

**LEGISLATIVE COUNCIL
PANEL ON DEVELOPMENT**

**Studies related to Artificial Islands in the Central Waters,
Lantau Conservation Fund and
Work Progress of the Sustainable Lantau Office**

**Follow-up Actions Arising from the
Panel on Development Meeting on 26 March 2019**

During the Panel on Development meeting on 26 March 2019, the studies related to artificial islands in the Central Waters, Lantau Conservation Fund and work progress of the Sustainable Lantau Office were discussed. Subsequently, the Administration was requested by the Panel on Development to provide the following information:

- (i) whether the concept of social return on investment would be used in the Studies for measuring the extra-financial value of the proposed development of artificial islands in Central Waters; if not, of the reasons why; and
- (ii) whether the Administration would holistically plan for the progressive development of Lantau, including planning for more resources for conservation of South Lantau and improvement of eco-tourism facilities (e.g. hiking trails) there, and exploring the feasibility of developing an island-wide road network by phases.

2. The responses from the Development Bureau for the above two aspects are as follows:

- (i) We will conduct assessments on various aspects (including social/economic aspect, environment, fisheries, navigation, traffic, and so on) under the studies related to artificial islands in the Central Waters. We will formulate appropriate mitigation measures, consult affected parties as well as ensure the studies meet the statutory requirements of relevant legislation including the Environmental Impact Assessment Ordinance.

Based on our understanding, the concept of social return on investment involves valuing social and environmental impact in monetary terms, but currently there is no commonly accepted valuation method. As a result, we consider not appropriate to adopt the concept of social return on investment to assess the cost and benefit of the proposed works under the studies related to artificial islands in the Central Waters.

- (ii) The Lantau Tomorrow Vision upholds the planning principle of “development for the north, conservation for the south” and the policy direction of “conservation to precede development”. In pursuing the proposed development projects, we will step up to promote conservation, including, among others, to expedite setting up the \$1 billion Lantau Conservation Fund to promote and implement conservation of rural Lantau, and to pursue livelihood improvement works in remote villages and communities.

Besides, we will formulate and implement in phases a comprehensive Lantau Trails and Recreation Plan for the development of a hiking trail network connecting as many heritage, ecological and recreational hotspots as possible, provision of diverse leisure experience and promotion of healthy living.

In respect of transport, the Sustainable Lantau Office commenced the “Study on Traffic, Transport and Capacity to Receive Visitors for Lantau” in July 2017. Having regard to the short, medium and long-term development projects and conservation proposals for Lantau, the Study will examine in a holistic manner the traffic and transport infrastructures, propose improvement measures and formulate the overall development strategy of the traffic and transport infrastructure network and services for Lantau. In addition, the Study will recommend the phased implementation of projects as appropriate in the light of actual circumstances and priority of works in order to align with the housing and economic developments in Lantau, improve the internal connectivity and facilitate public enjoyment of the recreational facilities and leisure activities on Lantau.

Development Bureau
May 2019