

立法會
Legislative Council

LC Paper No. CB(1)455/18-19
(These minutes have been
seen by the Administration)

Ref : CB1/PL/DEV

Panel on Development

**Minutes of policy briefing-cum-meeting
held on Tuesday, 23 October 2018, at 2:30 pm
in Conference Room 1 of the Legislative Council Complex**

Members present : Hon LEUNG Che-cheung, SBS, MH, JP (Chairman)
Hon Kenneth LAU Ip-keung, BBS, MH, JP (Deputy
Chairman)
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, 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 Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon Frankie YICK Chi-ming, SBS, JP
Hon MA Fung-kwok, SBS, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, BBS, JP
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Dr Hon Elizabeth QUAT, BBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick

Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon Holden CHOW Ho-ding
Hon Wilson OR Chong-shing, MH
Hon CHAN Chun-ying, JP
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
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 WU Chi-wai, MH
Hon KWONG Chun-yu

Member absent : Hon Tanya CHAN

Public officers attending : **Agenda item IV**

Mr Michael WONG Wai-lun, JP
Secretary for Development

Mr Maurice LOO Kam-wah, JP
Deputy Secretary for Development (Planning and
Lands)²

Mr Francis CHAU Siu-hei, JP
Deputy Secretary for Development (Works)³

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

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

Agenda item V

Mr Michael WONG Wai-lun, JP
Secretary for Development

Ms Bernadette LINN, JP
Permanent Secretary for Development (Planning and
Lands)

Mr LAM Sai-hung, JP
Permanent Secretary for Development (Works)

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

Mr Maurice LOO Kam-wah, JP
Deputy Secretary for Development (Planning and
Lands)2

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

Miss Joey LAM Kam-ping, JP
Deputy Secretary for Development (Works)1

Mr Vincent MAK Shing-cheung, JP
Deputy Secretary for Development (Works)2

Mr Francis CHAU Siu-hei, JP
Deputy Secretary for Development (Works)3

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

Dr CHEUNG Tin-cheung, JP
Director of Buildings

Mr Ricky LAU Chun-kit, JP

Director of Civil Engineering and Development
Department

Mr Edwin TONG Ka-hung, JP
Director of Drainage Services

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

Mr Thomas CHAN Chung-ching, JP
Director of Lands

Mr Raymond LEE Kai-wing, JP
Director of Planning

**Attendance by
Invitation** : **Agenda item IV**

Mr Daniel HO Chi-wai
Director, Building Rehabilitation
Urban Renewal Authority

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

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

Mr Keith WONG
Council Secretary (1)2

Ms Christina SHIU
Legislative Assistant (1)2

Action

I Confirmation of minutes
(LC Paper No. CB(1)36/18-19 — Minutes of meeting on
11 October 2018)

The minutes of the meeting on 11 October 2018 were confirmed.

II Information papers issued since the meeting on 18 July 2018

(LC Paper No. CB(1)1309/17-18(01) — Referral memoranda on issues raised at the meeting between Legislative Council Members and Yau Tsim Mong District Council members on 8 June 2018 relating to problems arising from unauthorized sub-division of flat units in buildings and measures to tackle the problems (Restricted to members)

LC Paper No. CB(1)1315/17-18(01) — Administration's response to the letter dated 16 July 2018 from Hon CHU Hoi-dick on the study being undertaken by the Hong Kong Housing Society on the potential for developing two sites on the periphery of country parks [LC Paper No. CB(1)1280/17-18(01)]

LC Paper No. CB(1)1416/17-18(01) — Letter dated 13 September 2018 from Hon Wilson OR on reviewing the tree management system

LC Paper No. CB(1)32/18-19(01) — Administration's paper on revision of non-livelihood related statutory fees and charges under the purview of the Water Supplies Department

LC Paper No. CB(1)74/18-19(01) — Administration's response to the letter dated 13 September 2018 from Hon Wilson OR on reviewing the tree management system [LC Paper No. CB(1)1416/17-18(01)]

2. Members noted that the above information papers had been issued since the meeting on 18 July 2018.

III Items for discussion at the next meeting

(LC Paper No. CB(1)35/18-19(01) — List of outstanding items for discussion

LC Paper No. CB(1)35/18-19(02) — List of follow-up actions)

3. Members agreed that the next regular meeting scheduled for Tuesday, 27 November 2018, at 2:30 pm would be extended to end at 6:15 pm to discuss the following items proposed by the Administration:

- (a) Capital Works Reserve Fund block allocation for 2019-2020;
- (b) Strengthening the staffing of the Civil Engineering and Development Department to take forward land supply and development projects;
- (c) Proposed creation of directorate post in the Planning Department;
- (d) Proposed funding scheme to optimize the use of vacant government sites; and
- (e) PWP Item No. 6188TB — Proposed footbridge near MTR Kowloon Bay Station Exit B.

(Post-meeting note: As requested by the Administration and with the concurrence of the Chairman, (i) the item "Strengthening cost management and uplifting performance of public works projects", which was not discussed at the meeting on 23 October 2018 due to insufficient meeting time, would stand over until the meeting on 27 November 2018; (ii) item (e) above would be deferred to a future meeting; and (iii) items (b) and (c) would be combined and retitled as "Strengthening the staffing of the Civil Engineering and Development Department, Lands Department and Planning Department to enhance land supply". The meeting on 27 November 2018 would end at 5:30 pm. Members were informed of the changes on 30 October, 5 and 12 November 2018 vide LC Paper Nos. CB(1)113/18-19, CB(1)134/18-19 and CB(1)159/18-19 respectively.)

IV Lift Modernisation Subsidy Scheme

(LC Paper No. CB(1)35/18-19(03) — Administration's paper on Lift Modernisation Subsidy Scheme

LC Paper No. CB(1)35/18-19(04) — Paper on lift safety prepared by the Legislative Council Secretariat (Updated background brief))

4. At the invitation of the Chairman, Director of Electrical and Mechanical Services ("DEMS") briefed members on the details of the proposed Lift Modernisation Subsidy Scheme ("LIMSS") with the aid of a powerpoint presentation. He said that the Administration planned to seek the necessary funding approval from the Finance Committee in November 2018 for the implementation of LIMSS starting from 2019-2020.

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)87/18-19(01) by email on 24 October 2018.)

5. The Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure of the Legislative Council, 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.

Eligible buildings

6. Mr Jeremy TAM said that he supported in principle the provision of financial incentive with appropriate professional support to building owners in need in order to promote lift modernisation in the community. However, he questioned the justification for setting different ceilings on the average rateable values ("RV") of domestic units in a participating building for urban areas at \$162,000 per annum and the New Territories at \$124,000 per annum. Mr CHU Hoi-dick took the view that the eligibility under LIMSS should be determined based on the condition of the lifts rather than the average RV of domestic units in the buildings concerned. He was also concerned whether the Administration would proactively notify the owners of the eligible buildings covered under LIMSS about the scheme.

7. In response, Director, Building Rehabilitation, Urban Renewal Authority, ("D/BR/URA") said that LIMSS accorded priority to aged lifts at private residential and composite buildings with relatively low average RV. Given that in general, the average RV of domestic units in the New Territories (excluding Sha Tin, Kwai Tsing and Tsuen Wan districts) were comparatively lower than that in urban areas (including Sha Tin, Kwai Tsing and Tsuen Wan Districts), separate ceilings on the average RV were set respectively. The average RV ceilings were set making reference to the "Operation Building Bright 2.0 Scheme" ("OBB 2.0") and the "Fire Safety Improvement Works Subsidy Scheme" ("FSW Scheme"), and should cover around 80% of buildings aged 30 years or above. Secretary for Development ("SDEV") said that the Urban Renewal Authority ("URA"), which would be the administrative agent for LIMSS, would send publicity materials to the eligible buildings in early 2019 to inform them about the details of the proposed LIMSS including the tentative implementation schedule.

8. Mr LAU Kwok-fan said that members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the proposed LIMSS. Mr LAU, Mr LAM Cheuk-ting, Dr CHENG Chung-tai and Mr Andrew WAN were disappointed about the too stringent application threshold of LIMSS. For example, it was questionable whether the Sheungshui Town Centre, where a serious lift incident had occurred recently, was within the relevant RV ceiling and could be covered under LIMSS. With a view to covering more aged lifts under LIMSS, they urged the Administration to raise the average RV ceilings for eligible buildings under LIMSS.

9. Given the large number of aged lifts in Hong Kong while the initial target of LIMSS was to cover only about 5 000 among them, Mr LAU Kwok-fan and Dr Helena WONG asked about how the Administration would assist other owners of buildings with aged lifts to carry out lift modernisation works. Mr CHAN Han-pan suggested that the Administration should consider relaxing the LIMSS application threshold and make use of any unspent funding from the modernisation works of the initial batch of 5 000 lifts to cover more aged lifts. Mr Andrew WAN considered that the Administration should increase the proposed funding of \$2.5 billion for LIMSS.

10. SDEV responded that property owners should take primary responsibility for proper upkeep of their lifts. In the implementation of LIMSS, the Administration had to ensure that public resources were properly used and hence the Administration's focus was to provide

appropriate support to needy owners to facilitate modernisation of their aged lifts. Relaxing the average RV ceilings of LIMSS would not necessarily increase the number of subsidy recipients but might defeat the policy intent of helping those more needy owners. Based on the proposed average RV ceilings, it was estimated that about 13 000 lifts would be eligible for LIMSS. Sheungshui Town Centre was among these eligible buildings covered under LIMSS. The Administration estimated that the proposed funding of \$2.5 billion for LIMSS would be adequate to cover the modernisation works of about 5 000 aged lifts to be taken forward within six years. He further advised that the Administration would review the effectiveness of LIMSS in about two years after launching, including whether to revise the eligibility criteria and select more lifts for granting subsidies, subject to the fiscal condition of the Government.

11. Mr Holden CHOW, Mr Vincent CHENG and Dr Priscilla LEUNG expressed support for the proposed LIMSS. Mr CHOW asked how the Administration could encourage more building owners to carry out lift modernisation works. Mr CHENG suggested that the Development Bureau ("DEVB") and URA should collaborate with the Home Affairs Department in assisting building owners to coordinate and organize lift modernisation works, in particular those owners of "three-nil buildings", viz. buildings with no owners' corporation or owners' committee formed, or property management company employed.

12. SDEV responded that the provision of financial incentive aimed to encourage building owners to speed up lift modernisation works. The Administration would also continue to implement various measures to address the manpower issue in the lift industry, so as to maintain the cost of lift works at a reasonable level. D/BR/URA advised that URA would collaborate with non-government organizations to pay visits to "three-nil buildings" to assist their owners in coordinating and organizing lift modernisation works.

13. Dr Priscilla LEUNG suggested that the Administration should model on OBB 2.0 and proactively assist those owners of non-eligible buildings with aged lifts but facing genuine financial difficulties by carrying out lift modernisation works in default of them and seeking to recover the cost from them afterwards. SDEV noted Dr LEUNG's suggestion, but advised that DEMS did not have the required statutory power to carry out the relevant works and recover the cost from the building owners concerned.

Target beneficiaries

14. Mr LAM Cheuk-ting and Mr Andrew WAN referred to the "Building Maintenance Grant Scheme for Elderly Owners" administered by the Hong Kong Housing Society which offered financial assistance to elderly owner-occupiers to repair/maintain their buildings and facilities, irrespective of the eligibility (such as average RV) of the buildings. Mr LAM and Mr WAN urged the Administration to separately allow elderly owner-occupiers to apply for subsidies under LIMSS, even if they were living in buildings that were not eligible under LIMSS. Mr CHU Hoi-dick expressed similar views.

15. SDEV responded that as lifts were communal facilities of a building, it was proposed that the subsidy under LIMSS be disbursed on a building basis. Alternatively, elderly owner-occupiers could apply for subsidies under the "Building Maintenance Grant Scheme for Elderly Owners" to modernise their aged lifts where appropriate.

Scope of works/services to be covered

16. Dr Helena WONG and Ms Alice MAK asked about how the eligibility or priority of the 5 000 lifts to be subsidized under LIMSS would be determined. Dr CHENG Chung-tai was keen to ensure that the subsidies would be used for retrofitting essential safety devices, rather than optional safety devices such as intercom and CCTV system.

17. SDEV responded that a committee comprising representatives from DEVB, URA and the Electrical and Mechanical Services Department ("EMSD") would be set up to vet applications received and prioritize (based on risk assessment) subsidies for eligible buildings. DEMS advised that four essential safety devices were specified under LIMSS, including double brake system, unintended car movement protection device, ascending car overspeed protection device, and car door mechanical lock and door safety edge. Each of these essential safety devices must be included in the applications if such devices had not been installed in the lifts.

18. Mr CHAN Chi-chuen said that there were cases that the lifts of some buildings broke down during Super Typhoon Mangkhut and that the repair of these lifts were not yet completed after over a month. He asked whether the Administration would provide subsidies to assist the building owners to repair the faulty lifts due to natural disasters.

19. In response, SDEV said that in general, the lift maintenance and repair contracts would cover routine maintenance and emergency repair works. DEMS said that some repair works of faulty lifts due to Super Typhoon Mangkhut were not yet completed possibly because of the unavailability of necessary spare parts for maintenance work rather than lack of financial resource.

Transitional arrangements

20. Noting that the Administration had planned to invite applications under LIMSS by the end of the first quarter of 2019, Mr CHAN Han-pan suggested that the Administration should consider setting a retrospective period to cover also those relevant buildings at which lift modernisation works were being prepared for tendering or just carried out starting from middle of this year. Mr CHAN also called on the Administration to provide more financial support to URA where necessary, in order to help URA cope with the increased workload and expenses relating to the administration of various subsidy schemes including OBB 2.0, the FSW Scheme and LIMSS.

21. SDEV responded that to prevent deferral of lift modernisation works by owners of eligible buildings in order to obtain the subsidy under LIMSS, on-going lift modernisation works (i.e. the tender invitation for the lift modernisation works had already been made or the works had already commenced as at the date when the first round applications under LIMSS were invited) of such buildings would still be eligible for making applications under LIMSS provided that, inter alia, the Resumption Permit (i.e. Form LE8) allowing resumption of the use and operation of the lift undergoing the modernisation works had not been issued by EMSD as at 10 October 2018 when LIMSS was announced by the Chief Executive in her 2018 Policy Address.

Monitoring of quality of works

22. Mr CHEUNG Kwok-kwan expressed support for the proposed LIMSS. He called on the Administration/URA to assist the building owners in monitoring the progress and quality of the lift modernisation works.

23. Mr WU Chi-wai 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 HO Kai-ming said that the Administration should require lift contractors to provide building 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.

24. In response, DEMS advised that URA would engage consultants to provide free services to the participating buildings for pursuing the lift modernisation works. The services included, inter alia, scope assessment, tender document preparation based on proforma standard tender documents, tender evaluation (limited to offering technical advice), works supervision and contract management associated with the lift modernisation works.

Industry capacity

25. Mr Vincent CHENG, Mr Gary FAN, Mr WU Chi-wai and Mr Holden CHOW expressed concern about whether there would be sufficient manpower in the lift industry to cope with the increased number of lift modernisation works upon the implementation of LIMSS. Mr FAN and Dr Priscilla LEUNG urged the Administration to improve the working environment and wage level of the lift industry, so as to attract new entrants to the industry. Ms Alice MAK suggested that the Administration should consider including manpower and industrial safety requirements in the proforma standard tender documents of LIMSS.

26. Mr HO Kai-ming said that proper periodic examinations and maintenance were crucial to the upkeeping of lifts. He called on the Administration to ensure that lift contractors had sufficient manpower for carrying out periodic maintenance and repair work on each lift.

27. DEMS responded that currently, the industry had a capacity of handling modernisation works for about 1 500 lifts each year, which was expected to steadily increase to about 2 500 lifts each year by 2025 taking account of the new workers and apprentices joining the industry in recent years. As such, the industry should be able to gradually take up modernisation works for another 1 000 lifts per year without jacking up the market prices. The Administration planned to grant subsidies for the modernisation of about 5 000 lifts over six years taking into account the industry capacity of handling lift modernisation works.

28. DEMS advised 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. Moreover, the number of general workers had increased by about three times from 639 in 2012 to 1 850 in 2017, and some of them would become registered workers later. To attract more new bloods to join the lift 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 2016, 2017 and 2018. 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. The Administration would review the capacity of the industry and would also continue to explore with the industry ways to improve the remuneration packages and working environment for the workers. As observed from the recent market review, the salary of registered workers was increasing in the past few years.

Motions proposed by members

29. The Chairman said that he had received a total of two motions proposed by Mr LAM Cheuk-ting and Mr LAU Kwok-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.

Motion proposed by Mr LAM Cheuk-ting

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

(Translation)

"Given that the application threshold of the Lift Modernisation Subsidy Scheme is too stringent and elderly owner-occupiers have to meet two criteria at the same time (i.e. the buildings they live in have to meet the average rateable value requirement under the Scheme and that owners have to pass an asset means test) before they are eligible for the subsidies, this Panel is of the view that this Scheme cannot benefit building owners in need, especially elderly owners with financial difficulties. As such, this Panel urges the Government to:

- (1) relax the application threshold of the Lift Modernisation Subsidy Scheme; and
- (2) extend the coverage to enable more elderly people to be eligible under the Scheme; and after elderly owner-occupiers have passed the asset means test, even if they are living in buildings that are not eligible under the Scheme, they should still be allowed to get the subsidies."

31. The Chairman put the motion to vote. At Mr Tommy CHEUNG's request, the Chairman ordered a division and that the voting bell be rung for five minutes. 21 members voted for, and one member voted against the motion. No member abstained. The votes of individual members were as follows:

For:

Mr Kenneth LAU (Deputy Chairman)	Mr Tommy CHEUNG
Mr CHAN Hak-kan	Dr Priscilla LEUNG
Mr Frankie YICK	Mr CHAN Chi-chuen
Dr KWOK Ka-ki	Dr Fernando CHEUNG
Dr Helena WONG	Mr Alvin YEUNG
Mr Andrew WAN	Mr CHU Hoi-dick
Mr LAM Cheuk-ting	Mr Holden CHOW
Mr CHAN Chun-ying	Mr CHEUNG Kwok-kwan
Mr HUI Chi-fung	Mr LAU Kwok-fan
Dr CHENG Chung-tai	Mr Gary FAN
Mr Vincent CHENG	
(21 members)	

Against:

Mrs Regina IP
(1 member)

Abstain:

(0 member)

32. The Chairman declared that the motion was carried.

Motion proposed by Mr LAU Kwok-fan

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

(Translation)

"With reference to the 'Operation Building Bright 2.0' ("OBB 2.0"), the eligibility threshold for subsidies under the Lift Modernisation Subsidy Scheme ("LIMSS") has been set at the same rateable value ("RV") as that under OBB 2.0, but the ages of the target buildings under OBB 2.0 (i.e. buildings aged 50 or above) are vastly different from the ages of the target buildings under LIMSS. As a result, the threshold for LIMSS has become so high that many property owners are unable to benefit from it. In this connection, this Panel requests the Government to:

1. set a retrospective period for LIMSS, so that those property owners who will carry out or have carried out works to enhance lift safety within this year are also eligible to apply for subsidies under LIMSS;
2. set the average RV ceilings for buildings eligible to join LIMSS at a higher level, so as to encourage more property owners to enhance the safety of aged lifts;
3. consider afresh the option of allowing elderly owner-occupiers to apply for subsidies under LIMSS independently; and
4. examine, together with the industry and relevant stakeholders, ways to further attract new blood to join the industry so that sufficient manpower support may be provided for LIMSS."

34. The Chairman put the motion to vote. The Chairman announced that all members present 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 motions passed were circulated to members on 25 October 2018 vide LC Paper Nos. CB(1)92/18-19(01) and (02). The Administration's responses to the motions were circulated to members on 8 November 2018 vide LC Paper Nos. CB(1)158/18-19(01) and (02).)

V Briefing by the Secretary for Development on the Chief Executive's 2018 Policy Address

(LC Paper No. CB(1)15/18-19(01) — Administration's paper on initiatives of Development Bureau in the Chief Executive's 2018 Policy Address and Policy Agenda)

Relevant papers

The Chief Executive's 2018 Policy Address

The 2018 Policy Agenda booklet

35. With the aid of a powerpoint presentation, Permanent Secretary for Development (Planning and Lands) and Permanent Secretary for Development (Works) ("PS/DEV(W)") briefed the Panel on the major policy initiatives of the Development Bureau ("DEVB") in the Chief Executive's 2018 Policy Address. They highlighted various initiatives related to increasing land supply, including the Lantau Tomorrow Vision, developing brownfield sites in the New Territories, Land Sharing Pilot Scheme, redevelopment of buildings under the Civil Servants' Cooperative Building Society Scheme and revitalizing industrial buildings. PS/DEV(W) also briefed members on the policy initiatives on the implementation of Construction 2.0 and construction manpower development. Details of DEVB's policy initiatives were set out in LC Paper No. CB(1)15/18-19(01).

(Post-meeting note: A soft copy of the powerpoint presentation materials was circulated to members vide LC Paper No. CB(1)87/18-19(02) by email on 24 October 2018.)

Lantau Tomorrow Vision

36. The Chairman, the Deputy Chairman, Mr Vincent CHENG, Mr Tommy CHEUNG, Ms Alice MAK, Mr LAU Kwok-fan, Mr Holden CHOW, Mr CHAN Chun-ying, Mr CHEUNG Kwok-kwan, Dr Junius HO, Mr CHAN Kin-por, Ir Dr LO Wai-kwok and Mr MA Fung-kwok expressed support for the proposed reclamation under the Lantau Tomorrow Vision for formation of artificial islands in the Central Waters to provide land reserve for meeting the long-term housing and economic needs. Nevertheless, some of these members

suggested that, in an effort to engage the public and gather their views and suggestions, the Administration should provide more comprehensive information of the reclamation plan, including the respective areas of land to be allocated for public housing, private housing, and commercial use, the estimated number of housing units to be developed, the transport networks supporting the artificial islands, as well as the timeframe for the proposed reclamation plan, etc. Mr Vincent CHENG asked if the average waiting time for public rental housing ("PRH") applicants could be shortened if more PRH units were to be developed. Ms Alice MAK said that, reclamation aside, the Administration should continue to adopt a multi-pronged approach in increasing land supply.

37. Dr CHENG Chung-tai, Mr Andrew WAN, Dr KWOK Ka-ki, Dr Helena WONG, Mr CHU Hoi-dick, Mr CHAN Chi-chuen and Mr KWONG Chun-yu expressed opposition to the proposed reclamation in the Central Waters under the Lantau Tomorrow Vision. They considered it unjustifiable for the Chief Executive to put forward the large-scale reclamation plan of 1 700 hectares ("ha") when the Task Force on Land Supply ("the Task Force") had yet to submit its recommendations based on the views on 18 land supply options (including developing the 1 000-ha East Lantau Metropolis ("ELM") through reclamation in the Central Waters) collected in the public engagement exercise conducted between April and September 2018. They also expressed dissatisfaction that the Administration had failed to provide more comprehensive information of the reclamation plan, in particular the total estimated costs of the project, including those for reclamation works, construction of transport networks and public facilities on the artificial islands, etc.. Dr CHENG criticized that the high costs for the massive reclamation might drain the fiscal reserve. He opined that the lands for private housing developments at the proposed artificial islands should not be sold to a single developer. Mr KWONG asked about the estimated quantity and costs of marine sand to be used for the reclamation works of the artificial islands.

38. SDEV responded that in its public engagement booklet published in April 2018, the Task Force quoted the Planning Department's estimate under "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" ("Hong Kong 2030+") that Hong Kong had a shortfall of land of at least 1 200 ha in meeting various development needs. Yet, the actual land shortage was expected to be much higher as the figure had not yet factored in the land required for meeting the public's aspiration to improve the average living space per person, the additional demands to cater for the ageing population, the need to

expedite urban regeneration in light of growing bulk of ageing buildings, etc. In fact, the preliminary observations submitted to the Government by the Task Force in September 2018 also pointed out the need to create more land and to build up a land reserve to avoid recurrence of land shortage. In mid-2018, the Government deployed internal resources to conduct a preliminary broad technical review on whether the reclamation study area in the Central Waters could be enlarged. Taking into account factors such as water flow, water depth, marine traffic, marine ecology and conservation of natural shorelines, it was considered that there was potential to enlarge the reclamation study area for the artificial islands in the Central Waters to about 1 700 ha, but the final reclamation area would be subject to further studies and assessments. When firming up the details of the further studies, the Administration would take into account the recommendations in the report to be submitted by the Task Force in December 2018 tentatively.

39. SDEV further said that Lantau Tomorrow was a vision spanning two to three decades, and that the entire project would be taken forward in phases with the project costs spreading over a long time frame. In the first phase, the Administration would focus on the studies for developing the artificial islands of about 1 000 ha near Kau Yi Chau. As for the remaining artificial islands of about 700 ha near Hei Ling Chau and the waters south of Cheung Chau, the studies would collect technical data for long-term planning. There was no concrete implementation timetable at the moment.

40. SDEV further advised that, subject to further studies to firm up the relevant details, specific development parameters, and the cost estimates for the reclamation and infrastructures, it was preliminarily estimated that the reclamation for the artificial islands would cost about \$13,000 to \$15,000 per square metre ("sq m"), i.e. broadly comparable to the cost of resuming private agricultural land at \$14,500 per sq m. Also, as Kau Yi Chau artificial islands would only be about 10 kilometres ("km") away from Central/Sheung Wan, whereas New Territories North ("NTN") was some 30 km from the metro core, the costs for providing transport infrastructures for the artificial islands should be no more than that for supporting a new development area ("NDA") of similar scale in NTN.

41. SDEV said that the Administration was aware of the public's concern about the details of the reclamation plan. The Administration would conduct engagement activities with stakeholders and provide more comprehensive information to the public when available.

Admin

42. At the request of Mr Tommy CHEUNG, the Administration would provide supplementary information on the details of the reclamation projects carried out in Hong Kong since 1980s, including the area of land created, project cost, and the economic benefits of the respective projects.

43. Mr CHU Hoi-dick opined that creating new land by reclamation would take a long time and hence could not promptly address the housing problems currently faced by the grassroots citizens waiting for allocation of PRH or living in "sub-divided units". He urged the Administration to implement short-term initiatives, such as making use of vacant government sites, to increase the supply of transitional housing. SDEV said that a task force under the Transport and Housing Bureau would provide one-stop, coordinated support to facilitate the community in pursuing transitional housing.

44. Dr Junius HO said that the residents at Lung Kwu Tan opposed the proposed near-shore reclamation at Lung Kwu Tan as a part of the Lantau Tomorrow Vision to provide land for industrial and commercial uses, high value-added logistics centres, etc.. He called on the Administration to take heed of the residents' views.

45. Mr CHAN Kin-por called on the Administration to ensure that the proposed artificial islands would be resilient against climate change and extreme weather. He asked about the timetable for the submission of the funding proposal for the proposed reclamation under the Lantau Tomorrow Vision. SDEV responded that taking into account the recommendations in the report to be submitted by the Task Force in December 2018 tentatively, the Administration would then consult the relevant District Councils on the proposed reclamation plan. The Administration planned to brief the Panel on the funding proposal in the first or second quarter of 2019, with a view to commencing the planning and engineering studies to look into relevant aspects in a comprehensive and in-depth manner and come up with some objective, scientific and robust findings for consideration and discussion by the public.

46. Mr Tommy CHEUNG and Ir Dr LO Wai-kwok called on the Administration to accord priority to transport infrastructure development when planning and implementing the Lantau Tomorrow Vision. The Chairman, the Deputy Chairman and Mr Holden CHOW enquired about the strategic transport plan of the Lantau Tomorrow Vision. They were concerned that according to the proposed development of ELM in the Hong Kong 2030+, a rail/road link was

proposed to connect ELM to Mui Wo and the North Lantau Highway. However, under the Lantau Tomorrow Vision, it was proposed that the artificial islands in the Central Waters would be connected to North Lantau instead. The Deputy Chairman also called on the Administration to explore the construction of a coastal highway connecting Tai O and Tung Chung. Mr Michael TIEN suggested that the Administration should consider a proposal of having the MTR Corporation Limited ("MTRCL") to construct a rail link connecting Tuen Mun, Sunny Bay, Kau Yi Chau and Hong Kong Island West at its own costs; in return, MTRCL would be offered the rights of the railway property developments at Kau Yi Chau.

47. In response, SDEV said that according priority to transport infrastructure was one of the important policy directions for the Lantau Tomorrow Vision. To complement the phased development of the artificial islands in the Central Waters, the Administration would give priority to the construction of a set of new strategic road and railway networks to link up the artificial islands near Kau Yi Chau, Hong Kong Island West, North Lantau and the coastal areas of Tuen Mun. Possible strategic transport corridors (such as that connecting the artificial islands near Hei Ling Chau and Mui Wo) would also be reserved for the long-term development. It was expected that the priority strategic roads and railways, which would be connected to existing transport networks, could greatly ease the traffic loading on the West Rail and the Tuen Mun Road as well as improve the transport performance in the Northwest New Territories ("NWNT") and the territory.

48. The Chairman and Mr Holden CHOW urged for the construction of a new route connecting NWNT and the urban areas via North Lantau and Tsing Yi, so as to improve the connectivity of NWNT as soon as practicable. SDEV responded that the Administration was conducting a feasibility study on the construction of Route 11 connecting Yuen Long and North Lantau. The feasibility study would also look into the need to plan a link road between Tsing Yi and Lantau, so as to link up Route 11 with the road networks in the urban areas in future.

49. Mr Michael TIEN urged the Administration to consider his suggestion on developing multi-purpose venues for holding road events at the Sunny Bay reclamation site. SDEV responded that Sunny Bay would be developed into a leisure and entertainment node. The Administration would consider under the Planning & Engineering Study on Sunny Bay reclamation various appropriate and related land uses, including but not limited to the development of multi-purpose

venues for holding road events, resort hotels, large-scale entertainment and performance complexes, leisure agriculture and fisheries, and commercial and business, retail and dining facilities.

Developing brownfield sites in the New Territories

50. Mr Frankie YICK said that the existing brownfield operations, as an integral part of the logistics industry, were providing supportive functions for activities of various economic sectors or industries and offering many job opportunities. He urged the Administration to implement appropriate measures to relocate the existing brownfield operations before resuming the brownfield sites for development. He opined that the proposed reclamation site at Lung Kwu Tan would be suitable for accommodating those brownfield operations that could not be moved into multi-storey buildings.

51. SDEV responded that the relevant departments expected to finalize two ongoing studies on brownfield operations in the coming months. While the Administration noted members' concerns, it would be inevitable that some brownfield operators affected by the new development areas might not be accommodated in the same area given the shortage of land.

Planning and development in the New Territories

52. Mr LAU Kwok-fan suggested that the Administration should consider relocating some government offices in the urban areas to NDAs in the New Territories, so as to create more jobs and provide local employment opportunities, which would also help reduce commuting thereby easing the traffic congestion in the road network linking up the New Territories to the urban areas. SDEV took note of Mr LAU's views.

Land Sharing Pilot Scheme

53. Mr Andrew WAN had reservations about the Land Sharing Pilot Scheme ("LSPS") as it might give rise to public concerns over possible collusion between the Government and businesses, and transfer of benefits to the private developers. He considered that the Administration should make wider use of the statutory land resumption power provided for in the Land Resumption Ordinance (Cap. 124) to resume private land for the implementation of NDA projects, instead of introducing LSPS. Mr WAN and Mr LAU Kwok-fan doubted the

effectiveness of LSPS from the overall planning perspective as many privately owned land parcels were scattered. At the request of Mr LAU, the Administration would provide supplementary information on the application criteria and assessment mechanism of LSPS.

(Post-meeting note: The Administration's supplementary information was circulated to members vide LC Paper No. CB(1)394/18-19(01) on 24 December 2018.)

54. Mrs Regina IP took the view that the increased floor areas so created through LSPS should mainly be used for developing PRH, instead of subsidized sale flats, so as to alleviate the plight of grass-roots citizens.

55. SDEV said that the increased floor areas under LSPS would be shared between the Government and the applicants, among which not less than 60% to 70% should be used for public housing. The types of public housing to be provided would depend on factors like subsidized housing policies, site location and provision of supporting facilities. The Administration would draw up a framework for LSPS based on fairness and high transparency, so as to meet the needs for both public and private housing in the short to medium term. The Administration planned to introduce LSPS in 2019 after making reference to the report of the Task Force.

56. Dr Junius HO said that, apart from the existing mechanism of offering cash compensation or the ex-gratia zonal compensation system consisting of four compensation zones, the Administration should consider re-adopting the old New Territories land exchange entitlements system, commonly known as "Letter A/B" system, for the benefit of private land owners, in particular those holding only small land parcels, hence reducing the difficulties in land resumption.

Revitalizing industrial buildings

57. Mr Frankie YICK said that, when the previous revitalization scheme for industrial buildings was launched between 2010 and 2016, many storage or warehouse operators had been forced to move out from industrial premises because of the rising rentals arising from the revitalization of industrial buildings. He suggested that a certain proportion of the floor area upon completion of the wholesale conversion of industrial buildings should be designated for storage, warehousing or logistics uses. SDEV said that the Administration had taken into account the experience gained in the previous revitalization scheme.

For wholesale conversion under the new revitalization scheme, as a new condition for waiver fee exemptions, industrial buildings owners would be required to designate 10% of the converted floor area for specific policy-driven uses, such as cultural and arts related uses.

Single site, Multiple use

58. Mr CHAN Chun-ying enquired about the criteria for selecting the types of "Government, Institution or Community" ("G/IC") facilities to be accommodated in a multi-storey development on government land under the "Single site, Multiple use" model. SDEV responded that the Government Property Agency would play a coordinating role for multi-storey G/IC development projects involving facilities of different bureaux, and be responsible for, amongst others, matching joint users and resolving any interface issues with a view to optimizing the G/IC mix and site potential to better serve the community needs. The Administration would brief the Panel on the implementation of the "Single Site, Multiple Use" initiative in due course.

Heritage conservation

59. Mr HUI Chi-fung referred to the revitalization project of the Central Police Station ("CPS") Compound. He expressed dissatisfaction that during the process of revitalization works, a portion of the Married Inspectors' Quarters (Block 4) had collapsed, resulting in the loss of heritage value of a historic building. He also criticized that some buildings of the revitalized CPS Compound had been turned into venues for hire, which were contrary to the purpose of heritage conservation.

60. In response, SDEV said that the revitalization project of the CPS Compound was led by The Hong Kong Jockey Club ("HKJC") in partnership with the Government. The revitalized CPS Compound, now known as "Tai Kwun", was managed by the Jockey Club CPS Limited, which was a not-for-profit operator set up by The Hong Kong Jockey Club Charities Trust. HKJC consulted the Antiquities Advisory Board on the recovery proposal for the Married Inspectors' Quarters (Block 4) at the CPS Compound, and would seek the approval of the Antiquities Authority (i.e. the Secretary for Development) before implementation.

Monitoring of construction of railway works projects entrusted to the MTR Corporation Limited

61. Mr LAM Cheuk-ting referred to the works quality problems recently revealed in the construction works at the Hung Hom Station Extension under the Shatin to Central Link ("SCL") project. He asked about the role of DEVB and the Buildings Department ("BD") in supervising the implementation of the SCL project in relation to the safety and quality of the built structure of the Hung Hom Station Extension, and the follow-up actions taken by the Administration after the works quality problems were revealed.

62. In response, SDEV said that the Chief Executive in Council had appointed in July 2018 a Commission of Inquiry under the Commissions of Inquiry Ordinance (Cap. 86) to inquire into the steel reinforcement fixing works and any other works which had raised concerns about public safety in respect of the diaphragm wall and platform slab construction works at the Hung Hom Station Extension under the SCL project implemented by MTRCL. SDEV said that in the meantime, it would not be appropriate to make any public comment on the involvement of DEVB and BD in monitoring the safety and quality of the built structure of the Hung Hom Station Extension under the SCL project.

[At 5:35 pm, the Chairman directed that the meeting be extended for 15 minutes to 6:15 pm.]

Motions proposed by members

63. The Chairman said that he had received a total of three motions proposed by Mr CHAN Chi-chuen, Mr Andrew WAN and Mrs Regina IP 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.

Motion proposed by Mr CHAN Chi-chuen

64. Mr CHAN Chi-chuen read out his proposed motion:

(Translation)

"Given that many members of the public and a number of the members of the Task Force on Land Supply have expressed strong

dissatisfaction with the Government's failure to carry out thorough consultation before putting forward the plan to carry out reclamation works in the waters off the coast of Lantau to create 1 700 hectares of land, this Panel requests the Government to immediately withdraw its plan of building an artificial island of 1 700 hectares through reclamation in 'Lantau Tomorrow' and carry out a full consultation with the public once again on whether reclamation should be carried out in the waters off the coast of Lantau."

65. The Chairman put the motion to vote. At Mr CHAN Chi-chuen's request, the Chairman ordered a division and that the voting bell be rung for five minutes. Nine members voted for, and 16 members voted against the motion. No member abstained. The votes of individual members were as follows:

For:

Mr CHAN Chi-chuen
Mr Alvin YEUNG
Mr CHU Hoi-dick
Dr CHENG Chung-tai
Mr Gary FAN
(9 members)

Dr Helena WONG
Mr Andrew WAN
Mr LAM Cheuk-ting
Mr Jeremy TAM

Against:

Mr Kenneth LAU (Deputy Chairman)
Mr CHAN Kin-por
Mrs Regina IP
Mr MA Fung-kwok
Dr Elizabeth QUAT
Dr Junius HO
Mr Wilson OR
Mr LAU Kwok-fan
(16 members)

Mr Tommy CHEUNG
Dr Priscilla LEUNG
Mr Frankie YICK
Ms Alice MAK
Ir Dr LO Wai-kwok
Mr Holden CHOW
Mr CHAN Chun-ying
Mr Vincent CHENG

Abstain:

(0 member)

66. The Chairman declared that the motion was negatived.

Motion proposed by Mr Andrew WAN

67. Mr Andrew WAN read out his proposed motion:

(Translation)

"This Panel holds the view that as public consultation has not been carried out in respect of the 'Lantau Tomorrow' proposal, the Government has deliberately pre-empted the findings on the public views soon to be published in the report of the Task Force on Land Supply and is in breach of procedural justice. Besides, the construction costs involved are expensive and there is a lack of specific information about the proposal. As such, this Panel requests the Government to shelve the 'Lantau Tomorrow' proposal immediately. The Government should focus on methods such as using the new development area approach to resume brownfield sites and idled land in the New Territories under the Lands Resumption Ordinance, making an announcement about the resumption of the Fanling Golf Course in 2020, and putting forward a proposal to the Central Government to study the release of some of the military sites for expanding land resources, so as to address the demand for land to provide housing and social facilities, etc. in Hong Kong."

68. The Chairman put the motion to vote. At Mr Andrew WAN's request, the Chairman ordered a division. Eight members voted for, and 16 members voted against the motion. No member abstained. The votes of individual members were as follows:

For:

Mr CHAN Chi-chuen
Mr Alvin YEUNG
Mr CHU Hoi-dick
Mr Jeremy TAM
(8 members)

Dr Helena WONG
Mr Andrew WAN
Mr LAM Cheuk-ting
Mr Gary FAN

Against:

Mr Kenneth LAU (Deputy Chairman)
Mr CHAN Kin-por
Mrs Regina IP
Mr MA Fung-kwok
Dr Elizabeth QUAT

Mr Tommy CHEUNG
Dr Priscilla LEUNG
Mr Frankie YICK
Ms Alice MAK
Ir Dr LO Wai-kwok

Dr Junius HO
Mr Wilson OR
Mr LAU Kwok-fan
(16 members)

Mr Holden CHOW
Mr CHAN Chun-ying
Mr Vincent CHENG

Abstain:
(0 member)

69. The Chairman declared that the motion was negated.

Motion proposed by Mrs Regina IP

70. Mrs Regina IP read out her proposed motion:

(Translation)

"Given that a large number of grass-roots residents are facing dire situations, living in sub-divided flats which make Hong Kong people feel ashamed or other accommodations that are illegal or in appalling conditions, I urge the Government to consider requesting the developers to provide land mainly for building public rental housing when it launches the 'Land Sharing Pilot Scheme', so as to alleviate the plight of grass-roots citizens, instead of encouraging members of the public to buy their own home when there is a possibility of drastic downturn in the housing market currently in the midst of increasingly serious trade conflicts between China and the United States."

71. The Chairman put the motion to vote. At Mrs Regina IP's request, the Chairman ordered a division. Nine members voted for, and six members voted against the motion. Seven members abstained. The votes of individual members were as follows:

For:

Mr Kenneth LAU (Deputy Chairman)	Mrs Regina IP
Ms Alice MAK	Dr Elizabeth QUAT
Dr Junius HO	Mr Holden CHOW
Mr Wilson OR	Mr LAU Kwok-fan
Mr Vincent CHENG	
(9 members)	

Against:

Mr Tommy CHEUNG
Mr Frankie YICK
Ir Dr LO Wai-kwok
(6 members)

Dr Priscilla LEUNG
Mr CHAN Chi-chuen
Dr CHENG Chung-tai

Abstain:

Dr Helena WONG
Mr Andrew WAN
Mr LAM Cheuk-ting
Mr Gary FAN
(7 members)

Mr Alvin YEUNG
Mr CHU Hoi-dick
Mr Jeremy TAM

72. The Chairman declared that the motion was carried.

(Post-meeting note: The wording of the motion passed was circulated to members on 25 October 2018 vide LC Paper No. CB(1)92/18-19(03). The Administration's response to the motion was circulated to members on 20 November 2018 vide LC Paper No. CB(1)191/18-19(01).)

VI Strengthening cost management and uplifting performance of public works projects

(LC Paper No. CB(1)35/18-19(05) — Administration's paper on strengthening cost management and uplifting performance of public works projects)

73. The Chairman said that due to insufficient meeting time, agenda item VI would stand over until the meeting on 27 November 2018.

VII Any other business

74. There being no other business, the meeting ended at 6:11 pm.