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Panel on Development

**Minutes of policy briefing
held on Monday, 25 October 2021, at 10:45 am
in Conference Room 1 of the Legislative Council Complex**

- Members present** : Ir Dr Hon LO Wai-kwok, GBS, MH, JP (Chairman)
Hon LAU Kwok-fan, MH, JP (Deputy Chairman)
Hon Abraham SHEK Lai-him, GBS, JP
Hon CHAN Hak-kan, SBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBM, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Frankie YICK Chi-ming, SBS, JP
Hon MA Fung-kwok, GBS, JP
Hon CHAN Han-pan, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP
Hon Martin LIAO Cheung-kong, GBS, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon Holden CHOW Ho-ding
Hon Wilson OR Chong-shing, MH
Hon CHEUNG Kwok-kwan, JP
Hon Vincent CHENG Wing-shun, MH, JP
Hon Tony TSE Wai-chuen, BBS, JP
- Members absent** : Hon Starry LEE Wai-king, SBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Michael TIEN Puk-sun, BBS, JP
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, JP
Permanent Secretary for Development (Planning &
Lands)

Mr Ricky LAU Chun-kit, JP
Permanent Secretary for Development (Works)

Mr Vic YAU Cheuk-hang, JP
Deputy Secretary (Planning & Lands)1
Development Bureau

Ms Jenny CHOI Mui-fun
Deputy Secretary (Planning & Lands)2
Development Bureau

Ms Sabrina LAW Chung
Deputy Secretary (Planning & Lands)3
Development Bureau

Ms Angela LEE Chung-yan, JP
Deputy Secretary (Works)1
Development Bureau

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

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

Mr John KWONG Ka-sing, JP
Head of Project Strategy and Governance Office
Development Bureau

Ms Amy CHEUNG Yi-mei, JP
Head of Energizing Kowloon East Office
Development Bureau

Ms Winnie HO Wing-yin, JP
Director of Architectural Services

Mr YU Tak-cheung, JP
Director of Buildings

Mr Albert LEE Wai-bun, JP
Director of Civil Engineering and Development (Acting)

Ms Alice PANG, JP
Director of Drainage Services

Mr PANG Yiu-hung, JP
Director of Electrical & Mechanical Services

Mr Andrew LAI Chi-wah
Director of Lands

Mr Ivan CHUNG Man-kit, JP
Director of Planning

Mr Kelvin LO Kwok-wah, JP
Director of Water Supplies

Clerk in attendance : Ms Connie HO
Chief Council Secretary (1)2

Staff in attendance : Mr Raymond CHOW
Senior Council Secretary (1)10

Ms Iris SHEK
Council Secretary (1)2

Ms Christina SHIU
Legislative Assistant (1)2

Action

- I Briefing by the Secretary for Development on the Chief Executive's 2021 Policy Address**
(LC Paper No. CB(1)1395/20-21(01) — Administration's paper on initiatives of Development Bureau in the Chief Executive's

2021 Policy Address and
Policy Address
Supplement)

Relevant papers

The Chief Executive's 2021 Policy Address

The Chief Executive's 2021 Policy Address Supplement

The Chief Executive's 2021 Policy Address: Legislative Proposals
for the Seventh Term of the Legislative Council

Brief Summary on Northern Metropolis Development Strategy

Report on Northern Metropolis Development Strategy

Factsheets on Outline of the 14th Five-Year Plan for National
Economic and Social Development of the People's Republic of
China and the Long-Range Objectives Through the Year 2035

(LC Paper No. CB(1)1442/20-21(01) — Submission dated
21 October 2021 from
Peng Chau Reclamation
Concern Group (Chinese
version only))

With the aid of a powerpoint presentation, Secretary for
Development ("SDEV") briefed the Panel on the major policy initiatives
of the Development Bureau ("DEVB") in the Chief Executive's 2021
Policy Address and Policy Address Supplement. Details of DEVB's
policy initiatives were set out in LC Paper No. CB(1)1395/20-21(01).

*(Post-meeting note: A soft copy of the powerpoint presentation
materials was circulated to members vide LC Paper No.
CB(1)1445/20-21(01) by email on 25 October 2021.)*

Increasing land and housing supply

The Northern Metropolis and Lantau Tomorrow Vision

2. The Chairman welcomed the Chief Executive's announcement of
developing the Northern Metropolis in her 2021 Policy Address and

considered the Policy Address forward-looking. He opined that the Administration should formulate a population policy to facilitate the planning for the land use in the Northern Metropolis for economic and housing developments. The Chairman also suggested that the proposed public/private housing split (i.e. 70:30) in the Northern Metropolis should be suitably adjusted to provide the required private accommodations for local, Mainland and overseas talents engaging in the innovation and technology ("I&T") development in the Northern Metropolis.

3. SDEV advised that in view of the more pressing need for public housing compared with that for private housing, the Administration had no plan to adjust the public/private housing split of 70:30 at this stage. He said that talent apartments could be considered for Pak Shek Kok and the Northern Metropolis to meet the housing need of I&T talents working there.

4. To expedite the development of the Northern Metropolis, the Deputy Chairman suggested that the study on New Territories North ("NTN") currently underway, which covered San Tin/Lok Ma Chau Development Node and the NTN New Town/Man Kam To ("MKT"), should also look into the recommendations of developing the San Tin Technopole and Lo Wu/MKT Comprehensive Development Node set out in the Northern Metropolis Development Strategy ("the Development Strategy").

5. SDEV confirmed that the scope of the study on NTN currently underway would be adjusted to cover nearby areas recommended in the Development Strategy as far as possible. However, there was a need to commence new studies to explore certain recommendations in the Development Strategy (such as expanding Kwu Tung North New Development Area ("NDA") to Ma Tso Lung area) as the relevant studies (i.e. the study on Kwu Tung North/Fanling North NDAs) had already been completed.

6. The Deputy Chairman suggested that the ex-gratia compensation rate for Zone A (i.e. New Town Development Areas) should be applicable to the land affected by the development of the Northern Metropolis across the board. Alternatively, the affected land owners might opt for receiving compensation by way of land bonds payable by the Government.

7. SDEV said that Zone A compensation rate was applicable to land affected by the NDA projects but this rate would not be applicable to all resumptions of land in the Northern Metropolis across the board as the

Development Strategy as promulgated was a spatial concept rather than a designated NDA or a region with administrative boundary. Besides, the Administration would keep an open mind to the idea of issuing bonds, though not the same concept as land bonds suggested by the Deputy Chairman, to finance large-scale development projects such as the Northern Metropolis and the Kau Yi Chau Artificial Islands ("KYC Artificial Islands").

8. The Deputy Chairman enquired whether the Administration would consider relocating the offices of some suitable government bureaux and departments (e.g. DEVB and its group of departments) to the Northern Metropolis to promote its development. He was also concerned whether DEVB would require additional manpower to cope with the increasing workload arising from the development of the Northern Metropolis. He considered that prior to the setting up of a dedicated office by the Administration to oversee and coordinate the implementation of the Development Strategy, DEVB should consolidate its group of departments to enhance internal work efficiency to expedite the relevant implementation work.

9. SDEV replied that the Government Property Agency would coordinate the relocation of offices of bureaux/departments to the Northern Metropolis and the detailed relocation arrangements would be unveiled in due course. He also advised that the Administration had been leveraging on technology to implement various development projects concurrently to save manpower. As announced in the 2021 Policy Address, the Administration would strengthen the mechanism to effectively implement the Development Strategy and the details of which would be announced once the mechanism was worked out. At present, relevant bureaux had been tasked to oversee different aspects set out in the Strategy.

10. Noting that private wetlands and fish ponds with conservation value around the Ramsar Site would be resumed for development of wetland conservation parks under the Development Strategy, Mr LEUNG Che-cheung expressed concern about the impact of land resumption on the affected local residents as well as the rehousing and compensation arrangements for these affectees. SDEV advised that the Environment Bureau ("ENB") took the lead in studying matters relating to conservation of wetlands and fish ponds in the Northern Metropolis. He undertook to relay Mr LEUNG's concerns to ENB for consideration.

11. Mr Holden CHOW noted that the total number of jobs in the Northern Metropolis was expected to be increased to about 650 000 (including 150 000 I&T-related jobs). While the Northern Metropolis did not cover Tuen Mun District, Mr CHOW urged the Administration to consider extending the development of I&T facilities to Tuen Mun to support same-district employment for local residents. For instance, following the completion of the first Advanced Manufacturing Centre in Tseung Kwan O in around 2022-2023, the Administration might consider developing the second one in Tuen Mun. In view of the low utilization rate of the River Trade Terminal ("RTT") in Tuen Mun, Mr CHOW also suggested that the RTT site be redeveloped for I&T or commercial use to create more employment opportunities in Tuen Mun.

12. SDEV responded that with the proposed reclamation in Lung Kwu Tan (involving about 220 hectares), development of Tuen Mun East Area (involving 70 hectares) and re-planning of Tuen Mun West Area (including RTT which involved about 220 hectares), a considerable supply of land would be available in Tuen Mun in the medium- to long-term for housing and employment uses. As regards the Northern Metropolis, one of the proposals was to reserve land of about 5 hectares in Lau Fau Shan and Hung Shui Kiu for the development of I&T facilities.

13. In view of the massive scale of the Northern Metropolis development project, Mrs Regina IP queried whether the Administration could take forward this project and the Lantau Tomorrow Vision proposal concurrently. She expressed concern that the concurrent development of these two proposed projects would result in a surge in construction materials and labour prices, as well as in the number of construction faults.

14. SDEV explained that the reclamation projects underway (including the three-runway system at the Hong Kong International Airport and Tung Chung East reclamation) would create some 800 hectares of reclaimed land, and the experience of these projects demonstrated that reclamation could be completed with good control on cost and quality. In terms of financial resources, the Administration was able to spend over \$2,000 billion on capital works in the next 20 years. The Administration would also strengthen the training of construction manpower and enhance the use of innovative technology (e.g. Modular Integrated Construction) in the construction industry to enable the industry to cope with the increasing volume of works.

15. In response to Mrs Regina IP's enquiry on whether the Administration would consider importation of foreign labour, SDEV

advised that it was the Government's policy to safeguard the employment opportunities for local workers and measures had been introduced to enhance their productivity. In fact, the demand for imported workers in the construction industry was weak as only a small number of foreign workers were imported under the Supplementary Labour Scheme in the past.

Near-shore reclamation projects and further review of "Green Belt" zone

16. Mr LEUNG Che-cheung expressed concern about the scale of the proposed Ma Liu Shui Reclamation and the views of residents nearby on this reclamation proposal. Mr LEUNG queried whether near-shore reclamation was the best way to increase land supply and why the Administration did not pursue the development of periphery of country parks.

17. SDEV said that when Members of the Legislative Council ("LegCo") were consulted on the proposed Ma Liu Shui Reclamation a few years ago, they expressed concern over the problem of traffic congestion if the reclaimed site was used for housing development. Some LegCo Members indicated support for the reclamation proposal only if the Administration agreed to increase the public housing ratio. After consideration, the Administration had decided to revive the proposed Ma Liu Shui Reclamation (providing about 60 hectares of land) which, together with the land to be released from relocation of the Sha Tin Sewage Treatment Works to caverns (releasing about 28 hectares of land), would mainly be used for I&T development, possibly with provision of some talent apartments. In the circumstances, the commuting routes to the I&T developments to be developed there in the future would be different from the mainstream commuting routes, therefore addressing some of the earlier concerns over traffic impact. The Administration planned to commence the related study in 2022.

18. SDEV further advised that the Administration would not pursue the development of periphery of country parks at this stage. Instead, it would conduct a further review on the potential of using the sites zoned as "Green Belt" for high density development given their lower ecological value as compared with country parks. The tentative scope of the review covered about 300 hectares of land zoned "Green Belt" which accounted for about 2% of "Green Belt" sites in Hong Kong.

Proposed relocation of Kwai Tsing Container Terminals

19. Mr Wilson OR opined that the Administration should consider measures to relieve the pressing demand for housing land. As the Kwai Tsing Container Terminals ("KTCTs") occupied an area of about 400 hectares at a prime location but its container handling volume was declining, Mr OR considered that KTCTs should be relocated elsewhere to release the site for other developments. Mr CHAN Han-pan also urged the Administration to relocate KTCTs to other suitable locations (e.g. the RTT site) to upgrade the terminal facilities and release the land currently occupied by the terminals for other developments.

20. SDEV replied that matters relating to KTCTs were under the purview of the Transport and Housing Bureau ("THB"). As the container handling volume of KTCTs remained high during peak season, the Secretary for Transport and Housing had stated that it was necessary to retain KTCTs and the Administration had no plan to relocate the terminals at this stage. Moreover, the RTT site was not a suitable location for relocation of KTCTs given the insufficient water depth around Lung Kwu Tan and its closeness to major fairways. That said, the studies related to artificial islands in the Central Waters would collect information on waters within and in the vicinity of the possible artificial islands near Hei Ling Chau and Cheung Chau South for future reference in long-term planning, including the feasibility of developing container terminals there.

Relocation of brownfield operations and public facilities

21. Pointing out that the brownfield operations affected by the Hung Shui Kiu/Ha Tsuen NDA project were unable to be relocated to the proposed multi-storey buildings ("MSBs") prior to land resumption by the Government, Mr Frankie YICK urged the Administration to adopt a policy of "rehousing before land resumption" in the future NDA projects to ensure a seamless relocation of the brownfield operations affected by these projects. Moreover, more land should be provided for logistics use.

22. SDEV said that the Administration would provide monetary compensation to the brownfield operations affected by the Hung Shui Kiu/Ha Tsuen NDA project. Reprovisioning would not be part of the package, though the Administration would facilitate relocation to the extent possible. Apart from pursuing MSBs, the Administration would also consider providing land in the MKT Logistics Corridor and Lung Kwu Tan for logistics use.

23. Regarding the proposed relocation of fresh food boundary-crossing and inspection facilities at the MKT Boundary Control Point ("BCP") and the Sheung Shui Slaughterhouse to the land adjacent to the Heung Yuen Wai ("HYW") BCP, Mr Frankie YICK enquired about the feasibility of the relocation proposal in view of the long waiting time required by goods vehicles for cross-boundary checks at HYW BCP due to inadequate support facilities. He also expressed concern on the late provision of support facilities (e.g. customs, immigration and quarantine facilities) at BCPs in general upon their commissioning. SDEV undertook to relay Mr YICK's views on the relocation proposal, which was under the purview of the Food and Health Bureau ("FHB"), to FHB for consideration.

Land use planning

24. Mr MA Fung-kwok considered that the Administration should make use of the new land to be provided to catch up on the shortfall in the provision of sports facilities at present, and to further enhance the provision of cultural and sports venues/facilities to keep up with the development of the community. Specifically, he enquired if the Administration would ride on the development of the Northern Metropolis and consider the provision of land there for the development of various sports activities (e.g. motor racing) to promote tourism.

25. SDEV responded that the Administration had identified about 4 100 hectares of land to meet the land demand for various facilities. The Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030 ("the HK2030+ Study") encapsulated the territorial spatial development strategy of Hong Kong, including land for housing, economic and open space uses, whereas the use of a specific site was beyond the scope of the HK2030+ Study. According to existing mechanism, at the request of the relevant government departments, the Planning Department would conduct a site search to identify suitable locations for the development of a facility. The development project could then be launched after completion of the town planning and other development approval process.

Other initiatives to increase land and housing supply

26. Noting that the production of about 330 000 public housing units in the coming 10 years would be back-loaded with only one-third of them to be delivered in the first five years, the Chairman opined that the Administration had not put sufficient emphasis on short-term measures

to address the housing problem. He urged the Administration to take more aggressive measures to identify more land and expedite housing development (such as the various developments in the New Territories) so as to meet the demand for public housing. Mr Tony TSE also urged the Administration to boost public housing production while maintaining the construction quality.

27. The Chairman enquired whether the Administration could increase the average living space per person to 200 square feet in the short term in order to improve the living environment of Hong Kong. Ms Alice MAK expressed concern on how the Administration could implement the transport infrastructure-led approach in the Development Strategy and the Lantau Tomorrow Vision proposal.

28. SDEV said that DEVB had been working hand in hand with THB to boost and speed up the provision of land and public housing. As a result, the estimated number of public housing units to be constructed in the coming 10 years had been increasing significantly from about 230 000 (when the current-term Government took office in 2017) to some 330 000. For the about 350 hectares of land identified for public housing development, DEVB had delivered some 80 hectares of land for construction of public housing and the remaining 270 hectares of land would be delivered from 2022-2023 to 2026-2027, so that about one-third of the 330 000 public housing units would be completed in the first five-year period for the coming 10 years and the other two-thirds in the second five-year period.

29. SDEV further advised that as the public housing units to be completed in the first five-year period for the coming 10 years were under construction/would be constructed soon, the Administration was unable to enhance the home space of these units. However, there was room for enhancing the home space of public housing units to be completed in the longer term. For instance, planning parameters with enhanced home space could be duly considered for public housing units to be constructed on the KYC Artificial Islands. As for private housing units, the Administration would consider the feasibility of stipulating minimum flat area in the land sale conditions or lease conditions.

30. Mr Wilson OR enquired whether the Administration had forecasted a higher demand for housing land under the latest projection of the HK2030+ Study. He was concerned that the objective of three-year waiting time for public rental housing allocation could only be achieved 15 to 20 years later in case of a higher demand for housing land.

31. SDEV confirmed that according to the latest projection of the HK2030+ Study and taking into account the various needs, the shortfall of housing land would increase to about 680 hectares from 2019 to 2048, which was higher than the shortfall of some 230 hectares projected a few years ago. However, DEVB had identified the land required under the Long Term Housing Strategy in the coming 10 years for public housing development and would make best endeavours to enable completion of the housing units within the target period.

Streamlining development approval process

32. The Deputy Chairman considered the time required (about 20 years) for the development of the Northern Metropolis too long. He urged the Administration to streamline the development approval process and make relevant legislative amendments to expedite the development of the Northern Metropolis, and sought details about the development approval process being reviewed by the Government. Ms Alice MAK enquired about the progress of the review. She also called on the Administration to speed up the development of the Northern Metropolis and the KYC Artificial Islands to boost land and housing supply.

33. Dr Junius HO welcomed the Administration's initiative to introduce relevant legislative amendments to streamline the development approval process. Among others, Dr HO considered that the New Territories Ordinance (Cap. 97) ("NTO"), the Lands Resumption Ordinance (Cap. 124), the Town Planning Ordinance (Cap. 131) and the Environmental Impact Assessment Ordinance (Cap. 499) should be the main focus of the review. Dr HO said that he would provide a written submission to the Administration to elaborate his suggested amendments to these four ordinances.

34. SDEV advised that the land in the Northern Metropolis would be developed progressively during the 20-year period. Taking I&T development in the Northern Metropolis as an example, 87 hectares of "primitive land" in the Lok Ma Chau Loop would be transformed into the "spade-ready site" for the development of the Hong Kong-Shenzhen Innovation and Technology Park between 2021 and 2025. Another 80 hectares of land would also be available for the development of the San Tin Technopole between 2027 and 2030. The Administration had endeavoured to expedite the development process.

35. As regards the review of the development approval process, SDEV and Permanent Secretary for Development (Planning & Lands) ("PS/DEV(P&L)") said that the major directions of the review included shortening statutory procedures, doing away with repetitive procedures (e.g. minimizing the need for handling similar objections raised against the same project under different ordinances), taking forward different procedures in parallel (e.g. allowing reclamation to take place while formulating land uses) and rationalizing obsolete or controversial arrangements. Moreover, the Home Affairs Bureau ("HAB") and the Heung Yee Kuk New Territories had set up a working group to study matters relating to NTO. The Administration would study Dr Junius HO's legislative amendment proposals in detail and refer his views on NTO to HAB for consideration upon receipt of his written submission. On streamlining development process, the Administration planned to consult the stakeholders and LegCo Members on specific recommendations of legislative amendments in the first half of 2022.

Reviewing the Protection of the Harbour Ordinance (Cap. 531)

36. Ms Alice MAK noted that the Administration would examine the scope for improving the Protection of the Harbour Ordinance (Cap. 531) ("PHO") and enquired about the progress of the said examination. Mr Frankie YICK called on the Administration to streamline the development approval process, and considered that the PHO should be suitably reviewed.

37. SDEV replied that two recent projects in the pipeline involving reclamation in the Victoria Harbour, namely the Boardwalk underneath the Island Eastern Corridor and the proposed pedestrian cum cyclist bridge with travellers across the Kwun Tong Typhoon Shelter, would be carried out. The Administration was confident that these two projects could comply with the requirements of PHO. SDEV further said that DEVB would consider how to conduct the discussion on the review of PHO next year, and stressed that the purpose of any amendment to PHO was not for reclamation to provide land for sale or housing development but for enhancing the overall connectivity of the harbourfront and increasing the provision of public space.

Expediting urban renewal

38. Mr Vincent CHENG said that he was a non-executive director of the Board of the Urban Renewal Authority ("URA"). He welcomed the commencement of district planning studies on the old districts of

Tsuen Wan and Sham Shui Po by URA and urged URA to expedite the said studies. Mr CHENG also called on the Administration to speed up the policy review on lowering the compulsory sale thresholds to accelerate redevelopment of old and dilapidated buildings, which was planned to be conducted in the next 12 to 18 months. Mr CHENG requested URA to better coordinate with the Administration in addressing the rehousing needs of the grassroots affected by redevelopment.

39. Mr CHAN Han-pan welcomed the commencement of district planning study on the old district of Tsuen Wan by URA and the approach of renewing the old districts at a district-wide level. He enquired about the timetable of the said district planning study, and whether the Administration would consider increasing the development intensity and allowing transfer of plot ratios of sites in old districts in the New Territories to facilitate redevelopment. Mr Tony TSE also urged the Administration to address the ageing problem of buildings.

40. SDEV said that the Administration would take forward the urban renewal projects of different districts in a progressive manner. Subject to the approval of the URA Board, the district planning studies on the old districts of Tsuen Wan and Sham Shui Po would be commenced in due course for completion in around two years. While the development intensity of individual public housing sites meeting the relevant conditions could increase by 30%, the district planning studies would explore the scope for increasing development intensity at a district-wide level.

41. SDEV further advised that the Administration would actively consider the suggestion of speeding up the policy review on lowering the compulsory sale thresholds. As regards the rehousing arrangements, apart from the work carried out by THB to address the issue, the Hong Kong Housing Society ("HKHS") would develop a dedicated rehousing estate in the Kai Tak Development to rehouse those affected by the URA's redevelopment projects.

Providing tailor-made housing for the elderly

42. In view of the ageing population and referring to the tailor-made public housing units provided by HKHS for the elderly, Mr Tony TSE requested the Administration to encourage the incorporation of designs which promoted "ageing in place" and "inter-generational harmony" in private housing.

43. SDEV and PS/DEV(P&L) replied that the Hong Kong Housing Authority had collaborated with HKHS to incorporate the universal design concept into public housing. For private housing, the Buildings Department ("BD") had discussed with the industry on the introduction of sustainable building design to address the issue of ageing population. The Land and Development Advisory Committee under DEVB would be consulted once BD worked out a preliminary proposal.

[At 12:03 pm, the Chairman ordered an extension of the meeting until the last member who had requested to speak had spoken.]

II Any other business

44. The Chairman said that this policy briefing was the last meeting of the Panel in this LegCo term. He thanked members and the Administration for their participation in the work of the Panel.

45. There being no other business, the meeting ended at 12:19 pm.

Council Business Division 1
Legislative Council Secretariat
22 December 2021