

立法會
Legislative Council

LC Paper No. CB(1)729/18-19(04)

Ref: CB1/PL/DEV

Panel on Development

Meeting on 26 March 2019

**Background brief on
the development of artificial islands in the central waters**

Purpose

This paper provides background information on the proposed development of artificial islands in the central waters, and gives a brief account of the views expressed by Legislative Council ("LegCo") Members on the subject.

Background

Study on Enhancing Land Supply Strategy — Reclamation outside Victoria Harbour and Rock Cavern Development

2. In July 2011, the Administration commenced a study on "Enhancing Land Supply Strategy: Reclamation outside Victoria Harbour and Rock Cavern Development", aiming to assess the feasibility of enhancing land supply through two land supply options, namely reclamation outside Victoria Harbour and rock cavern development. In conjunction with technical assessments, the study comprised a two-stage public engagement ("PE") exercise.

3. The Stage 1 PE exercise,¹ of which the objective was to solicit views on the feasible ways for increasing land supply, the guiding

¹ For details, please refer to the Administration's paper on "Enhancing Land Supply Strategy: Reclamation outside Victoria Harbour and Rock Cavern Development – Stage 1 Public Engagement" (LC Paper No. CB(1)323/11-12(01)).

principles and the site selection criteria for reclamation² and rock cavern development, was conducted from November 2011 to March 2012. Taking the public views on the site selection criteria into consideration, the Administration identified five potential near-shore reclamation sites³ and the potential of artificial islands. The Administration concluded that the central waters had good opportunity for artificial island development since they were neither bounded by shorelines of high ecological value as in the eastern waters nor constrained by many major infrastructure projects under planning/construction as in the western waters. Sizable reclaimed land could provide opportunities for abundant supply of new land and comprehensive land use planning and design.

4. During the Stage 2 PE exercise conducted from March to June 2013,⁴ the public was consulted on the possible land uses for the proposed reclamation sites and artificial islands as well as the areas of concern to be addressed in future technical studies. For artificial islands, residential development (in particular public rental housing), tourism related facilities, recreational or leisure facilities, utilities, new towns and land reserve would be the major supported land uses. Marine ecology, ecological conservation, transport infrastructure, cost-effectiveness and the need to expedite land supply were the major concerns.

Proposed strategic studies for artificial islands in the central waters ("the Study") in 2014

5. In the 2014 Policy Address, the then Chief Executive ("CE") announced that the Administration planned to conduct the Study to explore the feasibility of constructing artificial islands in the central waters between Hong Kong Island and Lantau, including development of an East Lantau

² The Administration developed the following set of initial site selection criteria for reclamation outside Victoria Harbour under three guiding principles:

- (a) social harmony and benefits: impact on local community, site location and accessibility, and meeting local needs;
- (b) enhanced environmental performance: environmental impacts, and environment benefits; and
- (c) economic efficiency and practicality: planning flexibility, engineering feasibility, and cost effectiveness.

³ The five proposed reclamation sites with a total area of about 600 hectares comprise Lung Kwu Tan, Siu Ho Wan and Sunny Bay at Lantau North, Tsing Yi Southwest and Ma Liu Shui.

⁴ For details, please refer to the Administration's paper on "Enhancing Land Supply Strategy: Reclamation outside Victoria Harbour and Rock Cavern Development – Stage 2 Public Engagement" (LC Paper No. [CB\(1\)862/12-13\(08\)](#)).

Metropolis ("ELM") for accommodating new population and a new core business district ("CBD") in addition to Central and Kowloon East for promoting economic development and providing job opportunities. The Study aimed to formulate proposals at strategic level for potential artificial islands and associated reclamation in the central waters.

6. At the meeting of the Panel on Development ("DEV Panel") on 7 April 2014, members were briefed on the funding proposal on the Study. While expressing various views and concerns on the proposed reclamation in the central waters, DEV Panel members in general supported the Administration's submission of the funding proposal to the Public Works Subcommittee ("PWSC") for consideration.

7. At the meetings on 18, 24 and 25 June, 2 July, 29 October and 26 November 2014, PWSC deliberated the funding proposal [PWSC\(2014-15\)11](#) to upgrade PWP Item No. 768CL to Category A at an estimated cost of \$226.9 million in money-of-the-day prices for carrying out strategic studies for artificial islands in the central waters and associated site investigation works. Members expressed diverse views on the item, and the Administration withdrew the funding proposal at the meeting on 26 November 2014. In June 2016, the Administration re-submitted the proposal as [PWSC\(2016-17\)35](#) to PWSC but the item was not reached at the last meeting of PWSC in the 2015-2016 legislative session.

Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030 ("Hong Kong 2030+")

8. The Administration commissioned the Hong Kong 2030+ study in January 2015 aiming to work out a vision-driven, pragmatic and action-oriented strategic plan to guide planning, land and infrastructure development, as well as the shaping of the built and natural environment of Hong Kong beyond 2030. The Administration conducted a PE exercise in October 2016 for six months on the key findings and recommendations of the Hong Kong 2030+ study. DEV Panel discussed these findings and recommendations in December 2016 and held a special meeting to receive public views on the subject in March 2017.

9. According to the Hong Kong 2030+ study, the land requirement for the next 30 years would be no less than 4 800 hectares ("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. The proposed conceptual spatial framework under the Hong Kong 2030+ study focused on future development with one

metropolitan business core, two strategic growth areas (namely ELM and New Territories North ("NTN")) and three development axes. The basic concept of ELM was to create artificial islands by reclamation in the central waters near Kau Yi Chau and the Hei Ling Chau Typhoon Shelter, and to make better use of the under-utilized land in Mui Wo, with the aim of creating a smart, liveable and low-carbon development cluster with a third CBD of Hong Kong. It was suggested that the proposed ELM could have a potential developable area of about 1 000 ha and accommodate a population of about 400 000 to 700 000, supported by at least about 200 000 job opportunities.

Public Engagement by the Task Force on Land Supply

10. In August 2017, CE appointed a cross-sector Task Force on Land Supply ("TFLS")⁵ for a term of 18 months starting from 1 September 2017 (and ended on 28 February 2019) to take an overall macro-review of land supply options, engage the community in discussions on the pros and cons of different options and their priorities thereby facilitating consensus-building. On 26 April 2018, TFLS launched a five-month PE exercise to solicit public views on 18 land supply options as well as other land supply-related issues.⁶ Developing ELM is identified by TFLS as one of the medium-to-long term options with potential to provide additional land in around 10 to 30 years' time.

11. DEV Panel was briefed on the PE exercise of TFLS at its meeting on 29 May 2018, and held a special meeting on 19 September 2018 to receive views from 123 individuals/deputations on the subject.

12. On 31 December 2018, TFLS submitted to the Government its final report, entitled "[Striving for Multi-pronged Land Supply](#)", on the overall land supply strategy and land supply options. As regards the land supply options, TFLS recommended the Government accord priority to studying and implementing eight options (three short-to-medium term options and five medium-to-long term options) that were generally supported by the society. Developing ELM is one of the recommended options.

⁵ TFLS comprised 22 non-official and eight official members appointed by CE.

⁶ Details are set out in the [dedicated website](#) on the PE exercise.

Lantau Tomorrow Vision

13. CE announced in her 2018 Policy Address some plans on land supply, which included the Lantau Tomorrow Vision. One of the initiatives of the Lantau Tomorrow Vision is to commence a study on the phased reclamation near Kau Yi Chau and Hei Ling Chau for the construction of artificial islands with a total area of about 1 700 ha, for the development of a residential and business hub, which can house 700 000 to 1.1 million people, and with the first phase of housing units to be occupied in 2032. Leveraging on the locational advantage, the Administration aims at creating the third CBD on the artificial islands. Together with other developments, it is preliminarily estimated that about 340 000 employment opportunities can be provided on the artificial islands.

14. On 20 February 2019, the Government announced that it has fully accepted the recommendations tendered by TFLS on land supply strategy and eight land supply options worthy of priority studies and implementation. At a special meeting of DEV Panel held on 1 March 2019, Panel members were briefed on the Government's response to the final report of TFLS. Panel members were advised that the Administration would take forward the detailed studies for the reclamation of the Kau Yi Chau artificial islands, with an area of about 1 000 ha, and related infrastructure, and seek funding approval from the LegCo in the first half of 2019.

Major views and concerns expressed by Members

15. There were divergent views among members on increasing land supply through developing artificial islands. Members who expressed support for the option considered that creating large pieces of new land through developing artificial islands could provide land reserve for meeting the long-term housing and economic needs. They held the view that reclamation could be a less controversial option for creating new land comparing to the option of developing land where there were existing residents and/or business operators. They called on the Administration to accord priority to transport infrastructure development when planning and implementing the development of artificial islands in the central waters, and ensure that the proposed artificial islands would be resilient against climate change and extreme weather.

16. The Administration advised 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.

17. Some Members avowed their opposition to the massive reclamation for the construction of artificial islands in the central waters, questioning the very high reclamation and infrastructure costs and expressing concerns over the associated environmental impacts and impacts on the livelihood of fishermen. They held the view that the Administration should study all other sources of land supply before considering reclamation. Given that CE announced in her 2018 Policy Address the Lantau Tomorrow Vision to put forward the large-scale reclamation plan of 1 700 ha before TLFS submitted its final report, some Members also criticized the Policy Address for pre-empting TLFS's recommendations on the land supply options.

18. The Administration 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 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 of similar scale in NTN.

19. Members in general considered that the Administration should provide Members and the public with more comprehensive information on the reclamation plan, such as 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, the total estimated costs of the project, including those for reclamation works, construction of transport networks and public facilities on the artificial islands, as well as the timeframe for the proposed reclamation plan.

20. The Administration advised that it planned to carry out the planning and engineering studies for the proposed development of artificial islands in the central waters 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. The Administration would conduct engagement activities with stakeholders and provide more comprehensive information to the public when available.

Council questions

21. At the Council meetings of 7 and 14 November 2018, Members raised questions relating to the Lantau Tomorrow Vision and the proposed reclamation in the central waters. The hyperlinks on the questions and the Administration's replies are provided in the **Appendix**.

Latest development

22. At the DEV Panel meeting to be held on 26 March 2019, the Administration will brief members on the studies related to artificial islands in the central waters, Lantau Conservation Fund and work progress of the Sustainable Lantau Office.

Relevant papers

23. A list of relevant papers is in the **Appendix**.

Development of artificial islands in the central waters

List of relevant papers

Committee	Date of meeting	Paper
Panel on Development	24 May 2011	<p>Administration's paper on "Increasing Land Supply by Reclamation and Rock Cavern Development" [LC Paper No. CB(1)2205/10-11(05)]</p> <p>Minutes of meeting [LC Paper No. CB(1)265/11-12]</p>
Panel on Development	10 March 2012	<p>Administration's paper on "Enhancing Land Supply Strategy: Reclamation outside Victoria Harbour and Rock Cavern Development — Stage 1 Public Engagement" [LC Paper No. CB(1)323/11-12(01)]</p> <p>Minutes of meeting [LC Paper No. CB(1)2632/11-12]</p>
Panel on Development	22 January 2013	<p>Administration's paper on "2013 Policy Address — Policy Initiatives of Development Bureau" [LC Paper No. CB(1)428/12-13(03)]</p> <p>Minutes of meeting [LC Paper No. CB(1)735/12-13]</p>
Panel on Development	23 April 2013	<p>Administration's paper on "Enhancing Land Supply Strategy: Reclamation outside Victoria Harbour and Rock Cavern Development — Stage 2 Public Engagement" [LC Paper No. CB(1)862/12-13(08)]</p> <p>Minutes of meeting [LC Paper No. CB(1)1787/12-13]</p>

Committee	Date of meeting	Paper
Panel on Development	1 June 2013	Minutes of meeting [LC Paper No. CB(1)559/13-14]
Panel on Development	28 January 2014	Administration's paper on "Initiatives of Development Bureau in the 2014 Policy Address and Policy Agenda" [LC Paper No. CB(1)741/13-14(03)] Minutes of meeting [LC Paper No. CB(1)1246/13-14]
Panel on Development	7 April 2014	Administration's paper on "768CL — Strategic studies for artificial islands in the central waters" [LC Paper No. CB(1)1100/13-14(09)] Minutes of meeting [LC Paper No. CB(1)1755/13-14]
Public Works Subcommittee	18, 24, 25 June 2014 2 July 2014 29 October 2014 26 November 2014	Administration's paper on "768CL — Strategic studies for artificial islands in the central waters" [PWSC(2014-15)11] Minutes of meeting on 18 June 2014 [LC Paper No. PWSC129/13-14] Minutes of meeting on 24 June 2014 [LC Paper No. PWSC133/13-14] Minutes of meeting on 25 June 2014 [LC Paper No. PWSC134/13-14] Minutes of meeting on 2 July 2014 [LC Paper No. PWSC135/13-14] Minutes of meeting on 29 October 2014 [LC Paper No. PWSC63 /14-15] Minutes of meeting on 26 November 2014 [LC Paper No. PWSC81/14-15]

Committee	Date of meeting	Paper
Panel on Development	16 December 2016	<p>Administration's paper on "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" [LC Paper No. CB(1)51/16-17(07)]</p> <p>Background brief on Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030 prepared by the Legislative Council Secretariat [LC Paper No. CB(1)51/16-17(08)]</p> <p>Minutes of meeting [LC Paper No. CB(1)579/16-17]</p>
Panel on Development	10 March 2017	<p>Minutes of meeting [LC Paper No. CB(1)1322/17-18]</p> <p>Administration's follow-up paper [LC Paper No. CB(1)1358/17-18(01)]</p>
Panel on Development	29 May 2018	<p>Administration's paper on "Public Engagement of the Task Force on Land Supply" [LC Paper No. CB(1)996/17-18(04)]</p> <p>Updated background brief on initiatives to increase land supply prepared by the Legislative Council Secretariat [LC Paper No. CB(1)996/17-18(05)]</p> <p>Booklet entitled "Land for Hong Kong: Our Home, Our Say!" issued by the Task Force on Land Supply</p> <p>Minutes of meeting [LC Paper No. CB(1)55/18-19]</p>
Panel on Development	19 September 2018	<p>Administration's paper on "Land Supply" [LC Paper No. CB(1)1389/17-18(01)]</p>

Committee	Date of meeting	Paper
Panel on Development	23 October 2018	<p>Administration's paper on "Initiatives of Development Bureau in the Chief Executive's 2018 Policy Address and Policy Agenda" [LC Paper No. CB(1)15/18-19(01)]</p> <p>Minutes of meeting [LC Paper No. CB(1)455/18-19]</p> <p>Administration's follow-up paper [LC Paper No. CB(1)394/18-19(01)]</p>
Panel on Development	1 March 2019	<p>Legislative Council Brief on Government's response to Report of the Task Force on Land Supply</p> <p>Updated background brief on the public engagement by the Task Force on Land Supply prepared by the Legislative Council Secretariat [LC Paper No. CB(1)639/18-19(01)]</p>

Hyperlinks to relevant Council questions and the Administration's written replies:

Date	Council question
7 November 2018	<p>Question raised by Dr Hon Fernando CHEUNG on "Planning of the third Core Business District proposed to be built"</p> <p>Question raised by Hon Claudia MO on "Financial implications of reclamation projects under Lantau Tomorrow Vision"</p>
14 November 2018	<p>Question raised by Dr Hon KWOK Ka-ki on "Measures to increase land supply"</p> <p>Question raised by Hon Alice MAK on "Lantau Tomorrow Vision"</p>