

Legislative Council Panel on Development

**Initiatives of Development Bureau
in the Chief Executive's 2018 Policy Address and Policy Agenda**

INTRODUCTION

The Chief Executive delivered her Policy Address entitled "Striving Ahead, Rekindling Hope" on 10 October 2018. This is supported by the Policy Agenda which sets out the Government's new and on-going initiatives. This paper elaborates on those initiatives under Development Bureau (DEVB).

POLICY ADDRESS AND POLICY AGENDA INITIATIVES

2. An extract of all the new and on-going initiatives under DEVB as contained in the Policy Agenda is at Annex. The major items are highlighted in the paragraphs below.

I. Initiatives related to increasing land supply

Lantau Tomorrow Vision

3. With the commissioning of Hong Kong-Zhuhai-Macao Bridge and having the Hong Kong International Airport, Lantau will become a "Double Gateway" connecting Hong Kong to other cities of the Guangdong-Hong Kong-Macao Greater Bay Area and the world. In order to capitalise on the competitive advantages of attracting talents and promoting economic development, the Government has formulated the "Lantau Tomorrow Vision". With due regard to conservation, we will progressively press ahead the development areas at Lantau and the coastal areas of Tuen Mun with the objective of consolidating the sustainable development of Hong Kong.

4. To unleash the development potential of existing land, the statutory planning process for the topside development at the Siu Ho Wan Depot Site was launched early this year. The site is estimated to provide no less than 14 000 residential units in the medium to long run. We hope to develop this site into a

community with subsidised and private housing as well as community facilities. We will continue to follow up with MTRCL on various details.

5. Apart from developing existing land resources, one of the initiatives of the Lantau Tomorrow Vision is to commence the study on the phased reclamation for formation of artificial islands in the Central Waters, where are relatively less ecologically sensitive, as soon as possible to provide land reserve to meeting the long-term housing, economic and employment needs. Newly formed land reserve can be used for renewal of old districts, thinning out the existing densely populated urban areas and improving the living environment. According to the preliminary technical assessment, some artificial islands with a total area of about 1 700 hectares can be constructed in phases near Kau Yi Chau and Hei Ling Chau. We roughly estimate that the artificial islands can accommodate about 260 000 to 400 000 housing units, with 70% as public housing, for a population of about 700 000 to 1.1 million, and with the first phase of housing units to be occupied in 2032. Leveraging on the locational advantage, we are going to create the third Core Business District on the artificial islands. Together with other developments, we preliminarily estimate that about 340 000 employment opportunities can be provided on the artificial islands.

6. To complement the phased development of the artificial islands in the Central Waters, we 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 will also be reserved for the long-term development. It is expected that the priority strategic roads and railways, which will be connected to existing transport networks, can 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 and the territory.

7. The connectivity of Tuen Mun will be enhanced by the priority strategic transport networks (including the upgrading of Lung Mun Road). As part of the Lantau Tomorrow Vision, we will take forward the near-shore reclamation at Lung Kwu Tan to provide about 220 hectares of land for industrial and commercial uses, high value-added logistics centres, etc. We will also replan the development sites in Tuen Mun West (including the River Trade Terminal) and Tuen Mun East such that development potential driven by the new transport network can be fully utilised.

8. The priority strategic transport networks will consist of a new highway running parallel to the North Lantau Highway. Small-scale near-shore reclamation at Siu Ho Wan is required for its construction. Such transport network will further strengthen the “Double Gateway” position of Lantau and benefit the development of North Lantau. We plan to invite the Airport Authority Hong Kong to submit a proposal for the topside development at the Hong Kong Boundary Crossing Facilities of the Hong Kong-Zhuhai-Macao Bridge. Together with the Three-runway System, the high value-added logistics centre at the South Cargo Precinct, the SKYCITY development and the future plan for the AsiaWorld-Expo, the Hong Kong International Airport would become an Aerotropolis connecting the Guangdong-Hong Kong-Macao Greater Bay Area and the World, thereby strengthening and enhancing Hong Kong's position as an international business centre. In addition, we will continue to take forward the Tung Chung New Town Extension in North Lantau. The concepts of smart, green and resilient city will be promoted, taking the Tung Chung New Town Extension as a pilot. We will also continue the Sunny Bay reclamation for providing land reserve to develop a leisure and entertainment node and other uses.

9. In pursuing development projects, we are committed to protecting the valuable natural and rural environment of Lantau to achieve sustainable development. Adhering to the planning principle of "Development in the North; Conservation for the South" and the policy of “Conservation to precede Developments”, conservation measures will be implemented to enhance the environment capacity while carrying forward infrastructures and development projects. A \$1 billion Lantau Conservation Fund will be set up to carry out nature and cultural conservation as well as local improvement works for Lantau. Currently, we are conducting an ecological study on Pui O, Shui Hau, Tai O and neighbouring areas. Based on the study results, suitable and practicable conservation proposals will be formulated. We also plan to review relevant legislation and map out more effective means to control land filling, dumping of wastes and associated development activities causing environmental damage in areas of high ecological values at Lantau with a view to enhancing protection of the natural beauty of these areas. In the area of leisure and entertainment, we are implementing in phases the Lantau Trails and Recreation Plan to build a network of walking trails and link up heritage, ecological and recreational hotspots where possible to offer diversified sustainable leisure experience as well as to promote a healthy lifestyle.

Developing Brownfield Sites in the New Territories

10. Developing brownfield sites has always been an important part of our land supply strategy. Covered in the New Development Areas (NDAs) projects under planning and implementation, including those in Kwu Tung North/Fanling North, Hung Shui Kiu, and Yuen Long South, are about 340 hectares of brownfield sites. In view of the strong public aspiration that brownfield sites should be developed to boost housing supply and improve rural planning, we will advance the study covering about 200 hectares of brownfield sites in New Territories North. We will also initiate a study on the remaining 760 hectares of scattered brownfield sites to identify those with greater development potential. As many brownfield sites are now used for port back-up, logistics operations, recycling workshops, and storage of construction machinery and building materials, etc., we need to consider how these existing operations can be handled or relocated in light of the needs of economic development. Meanwhile, we expect to complete two ongoing studies on brownfield operations this year, with a view to formulating relevant policy strategies and implementation measures.

Land Sharing Pilot Scheme

11. It is Government's long-established policy that where private land is covered by Government's plans for public housing development or provision of infrastructure facilities, we will continue to resume the private land concerned pursuant to the Land Resumption Ordinance. To make better use of those privately owned land parcels not covered in Government's planned development and unleash earlier their development potential, we will start to draw up a framework for a Land Sharing Pilot Scheme (LSPS) that is based on fairness and high transparency, so as to meet the needs for both public and private housing in the short to medium term. We hope to be ready with the details of this framework to support the introduction of the pilot scheme next year, after making reference to the final report of the Task Force on Land Supply. The framework is expected to entail the following key elements:

- (i) The Government will openly invite land sharing applications. Applicants are required to explain clearly in their proposals how the private land parcels they hold could, in the short to medium term, bring about substantial increase in housing flats through means such as enhancing infrastructure, increasing plot ratio, changing land uses, etc.. The increased floor areas will be shared between the Government and

applicants, among which not less than 60% to 70% have to be used for public housing development, mainly subsidised sale flats. The types of public housing to be provided will depend on factors like subsidised housing policies, site location and provision of ancillary facilities;

- (ii) Applicants should comply with all applicable statutory procedures and land administration regimes, including submitting to the Town Planning Board (TPB) rezoning or planning applications and paying to the Government land premium at full market value in respect of lease modifications for the private housing and ancillary commercial facilities in the development;
- (iii) To take advantage of the efficiency of the private sector and expedite development, applicants will be responsible for building infrastructure facilities which can support the development concerned or even benefit the local community. Subject to assessment by the Government on cost effectiveness, the relevant cost will be deducted from land premium. If the infrastructure facilities encroach onto private land, the Government may consider, on the basis of public interest and in line with established arrangements, resuming the land for the provision of such facilities; and
- (iv) The application mechanism must be fair, open and transparent, allowing participation by all eligible private land owners. A set of transparent criteria and procedures must also be put in place for processing applications and selecting suitable projects. In addition, information of the pilot scheme must be released in a timely and transparent manner so as to dispel public worries. In this connection, applications will be put before the Land and Development Advisory Committee which comprises mostly non-official members for advice, and eventually submitted to the Chief Executive in Council for approval.

12. We also intend to set a time limit and a cap on the area to be handled for the pilot scheme, so that the Government may process projects that are most effective in the short and medium term.

Revitalising Industrial Buildings

13. After reviewing the effectiveness of the previous scheme launched

between 2010 and 2016, we have decided to reactivate the revitalisation scheme for industrial buildings.

14. The scheme will include the following measures:

- (i) Lands Department will accept owners' applications, on a three-year time-limited basis, and exempt the waiver fees incurred, for wholesale conversion of industrial buildings aged 15 years or above in "Commercial" (C), "Other Specified Uses" annotated "Business" (OU(B)) and "Industrial" (I) zones into uses permitted under the relevant statutory Outline Zoning Plan. Compared with the previous scheme, there will be an additional new condition that the applicants should designate 10% of the floor area for specific uses prescribed by the Government upon completion of the wholesale conversion.
- (ii) To encourage owners to redevelop industrial buildings constructed before 1987, we will extend the application of the present planning policy about suitably increasing the maximum permissible domestic plot ratio within certain "Residential" (R) zones, so as to allow relaxation of the maximum permissible non-domestic plot ratio by up to 20% for redevelopment of these pre-1987 industrial buildings located outside "R" zones in Main Urban Areas and New Towns. Individual applications have to be made to TPB within three years, and the modified lease should be executed within a specified period after the town planning approval; and

As the above measures (i) and (ii) would also be applicable to industrial buildings located in "I" zones, owners who are keen to support industrial development can also convert or redevelop such aged industrial buildings to support industrial operations permitted in "I" zones.

- (iii) We will allow revitalisation of industrial buildings (with no building age limit) to provide transitional housing. In practice, the Government will exercise flexibility in the application of planning and building design requirements, and charge a nil waiver fee for the specific use of transitional housing, if owners provide transitional housing in portions or entire blocks of industrial buildings located in "C", "Comprehensive Development Area", "OU(B)" and "R" zones which have already undergone or will pursue wholesale conversion into non-industrial uses.

We would encourage owners to collaborate with non-government institutions to provide transitional housing, so as to provide more suitable accommodation for those yet to be allocated public rental housing or other grassroots citizens with housing needs. A task force under the Transport and Housing Bureau will provide one-stop, co-ordinated support to facilitate the community in pursuing transitional housing.

15. Owing to multiple ownership of some industrial buildings, owners may not be able to reach a consensus in the immediate future over wholesale conversion or redevelopment of the buildings. As such, we will also introduce the following measures to optimise the use of existing industrial buildings:

- (i) relaxing the waiver application policy on a time-limited basis (for five years initially) to permit the arts and cultural sectors and creative industries to operate at individual units of existing industrial buildings without the need for making separate waiver applications and paying waiver fees, so long as such uses are permitted under the planning regime. Subject to policy support, more uses currently permitted under the planning regime may be covered under this relaxation of the waiver application policy;
- (ii) with due regard to public safety, widening the permissible uses of buffer floors to cover telecommunications exchange centres and computer/data processing centres, so as to facilitate conversion of lower floors of industrial buildings into non-industrial uses; and
- (iii) promulgating a wider definition for “godown” uses under lease provisions of industrial buildings to cover cargo handling and forwarding operations and recyclable collection centres.

16. DEVB will announce the specific details of the above measures in due course, and launch the measures progressively by the end of this year.

Redevelopment of Buildings under the Civil Servants’ Co-operative Building Society Scheme

17. At present, around 60% of buildings developed under the Civil Servants’ Co-operative Building Society Scheme (CBS) are zoned as

“Residential (A)”, and are clustered in high-density development areas in urban districts. Some of these buildings have not fully utilised the permissible plot ratios and are in the vicinity of public housing estates and their ancillary facilities. Proactively redeveloping such CBS buildings presents the opportunity to fully utilise precious land resources and increase housing supply.

18. We will invite the Urban Renewal Authority (URA) to identify one to two clusters of CBS lots suitable for high-density development as pilot sites, and to proactively redevelop these sites with a view to bringing planning and social gains and creating positive impacts on the local community. We will request URA to earmark some of the resumed land for public housing development to address community needs.

19. Subject to the outcome of the planning studies, URA will proceed to acquire the property interests of the identified CBS lots and apply for resumption of land to facilitate redevelopment following established practice for its redevelopment projects. Eligible owner-occupiers who are residing in the CBS flats and affected by URA’s redevelopment projects would be offered cash compensation which is based on the value of a notional seven-year-old replacement flat. For displaced CBS owner-occupiers who have not yet settled the outstanding two-thirds land premium owed to the Government¹, we recognise that their choice of replacement flats in the private market may be constrained because a portion of the compensation received by them will need to be used to settle the outstanding land premium. Therefore, as an exceptional arrangement, we propose offering eligible CBS owner-occupiers who have not yet settled the outstanding land premium the opportunity to purchase a subsidised sale flat unit in Dedicated Rehousing Estates to be built and operated by the Hong Kong Housing Society in the urban areas to address their accommodation needs. They will have to comply with other general eligibility criteria applicable to these estates which will be used to provide non-means-tested rehousing to eligible households affected by URA and government development clearance exercises.

20. Subject to the completion of the planning studies and the approval of the URA Board, URA will submit the implementation proposals to Government

¹ Under the CBS Scheme, the land was granted by the Government at a concessionary premium equivalent to one-third of the full market land value. CBS owner-occupiers are required to pay the outstanding two-thirds land premium owed to the Government before they could freely dispose of their residing units in the open market.

in the first half of 2019, with a view to announcing and commencing the pilot projects in the latter half of 2019.

Streamlining Development Control

21. A steering group has been set up under the Planning and Lands Branch of DEVB to explore how best to consolidate and rationalise the standards and definitions adopted by the relevant departments under the bureau (namely Buildings Department (BD), Lands Department and Planning Department) in scrutinising development proposals, such that the approval process can be streamlined without prejudicing the relevant statutory procedures and technical requirements. We have also set up a joint sub-committee under the Land and Development Advisory Committee as a consultative forum comprising wide representation from the industry to consider the streamlining proposals recommended by the steering group. The joint sub-committee has already been consulted on the first batch of streamlining proposals, which cover building height control, site coverage of greenery requirements and landscape requirements, and is generally supportive of the streamlining proposals. Taking into account the views of members of the joint sub-committee, the Government aims to promulgate the revised streamlined arrangements in a few months' time. The steering group will continue to review development control parameters by phases in consultation with the joint sub-committee.

22. To streamline the approval process, BD will develop an Electronic Submission Hub (ESH) which will not only allow the industry to submit building plans and applications electronically, but will also enable relevant authorities to process various kinds of plans and applications via the hub. The target is to start accepting electronic submission of plans and applications by phases from 2021/22. The ESH will also facilitate the industry to adopt Building Information Modelling (BIM) technology in the design and construction of private building developments. It will also help BD to provide more integrated e-counter services to registered building professionals and contractors under the Buildings Ordinance and to the general public at large.

Single site, Multiple use

23. To better meet the growing community demand for "Government, Institution or Community" (G/IC) facilities, the Government will pursue more vigorously the "single site, multiple use" model in multi-storey development on government land in order to expedite the delivery of such projects and make

optimal use of limited land resources. To this end, a package of measures has been devised to strengthen internal coordination and monitoring in taking forward multi-user G/IC complex.

24. Starting from site planning, Planning Department will tighten up the site reservation and de-reservation arrangements and recommend a higher reference plot ratio for G/IC sites where circumstances permit. For project delivery, the Government Property Agency will play a coordinating role for G/IC building projects involving multi-bureaux facilities; and be responsible for, amongst others, matching joint users and resolving any interface issues with a view to deriving the optimal G/IC mix with due regard to district needs. For instance, the new arrangements will apply to several “G/IC” projects on the drawing board, including redevelopment of Tuen Mun Clinic, development of an ambulance depot near Sheung Wan Fire Station, and consolidation of facilities on several government sites in Tsuen Wan Town Centre.

II. Other Initiatives

Energizing Kowloon East

25. We continue to keep up our efforts to facilitate the transformation of Kowloon East into another core business district to support Hong Kong’s economic development. At present, Kowloon East has about 2.6 million square metres of commercial/office floor area, with potential to further supply approximately 4.4 million square metres in future (including 1.8 million in Kai Tak Development and 0.56 million from the Kowloon Bay and Kwun Tong Action Areas). The Energizing Kowloon East initiative has been extended to the San Po Kong Business Area, particularly focusing on enhancing connectivity, improving the environment, and promoting vibrancy and diversified development. We are also reviewing the future use of the Ngau Tau Kok Divisional Police Station site.

26. We continue to implement the concept of walkability in Kowloon East to improve the pedestrian environment. These include finalising the detailed design for an additional footbridge near MTR Kowloon Bay Station Exit B to enhance connectivity with the future East Kowloon Cultural Centre and nearby residential areas, studying the design for the extension of the pedestrian subway network connecting to MTR Ngau Tau Kok Station, planning a new footbridge near MTR Kowloon Bay Station Exit A, and commencing the

detailed design of another footbridge across Wai Yip Street near Siu Yip Street.

27. We will commence the works on improvement of Hoi Bun Road Park and adjacent area in 2018, and also take forward other public open space improvement projects in Kowloon East.

28. We continue to use Kowloon East as a pilot area for exploring smart city development and share the knowledge and experiences gained in carrying out smart city-related proof-of-concept trials, such as kerbside loading/unloading bay monitoring system, illegal parking monitoring system, multi-purpose lampposts and smart recycling bin system, with relevant government departments and stakeholders to facilitate wider application.

Harbourfront Development

29. Providing connected and accessible promenades on both sides of the Victoria Harbour continues to top the agenda of the Harbourfront Commission. On the Island side, we will commence construction of two promenades with different themes around the Hong Kong Convention and Exhibition Centre in Wan Chai North next year. Their completion in 2021 will enable the three-kilometre waterfront running all the way from Sheung Wan to Wan Chai Ferry Pier to be fully connected. We are also refining the alignment of the proposed boardwalk underneath the Island Eastern Corridor and will commence detailed design once the proposal is endorsed. In addition, the public open space at the harbourfront of Shing Sai Road of Kennedy Town will be completed and opened for public enjoyment progressively starting from the first quarter of 2019. The open space will complement the community garden and ancillary facilities to be run by a non-governmental organisation at the hinterland side of the site.

30. As regards the other side of the harbour, the enhancement project along the harbourfront of Hoi On Road in Tsuen Wan will commence in 2019, while the proposal for Hoi Sham Park extension in To Kwa Wan will also be submitted to the Legislative Council for funding approval next year. The Energizing Kowloon East Office is currently inviting proposals from non-profit-making organisations to operate a temporary flea market during weekends and festive holidays at the former airport runway tip at Kai Tak. On the other hand, we will invite interested parties to submit expressions of interest later this year on the conceptual design and operation model of the proposed Urban Park in front of Hung Hom Ferry Pier.

Revitalising Nullahs and River Channels

31. In 2018, we have completed the assessment on the revitalisation potential of major rivers and nullahs in Hong Kong, and four selected rivers and nullahs with high revitalisation potential were identified, which include Tai Wai Nullah, Fo Tan Nullah, midstream of Tuen Mun River and Jordan Valley Nullah. We are actively studying the feasibility of various revitalisation schemes for these rivers and nullahs, with a view to enhancing the ecological value, biodiversity, greening and beautification of rivers and nullahs. Through the revitalisation, we can promote water-friendly culture and activities, so that the public can appreciate the multiple benefits of water bodies, cherish them and work together to create a better living environment for Hong Kong.

Urban Forestry

32. We will strengthen our tree management and inspection regime by introducing enhanced tree risk assessment (TRA) requirements in 2019, such as increasing the experience requirement of inspection officers, tightening the supervision mechanism to ensure the quality of TRA inspections, more timely auditing of TRAs, and detailed inspections of trees in walled pots and planters. We will study more favourable growing conditions such as piloting increased tree pit volume, enriching species diversity and better matching tree species to landscape type.

33. We are working closely with the Qualifications Framework Secretariat of the Education Bureau to assist the horticulture and arboriculture industry in establishing the “Specification of Competency Standards” (SCS) and setting up the qualifications framework. The SCS, expected to be completed by 2019, will help standardise and uplift the overall level of expertise in the industry. We will study the introduction of a registration system for tree management personnel.

Implementation of Construction 2.0

34. The demand for housing, land supply, medical services and infrastructure development is keen and huge. The forecast total construction volumes in the next 10 years will be around \$2,500 billion to \$3,500 billion. Meanwhile, the construction industry has been facing the challenges of high construction cost, shortage in skilled labour and declining productivity. To overcome the challenges and cope with the growing demand, it is time for the

construction industry to make changes. We will lead the construction industry to implement “Construction 2.0” with “Innovation”, “Professionalisation” and “Revitalisation” directives, to uplift the capacity and sustainability of the industry, enhance productivity and quality assurance, improve site safety and reduce environmental impacts. To power the three directives with greater synergy, we will particularly encourage innovative minds and strive to nurture the younger generation, offering them more opportunities to develop their strengths. The Government will pilot “Construction 2.0” in public projects to promote the industry enhancement.

(a) Construction Innovation and Technology Fund

35. To upgrade the construction industry through innovation and technology adoption, we have launched the \$1 billion Construction Innovation and Technology Fund (“CITF”) in October 2018. The fund will encourage wider adoption of new but proven technologies among the industry with a view to promoting productivity, uplifting build quality, improving site safety and enhancing environmental performance. Moreover, the fund will support industry practitioners and tertiary students to join various empowerment programmes on latest construction technologies to nurture an open-minded culture and build up the capacity of the industry to harness technology for continuous improvement.

(b) Off-site Construction

36. Off-site construction has been well recognised in other advanced economies that it will not only uplift productivity of the industry and cost-effectiveness of projects but also achieve enhanced site supervision in order to improve quality of works and site safety. Modular Integrated Construction (MiC) and prefabrication of reinforcing steel bars are typical examples of off-site construction. They apply the concept of “Design for Manufacturing and Assembling” in the way that most of the site operations are designed for manufacturing process in off-site prefabrication yards. We will promote and lead the adoption of MiC by implementing pilot projects to demonstrate to the industry the feasibility of this innovative construction method in tall buildings in local environment.

37. We are actively promoting the use of prefabricated steel reinforcing bar (rebar) products supplied by large-scale and highly automated prefabricated yards, with a view to improving built quality, productivity and construction

safety. A pilot scheme was rolled out in August 2018 to mandate the use of a certain percentage of prefabricated rebar products supplied by approved yards in selected public works projects. This could help practitioners to gain knowledge in the operation of the approved yards and to appreciate the benefits of using prefabricated rebar products. To further enhance the quality assurance of the approved yards, an Independent Audit Team was engaged by Civil Engineering and Development Department (CEDD) in September 2018 to monitor and audit the production process of prefabricated rebar products, which include material testing, cut and bend operations and delivery arrangements. In parallel, we have worked with Housing Department to identify improvement measures to streamline the administrative procedures in sample selection and testing, which could help to enhance the operational efficiency of the steel prefabrication yards. These improvement measures were implemented in September 2018.

(c) Construction Innovation and Technology Application Centre

38. The Construction Innovation and Technology Application Centre (CITAC) of the Construction Industry Council (CIC) was opened in November 2017 and has been well received by the stakeholders of the construction industry. The CITAC has already identified a number of innovation items for site trial and will propose matured innovation items for inclusion into the pre-approved list of CITF with a view to promoting their adoption by small and medium enterprises.

(d) Building Information Modelling Technology

39. Building Information Modelling (BIM) technology allows construction professionals to carry out design and construction works in a virtual environment, which helps avoid changes in the construction process as far as possible, reduce risks and render clarity to project costs in various stages including the operation and facility management stages. In addition to adopting BIM technology in the design and construction of major government capital works projects scheduled to start in 2018, we will also collaborate with the CIC to strengthen BIM training for relevant professionals, develop related technical standards and guidelines, and encourage the use of this technology in private construction projects.

Strengthening Cost Management for Public Works Projects

40. Since its establishment in June 2016, the Project Cost Management

Office (PCMO) has been effectively implementing cost management for public works projects and managed to achieve a cost saving of \$27 billion after scrutinising 130 projects with estimated cost of \$260 billion. PCMO has also instigated measures which are conducive to the successful delivery of public works projects in a timely and cost effectiveness manner.

41. Nevertheless, there are still growing needs for enhanced cost management for public works as depicted below:

- (i) ***high construction cost by international standard*** - international reports have ranked Hong Kong as the 3rd highest construction cost city in 2017;
- (ii) ***sustained keen demand on construction services*** - The Government needs to sustain capital works investment to improve people's living environment, promote economic growth and enhance competitiveness of Hong Kong; and
- (iii) ***rising public aspirations for better cost-effectiveness*** - there have been more and more demand from the public on better managing cost of public works projects. Significant cost overruns and programme delay of some high profile projects have also affected public perceptions.

42. Therefore, we will upgrade PCMO and expand its establishment and functions to implement strategic initiatives, enhance cost surveillance and project governance capabilities for strengthening the cost management of public works projects.

Uplifting Performance of Public Works Projects

43. The PCMO will explore overseas experience for establishing and managing the Centre of Excellence for Major Project Leaders to provide high-level project leadership training to equip government officers with innovative minds and world-class leadership skills in the delivery of public works projects. In addition, we will conduct consultancy studies and set up innovative and intelligent monitoring systems to measure and analyse project performance with a view to improving project delivery as well as facilitating international collaboration and benchmarking.

Construction Manpower Development

44. Infrastructure development is maintaining its momentum and will continue at a high level. In collaboration with the CIC, we have embarked on a host of multi-pronged measures to maintain a construction workforce of sufficient strength and quality to meet the industry's manpower demand in future.

45. With the approval of the Legislative Council Finance Committee, we have allocated a total of \$420 million since 2010 for the CIC to strengthen the training of local construction personnel and step up promotion to attract new blood. From January 2009 to August 2018, the CIC has trained more than 34 000 semi-skilled and skilled workers. The total annual training output of CIC in 2009 and 2017 are 900 and 6 000 respectively, representing an increase of 670%. Based on the findings of the latest image tracking survey done by the CIC, young interviewees willing to join the industry has increased significantly from about 8% in 2011 to about 21% in 2018. During the same period, the number of registered general workers and skilled/semi-skilled workers has also increased by 48% and 123% respectively.

46. To encourage contractors and their subcontractors to enhance in-service skills training, we have introduced a technical score on worker training in the tender evaluation mechanism for public works contracts which has been implemented since October 2018. The CIC is enhancing its efforts in collaborative training through the new apprenticeship scheme with clear career pathway for the youngsters to achieve skilled workers and further advancement to technician and supervisors.

47. The CIC established the Hong Kong Institute of Construction (HKIC) in February 2018 to train more high-calibre and professional construction practitioners. Apart from upgrading the current skill training programmes in pace with technological advancements, the HKIC also provides courses at Qualifications Framework (QF) Level 3. We are exploring the use of the existing Tai Po Training Ground for the development of a multi-storey campus for the new HKIC. Apart from workshops and teaching facilities, the new campus would also provide training in innovative technologies (e.g. BIM centre, MiC facilities and robotic centre) with a view to developing the HKIC into a regional centre of excellence in construction training.

Lift Modernisation Subsidy Scheme

48. Property owners should take primary responsibility for proper upkeep of their lifts. At present, there are about 66 000 lifts in Hong Kong and they are in general safe for use if there are proper periodic examinations and maintenance. Owing to rapid technological advancement in recent years, modern lifts are equipped with more comprehensive safety devices than the aged ones. As the lifts get aged, works including replacement of parts or modernisation/replacement of lifts are required to be carried out in a timely manner. We recognise that some owners may face difficulties in carrying out such works due to problems of finance, technical knowledge, organisation ability, etc. thereby posing safety hazards to inhabitants and visitors of their building.

49. The Electrical and Mechanical Services Department (“EMSD”) promulgated in 2011 “the Guidelines for Modernising Existing Lifts”, introducing measures to enhance the safety of aged lifts and recommending retrofitting of safety devices. As the lift modernisation works are not mandatory, different levels of modernisation works have been carried out only to about 5 600 aged lifts in the territory so far. The progress of implementation is not significant.

50. In view of this, the Government plans to launch a \$2.5-billion “Lift Modernisation Subsidy Scheme” (“LIMSS”) over six years starting from 2019-20 to promote lift modernisation in the community through provision of financial incentive with appropriate professional support to building owners in need, thereby enhancing lift safety.

51. Modelling on the on-going “Operation Building Bright 2.0 Scheme” and “Fire Safety Improvement Works Subsidy Scheme”, the LIMSS will comprise the following five core elements:

- (a) Care-based: The LIMSS will focus on private residential and composite buildings with relatively low average rateable values (“RV”), with a view to benefitting those building owners in need. The average RV of domestic units in a participating building should not exceed \$162,000 per annum in urban areas (including Sha Tin, Kwai Tsing and Tsuen Wan Districts) and \$124,000 per annum in the New Territories (all New Territories districts excluding Sha Tin, Kwai Tsing and Tsuen Wan districts). We will review and where necessary update these average RV ceilings

from time to time in conjunction with the Urban Renewal Authority (“URA”) to tie in with changes in market values of properties;

- (b) Safety-based: The LIMSS will focus on minimizing the safety risk of lifts. Priority will be accorded to lifts with Improvement Orders issued by the EMSD. In addition, for the lifts without Improvement Orders issued by the EMSD, we propose the LIMSS should also cover lift modernisation works already commenced but not yet completed, and to allow retrospective applications for such lift modernisation works meeting certain requirements, to prevent procrastination in the original plan by the property owners pending formal invitation of applications under the LIMSS;
- (c) Resource-based: To ensure that public resources would be allocated to the most needy, we propose to subsidise up to 60% of the cost of the modernisation works, including complete replacement of the lifts if so opted by the owners, subject to a cap of \$500,000 per lift; and for elderly owner-occupiers aged 60 or above, with subsidies for the full cost, subject to a cap of \$50,000 per unit;
- (d) Capacity-based: We target to modernise about 5 000 lifts within six years having regard to the capacity of the industry that can handle the additional lift modernisation under the LIMSS without inflating the market prices for such works; and
- (e) Streamlined procedures: We propose to partner with the URA in launching the LIMSS. Through an electronic tendering system on the URA’s “Smart Tender” platform, it will ensure tendering of lift modernisation works be carried out in an open, transparent, convenient and orderly manner, thus reducing the risk of bid-rigging.

52. We will consult the Panel on Development of Legislative Council about the implementation arrangement along the direction of the above framework in October 2018, and plan to launch the LIMSS in the first quarter of the next year.

Heritage Conservation

53. Various heritage conservation initiatives are progressing on course. Nine projects under Batches I and II of the Revitalising Historic Buildings

Through Partnership Scheme (Revitalisation Scheme) have commenced operation, while the three projects under Batch III will start operating by the end of 2018. With funding approval of the Legislative Council Finance Committee, revitalisation works for the three projects under Batch IV will commence by the end of 2018. For the four historic buildings under Batch V, the selected revitalisation proposals were announced in July 2018 and preparatory work is now underway. Since the introduction of the United Nations Educational, Scientific and Cultural Organisation Asia-Pacific Awards for Cultural Heritage Conservation in 2000, a total of 18 heritage projects in Hong Kong have been recognised, of which five are under the Revitalisation Scheme. Viva Blue House (Batch II) received the Award of Excellence in 2017, making it the first built heritage conservation project in Hong Kong to receive this top honour. Separately, the Antiquities Advisory Board recommended the declaration of the exteriors of May Hall, Eliot Hall and Fung Ping Shan Building of The University of Hong Kong as monuments under the Antiquities and Monuments Ordinance (Cap. 53) in recognition of their heritage significance. We are taking forward the proposed declaration. Furthermore, given the “Heritage Vogue • Hollywood Road” street carnival held last year was well-received with enthusiastic public participation, we will organise the event again on 4 November 2018.

CONCLUSION

54. We welcome Members’ feedback and undertake to work closely with Legislative Council in taking forward DEVB’s policy initiatives.

Development Bureau
10 October 2018

List of Development Bureau's Initiatives in the Policy Agenda

A list of Development Bureau's initiatives in the Policy Agenda is appended below. We have 32 new initiatives and 82 on-going initiatives mainly under the Chapters of "Reinforcing Our Strengths, Enhancing Governance", "Diversified Economy, Better Jobs", "Professional-led Quality Education", "Home Ownership, Liveable City" and "Building a Caring, Inclusive Society, Improving People's Livelihood".

Reinforcing Our Strengths, Enhancing Governance

On-going Initiative

- Fully support and accommodate the resource requirements of the Judiciary. The Government continues to work with the Judiciary on the planned construction of a new High Court at the new Central harbourfront, as well as a new District Court at Caroline Hill Road to house the District Court, the Family Court and the Lands Tribunal. This aims to address the long-term accommodation needs in respect of courts and offices at the High Court and District Court levels.

Diversified Economy, Better Jobs

New Initiatives

- Enhance the project governance capability and implement strategic policy initiatives through expanding the establishment and functions of the Project Cost Management Office.
- Establish the Centre of Excellence for Major Project Leaders to equip major project leaders with strategic and innovative minds and world-class leadership skills in the delivery of public works projects.
- Collaborate with international organisations through exchanging expertise and experience and making reference to practices suitable for application in Hong Kong to enhance project governance.

- Promote and lead the adoption of “Hong Kong Construction 2.0” advocating “innovation”, “professionalisation” and “revitalisation” in the construction industry to uplift the capacity and sustainability of the industry, thereby improving productivity, quality, safety and environmental performance.
- Implement the \$1 billion Construction Innovation and Technology Fund to encourage wider adoption of innovative technology to transform the construction industry, thus boosting the industry’s capacity to meet construction demands.
- Promote in full scale off-site construction not only to enhance the productivity of the industry and cost-effectiveness of projects but also to achieve enhanced site supervision, thereby improving the quality of works and site safety. We will promote and lead the adoption of Modular Integrated Construction (MiC) in the construction industry so that most of the site operations will be completed by the manufacturing mode in off-site yards. We will also encourage wider use of prefabricated steel reinforcing bar products made by large-scale highly automated steel reinforcing bar prefabrication yards in the construction industry.

On-going Initiatives

- Continue to proactively strive for more liberalisation measures for our professional services when forging trade agreements with the Mainland and overseas governments. At the same time, we will allocate more resources to promote Hong Kong as a platform for providing professional services and a centre for dispute resolution services under the Belt and Road (B&R) Initiative. Through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) and the Greater Bay Area development, we seek to enhance co-operation and assist the professional services sector in further opening up the Mainland market.
- Continue to discuss with the Mainland mutual recognition of professional qualifications and deepening of co-operation between Hong Kong and Qianhai, Nansha and Hengqin, according to the Agreement on Economic and Technical Co-operation under CEPA signed on 28 June 2017.
- Making reference to Hong Kong’s construction consultant

companies participating in the country's foreign aid construction projects in Nepal and Cambodia, we will continue to pursue with the China International Development Cooperation Agency and the Ministry of Commerce for provision of further opportunities for Hong Kong's consultant companies to take part in more and different types of construction projects and expansion of their scope of work by allowing them to perform "full-range" Hong Kong-style services from project planning to completion.

- Seize the opportunities brought by the B&R Initiative and the development of the Greater Bay Area, and continue to promote the strengths of the construction and related professional services sectors (including good knowledge of international construction standards, extensive experience in the areas of design, project management, infrastructure maintenance etc.) to provide world-class professional services for the development of the cities in the Greater Bay Area, and to co-operate with the Greater Bay Area cities to jointly open up the infrastructure market of the B&R countries.
- Continue to collaborate with the Construction Industry Council (CIC) and other key stakeholders to monitor the manpower situation in the construction industry and implement measures to maintain a construction workforce of sufficient strength and quality to meet the industry's manpower demand in the future.
- Continue to prepare the Construction Industry Security of Payment Bill and seek consensus of the industry stakeholders on the details. The new legislation aims to enhance the security of payment in construction-related contracts to improve cash flow of the supply chain in the construction industry.
- Continue to promote and lead the adoption of MiC in the construction industry. We will take the lead in piloting MiC in more public projects to further enhance the associated monitoring measures, provide funding support for the industry, consider the gross floor area concessions, as well as intend to study the feasibility of setting up local manufacturing facilities, for facilitating adoption of MiC in the construction industry.
- Major government capital works projects will continue to adopt Building Information Modelling technology. The Government will collaborate with the CIC to strengthen training for

professionals and develop relevant standards so as to promote the use of such technology in private construction projects.

- Actively develop the Hong Kong-Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop Area with a view to establishing a key base for co-operation in scientific research with related higher education, cultural and creative as well as other ancillary facilities in the Park, and continue to take forward the relevant infrastructure works.
- Continue to encourage car park operators in Kowloon East to provide real-time parking vacancy information for the convenience of motorists, thereby also helping to reduce traffic. Currently, real-time information of over 65% of the hourly parking spaces in the area is available to the public.
- Support the establishment of a Common Spatial Data Infrastructure portal, a geo-platform for the integration, exchange and sharing of geographic spatial data, to tie in with the development of a smart city.
- Share the knowledge and experiences gained from carrying out the smart city-related proof-of-concept trials in Kowloon East with relevant government departments and stakeholders to facilitate wider application.
- Continue to collaborate with different research and academic institutions, using Kowloon East as a test bed for studies on smart city-related technology.
- Invest in infrastructure development to improve people's livelihood, promote economic growth, create employment opportunities and enhance the long-term competitiveness of Hong Kong.

Professional-led Quality Education

On-going Initiative

- Support the CIC to construct the Hong Kong Institute of Construction at the existing Tai Po Training Ground to train more high-calibre and professional construction practitioners to cope with the increasing use of innovative construction technologies

for enhancing productivity, thereby attracting new blood for the continued development of the local construction industry.

Home Ownership, Liveable City

New Initiatives

- Invite the Urban Renewal Authority (URA) to examine the redevelopment of suitable sites under the Civil Servants' Co-operative Building Society Scheme (CBS), and to utilise part of the resumed land for developing private housing following the URA's established practice for its urban renewal projects, and partly for the development of public housing.
- Explore co-operation with the Hong Kong Housing Society to build dedicated rehousing estates at suitable sites in urban areas, so as to provide non-means tested rehousing units to eligible households affected by government development and URA projects requiring clearance, as well as to provide rehousing option for households affected by redevelopment of CBS sites.
- The Buildings Department is spearheading the development of an Electronic Submission Hub (ESH). The ESH will not only allow the industry to submit building plans and applications electronically, but will also enable relevant authorities to process various kinds of plans and applications via the hub, thus facilitating the adoption of new technologies in processing development applications and substantially streamlining the approval process. We hope to accept electronic submission of plans and applications in phases starting from 2021/22.
- Pursue more vigorously the "single site, multiple use" model in multi-storey development on government land in order to consolidate and provide more Government, Institution or Community (G/IC) facilities, and make optimal use of limited land resources. Key measures include:
 - the Government Property Agency will steer and take forward multi-storey development projects with cross-bureaux facilities to strengthen internal co-ordination in areas such as design, development programme and funding arrangements, with a view to expediting the delivery of these facilities;

- the Planning Department will refine the existing arrangements regarding reservation and utilisation of government sites by tightening up the reservation of government sites by single departments and recommending a higher reference plot ratio where circumstances permit, so as to fully optimise the development potential of these sites; and
- we will pilot the new arrangement in suitable G/IC projects. Projects identified initially include redevelopment of Tuen Mun Clinic, development of a proposed ambulance depot near Sheung Wan Fire Station and consolidation of facilities on several government sites in Tsuen Wan Town Centre.
- Draw up specific proposals for a “Land Sharing Pilot Scheme” to unleash the development potential of private land.
- Reactivate the revitalisation scheme for industrial buildings. The measures include:
 - (i) with reference to the arrangement under the previous revitalisation scheme, accepting owners’ applications on a time-limited basis for wholesale conversion of aged industrial buildings with exemption of waiver fees for the change of uses under lease provisions, with a new condition that 10% of the converted floor space would be designated by applicants for specific uses prescribed by Government after the conversion;
 - (ii) as a policy direction, allowing the relaxation of the maximum permissible non-domestic plot ratio by up to 20% for redevelopment projects of pre-1987 industrial buildings located in relevant zones in Main Urban Areas and New Towns. Owners may increase the development density of the redevelopment projects subject to the relevant approval being obtained from the Town Planning Board;

(The above two measures would also be applicable to existing industrial buildings located in “Industrial” zones, so as to allow owners to convert or redevelop aged industrial buildings for conventional “industrial and/or godown uses” and/or “modern industrial uses”, not just for non-industrial uses which may also be permitted under the relevant Outline Zoning Plans.)

- (iii) in respect of applications for wholesale conversion of industrial buildings in the relevant zones into transitional housing, exercising flexibility in dealing with the planning and building design requirements, as well as exempting applicants from paying waiver fees for this specific use of transitional housing;
 - (iv) relaxing the waiver application policy on a time-limited basis to permit more uses of the arts and cultural sectors and creative industries to operate at individual units of existing industrial buildings in an orderly manner, so long as such uses are permitted under the planning regime;
 - (v) with due regard to public safety, widening the permissible uses of buffer floors to cover telecommunications exchange centres and computer/data processing centres, so as to facilitate conversion of lower floors of industrial buildings into non-industrial uses; and
 - (vi) promulgating a wider definition for “godown” uses under lease provisions of industrial buildings to cover cargo handling and forwarding operation and recyclable collection centre.
- Launch a \$1 billion funding scheme to support gainful uses of vacant government sites and school premises by non-governmental organisations for short-term non-profit-making community purposes.
 - Review land leases expiring in or before 2025 of sites being used for telephone exchanges or other telecommunications-related facilities and assess the need to retain these sites for their original policy uses; and study whether there is potential for development or alternative uses for sites that do not need to be retained.
 - Strive for early commencement of the next stage of work on the development of artificial islands in the Central Waters between Hong Kong Island and Lantau, including further confirmation of the development potential of the Central Waters and conducting planning and design of the first phase of the artificial islands; and press ahead with the near-shore reclamation projects at Sunny Bay and Siu Ho Wan with a view to meeting Hong Kong's medium-to-long term needs.

- Adopt smart, green and resilient initiatives progressively including smart lampposts, water intelligent network, eco-shoreline design, district cooling system and sustainable urban drainage system on Lantau after their trial in the development of Tung Chung New Town Extension.
- Develop near carbon-neutral pilot zones on the artificial islands in the Central Waters, and explore measures, such as wider use of renewable energy, energy efficient design and technologies, green transport, higher greening ratio, more advanced recycling and waste management measures, to progress towards the long-term vision of carbon-neutral community.
- Take forward works for the strategic road and railway network to link up the coastal area of Tuen Mun, North Lantau, the artificial islands in the Central Waters and Hong Kong Island North, a highway parallel to the North Lantau Highway and the Lung Mun Road expansion with a view to releasing the development potential of the artificial islands in the Central Waters, reclamation at Lung Kwu Tan, Tuen Mun East and Tuen Mun West as well as driving Hong Kong's long-term housing, economic and social developments.
- Invite the Airport Authority Hong Kong to submit a development proposal for the topside development at the Hong Kong Boundary Crossing Facilities of the Hong Kong-Zhuhai-Macao Bridge, together with the Three-runway System, high value-added logistics centre at the South Cargo Precinct, SKYCITY development project, the AsiaWorld-Expo and its future Phase 2, to create a cluster of aviation-related businesses with high economic value and diversified employment opportunities at Lantau.
- Plan the third Core Business District at the artificial islands in the Central Waters.
- Earmark resources to set up a \$1 billion Lantau Conservation Fund to promote conservation together with the community and pursue local improvement works for Lantau.
- Review the legislation concerned and map out more effective means to control land filling, dumping of wastes and associated

development activities causing environmental damage in areas of high ecological values at Lantau with a view to enhancing protection of the natural beauty of these areas.

- Press ahead Sunny Bay reclamation for providing land reserve to develop a leisure and entertainment node and other uses.
- Study, formulate and implement in phases the Lantau Trails and Recreation Plan to improve trail networks, increase supporting facilities, and provide diversified leisure and recreation facilities with low environmental impact.
- Set up a dedicated office to steer, co-ordinate and monitor the planning and implementation of the Lantau Tomorrow Vision.
- Press ahead with the six new housing initiatives announced by the Chief Executive in June 2018 :
 - nine private housing sites have been reallocated for public housing;
 - the Government has amended the Lands Department Consent Scheme to improve sales practices by requiring developers to offer for sale no less than 20% of the total number of residential units subject to the relevant pre-sale consent at each turn of sale, regardless of the sales method.
- Launch a \$2.5 billion Lift Modernisation Subsidy Scheme to provide building owners in need with subsidies and appropriate professional support, so as to encourage them to speed up lift modernisation works.
- Suitably relax the restrictions in relation to installation of photovoltaic (PV) systems at the rooftop of New Territories Exempted Houses such that residents may continue to use their roofs for legal purposes while supporting the environmental protection cause. Similarly, we will make appropriate relaxations for other private buildings, in particular the low-rise ones.
- Implement asset management and step up leakage control measures for public water mains to ensure reliable supply, with a target to reduce the leakage rate from the current 15% to below

10% on or before 2030.

- Provide more training for property managers and frontline street cleansing staff to enhance their awareness in proper tree care.
- Study the introduction of a registration system for tree management personnel.
- The URA, having conserved the buildings in Wing Lee Street, will carry out further study with a view to revitalising the building clusters with special character and urban fabric under the whole Staunton Street/Wing Lee Street Project (H19) so as to promote place making and synergise with nearby revitalisation projects.

On-going Initiatives

- The Task Force on Land Supply, having completed its five-month public engagement exercise in September 2018, has collected views from different sectors of the community on the 18 land supply options and other land supply-related issues. It targets to submit a detailed recommendation report on enhancing the overall land supply strategy and the relative priorities of different land supply options to the Government by end-2018.
- Continue with the study on Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030 (Hong Kong 2030+) to examine the strategic planning blueprint for overall spatial planning and for land and infrastructure development of Hong Kong beyond 2030, with a view to planning for a liveable high-density city, embracing new economic challenges and opportunities, and creating capacity for sustainable growth.
- Examine the possible scope and timeframe for further development in the New Territories North with reference to the findings of the Preliminary Feasibility Study on Developing the New Territories North, views received during the public consultation on the New Territories North strategic growth area as well as the technical assessments conducted within the framework of Hong Kong 2030+ and kick start the relevant preparatory work.
- Continue with the Pilot Study on Underground Space Development in Selected Strategic Urban Areas for an in-depth assessment of the various technical considerations and

implementation modes of the conceptual schemes for underground space development in Tsim Sha Tsui West, Causeway Bay, Wan Chai etc., and for subsequent public consultation in due course.

- A steering group has been set up under the Development Bureau to draw up proposals to streamline or improve the existing development control regime. We have consulted the Joint Sub-committee on Streamlining Development Control under the Land and Development Advisory Committee on the first batch of proposals to streamline and standardise the approval of building height and greening/landscape required. Efforts to streamline the approval arrangements proposed in the batch will continue.
- Review and refine the Pilot Scheme for Arbitration on Land Premium to facilitate agreement between the Government and private land owners on land premium payable for lease modification and land exchange transactions through arbitration.
- Continue to rezone more than 210 suitable sites with potential for housing development as identified in land use reviews (rezoning of some 140 sites has been completed or is in progress, while rezoning of the remaining 70 sites is to be initiated). We will also appropriately increase the development density of individual residential sites.
- We are conducting a survey to better understand the profiles and needs of the business establishments in Kowloon East, and the findings are scheduled for release in early 2019.
- We will commence the works project at Hoi Bun Road Park and the adjacent area in 2018 to further improve the waterfront of the Kwun Tong Business Area, and continue to take forward the improvement works of other public open spaces in Kowloon East to cater for the development needs of the area.
- Continue to extend the Energising Kowloon East initiative to San Po Kong, with particular focus on enhancing connectivity, improving the environment, and promoting vibrancy and diversified development.
- Review the land uses of a site at Lai Yip Street near the Kwun Tong harbourfront, which includes studying the possibility of

providing space for arts, cultural and creative industries uses.

- Review the future use of the land released upon the relocation of the Ngau Tau Kok Divisional Police Station, which is expected to take place around 2020.
- After the public consultation on the recommendation of further increasing the residential development intensity of the Kai Tak Development Area, we have made amendments to the Kai Tak Outline Zoning Plan in accordance with the Town Planning Ordinance.
- Keep up the efforts to facilitate transformation of Kowloon East into another attractive core business district. At present, Kowloon East has about 2.6 million square metres of commercial/office floor area, with potential to further supply another 4.4 million square metres approximately in future, bringing the total supply in the district to about 7 million square metres. We are taking forward the studies on the Kowloon Bay Action Area and Kwun Tong Action Area. The two action areas can provide about 560 000 square metres of commercial/office floor area.
- Continue with the second stage of the Detailed Feasibility Study for the Environmentally Friendly Linkage System for Kowloon East to explore a feasible scheme and conduct a financial analysis. Upon completion of the study this year, we will examine the findings of the study and draw up a plan for subsequent work.
- Continue to implement the concept of “walkability” in Kowloon East with a view to improving the pedestrian environment and traffic conditions. This includes finalising the detailed design for an additional footbridge near Exit B of MTR Kowloon Bay Station to enhance connectivity with the future East Kowloon Cultural Centre and nearby residential areas. In parallel, we are working on the design for the extension and face-lifting of the pedestrian subway network connecting to MTR Ngau Tau Kok Station, face-lifting of a public transport interchange and improvement of pedestrian facilities to create a comfortable walking environment for pedestrians heading for the business area and the promenade. We will continue to take forward the Back Alley Project to improve the pedestrian network.

- To further enhance walkability in Kowloon East, we plan to commence the detailed design for a new footbridge across Kwun Tong Road near Exit A of MTR Kowloon Bay Station, and the footbridge across Wai Yip Street near Siu Yip Street. We will continue to explore the possibility of providing travelators along Lai Yip Street and Sheung Yee Road to cater for the forecast increase in pedestrian flow.
- Continue to take forward a detailed consultancy study on transforming the King Yip Street nullah into a green and vibrant Tsui Ping River with environmental and landscaping upgrading of the vicinity to achieve synergy.
- Select a suitable non-profit-making organisation to operate a weekend flea market on the Tourism Node site at the former airport runway tip to bring more vibrancy to the area when the site is pending land disposal, providing opportunities for participation by those who are interested, young people in particular.
- Formulate policy strategies and implementation measures aiming at accommodating in a more land-efficient manner in future some economic activities currently conducted on brownfield sites, and releasing brownfield sites for housing or other purposes.
- Continue with the implementation of new development areas and new town extensions:
 - pressing ahead with the implementation of the plans for the Kwu Tung North and Fanling North New Development Areas as an extension to the Fanling/Sheung Shui New Town; including making funding application for the first phase of works, initiating statutory land resumption procedures and commencing eligibility screening of the affected households and businesses for ex-gratia allowance/rehousing;
 - pressing ahead with the implementation of the plans for the Hung Shui Kiu New Development Area as a regional hub in the North West New Territories to complement the new towns of Tin Shui Wai, Yuen Long and Tuen Mun, providing housing, employment opportunities and civic facilities; and
 - pressing ahead with the development of Yuen Long South as an extension to the Yuen Long New Town to meet housing

and other development needs and improve the local rural environment.

- Continue with the planning and engineering study for Tseung Kwan O Area 137, including exploration of residential, commercial and other suitable land uses, as well as the need for the originally reserved uses.
- The investigation study, design and associated site investigation works for relocation of the Diamond Hill Fresh Water and Salt Water Service Reservoirs to caverns will commence by end-2018. Besides, we plan to commence in early 2019 the Stage 1 site preparation and main tunnel construction works for relocating the Sha Tin Sewage Treatment Works to caverns. Feasibility studies on relocating the service reservoirs in Tsuen Wan and Yau Tong, Sai Kung Sewage Treatment Works and Sham Tseng Sewage Treatment Works to caverns are underway. We also plan to carry out a feasibility study on relocating the Public Works Central Laboratory in Kowloon Bay to caverns in order to release the existing and adjoining lands of about 0.8 hectares for housing development.
- We have promulgated the Cavern Master Plan and the associated technical guidelines, which facilitate identification of suitable cavern sites for development by project proponents. Besides, we will continue with the technical study on underground quarrying for cavern development, and will carry out planning and engineering feasibility studies for strategic cavern areas at Lantau, Tsing Yi or other suitable locations.
- We will plan for the next stage planning and engineering studies of the about 60 ha Ma Liu Shui reclamation project, taking into consideration of its technical study findings and the public views on the local traffic capacity and proportion of new public housings.
- Continue to examine the implementation of the small house policy and related matters.
- Engage key stakeholders to refine the proposed amendments to the Land Titles Ordinance and actively explore the implementation of the title registration system on new land first.

- Continue to take forward the topside development at Siu Ho Wan Depot Site, which is estimated to provide no less than 14 000 residential units in the medium to long term and for which the statutory planning procedures are underway. The exact public-private housing ratio is under examination. The Government will follow up with the MTR Corporation Limited on various details.
- Press ahead with the implementation of the development of Tung Chung New Town Extension for providing over 800 000 square metres of commercial floor space for office, retail and hotel development and creation of about 40 000 jobs.
- Plan to commence as soon as possible the planning and engineering study and design for the approximately 220-hectare reclamation at Lung Kwu Tan, with a view to providing land for industrial and other uses. We will also conduct a holistic regional replanning exercise for the land use in Tuen Mun West, covering Lung Kwu Tan, the River Trade Terminal and other adjacent areas.
- Strengthen education to promote public awareness of the conservation of Lantau, and taking forward various appropriate countryside conservation initiatives in selected pilot areas on Lantau, such as Tai O, Shui Hau and Pui O, to support the efforts in developing and conserving Lantau. The Environment and Conservation Fund has approved funding for environmental education and community projects on nature conservation in South Lantau. Funding has also been earmarked for 2018-19 for inviting next round of applications.
- Take forward the proposed development of public housing at six government sites (including the five sites in Pok Fu Lam South and the redevelopment of Wah Fu Estate), which are expected to provide about 11 900 additional public housing units following the partial lifting of the administrative moratorium on the development of Pok Fu Lam. The site formation and infrastructure works of the five sites in Pok Fu Lam South are scheduled for commencement in 2019. The earliest batch of the reception units for the redevelopment of Wah Fu Estate is expected to be completed in 2025.
- Continue to implement the Operation Building Bright 2.0

launched in July 2018 to subsidise owner-occupiers for undertaking rehabilitation works in respect of aged buildings in need of repair, and in parallel subsidise eligible owners to strengthen the fire safety measures for old composite buildings for compliance with the requirements of the Fire Safety (Buildings) Ordinance.

- Continue to enforce the Lifts and Escalators Ordinance and strengthen the audit inspections of the maintenance and examination of lifts and escalators. Meanwhile, we will, through education and publicity, continue to draw the attention of responsible persons on the need to fulfil their obligations under the ordinance and modernise their aged lifts and escalators in a timely manner to enhance their safety and reliability.
- Work closely with the URA to support its implementation of redevelopment projects under a holistic and district-based approach with a view to enhancing overall planning benefits for the community. Meanwhile, we will support the URA in conducting a district planning study to explore how the efficiency of existing land use and redevelopment potential of Yau Ma Tei and Mong Kok districts can be enhanced, with a view to identifying more effective and efficient ways for urban renewal as well as adopting the practical and feasible modus operandi in other districts. The study is expected to be completed in 2019.
- Conduct a consultancy study on the formulation of a set of design standards for seismic-resistant buildings, with a view to further enhancing building safety in Hong Kong.
- Continue with the arrangement of waiving the land premium for lease modification to encourage private landowners to construct footbridges or subways at their own cost.
- Continue to establish “bicycle-friendly” new towns and new development areas to reduce carbon emissions from vehicles by such measures as continuing to improve existing cycle tracks and cycle parking facilities in new towns in phases.
- Continue to take forward the development of the cycle track network in the New Territories and strive to complete the remaining cycle track section of about 10 kilometres from Sheung Shui to Tuen Mun by 2020. As regards the Tsuen Wan to Tuen

Mun cycle track section, we have just commenced the construction of the section from Tsuen Wan to Bayview Garden and will continue with the detailed design of the Tuen Mun to So Kwun Wat section. We will also continue with the alignment review of the remainder of the Tsuen Wan to Tuen Mun section.

- Continue to oversee the construction of the Liantang/Heung Yuen Wai Boundary Control Point on Hong Kong side and go full steam ahead with the construction of the connecting road and the Passenger Terminal Building, with a view to completing the works in 2019.
- Continue with the consultancy study to review the current arrangement under which a development project is only required to register for Building Environment Assessment Method (BEAM) Plus as a prerequisite for application for gross floor area concession for amenity features, with a view to further promoting green buildings in the private market. The consultancy study is expected to be completed in 2019.
- We aim at reducing the per capita fresh water consumption by 10% by 2030 at the earliest, using 2016 as the base year. To achieve this, we will continue to take forward a host of measures, which include enhancing collaboration with various stakeholders; implementing the Mandatory Water Efficiency Labelling Scheme through legislative amendments; making wider use of Automatic Meter Reading systems to enhance awareness of water conservation; establishing the Water Intelligent Network; and taking specific measures to deal with the leakage problem at private water mains, including providing necessary technical advice and support to property owners and management agents, rendering assistance to the market in developing expertise, stepping up monitoring and enforcement actions, and exploring imposing charges on property owners who fail to rectify the water loss in their private mains according to the amount of estimated water loss through legislative amendments so as to urge them to expedite the rectification of the water loss.
- Continue with the review of the Total Water Management Strategy to ensure sustainable use of precious water resources and timely introduction of new initiatives to strengthen our resilience and preparedness against challenges brought about by climate change.

- Continue with the tendering exercise for the Tseung Kwan O desalination plant and proceed with the construction of its associated infrastructure; carry out infrastructure works for taking forward the initiative of the use of reclaimed water for non-potable purposes in North East New Territories (including Sheung Shui and Fanling); and conduct public consultation on the supply and use of reclaimed water as well as the associated financial and legal framework.
- Continue to partner with the Harbourfront Commission in implementing harbourfront enhancement initiatives through the dedicated Harbour Office, including taking forward projects and studies under the \$500 million dedicated funding, and trying out different harbourfront management arrangements to broaden participation to parties outside the Government.
- Formulate an urban forestry management strategy and develop proper urban arboricultural practices with a holistic approach. We will continue to develop sustainable urban landscapes and draw up guidelines on urban arboriculture.
- Enhance the planning, design and management of landscape, including the enrichment of vegetation diversity and more diligent vegetation maintenance to improve the outdoor landscape and create quality public space for our community.
- Continue to promote capacity-building for the arboriculture and horticulture industry and assist the Arboriculture and Horticulture Industry Training Advisory Committee in developing a qualification framework.
- Raise public awareness on urban forestry, including lifecycle planning and life expectancy for trees and the concept of “Right Tree, Right Place”.
- Study the application of smart technologies to detect the health and structural conditions of trees more effectively.
- Undertake studies on the stability of stonewall trees to minimise the risks associated with their uprooting failure.
- Continue to collaborate with experts on the diagnosis and prevention of Brown Root Rot disease, and develop a Brown Root

Rot Disease Operations Manual.

- Endeavour to facilitate hosting of mega events and activities, which can attract the general public and tourists, in Kowloon East and co-use of the Kwun Tong Typhoon Shelter water body for water recreation activities.
- Under the Built Heritage Conservation Fund, continue to work closely with selected non-profit-making organisations to implement the first five batches of projects under the Revitalising Historic Buildings Through Partnership Scheme, process applications under the Financial Assistance for Maintenance Scheme, and monitor the approved applications under the funding schemes for public engagement projects and thematic research.
- Continue to organise street carnival activities at the Hollywood Road area under “Heritage Vogue • Hollywood Road”.
- Continue to implement measures under the Action Plan for Enhancing Drinking Water Safety in Hong Kong to safeguard drinking water safety.
- Continue to review and explore practicable options with a view to establishing a drinking water safety regulatory regime suitable for Hong Kong.
- Continue with the holistic review on the Waterworks Ordinance and Waterworks Regulations to, inter alia, enhance regulatory control of the plumbing materials and the design, construction, inspection and approval of internal plumbing systems and define clearly the roles and responsibilities of the persons undertaking the work in consultation with the relevant stakeholders. We will conduct public consultation on the legislative amendment proposals and submit the proposals for amending the Waterworks Ordinance and Waterworks Regulations in due course.
- Continue with the comprehensive investigation on ageing pipelines in phases for timely identification of pipelines at high risk of structural failure; and strive to implement a risk-based programme for rehabilitation of aged stormwater drains and sewers.
- Continue to review and evaluate the revitalisation potential of the

major nullahs in Hong Kong with a view to identifying suitable nullahs for revitalisation. The aim is to enhance their ecological value, provide a greener environment, promote water friendliness and improve the community environment for building a liveable city.

- Continue with the consultancy study for exploring the practicable options for applying the concept of revitalising water bodies to nullahs and river channels when carrying out large-scale drainage improvement works and drainage planning for new development areas. Apart from achieving efficient drainage, the initiative will promote greening, biodiversity, beautification and water friendliness; build sustainable drainage facilities; and provide a better living environment.
- Continue with the design of the improvement works for the Yuen Long Town Centre Nullah to enhance the quality of the local environment and the ecological value of the nullah.
- Continue with the Landslip Prevention and Mitigation Programme to:
 - upgrade and landscape government man-made slopes;
 - mitigate the landslide risk of natural terrain with known hazards; and
 - conduct safety screening studies for private slopes. (DEVB)
- Continue to review the Drainage Master Plans of Lantau and the outlying islands, Tuen Mun, Tsuen Wan, Kwai Tsing, North Hong Kong Island, Repulse Bay and Tai Tam to assess the flood risks in these districts and propose improvement measures.

Building a Caring, Inclusive Society, Improving People's Livelihood

On-going Initiatives

- Continue to encourage private developers to provide various welfare facilities, including day child care centres, residential child care centres, day care centres for the elderly and residential care homes for the elderly in their development projects.
- Continue to implement the pier improvement programme to enhance the structural and facility standard of a number of public piers in remote areas in order to respond to public requests and improve the accessibility of some remote scenic spots and natural heritages. We are carrying out site investigation works and technical studies for about 10 public piers in the New Territories and outlying islands under the first phase of the programme and will proceed early and progressively with relevant detailed design work, with a view to commencing construction works in 2019.