. Mr Vincent CHENG urged the Administration to step up monitoring against bid-rigging for lift maintenance and repair contracts.

96. Mr Alvin YEUNG asked whether the Administration would monitor the manpower situation of Registered Contractors to ensure that they had sufficient manpower for their operation. Mr KWONG Chun-yu asked whether the Administration would consider enhancing the monitoring of lift maintenance works, such as formulating guidelines to, among others, prescribe a limit on the maximum number of lifts that a maintenance worker could maintain per day.

97. DEMS responded that EMSD would closely monitor the manpower situation of Registered Contractors and timely review with them their manpower arrangement to ensure that they had sufficient manpower to properly handle emergency repair and periodic maintenance works. The Administration would provide a written response to Mr KWONG Chun-yu's question after the meeting.

(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)1146/17-18(01) on 20 June 2018.)

98. Ms YUNG Hoi-yan and Mr Alvin YEUNG expressed concern about whether there were sufficient manpower in EMSD to step up inspections and monitoring of the lift maintenance and repair works carried out by contractors. DEMS responded that EMSD had set up a dedicated team responsible for regulating lift and escalator safety throughout the territory. In 2018-2019, EMSD had increased the manpower of the dedicated team to 43 staff members, in order to strengthen the inspections of aged lifts. When there was incident, additional resources would be flexibly deployed from the department, where necessary, to expedite the completion of the investigation.

99. Mr Gary FAN asked whether the Administration would consider imposing heavier penalties on cases of contravention of LEO and reviewing the Registered Lift/Escalator Contractors' Performance Rating Scheme. The Administration would provide a written response to Mr FAN's questions after the meeting.

(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(1)1146/17-18(01) on 20 June 2018.)

Manpower shortage problem

100. Mr Gary FAN, Ms YUNG Hoi-yan, Mr Vincent CHENG, Mr HO Kai-ming, Mr KWONG Chun-yu and Mr Alvin YEUNG expressed concern about the manpower shortage problem in the lift maintenance and repair industry. Mr HO Kai-ming said that quite a number of lift workers had reflected that in many cases they were suddenly requested by their employers to leave for other emergency works in the middle of undertaking a periodic maintenance job, hence inevitably affecting the work quality. Ms YUNG Hoi-yan and Mr Vincent CHENG urged the Administration to introduce measures to attract new entrants to the lift maintenance and repair industry, so as to address the manpower shortage problem and improve the quality of maintenance and repair work provided by the industry as a whole.

101. DEMS responded that from 2012 to 2017, the total number of lifts increased from about 60 000 to about 66 000, i.e. an increase of about 10%. The total number of registered workers increased from about 4 960 in 2012 to about 5 724 in 2017, i.e. an increase of about 15%, which was higher than the increase in the number of lifts during the same period.

102. SDEV said that, to attract more new bloods to join the lift maintenance and repair industry, the Vocational Training Council and the Construction Industry Council jointly introduced the "Earn & Learn" Scheme in 2014. The number of new apprentices enrolled each year had increased remarkably, from about 70 in the past to more than 200 in 2015 and more than 250 in both 2016 and 2017. Most of these apprentices were still undergoing apprenticeship training and they were expected to join the industry in the next two to three years after their apprenticeship training.

103. At the request of Mr Gary FAN, the Administration would provide supplementary information on the measures to address the manpower shortage problem in the lift maintenance and repair industry.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)1146/17-18(01) on 20 June 2018.)

Motions proposed by members

104. The Chairman said that he had received a total of four motions proposed by Mr HO Kai-ming, Mr LAU Kwok-fan, Mr LAM Cheuk-ting and Mr Gary FAN respectively. The Chairman considered that all of the proposed motions were directly related to the agenda item under discussion. Members agreed that these motions be proceeded with at the meeting. The Chairman then ordered that the voting bell be rung for five minutes.

Motion proposed by Mr HO Kai-ming

105. Mr HO Kai-ming read out his proposed motion:

(Translation)

"Given that lift accidents have occurred one after another recently, this Panel urges the Government to implement the following measures to improve lift safety:

1. launching a special subsidy scheme as soon as possible, so as to assist owners to carry out modernization works for aged lifts (including the replacement of aged lifts, important components and safety devices) to increase the safety factor; and stipulating in the long run that all lifts in the territory should be installed with safety devices meeting the required standards, so as to ensure safety;
2. requiring lift contractors to provide owners' corporations ("OC") and owners with component replacement and maintenance records of lifts, so as to ensure that owners are aware of the existing conditions of the safety components of lifts;
3. increasing the manpower of the Electrical and Mechanical Services Department ("EMSD"), so as to step up inspections and enhance efforts to monitor the lift maintenance and repair work carried out by contractors;
4. providing guidelines drawn up by EMSD on lift maintenance and repair contracts, so as to assist OC and owners to select suitable lift contractors;

5. promoting 'designated workers for designated skills' in the lift industry, so as to ensure that there is sufficient manpower for and time spent on carrying out maintenance and repair work on each lift; and
6. strengthening professional training for lift maintenance and repair personnel and improving the work environment concerned to attract new entrants to the industry, so as to improve the quality of maintenance and repair work provided by the industry as a whole."

106. The Chairman put the motion to vote. The Chairman ordered a division. 17 members voted for, no member against the motion, and no member abstained. The votes of individual members were as follows:

For:

Dr Priscilla LEUNG
Mr CHAN Chi-chuen
Dr Helena WONG
Mr Andrew WAN
Mr LAM Chuek-ting
Mr CHAN Chun-ying
Mr LAU Kwok-fan
Mr Jeremy TAM
Mr Vincent CHENG
(17 members)

Mr Frankie YICK
Ms Alice MAK
Mr Alvin YEUNG
Mr HO Kai-ming
Mr Holden CHOW
Ms Tanya CHAN
Dr CHENG Chung-tai
Mr Gary FAN

Against:

(0 member)

Abstain:

(0 member)

107. The Chairman declared that the motion was carried.

Motion proposed by Mr LAU Kwok-fan

108. Mr LAU Kwok-fan read out his proposed motion:

(Translation)

"To enhance the safety level of lifts, this Panel urges the authorities to formulate a territory-wide 'Action plan for enhancing lift safety'; give priority to the enhancement of the safety level of lifts installed before the first edition of the Codes of Practice on the Design and Construction of Lifts and Escalators came into effect in 1993; and set up an independent 'Lift safety subsidy scheme' with a funding of not less than \$2 billion, so as to provide subsidies to owners to enhance the safety equipment of lifts which have been in service for 20 years or more or replace them with new lifts."

109. The Chairman put the motion to vote. The Chairman announced that 15 members voted for, no member voted against the motion, and two members abstained. The Chairman declared that the motion was carried.

Motion proposed by Mr LAM Cheuk-ting

110. Mr LAM Cheuk-ting read out his proposed motion:

(Translation)

"This Panel urges the Government to implement the following measures to improve lift safety:

1. introducing legislation to make it mandatory to install additional safety devices for aged lifts without sufficient safety devices;
2. strengthening the monitoring of the lift maintenance and repair industry and ensuring that there is sufficient manpower; and
3. providing subsidies and professional advice to owners with financial needs, so as to assist owners to enhance the safety level of lifts."

111. The Chairman put the motion to vote. The Chairman announced that 17 members voted for, no member voted against the motion, and one member abstained. The Chairman declared that the motion was carried.

Motion proposed by Mr Gary FAN

112. Mr Gary FAN read out his proposed motion:

(Translation)

"Given that a number of lift accidents have occurred in recent years, this Panel urges the Government to increase its manpower resources to step up efforts to inspect the maintenance and repair work carried out by lift contractors and check the spare part replacement and maintenance records of lifts; review the 'Registered Lift and Escalator Contractors' Performance Rating Scheme' and increase the penalties concerned; provide subsidies to owners with financial difficulties to install additional safety devices for aged lifts, so as to meet the latest safety standards in this respect; and formulate guidelines and provide more information to assist owners and resident organizations to select lift contractors with good track records."

113. The Chairman put the motion to vote. The Chairman announced that 18 members voted for, no member voted against the motion, and no member abstained. The Chairman declared that the motion was carried.

(*Post-meeting note:* The wordings of the four motions passed were circulated to members vide LC Paper Nos. CB(1)1055/17-18(05) to (08) on 31 May 2018. The Administration's responses to the four motions were circulated to members on 15 June 2018 vide LC Paper Nos. CB(1)1127/17-18(01) to (04).)

VIII Any other business

114. There being no other business, the meeting ended at 6:12 pm.