立法會 Legislative Council

LC Paper No. CB(1)939/19-20 (These minutes have been seen by the Administration)

Ref: CB1/PL/DEV

Panel on Development

Minutes of the special meeting held on Tuesday, 21 January 2020, at 2:45 pm in Conference Room 1 of the Legislative Council Complex

Members present: Hon Tony TSE Wai-chuen, BBS (Chairman)

Hon LUK Chung-hung, JP (Deputy Chairman)

Hon Abraham SHEK Lai-him, GBS, JP Hon Jeffrey LAM Kin-fung, GBS, JP Hon Starry LEE Wai-king, SBS, JP Hon CHAN Hak-kan, BBS, JP

Dr Hon Priscilla LEUNG Mei-fun, SBS, JP Hon Mrs Regina IP LAU Suk-yee, GBS, JP

Hon CHAN Chi-chuen

Hon CHAN Han-pan, BBS, JP

Hon Alice MAK Mei-kuen, BBS, JP Dr Hon Fernando CHEUNG Chiu-hung

Dr Hon Helena WONG Pik-wan

Ir Dr Hon LO Wai-kwok, SBS, MH, JP

Hon Alvin YEUNG

Hon Andrew WAN Siu-kin

Hon CHU Hoi-dick Hon LAM Cheuk-ting

Hon Holden CHOW Ho-ding

Hon Wilson OR Chong-shing, MH

Hon Tanya CHAN

Hon CHEUNG Kwok-kwan, JP

Hon LAU Kwok-fan, MH Dr Hon CHENG Chung-tai Hon Jeremy TAM Man-ho

Hon Vincent CHENG Wing-shun, MH, JP

Hon CHAN Hoi-yan

Members absent: Hon Paul TSE Wai-chun, JP

Hon Michael TIEN Puk-sun, BBS, JP Hon Frankie YICK Chi-ming, SBS, JP Hon LEUNG Che-cheung, SBS, MH, JP

Dr Hon Junius HO Kwan-yiu, JP

Hon HUI Chi-fung

Hon Kenneth LAU Ip-keung, BBS, MH, JP

Public officers attending

: Agenda item I

Mr Michael WONG Wai-lun, JP Secretary for Development

Ms Bernadette LINN Hon-ho, JP

Permanent Secretary (Planning and Lands)

Development Bureau

Ms Doris HO Pui-ling, JP

Deputy Secretary (Planning and Lands)1

Development Bureau

Miss Tanna CHONG

Principal Assistant Secretary (Planning and Lands)2

(Acting)

Development Bureau

Attendance by Invitation

: Agenda item I

Mr 梁德明

Mr 葉子林

Ms LAU Yuen-yee Executive Secretary

Produce Green Foundation

Mr NG Kin-wah Event Officer

The Lion Rock Institute

Mr NG Hei-man Campaign Manager The Conservancy Association

Mr WONG Yu-wing Founder AuLaw Organic Farm

Mr LAU Chun-kong Chairman of Land Policy Panel Hong Kong Institute of Surveyors

Ms WOO Ming-chuan Assistant Conservation Manager Hong Kong Bird Watching Society

Mr CHIU Kwok-wai Executive Director Federation of Public Housing Estates

Ir Edmund LEUNG Kwong-ho Vice President Hong Kong Professionals And Senior Executives Association

Mr Ryan IP Man-ki Head of Land and Housing Research Our Hong Kong Foundation

Mr Paul ZIMMERMAN CEO Designing Hong Kong

Mr Andrew KWOK Chi-wah President The Hong Kong Registered Contractors Association

Mr AU Kwok-kuen Member 不是地產舖

Mr Sam YIP Kam-lung

Ms CHENG Hang-fan

Mr Howard CHAO

發展及建造業關注組召集人自由黨

Mr LAM Chi-yeung 發展事務副發言人 民建聯

Miss LEUNG Hin-yan

Mr TAM Po-yiu Chairman, Public Affairs Committee Hong Kong Institute of Urban Design

Clerk in attendance: Ms Doris LO

Chief Council Secretary (1)2

Staff in attendance: Ms Ada LAU

Senior Council Secretary (1)2

Mr Keith WONG

Council Secretary (1)2

Ms Christina SHIU

Legislative Assistant (1)2

Action

I Receiving public views on "Land Sharing Pilot Scheme"

Meeting with deputations and the Administration

(LC Paper No. CB(1)160/19-20(03) — Administration's paper on Land Sharing Pilot Scheme

LC Paper No. CB(1)160/19-20(04) — Paper on the Land Sharing

Pilot Scheme prepared by the Legislative Council Secretariat (Background

brief))

Submissions deputations/individuals from not attending the meeting (LC Paper No. CB(1)315/19-20(08) — Submission from CHAN Chak-hong (Chinese version only) LC Paper No. CB(1)315/19-20(09) — Submission from Pd (Chinese version only) LC Paper No. CB(1)315/19-20(10) — Submission from Wing Wing Chan (Chinese version only) LC Paper No. CB(1)315/19-20(11) — Submission from WONG (Chinese Tom version only) LC Paper No. CB(1)315/19-20(12) — Submission from a member of the public (市民黃小姐) (Chinese version only) LC Paper No. CB(1)315/19-20(13) — Submission from a member of the public (黃小姐) (Chinese version only) LC Paper No. CB(1)315/19-20(14) — Submission from Kat LEUNG (Chinese version only) LC Paper No. CB(1)315/19-20(15) — Submission from a member of the public (黃先生) (Chinese version only) LC Paper No. CB(1)315/19-20(16) — Submission from a member of the public (一名香港 小市民) (Chinese version only) LC Paper No. CB(1)315/19-20(17) — Submission from yo (Chinese version only) LC Paper No. CB(1)315/19-20(18) — Submission from Phoebe (Chinese version only) LC Paper No. CB(1)315/19-20(19) — Submission from Mn WONG (Chinese version only) LC Paper No. CB(1)315/19-20(20) — Submission from a member of the public (林先生) (Chinese version only)

LC Paper No. CB(1)315/19-20(21) — Submission from a member public of the (Chinese version only) LC Paper No. CB(1)315/19-20(22) — Submission from Cwljimmy (Chinese version only) LC Paper No. CB(1)315/19-20(23) — Submission from Taipei Sparkle (Chinese version only) LC Paper No. CB(1)315/19-20(24) — Submission from ha (Chinese version only) LC Paper No. CB(1)315/19-20(25) — Submission from a member of the public (程先生) (Chinese version only) LC Paper No. CB(1)339/19-20(04) — Submission from The Real Estate **Developers** Association of Hong Kong (English version only) LC Paper No. CB(1)339/19-20(05) — Submission from Labour **Party** (Chinese version only))

<u>Members</u> noted the above submissions from deputations/individuals not attending the meeting, and the following submissions tabled at the meeting:

- (a) Submission from Hong Kong Institute of Surveyors (Chinese version only);
- (b) Submission from Ms Cherry WONG Kin-ching (Chinese version only); and
- (c) Submission from Hong Kong Institute of Urban Design.

(*Post-meeting note*: The submissions tabled at the meeting were circulated to members vide LC Paper Nos. CB(1)360/19-20(01) to (03) by email on 21 January 2020.)

Presentation of views by deputations/individuals

2. At the invitation of the Chairman, 20 deputations/individuals presented their views on the Land Sharing Pilot Scheme ("LSPS"). A summary of their views was in the **Appendix**.

The responses of the Administration

- 3. <u>Secretary for Development</u> ("SDEV") made the following key responses to the views of deputations and individuals:
 - (a) each land supply measure had its own merits and limitations, hence the Administration had been adopting a multi-pronged approach to increase land supply. The Administration would continue to resume private land covered by those government-led developments such as New Development Area ("NDA") and public housing developments on brownfield sites in accordance with the promulgated plan. In this regard, the cap of 150 hectares on the total area of private land to be approved under LSPS was considered to be a relatively modest estimate complementing the mainstream government-led planning and land resumption efforts;
 - (b) Government's facilitation under LSPS was premised on the strong and material public interest to be generated from approved LSPS projects. Specifically, public interest would be duly served by a land sharing ratio clearly biased towards public housing, i.e. not less than 70% of the increased domestic gross floor area should be set aside for public housing or Starter Homes development as intended by the Administration. The types and number of units of public housing (public rental housing and subsidized sales flats) or Starter Homes to be provided would be determined by the Transport and Housing Bureau in the future;
 - (c) private land in different parts of Hong Kong (not just confined to agricultural lots in the New Territories) would be eligible for consideration under LSPS provided that the basic criteria were fulfilled. Amendment to the Outline Zoning Plan facilitating the land use changes from agricultural to housing use or higher development intensity proposed by individual LSPS applications would be subject to the scrutiny of the

Town Planning Board ("TPB") acting as the gatekeeper under the prevalent planning regime. TPB would continue to discharge its statutory duties professionally and independently, and would handle and scrutinize LSPS projects submitted before it in accordance with the established procedures and planning principles;

- (d) to expedite delivery of the approved LSPS projects, discussions on lease modification and/or land exchange applications (including assessment of land premium) would commence back-to-back after the statutory planning process, subject to a time limit of 18 months for executing the lease modification and/or land exchange based on agreed premium; and
- (e) the Administration would scrutinize the construction and related costs of the infrastructure and Government, Institution or Community ("GIC") facilities to be constructed by the developer-lot owner under LSPS to ensure that they were cost-effective as well as essential and proportionate to the whole public and private housing development. These infrastructure and GIC facilities upon completion would be handed over to the Government for subsequent management and maintenance.
- Permanent Secretary (Planning and Lands), Development Bureau ("PS(P&L)/DEVB") supplemented that to discourage applicants from walking away from the deal at the premium negotiation stage after devoting a large amount of time and resources to the application by both sides, in the event that the lease modification/land exchange and premium negotiation fell through in the end, the Administration proposed to apply an administrative measure of not processing any further lease modification/land exchange application in respect of the same private lots for five years. The Administration took note of some criticisms that the five-year "freezing period" was too long, and would consider relaxing the "freezing period" if appropriate.

Discussion

Land supply strategy

- 5. The Deputy Chairman said that The Hong Kong Federation of Trade Unions supported the Administration's multi-pronged approach to increase land supply. He considered that the Administration should make wider use of the statutory power under Lands Resumption Ordinance (Cap.124) ("LRO") to resume idle agricultural land held by private developers, so as to discourage land hoarding.
- 6. <u>SDEV</u> responded that the Administration had been stepping up Government-led planning efforts as the core land creation strategy, with a view to making available more land through statutory resumption in the short to medium term for public housing development. For example, the Administration had been taking forward various Government-led NDA projects as well as public housing projects, and would continue to resume the land required by invoking LRO where necessary.
- 7. Mr LAU Kwok-fan expressed concern about the progress of the development studies and planning of the various NDA projects, as well as the time required for converting the land to "spade-ready sites" for construction of public housing. Mr LAU said that the residents to be affected by Phase 2 development of Kwu Tung North ("KTN") and Fanling North ("FLN") NDAs had expressed their willingness to surrender and depart from their squatter structures, but were informed that Phase 2 development of KTN and FLN NDAs was still in the planning stage, and the resumption of the relevant private land had yet to commence.
- 8. <u>SDEV</u> indicated that comprehensive planning, land resumption and rehousing arrangements were involved in the implementation of NDA projects, and the Administration had taken steps to expedite the processes. As regards Phase 2 development of KTN and FLN NDAs, <u>SDEV</u> said that the Administration had devised arrangements to allow eligible households affected by clearances in the later phases of NDAs to voluntarily apply for early surrender of and departure from their squatter structures and in turn early application for the rehousing arrangement.

Geographical limit

9. <u>Mr CHU Hoi-dick</u> referred to the submission from the Hong Kong Bird Watching Society (LC Paper No. CB(1)339/19-20(02)) which pointed

out that from 2012 to 2016, the average approval rate of planning applications in "Agriculture" zone was 61%. Mr CHU questioned how TPB could effectively perform its role as the gatekeeper to protect quality agricultural land. He urged that the geographical limit of LSPS should be extended to cover active farmland and fish ponds to strike a balance between development and conservation.

10. In response, <u>SDEV</u> said that the "no-go" areas of LSPS covered about 50% of the land in Hong Kong. Land use changes prompted by individual LSPS applications would be subject to the scrutiny of TPB acting as the gatekeeper. Should active farmland and fish ponds be involved, TPB was expected to weigh the pros and cons of the development proposal, including whether mitigation measures were available to minimize the potential impact.

Assessment of land premium

- 11. <u>The Deputy Chairman</u> asked about the mechanism of the assessment of land premium to be paid by the LSPS applicants, and called on the Administration to ensure that no excessive land premium concession would be offered to the private developers, so as to safeguard public interest.
- 12. <u>SDEV</u> responded that the established mechanism for the determination of land premium of private development would continue to apply for approved LSPS applications. The developer-lot owner was required to pay at full market value the land premium for the portion of private housing and the ancillary commercial facilities. As the developer-lot owners would be responsible for developing the necessary infrastructure and other community facilities to support the whole public and private housing development, the associated construction costs as well as the cost of forming land for the public housing portion would be deducted from the land premium.

Public consultation

13. Mr CHU Hoi-dick and Mr CHAN Chi-chuen suggested that, to facilitate smooth implementation of LSPS projects, the Central Team to be set up under the Development Bureau, as well as the Panel of Advisors for LSPS, should consult the views of the relevant District Councils ("DCs") on respective LSPS applications before the granting of support in-principle by the Chief Executive-in-Council ("CE-in-C"). At the invitation of Mr CHU Hoi-dick, a member of the public attended the meeting

- (Mr 梁德明) said that he supported the suggestion of consulting DCs on the LSPS applications at an early stage (i.e. before the statutory planning process). Mr CHAN Chi-chuen asked whether the Central Team and the Panel of Advisors would attend DC meetings discussing the LSPS applications.
- 14. In response, <u>SDEV</u> said that the LSPS applications endorsed by the CE-in-C would enter into Stage 3 of the LSPS workflow that involved two parts, namely the statutory processes (mainly on town planning and road/sewerage works gazettal) and the land administration procedures. The established public participation channels of these statutory procedures, including consultation with DCs on the rezoning proposal, would continue to apply. <u>SDEV</u> expressed reservation on Mr CHU Hoi-dick's and Mr CHAN Chi-chuen's suggestion, given that consulting DCs twice before CE-in-C's consideration and during the statutory rezoning procedure would involve duplicate efforts and longer lead time. <u>SDEV</u> further said that to uphold transparency, information on LSPS, key development parameters of each application received and its progress would be released to the public at different stages. It would be up to the Panel of Advisors to consider whether to attend meetings of DCs upon invitation.

Development of local agriculture

- 15. The Deputy Chairman expressed concern about the compensation for farmers affected by LSPS projects. PS(P&L)/DEVB advised that the Government would not resume private land for housing development under LSPS in principle. It would be the responsibility of the developer-lot owners to consolidate ownership of the relevant lots if they intended to submit an application. For clearance of the private lots, whilst the LSPS applicants should liaise directly with the affected clearees with a view to reaching an agreeable term of compensation, the Administration would require the LSPS applicants to duly compensate the affected occupants on the site, by making reference to Government's prevailing compensation and rehousing arrangements for those affected by Government's development clearance exercises as significantly enhanced in 2018.
- 16. <u>The Deputy Chairman</u> and <u>Mr LAU Kwok-fan</u> considered that while realizing the development potential of private agricultural land in the New Territories, the Administration should also support the development of local agriculture. <u>SDEV</u> responded that currently, the total area of agricultural land in Hong Kong was around 4 300 hectares, of which about 700 hectares were under active farming. To facilitate the sustainable

development of local agriculture, the Food and Health Bureau was conducting a consultancy study on Agricultural Priority Areas to identify relatively large areas of quality agricultural land and explore suitable policies and measures to encourage landowners to put fallow agricultural land back into long-term agricultural use.

Motion proposed by a member

- 17. <u>The Chairman</u> advised that he had received a motion proposed by Mr CHU Hoi-dick, and Mr LAU Kwok-fan had proposed amendments to Mr CHU's motion. <u>The Chairman</u> considered that the proposed motion and amendments to motion were directly related to the agenda item under discussion. He ordered that the voting bell be rung for five minutes.
- 18. <u>Members</u> agreed that the motion be proceeded with at the meeting. <u>The Chairman</u> put Mr LAU Kwok-fan's amendments to vote. The wording of the motion proposed by Mr CHU Hoi-dick as amended by Mr LAU Kwok-fan was as follows:

(Translation)

"To strike a genuine balance between the needs for development and for conservation, this Panel requests the Government to, in parallel with the implementation of the Land Sharing Pilot Scheme, expeditiously conduct a proper study on 'Agricultural Priority Areas' to protect quality agricultural land so that land resources can be planned and used more effectively."

19. <u>The Chairman</u> ordered a division. Ten members voted for, nine members voted against the amendments and no members abstained. The votes of individual members were as follows:

For:

Mr LUK Chung-hung (Deputy Chairman)

Mr Starry LEE

Dr Priscilla LEUNG

Mrs Regina IP

Ir Dr LO Wai-kwok

Mr Wilson OR

Mr LAU Kwok-fan

Mr Vincent CHENG

(10 members)

Ms CHAN Hoi-yan

Against:

Mr CHAN Chi-chuen Dr Fernando CHEUNG

Dr Helena WONG Mr Andrew WAN Mr LAM Cheuk-ting Dr CHENG Chung-tai (9 members) Mr Alvin YEUNG Mr CHU Hoi-dick Ms Tanya CHAN

Abstain: (0 member)

20. <u>The Chairman</u> declared that Mr LAU Kwok-fan's amendments to the motion proposed by Mr CHU Hoi-dick were carried. <u>Members</u> agreed that there was no need for the Panel to take a separate vote on the original motion as amended, which should be deemed to be carried.

(*Post-meeting note*: The wording of the motion passed was circulated to members vide LC Paper No. CB(1)363/19-20(01) by email on 22 January 2020. The Administration's response to the motion was circulated to members vide LC Paper No. CB(1)422/19-20(01) on 10 March 2020.)

[At 4:21 pm, a member of the public attended the meeting (Ms CHENG Hang-fan) kept shouting in her seat despite repeated warnings given by the Chairman. The Chairman ordered her to withdraw from the meeting. At 4:24 pm, the Chairman directed that the meeting be suspended in order that Ms CHENG could leave the conference room with the assistance of the security staff. The meeting resumed at 4:26 pm.]

[At 4:44 pm, the Chairman directed that the meeting be extended for 15 minutes to 5:00 pm.]

II Any other business

21. There being no other business, the meeting ended at 4:48 pm.

Council Business Division 1
Legislative Council Secretariat
23 September 2020

Panel on Development

Special meeting on Tuesday, 21 January 2020, at 2:45 pm

Meeting to receive views on "Land Sharing Pilot Scheme"

Summary of views and concerns expressed by deputations/individuals

No.	Name of deputation/individual	Submission/Major views and concerns
1.	Mr 梁德明	 Expressed objection to the Land Sharing Pilot Scheme ("LSPS") and concerns over the transfer of benefits to the private developers. Expressed concerns that (a) some private developers might possibly make use of LSPS to resolve land ownership issues that had hitherto been a hurdle for them to develop the agricultural land they held by counting on the Government to resume some adjoining land parcels presently owned by individual farmers for providing infrastructure and supporting Government, Institution or Community ("GIC") facilities; and (b) individual farmers would be displaced due to the implementation of LSPS projects. Given that the construction costs of the necessary infrastructure and other community facilities for LSPS projects would be offset through land premium payable, the construction costs would therefore not be subject to scrutiny of the Legislative Council. Considered that (a) derelict agricultural lands should first be used for LSPS projects; and (b) idle Government lands should be used for constructing transitional housing, so as to increase housing supply.
2.	Mr 葉子林	• LC Paper No. CB(1)315/19-20(01) (Chinese version only)
3.	Produce Green Foundation	• LC Paper No. CB(1)315/19-20(02) (Chinese version only)
4.	The Lion Rock Institute	 The requirement of handing over 70% of the increased gross floor area to the Government under LSPS would make the scheme unattractive to private developers, and thus would not help to increase the private housing supply. To increase the housing supply and alleviate the housing problem in Hong Kong, the Administration should (a) withdraw the "harsh measures" on stamp duty (i.e. the various demand-side management

No.	Name of	Submission/Major views and concerns
110.	deputation/individual	•
		measures for the property market); and (b) all applications for changing the land use should be approved provided that the private developers agreed to duly compensate or address other reasonable requests of the existing occupants on the site, and to pay the full market value of the land premium for the new land use. To ensure that public rental housing ("PRH") were provided to the most needy Hong Kong permanent
		residents, all PRH residents must have resided in Hong Kong for seven years, and comprehensive vetting of assets in the Mainland and overseas held by PRH applicants should be conducted.
5.	The Conservancy Association	• LC Paper No. CB(1)315/19-20(03) (Chinese version only)
6.	AuLaw Organic Farm	• LC Paper No. CB(1)339/19-20(01) (Chinese version only)
7.	Hong Kong Bird Watching Society	• LC Paper No. CB(1)339/19-20(02)
8.	Federation of Public Housing Estates	• LC Paper No. CB(1)339/19-20(03) (Chinese version only)
9.	Hong Kong Professionals And Senior Executives Association	• LC Paper No. CB(1)315/19-20(26) (Chinese version only)
10.	Our Hong Kong Foundation	• LC Paper No. CB(1)315/19-20(04) (Chinese version only)
11.	Designing Hong Kong	 Promoted "sustainable development of the New Territories". Commented that the existing planning and development direction for the New Territories was bad and chaotic, and that the implementation of LSPS would aggravate the problem further. Expressed concerns over the transfer of benefits to private developers, given that LSPS would enable private developers to develop the agricultural land they held for housing developments. The implementation of LSPS lacked public consultation, and there were public concerns over the transparency of the vetting of LSPS applications by the Central Team to be set up under the Development Bureau.

No.	Name of deputation/individual	Submission/Major views and concerns
12.	The Hong Kong Registered Contractors Association	• LC Paper No. CB(1)315/19-20(05) (Chinese version only)
13.	不是地產舗	 Expressed objection to LSPS and commented that the implementation of LSPS was a government-business collusion, given that LSPS would facilitate the implementation of private developers' housing development projects that were previously rejected by the Town Planning Board. Given that the construction costs of the necessary infrastructure and other community facilities for LSPS projects would be offset through land premium payable, the government was subsidizing private property developments of the developers. Expressed concerns that there would be negative impact on the planning of the provision of infrastructure and supporting GIC facilities, given that the LSPS applicants would be required to plan and provide infrastructure and supporting GIC facilities for individual LSPS projects, rather than adopting a holistic government-led planning approach. The Administration should consider resuming idle agricultural land held by private developers by invoking the Lands Resumption Ordinance (Cap. 124) ("LRO") more actively for the construction of transitional housing and community facilities, or the implementation of the special agricultural land rehabilitation schemes.
14.	Mr Sam YIP Kam-lung	 Expressed objection to LSPS and commented that agricultural land should be used for farming but not housing development. Expressed concerns that there would not be sufficient transport infrastructure to support the large population of the LSPS projects.
15.	Ms CHENG Hang-fan	• LC Paper No. CB(1)315/19-20(06)
16.	自由黨	 Expressed support for LSPS which aimed at tapping the market force in planning and construction so as to speed up short- to medium-term housing supply. The geographical limit and the requirement of handing over 70% of the increased gross floor area to the Government under LSPS would make the scheme

No.	Name of deputation/individual	Submission/Major views and concerns
		unattractive to private developers, and thus would not
		help to increase the private housing supply.
17.	民建聯	 Expressed support for the Administration's multi-pronged approach to increase land supply, including the implementation of LSPS. The Administration should also continue to invoke LRO to resume private land for the implementation of New Development Area projects. The implementation of LSPS should be transparent and efficient, in particular the premium negotiation. Suggested the introduction of an arbitration mechanism to handle the situation where the LSPS applicants and the Administration could not reach an agreement on the amount of land premium payable.
18.	Miss LEUNG Hin-yan	 LC Paper No. CB(1)315/19-20(07) (Chinese version only)
19.	Hong Kong Institute of Urban Design	• LC Paper No. CB(1)360/19-20(03)
20.	Hong Kong Institute of Surveyors	• LC Paper No. CB(1)360/19-20(01) (Chinese version only)

Council Business Division 1 <u>Legislative Council Secretariat</u> 23 September 2020