For discussion on 22 March 2022

Legislative Council Panel on Development

Legislative Proposals to Streamline Development-related Statutory Processes

PURPOSE

This paper outlines Government's latest thinking in relation to a range of legislative proposals to streamline development-related statutory processes. This forms part of our efforts to expedite the supply of developable land, with a view to addressing the persistent demand for housing and other uses beneficial to the development of our society.

BACKGROUND

2. Over the years, an elaborate set of laws has been put in place to govern different processes in delivering developable land for the territory, and in putting them into suitable uses according to the planning intention. The major statutory processes pertinent to key land supply milestones include preparation and approval of outline zoning plans, authorisation of works schemes and reclamation projects, land resumption, etc. These statutory requirements seek to uphold the integrity, transparency and professionalism of the relevant regimes, and enable the diverse views of affected parties or interested members of the public to be duly considered in the development processes.

3. While the purposes of the statutory processes are well acknowledged, practical experiences have revealed that the running of these processes could take up a considerable amount of time. Taking housing development as an example, it typically takes at least six years to transform a piece of land originally not for residential use into a "spade-ready", formed site for commencement of building works through the required statutory and administrative processes, often longer in the cases of larger-scale or more complex developments. Moreover, some of the processes under the same Ordinance or other Ordinances are concurrently handling matters of a similar nature through separate procedures, resulting in repetition. A prolonged chain

of step-by-step procedures required before obtaining essential development approvals may not be able to meet today's ever-rising expectations of the community to address the urgent need of speedy supply of developable land.

4. Government sees scope to streamline and modernise the more critical processes in our planning and development regimes. We are taking this opportunity to simplify complex processes, and provide greater certainty for project proponents to avoid delays. The ultimate aim is to make the supply of land available for development in a more expeditious manner, now and in future, where it is needed.

LEGISLATIVE PROPOSALS

5. To this end, Development Bureau is working with relevant bureaux and departments to identify room for improvements mainly in the following pieces of legislation –

- (a) Town Planning Ordinance (Cap. 131);
- (b) Lands Resumption Ordinance (Cap. 124);
- (c) Foreshore and Sea-bed (Reclamations) Ordinance (Cap. 127);
- (d) Roads (Works, Use and Compensation) Ordinance (Cap. 370);
- (e) Railways Ordinance (Cap. 519); and
- (f) Environmental Impact Assessment Ordinance (Cap. 499).

6. Environment Bureau will brief the Environmental Affairs ("EA") Panel on its review of processes governed by the Environmental Impact Assessment Ordinance at the EA Panel meeting scheduled for March 2022. The relevant proposals are set out in LC Paper No. CB(1)94/2022(02). 7. This paper focuses on the legislation mentioned at paragraphs 5(a) to (e) above, with the key measures set out at <u>Annex A</u>. The measures are grouped under five different directions, namely –

- (a) streamlining and shortening certain statutory time limits;
- (b) avoiding repetitively executing procedures of a similar nature;
- (c) providing an express mandate for government departments to proceed with different procedures in parallel;
- (d) rationalising obsolete or ambiguous arrangements; and
- (e) streamlining miscellaneous processes for more effective usage of public resources.

8. In addition, we plan to leverage this occasion to cover some enforcement-related provisions of the Town Planning Ordinance, with a view to enabling the Planning Authority to protect more effectively certain rural areas with high ecological value but subject to development pressure and environmental degradation. The broad idea of our proposal is at <u>Annex B</u>.

ADVICE SOUGHT

9. When it comes to housing and land supply, we need to take bold steps to make faster decisions, and strike a better balance among different objectives currently shaping our development processes. As we are now examining carefully the various implications and impacts of the proposals set out at the Annexes, we welcome views from Members, stakeholders and professional bodies in the development sectors, as well as the public.

10. Government's target is to introduce amendment bill(s) to Legislative Council within this year to take forward the relevant proposals once finalised.

Development Bureau March 2022

Annex A

Outline of Items to Streamline Development-related Statutory Processes

Ordinance(s) involved	Current Arrangement and Constraint in Implementation	Proposal being Considered
(1) Streamlining	and shortening certain statutory time limits	
• Town Planning Ordinance (Cap. 131)	 One major function of the Town Planning Board ("TPB") is to prepare statutory plans for different parts of Hong Kong. The current plan-making process includes a number of steps under which TPB may invite anyone to submit representations, comments on representations, and further representations at different junctures. The completion of the whole process may take as long as 17 months. Currently, a person may make a representation on a draft plan, and then has a separate chance to comment on any representations further representations will be invited with the possibility of another round of hearings. TPB, assisted by the Secretariat, is spending a considerable amount of time in handling representations or comments received, and listening to views expressed at public hearings, before a decision is reached in respect of a draft plan. Views expressed at public hearings by those who have made representations and comments are often a repetition of views already submitted. 	 have a reasonable opportunity to be heard (if they so wish) before TPB makes a decision, we are exploring options to integrate more meaningfully the protracted steps of TPB receiving representations, comments, and further representations, and verbal articulation of views at its meeting. Specifically, we propose combining the different rounds of receiving representations and comments into one, i.e. inviting one round of representations in the plan-making process. The Board will also allow submission of representations in the form of pre-recorded videos. [Proposal 1(a)] We are also considering if the public hearing arrangement may be arranged in a more effective

Ordinance(s) involved	Current Arrangement and Constraint in Implementation	Proposal being Considered
	• We need to see how to minimise repetitions and enable the TPB process to be conducted in a more expeditious and focused manner.	answer questions only if board members wish to make inquiries into individual representations received. This will give the hearings a sharper focus. [Proposal 1(b)]
 Foreshore and Sea-bed (Reclamations) Ordinance (Cap. 127) Roads (Works, Use and Compensation) Ordinance (Cap. 370) Railways Ordinance (Cap. 519) 	 Currently, major road/railway schemes and all reclamation works have to be gazetted and authorised in accordance with the respective Ordinances before implementation. Any person affected could lodge an objection within 60 days/two months after the notice covering the road scheme, railway scheme or reclamation had been gazetted. The Ordinances impose a statutory time limit of nine months for dealing with objections lodged, unless the Chief Executive grants an extension of up to six months. We need to refine the prevailing mechanism to better respond to the present day circumstances, without deviating from the objective of allowing a reasonable period of time for both Government and objectors to resolve objections. 	 With reference to the proposals to shorten the planmaking process under the Town Planning Ordinance, our target is to similarly reduce the timeframe on the objection handling process under the Foreshore and Sea-bed (Reclamations) Ordinance, Roads (Works, Use and Compensation) Ordinance and Railways Ordinance from 17 months now to around 9 months in future. [Proposal 1(c)]
	• At present, the objection handling procedures are not explicitly set out under the Ordinances. Considerable time and effort are spent in handling objections, often in a repetitive or piecemeal manner.	 We propose specifying the objection handling process in the law for certainty. For example, we may set out in the law the maximum rounds of replies which Government would give for each valid objection, and that the objector may offer further comments within a specified period, say 14 days. The objection, together with any further comments, would be put forward to the Chief Executive in Council for decision. [Proposal 1(d)]

Ordinance(s) involved	Current Arrangement and Constraint in Implementation		Proposal being Considered
 Foreshore and Sea-bed (Reclamations) Ordinance (Cap. 127) Roads (Works, Use and Compensation) Ordinance (Cap. 370) Railways Ordinance (Cap. 519) (2) Avoiding rep 	 According to the Roads (Works, Use and Compensation) Ordinance and the Railways Ordinance, Secretary for Transport and Housing may execute any works which are minor in respect of any physical or structural operations involved, and fall within the definitions of "minor works", without the need to go through the gazettal procedures required for major works. Unlike the Roads (Works, Use and Compensation) Ordinance and the Railways Ordinance, there is no mechanism for "minor works" under the Foreshore and Sea-bed (Reclamations) Ordinance. All projects, regardless of its nature, are subject to the gazettal procedures. 	•	We propose expanding the scope of "minor works" in the Roads (Works, Use and Compensation) Ordinance and the Railways Ordinance, such that more projects (such as widening and re-alignment of existing carriageway) could fall within the definition of "minor works", and be handled in a more expeditious manner. [Proposal 1(e)] We propose introducing the mechanism of "minor works" under the Foreshore and Sea-bed (Reclamations) Ordinance, so that small-scale projects, such as construction of landing steps and floating pontoons, may be exempted from statutory gazettal. [Proposal 1(f)]
 Foreshore and Sea-bed (Reclamations) Ordinance (Cap. 127) Roads (Works, Use and Compensation) Ordinance (Cap. 370) 	 As a development project usually goes through various statutory procedures (i.e. planning, road works gazettal and land resumption) in a sequential manner, departments often have to process objections of a similar nature or even identical ones lodged and handled in the preceding stage. 	•	We are considering the possibility of specifying in the Ordinances that identical objections that have been raised and dealt with in other statutory regimes may be taken as having been processed already. [Proposal 2(a)]

Ordinance(s) involved	Current Arrangement and Constraint in Implementation	Proposal being Considered
• Town Planning Ordinance (Cap. 131)	 Currently, any person may submit an application for an amendment to a plan (usually known as a "rezoning application") under section 12A for TPB's consideration. TPB shall publish the application for public inspection. Any person may make comment to TPB in respect of the application. If the rezoning application is agreed by TPB, TPB will arrange amendments to the statutory plan in question at an opportune time. By then, the amendments will be exhibited for another round of public consultation. 	 We propose dispensing with the need for inviting public comments when TPB gives initial consideration to a rezoning application. This can save 1 month of the processing time. This streamlining arrangement is premised on the understanding that any person may submit a representation to TPB during the stage when the amendment of an agreed rezoning application is subsequently incorporated in a statutory plan. [Proposal 2(b)]
(3) Providing an	express mandate for government departments to proce	ed with different procedures in parallel
• Foreshore and Sea-bed (Reclamations) Ordinance (Cap. 127)	• There is currently no statutory requirement that a statutory land use plan in respect of a reclaimed land must have been made under the Town Planning Ordinance before the statutory procedures for proposing reclamation under the Foreshore and Seabed (Reclamations) Ordinance are set in motion. However, Government is following an administrative practice that the gazettal of a reclamation scheme must not precede the gazettal of a statutory plan under the Town Planning Ordinance. Such an arrangement will unnecessarily delay the commencement of reclamation, where the need for the reclaimed land is not dependent on the detailed land use.	 Reclamation is one of the major sources of land supply for key development projects in the pipeline. We are exploring the case for expressly providing a statutory mandate for Government to propose reclamation under the Foreshore and Seabed (Reclamations) Ordinance, without having to wait for the completion of preparing and approving a statutory plan in respect of the proposed reclaimed land. Allowing the two processes to proceed in parallel may accelerate the commencement of reclamation projects by at least 9 months (assuming the streamlined town planning process as suggested under Proposals 1(a) and 1(b) above would take 9 months) in their individual programmes. [Proposal 3(a)]

Ordinance(s) involved	Current Arrangement and Constraint in Implementation		Proposal being Considered
• Lands Resumption Ordinance (Cap. 124)	• At present, consultation with relevant parties and seeking authorisation from the Chief Executive in Council for land resumption take place in a sequential manner some time after completion of the statutory planning procedures. Despite the rationale to first confirm the planning intention for formulating the "public purpose" for land resumption, this sequential manner of work takes time. Moreover, by the time when the consultation for land resumption commences, the process may trigger views on town planning and land use (which have been handled and resolved during the statutory town planning stage) again, rendering the objection-handling process counter-productive and inefficient.	•	We propose advancing the objection handling procedures leading to the authorisation of land resumption, so that the procedures can kick-start in parallel with, or nearer the time of, the statutory planning process for the concerned public purpose. [Proposal 3(b)]
	 The Lands Resumption Ordinance does not specify the timing at which Government can commence resumption and clearance for a project and make payment for compensation to the affected persons. As an administrative practice, Government usually proceeds with land resumption, clearance and compensation only upon obtaining funding approval for the associated capital works¹. However, the statutory approval to pursue a particular use is usually secured under the applicable statutory regimes for town planning or works at a much earlier time. The lead time between then and the juncture of 	•	We are exploring the case for stating expressly in the Lands Resumption Ordinance a clear mandate that Government may commence land resumption and payment of compensation without the need to wait for approval of funding for the relevant works projects. [Proposal 3(c)] Proposals 3(b) and (c) taken together may advance the completion of resumption and clearance process by around 18 months.

¹ Unless agreed by the relevant Panel of Legislative Council to advance on a case-by-case basis, e.g. construction of two primary schools at public housing development at Queen's Hill.

Ordinance(s) involved	Current Arrangement and Constraint in Implementation	Proposal being Considered
• Lands Resumption Ordinance (Cap. 124)	approaching Legislative Council for funding approval of the capital works is largely attributable to technical studies to finalise the details and the funding estimates, which could span for years in complex projects.	
	• This lead time could be used more gainfully for carrying out resumption, clearance and compensation in parallel. This would also respond to the aspiration of some affected persons to receive compensation earlier to plan ahead, and allow Government to reach out to all others to appeal to their early departure so that the site could be cleared earlier for works to begin as soon as funding is obtained.	
(4) Rationalising	g obsolete or ambiguous arrangements	
• Town Planning Ordinance (Cap. 131)	 Submission and approval of draft plans are key steps in the plan-making process. TPB must submit a draft plan together with amendments to the Chief Executive in Council for approval within a specified period of time. A draft plan usually covers a number of sites as 	 We are exploring the idea of including provisions in the law enabling the approval of a draft plan <i>in part</i>. This may enable developments in the sites ready for approval to proceed without having to wait for issues concerning other amendments in the same plan to be satisfactorily resolved. [Proposal 4(a)]
	• A draft plan usually covers a number of sites as amendment items. In many instances, amendments are proposed to the zoning or other development parameters in respect of different sites on the same plan. It is also possible that these amendments are published on separate occasions, and in different times. The current provisions of the Ordinance	

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• Town Planning Ordinance (Cap. 131)	operates in the manner that approval of the Chief Executive in Council can only be granted to a draft plan in whole which covers all amendments in respect of different sites. There have been instances where submission and approval of a draft plan were held up by individual amendment item (notably an amendment item being the subject matter at a judicial review case) such that the approval of remaining amendment items on the same plan were delayed altogether.	
	• The current arrangement allows any person to submit a rezoning application (section 12A). Such an application may trigger substantial changes to the planning context of the land under application. It may carry significant implications over the development potentials and restriction of the application site and the interest of landowner(s). In some instances, approval of a rezoning application may result in taking away the development right of a land owner (for example, in rezoning a house lot to "Government, Institution or Community" use).	 We propose restricting the scope of parties which may be allowed to make a section 12A rezoning application to a current landowner of the application site (or any person with the consent of the current landowner), or a relevant public officer or public body. [Proposal 4(b)]
	• If an applicant does not own the site under application or does not have any right to control or develop the site, it seems implausible that the applicant has the ability to implement the rezoning (even if approved). Without any realistic prospect of implementation, it calls into question whether it is worth the substantial time and resources which TPB and government departments have to deploy in processing such applications.	

Ordinance(s) involved	Current Arrangement and Constraint in Implementation	Proposal being Considered
	• As mentioned in proposal 1(a) above, any person may submit representations or comments at different junctures of the plan-making process. Often, the concerns about compensation were brought up and should have been dealt with separately after the plan- making process.	 We wish to make it clear that the plan-making process is mainly concerned about land use planning and development parameters. Accordingly, we hope to put beyond doubt that representations relevant to compensation may not be regarded as valid representations, as far as the TPB's consideration is concerned. [Proposal 4(c)]
 Lands Resumption Ordinance (Cap. 124) Foreshore and Sea-bed (Reclamations) Ordinance (Cap. 127) Roads (Works, 	• While the objective of inviting objections to a scheme under the Foreshore and Sea-bed (Reclamations) Ordinance, the Roads (Works, Use and Compensation) Ordinance or the Railways Ordinance, or a land resumption proposal under the Lands Resumption Ordinance is to give the persons who may be affected an opportunity to make representations before a decision is made, the reality is that objections are often received from those who do not have any legal interest or standing in the matter. Considerable time and efforts are spent on handling objections.	• We are exploring whether we can specify in the law that objections would be invalid if they could not describe the legal interest of the objector and the manner in which the objector alleges he would be affected. For instance, for a land resumption proposal, those objecting should be confined to owners and/or occupants of the land to be resumed. Also, we may make it clear in the law that objections on ground of dissatisfaction with compensation should not be treated as valid objections for the purposes of seeking authorisation for the scheme or the land resumption proposal.
Use and Compensation) Ordinance (Cap. 370) • Railways Ordinance (Cap. 519)	• Often, objections are received on compensation matters. The relevant Ordinances stipulate that compensation is a consequential follow-up after the scheme or the land resumption proposal is authorised, and the compensation offer is to be made and negotiated with the affected persons individually. By experience, it is counter-productive to handle objections on compensation matters at a time when the question of whether to proceed with the scheme or the land resumption proposal is still under deliberation, and Government is not yet in a position to offer and	This is in line with the current spirit of the relevant ordinances, in which it is stated that compensation matters are something to be dealt with <i>after</i> the authorisation is sought. The understanding is that such matters should be dealt with in accordance with the promulgated policy on compensation and rehousing. [Proposal 4(d)]

Ordinance(s) involved	Current Arrangement and Constraint in Implementation	Proposal being Considered
	discuss compensation matters with the affectees. It is inappropriate to digress to compensation matters as the statutory processes were designed to deal with the decision to resume rather than compensation, which are governed by a separate appeal regime (with the Lands Tribunal acting as the ultimate authority).	
• Lands Resumption Ordinance (Cap. 124)	• Currently, the Lands Resumption Ordinance does not specify the processes and time limits for consultation, objection handling and obtaining authorisation for land resumption. Government follows an established administrative practice to consult the relevant parties, handle their objections and present any unresolved objections to the Chief Executive in Council when seeking authorisation for land resumption ² . The lack of statutory milestones causes uncertainty to affectees on the steps and pace of the way forward, and does not guarantee the completion of the procedures by a definitive time frame.	 We are considering institutionalising requirements under the Lands Resumption Ordinance for publication of the land resumption proposal, receipt and handling of objections, and seeking authorisation by prescribed timeframes, unless such publication and objection-handling have been completed under other Ordinances. [Proposal 4(e)]
	• There are instances where the resumed land has to be used for a different purpose from which it was resumed (due to, for instance, changes in policy or circumstances, or discrepancy between the eventual land requirement and the resumed land due to updating of requirements after land resumption has been completed), or at times to use a resumed site for gainful purpose in the interim period pending the implementation of the original purpose of resumption.	 We are exploring whether Government could be empowered to use the resumed/acquired land for a public purpose different from the original purpose of resumption subject to suitable safeguards. [Proposal 4(f)]

² To ensure the effectiveness of the consultation arrangements, currently project bureaux/departments/agencies would consider the appropriate means to publicise the project and the relevant parties to consult for a particular resumption case (guided by the principle of consulting the parties most affected by the land resumption), and make specific arrangements for the project accordingly.

Ordinance(s) involved	Current Arrangement and Constraint in Implementation	Proposal being Considered
(5) Streamlining	miscellaneous processes for more effective usage of pub	blic resources
• Town Planning Ordinance (Cap. 131)	• An applicant who is aggrieved by TPB's decision over a planning application may apply in writing for a review. However, in many cases the applicants for such review have not set out the grounds for requesting a review. In practice, some applicants are lodging a review as a matter of course without providing any grounds in writing, which in turn takes up TPB's time and resources in processing the matters.	 We propose requiring the applicant to set out the grounds for lodging the review application, particularly how the original decision of TPB is considered problematic. This will enable TPB to focus on the matters which warrant attention or reconsideration during the review. [Proposal 5(a)]
	 While there is a specific time limit within which TPB must consider rezoning or planning applications, TPB may accept further information ("FI") submitted by an applicant at any time before TPB considers the application, so long as the FI does not result in a material change of the nature of the application. Unless exemption is granted, the submission of FI would restart the counting of statutory time limit for TPB to consider the application. Practically speaking, successive rounds of FI submission may result in unreasonable delay for TPB to consider an application. 	 We intend to effect better time management for TPB to clear the caseload, and ensure that the submission of FI will not cause unreasonable delay in decision making. We propose making a clear time limit after which TPB will not accept any FI and has to proceed with deciding the application. It is always an applicant's responsibility to ensure that any application made is of sufficient quality and clarity to enable TPB to appraise the application accordingly. [Proposal 5(b)]

Ordinance(s) involved	Current Arrangement and Constraint in Implementation	Proposal being Considered
• Town Planning Ordinance (Cap. 131)	• Town planning is a continuous process under which statutory plans covering different parts of Hong Kong are reviewed and amended from time to time, so as to cater for changing planning circumstances and development needs of the society. To start off an amendment to a statutory plan, TPB has to seek agreement from the Chief Executive in Council to refer an approved plan to TPB for replacement by a new plan or amendment ("reference back"). In practice, the "reference back" procedure serves merely as a matter of formality.	amendment. The saving of making a separate submission to the Executive Council may speed up the process by around 2 months . In any event,

Note: Government is developing and refining the ideas and proposals covered in this Annex to ensure that they will be workable in addressing the issues identified. We also need to ensure that they should be in conformity with the Basic Law and relevant legal considerations. It is naturally possible that the provisions to be incorporated in the amendment bill(s) in due course may be further evolved from the ideas and proposals being shown here.

Annex B

Enhancing Enforcement-related Provisions of Town Planning Ordinance

Current Arrangement

The Town Planning Ordinance empowers the Town Planning Board to designate any area of Hong Kong as a development permission area ("DPA"), except for those areas which have already been covered by an Outline Zoning Plan ("OZP"). Where land that is within a DPA or an area previously covered by a DPA, the Planning Authority is empowered to take enforcement and prosecution actions against unauthorised developments under the Town Planning Ordinance.

Constraint in Implementation

2. The proliferation of landfilling and other land uses causing environmental damage to rural areas has become a rising concern in recent years. While the Planning Authority has power to take enforcement and prosecution action in a significant portion of rural areas that are currently or were previously designated as DPAs, the current provisions prevent some areas of high ecological value but are subject to development pressures and environmental degradation from being designated as a DPA, as they have been included in an OZP before the designation as a DPA. In respect of these special areas worthy of protection, the Planning Authority is unable to take enforcement action against development not conforming to the OZP.

Proposal being Considered

3. We propose prescribing a new power under the Ordinance, such that Secretary for Development may designate certain areas of high ecological values but subject to development pressures and environmental degradation to be an "Enforcement Area", if the area (not previously designated as a DPA) is covered by an OZP. By this new designation, the relevant enforcement provisions under the Ordinance currently applicable to a DPA will likewise apply to a designated "Enforcement Area".