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Report of the Panel on Development for submission to the Legislative Council

Purpose

This report gives an account of the work of the Panel on Development (“the Panel”) during the 2022 session. It will be tabled at the meeting of the Legislative Council (“LegCo”) on 7 December 2022 in accordance with Rule 77(14) of the Rules of Procedure of LegCo.

The Panel

2. The Panel was formed by the resolution of LegCo on 8 July 1998, as amended on 20 December 2000, 9 October 2002, 11 July 2007, 2 July 2008 and 26 October 2022 for the purpose of monitoring and examining Government policies and issues of public concern relating to lands, buildings, planning, water supply, development-related heritage conservation, Public Works Programme and other works matters. The terms of reference of the Panel are in **Appendix 1**.

3. For the 2022 session, the Panel comprises 19 members. Hon Tony TSE Wai-chuen and Hon LAU Kwok-fan were elected Chairman and Deputy Chairman of the Panel respectively. The membership list of the Panel is in **Appendix 2**.

Major work

Increasing land supply

4. The Government has adopted a multi-pronged land supply strategy to address the pressing housing issue. During the 2022 session, the Administration updated the Panel on the progress of its work in

increasing land supply,¹ and consulted the Panel on a number of funding and legislative proposals for implementing land development initiatives.

Northern Metropolis Development Strategy

5. Covering two district administration areas of Yuen Long District and North District with a total land area of about 300 square kilometres, the Northern Metropolis encompasses the mature new towns in Tin Shui Wai, Yuen Long and Fanling/Sheung Shui and their neighbouring rural areas, as well as six New Development Areas (“NDAs”) and Development Nodes (“DNs”) in different planning and development stages.² Upon the full development of the entire Northern Metropolis, a total of 905 000 to 926 000 residential units, including the existing 390 000 residential units in Yuen Long District and North District, will be available to accommodate a population of about 2.5 million.

6. Members in general supported the development of the Northern Metropolis and considered that there should be enhanced cooperation between Hong Kong and Shenzhen on the planning and development of the Northern Metropolis. In this connection, members enquired about the feasibility of the joint development and shared use of the transport and public utility infrastructures in the Northern Metropolis by Hong Kong and Shenzhen.

7. The Administration advised that under the steer of the Chief Executive/Secretaries of Departments, there were multi-level cooperation between Hong Kong and the Mainland (including Guangdong and Shenzhen) authorities. Specifically, the spatial positioning of Hong Kong and Shenzhen had been taken into account in the formation of the spatial concept of “Twin Cities, Three Circles”³ under the Northern Metropolis Development Strategy. The relevant bureaux and their counterparts in Shenzhen had established designated task forces to take forward the development of specific projects relating to the Northern Metropolis (e.g. the proposed Hong Kong-Shenzhen Western Rail

¹ The Administration furnished the Panel with an information paper on Annual Report on Implementation of Land Supply Strategy ([LC Paper No. CB\(1\)412/2022\(01\)](#)) in June 2022.

² NDAs and DNAs covered by the Northern Metropolis are Kwu Tung North/Fanling North, Hung Shui Kiu/Ha Tsuen, Yuen Long South, San Tin/Lok Ma Chau, Man Kam To and the New Territories North New Town.

³ The “Three Circles” includes the Shenzhen Bay Quality Development Circle, the Hong Kong-Shenzhen Close Interaction Circle and the Mirs Bay/Yan Chau Tong Eco-recreation/tourism Circle.

Link to connect Hung Shui Kiu and Qianhai (“WRL”). Members were pleased to note that as announced in the 2022 Policy Address, the Chief Executive would personally head a Steering Committee to guide the development of the Northern Metropolis and a dedicated department would be set up in 2023 under the Development Bureau (“DEVB”) to steer and coordinate the work of departments involved.

8. Some members were concerned whether the proposed railway projects in the Northern Metropolis (e.g. WRL) could be completed in a timely manner to tie in with the development of the Northern Metropolis. There was also a view that the Administration should consider relocating the “not-in-my-backyard” facilities in the Northern Metropolis to other places and deploying the relevant sites for other uses, such as innovation and technology (“I&T”) development.

9. The Administration advised that it had adopted the transport infrastructure-led approach in major developments. As regards the proposed development of columbarium, crematorium and related facilities at the Sandy Ridge Cemetery, the Administration had eventually decided to continue with the development of the columbarium with beautification features without pursuing the crematorium and funeral parlour. Moreover, over 200 hectares of land in the Northern Metropolis would be used for I&T development.

Yuen Long South development

10. Positioned as an extension of Yuen Long New Town and covered an approximate area of about 224 hectares, the Yuen Long South (“YLS”) Development⁴ will serve as one of the major sources of land supply to meet the territory’s medium to long-term housing needs. At the Panel meeting on 26 April 2022, members were consulted on the funding proposals for (a) carrying out site formation and engineering infrastructure works to support the First Phase development of the YLS Development (covering Stage 1 and Stage 2A works); and (b) undertaking detailed design and carrying out site investigation for Stage 2B and Stage 3 site formation and engineering infrastructure works to prepare for the Second Phase and part of the Third Phase development of the YLS Development.⁵

⁴ YLS Development is broadly bounded by Yuen Long Highway, Kung Um Road and the Tai Lam Country Park, mainly in Tong Yan San Tsuen and Tai Tong areas. It is also one of the major land development areas falling within the Northern Metropolis.

⁵ The relevant funding proposals (i.e. [PWSC\(2022-23\)6](#)) were endorsed by the Public Works Subcommittee (“PWSC”) on 17 May 2022 and approved by the Finance Committee (“FC”) on 10 June 2022.

11. Expressing support for the above funding proposals, members urged the Administration to streamline the related processes (e.g. combining the works of subsequent phases of the YLS Development) to expedite the development of YLS. The Administration advised that while the Intensification Review to explore increase in the plot ratios for the Third Phase development of YLS was still underway, the detailed design for part of the Third Phase development (covering an area of about 65 hectares) had been included in the funding proposals to accelerate the progress of development.

12. Despite the introduction of various road improvement works under the proposed project, some members queried whether the transport needs of residents and brownfield operators in the YLS Development could be met merely by the road transport system. They urged the Administration to develop mass transport system (e.g. railway) in the area.

13. The Administration advised that it would uphold the infrastructure-led principle in taking forward the YLS Development. The First Phase of the YLS Development involved substantial road improvement works totalling over \$4 billion with more transport infrastructure works to be carried out in the Second Phase and the Third Phase development. The Administration would also take forward the planning/development of various railways and major roads to meet the transport needs in NDAs. For instance, land would be reserved in YLS for the development of the proposed Environmentally Friendly Transport Services (“EFTS”).⁶

14. Pointing out that some open-air brownfield operations were unable to be relocated to the proposed multi-storey buildings (“MSBs”), members urged the Administration to adopt a policy of “relocation before land resumption” to ensure a seamless relocation of the affected brownfield operations. There was a suggestion that the Administration should consider developing MSBs for livestock keeping, and assist the affected livestock farms in upgrading and transforming their operations. Members also urged the Administration to provide in-situ rehousing for the affected households.

15. The Administration advised that it would provide monetary

⁶ The Feasibility Study on EFTS in the Hung Shui Kiu/Ha Tsuen (“HSK/HT”) NDA and Adjacent Areas (“the Study”) is being conducted in two stages: Stage 1 of the Study aims at formulating a well-planned EFTS network in HSK/HT NDA, exploring possible connection to the YLS Development, as well as evaluating and shortlisting suitable green public transport modes to serve as EFTS, whereas further assessment will be carried out in Stage 2 of the Study to determine the recommended EFTS scheme. The Panel was briefed on the findings and recommendations of Stage 1 of the Study at its meeting on 16 December 2019.

compensation to the affected brownfield operations under the current policy and facilitate the operators' relocation in terms of planning application and land administration procedure. The households affected by the First Phase development of YLS would be compensated and/or rehoused under the existing arrangements, including the non-means-tested rehousing option. The relevant government bureaux and departments would consider ways to facilitate relocation and consolidation of the scattered livestock farms affected by government projects and modernize their operations.

Developing caverns — relocation of Diamond Hill Fresh Water and Salt Water Service Reservoirs to caverns

16. The Government has been exploring the use of rock cavern development to expand the land resources of Hong Kong and as a viable source of long-term land supply. At the Panel meeting on 26 April 2022, members discussed the funding proposal to take forward the construction works for the relocation of the existing Diamond Hill Fresh Water and Salt Water Service Reservoirs (“DHSRs”) and associated facilities to caverns to release the site of DHSRs for housing and other community facilities. Members supported the Administration’s submission of the funding proposal to the Public Works Subcommittee for consideration.⁷

17. Noting that the relocation project would release 4 hectares of land at an estimated cost as high as \$2,334.2 million and take around 10 years to complete the proposed development of 2 500 housing flats, some members questioned the cost-effectiveness of the project. Some members pointed out that Wong Tai Sin had long-standing problems of insufficient accident and emergency services and serious traffic congestion, and urged the Administration to formulate a development plan of the released site that would meet the community’s healthcare and traffic demands apart from housing development.

18. The Administration explained that despite the relatively high capital investment required, cavern development was a land development approach of unparalleled benefit as it could release land in a well-developed urban environment for other beneficial uses to the community. The Administration also remarked that part of the released site would be used for the planned expansion of the Tung Wah Group of Hospitals Wong Tai Sin Hospital. Local residents’ demands for road improvement and community facilities would be taken into consideration and stakeholders would be consulted in the next stage of works on developing the detailed design of site formation and infrastructure works on the released site.

⁷ The relevant funding proposal was endorsed by PWSC on 26 October 2022 and approved by FC on 25 November 2022.

19. Expressing concern about the risk of settlement in nearby structure and boulders falling down caused by the blasting works of the proposed project, members called on the Administration to implement additional precautionary safety and mitigation measures to safeguard the safety of the residents in the affected area.

20. The Administration advised that the proposed works would be carried out at least 110 metres deep into bedrock and 230 metres away from the nearest Tsui Chuk Garden. Site investigation, boulder survey and detailed assessments had been completed to ensure that the blasting works would not affect the buildings, the slopes and boulders nearby. Furthermore, strict monitoring mechanism would be implemented to handle settlement and blasting vibration caused by the proposed construction works. The Administration would also maintain close communication with the residents concerned throughout the construction period.

Legislative proposals to streamline development-related statutory processes

21. At the Panel meeting on 22 March 2022, the Administration briefed members on its latest thinking in relation to a range of legislative proposals to streamline development-related statutory processes governed by the Town Planning Ordinance (Cap. 131) (“TPO”), the Lands Resumption Ordinance (Cap. 124) (“LRO”), the Foreshore and Sea-bed (Reclamations) Ordinance (Cap. 127) (“FS(R)O”), the Roads (Works, Use and Compensation) Ordinance (Cap. 370) and the Railways Ordinance (Cap. 519).⁸ These proposals form part of the Administration’s 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 the society.⁹ According to the Administration, the time required for transforming

⁸ Separately, the then Environment Bureau briefed the Panel on Environmental Affairs (“EA”) on its review of the processes governed by the Environmental Impact Assessment Ordinance (Cap. 499) at the EA Panel meeting on 28 March 2022. The relevant proposals are set out in [LC Paper No. CB\(1\)94/2022\(02\)](#). The Administration would also propose amendments to some enforcement-related provisions of TPO to better protect rural areas with high ecological value but subject to development pressure and environmental degradation.

⁹ The legislative proposals could be 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) rationalizing obsolete or ambiguous arrangements; and (e) streamlining miscellaneous processes for more effective usage of public resources.

“primitive land” into “spade-ready site” is expected to be reduced by about two to two and a half years should the legislative proposals be implemented. Members in general supported the Administration’s proposals.

22. With a view to shortening the plan-making process, the Administration proposed amending TPO to empower the Town Planning Board (“TPB”) to invite individual representers to come forward to a meeting to answer questions only if board members wished to make inquiries into individual representations received.¹⁰ Some members considered the proposal undesirable as members of the public should have the right to express views at public hearings conducted by TPB during the plan-making process and it might be difficult for some affected persons (e.g. villagers in rural areas) to fully reflect their views in writing. The Administration advised that subject to further legal advice, TPB would mainly consider written submissions from the public in the future under the current proposal. Yet, individual representers would be invited to come forward to the meeting of TPB to verbally respond to enquiries if considered necessary by board members.

23. Members also noted that one of the proposals being considered by the Administration was restricting the scope of parties which might be allowed to make a rezoning application under section 12A of TPO 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.¹¹ In this connection, members were concerned that, not being able to use section 12A of TPO to express views on rezoning, whether there would be other channels for the public to express their views and for the Administration to address their concerns. The Administration advised that under the current proposal, the public might still submit written submissions to TPB to express their views on rezoning in the future. TPB would invite representers to attend the relevant meetings if necessary.

¹⁰ According to the Administration, 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. TPB 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.

¹¹ The current arrangement allows any persons to submit a rezoning application pursuant to section 12A of TPO. According to the Administration, such an application may trigger substantial changes to the planning context of the land under application.

24. In response to some members' enquiry about the justification for amending FS(R)O and LRO to allow different development-related procedures be proceeded in parallel, the Administration advised that it was justified and appropriate to provide in the above Ordinances an express mandate to such effect. Citing the proposed amendments to FS(R)O as an example, the Administration explained that upon establishing the need of reclamation, reclamation and the processing of a statutory plan in respect of the proposed reclaimed land should proceed in parallel as the location and size of the reclaimed land were not dependent on its detailed land use. Allowing the two processes to proceed in parallel might accelerate the commencement of reclamation projects by at least nine months in their individual programmes.¹²

Compensation arrangements for landowners and business operators affected by government projects

25. The Government has been stepping up its efforts on land resumption in recent years to meet community's needs for land supply and implement various community enhancement projects. Society has all along expected the Government to address the concerns of the affected persons in a fair and reasonable manner when taking forward land resumption and clearance and allow the relevant work to proceed smoothly. At the special meeting on 10 May 2022, the Panel was briefed on the Administration's proposal of rationalizing the compensation arrangements for landowners and business operators affected by government projects. Members in general supported the relevant proposal.¹³

26. Members noted that the Administration's proposal included rationalizing the existing four zones of the Ex-gratia Zonal Compensation System ("Zonal System") into two zones, namely the Tier One zone involving land resumed for development uses¹⁴ (with rate pitched at the Zone A rate under the existing Zonal System) that largely encompassed the uses falling under Zones A and B of the existing Zonal System, and Tier Two zone involving land resumed for non-development uses, which included uses related to rural improvement and conservation (with rate pitched at 50% of

¹² Assuming that the streamlined plan-making process as suggested under relevant proposals would be compressed to nine months.

¹³ The relevant funding proposal (i.e. [FCR\(2022-23\)10](#)) was approved by FC on 27 May 2022.

¹⁴ These include NDAs and other development uses covering residential/economic developments (including their ancillary purposes) or provision of public facilities which go beyond rural improvements for local villages.

the Tier One rate) that largely encompassed the uses falling under Zones C and D of the existing Zonal System. In this connection, members enquired about the rationale for offering the Tier Two rate in respect of land resumed for non-development uses. Pointing out that about 700 hectares of private wet land and fish ponds were planned to be resumed for conservation in the Northern Metropolis, some members enquired about the details of the policy on land resumption for conservation purpose and questioned whether the proposed increase in the amount of compensation for the land resumed for conservation purpose would be a reasonable use of public funds in view of the substantial financial implication.

27. The Administration explained that the proposal of rationalizing the Zonal System into two zones was to simplify the compensation arrangements whereas setting the Tier Two rate at 50% of the Tier One rate was to maintain a reasonable differentiation between the two tiers. The compensation received by owners of land resumed for non-development uses under the proposal would be 20% more than the ex-gratia compensation normally receivable for rural improvement works under the existing Zone C rate. The then Environment Bureau (now the Environment and Ecology Bureau) had taken the lead on formulating the policy relating to resumption of land for conservation purpose and would commence a relevant consultancy study soon.

28. Noting that the ex-gratia compensation operated as an administrative alternative to statutory compensation for private land resumed by the Government, members enquired if the Administration would review the statutory compensation mechanism as well. According to the Administration, landowners could choose statutory or ex-gratia compensation if their land was resumed by the Government. If the amount of statutory compensation could not be agreed, the affected landowners or the Government might refer the compensation claim to the Lands Tribunal for a final determination. The Administration considered the existing statutory compensation mechanism a reasonable arrangement. Yet, the Administration would continue to listen to public views on the matter.

29. Members expressed concern over the difficulties encountered by brownfield operations affected by government projects in their relocation, in particular those involving the use of heavy machinery that could not be operated in MSBs. Given that brownfield operations played a vital role in supporting various economic activities in Hong Kong, members urged the Administration to assist in the reprovisioning of the affected operations. There was a view that the Administration should ensure a seamless relocation of the affected brownfield operations in the long run with more land to be provided in NDAs in the future.

30. The Administration advised that it would mainly provide monetary compensation to the affected brownfield operations at present. While reprovisioning would not be part of the package, the Administration would facilitate relocation to the extent possible. Moreover, it would make available vacant government land for letting to the affected operations by way of short-term tenancy through restricted tender. The Administration would not preclude other measures to support these operations when sufficient land supply was available in the future.

Progress of the Energizing Kowloon East initiative

31. The Energizing Kowloon East (“EKE”) initiative was announced in 2011 with a primary purpose to facilitate transformation of Kowloon East (“KE”) ¹⁵ into another core business district (“CBD”) to sustain Hong Kong’s economic development. At the Panel meeting on 22 March 2022, members received a briefing from the Administration on the progress made under the policy initiative of EKE, and considered the proposal of extending the operation of the Energizing Kowloon East Office (“EKEO”) for a further period of five years and the related staffing proposal.¹⁶

32. While expressing support for positioning KE as another CBD, some members were concerned about the impact of the increasing trend of working from home under the pandemic on the demand for commercial floorspace. There was a view that the Administration should make relevant assessment and adjust the supply of commercial floorspace in KE accordingly.

33. The Administration advised that according to the Report of Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030, it was estimated that the shortfall for Grade A office land would amount to about 17 hectares. Taking into account the projects under construction or approved, the total supply of commercial floorspace in KE would increase to about 3.9 million square metres in the next few years.

¹⁵ KE comprises the Kai Tak Development together with the Kowloon Bay Business Area and Kwun Tong Business Area. It has a total area of about 488 hectares and a working population of about 280 000. In 2017, the EKE initiative was extended to the San Po Kong Business Area which has an area of about 26 hectares.

¹⁶ The related staffing proposal (i.e. [EC\(2022-23\)1](#)) is to re-create the supernumerary posts of a Principal Government Town Planner (“PGTP”) (D3) as Head of EKEO and a Government Architect (“GA”) (D2) as Deputy Head of EKEO for a period of about five years to 31 March 2027. The staffing proposal was endorsed by the Establishment Subcommittee on 4 May 2022 and approved by FC on 27 May 2022.

While the impact of the pandemic on the demand for commercial floorspace remained unclear at this stage, the Administration would closely monitor the situation and strive to ensure a steady supply of commercial floorspace.

34. Members urged the Administration to step up efforts in improving the traffic conditions in KE. They were particularly concerned about the traffic congestion problems at Hoi Bun Road and in the old districts of the area, and the connection of the major facilities in the Kai Tak Development (“KTD”) Area (e.g. the Kai Tak Cruise Terminal) with other areas in KE. There was a view that the Administration should consider reviving the study on the development of a single elevated mode of the Environmentally Friendly Linkage System (“EFLS”), or explore other alternatives in the area to improve the traffic conditions in KE.

35. The Administration advised that EKEO had implemented a number of short and medium-term improvement schemes to enhance the connectivity, walkability, and mobility of KE. With a view to addressing the traffic issues in KE, various short-term (e.g. improvement works at the roundabout at the junction of Hoi Yuen Road and Kwun Tong Road) and long-term (e.g. development of Road D3 and Route 6) measures had also been carried out. The Administration further advised that as reported to the Panel at its meeting in January 2021, the Detailed Feasibility Study for EFLS suggested that a “multi-modal” EFLS be implemented in KE.¹⁷

36. Some members called on EKEO to enhance coordination with the Lands Department to shorten the processing time of lease modification applications with a view to expediting the redevelopment of old industrial buildings in KE. The Administration advised that EKEO had provided one-stop advisory service to and coordinated efforts among relevant government bureaux and departments for over 130 development projects. Moreover, the implementation of the pilot scheme for charging land premium at standard rates for redevelopment of aged industrial buildings (“pilot scheme”) had helped expedite the completion of lease modification procedures. EKEO would continue to provide one-stop facilitation services to relevant parties, and explore if it was necessary to further enhance

¹⁷ The "multi-modal" EFLS comprises a package of green initiatives that serve complementarily to enhance connectivity in the area. The relevant initiatives include: (a) enhancing public transport services in KE and deploying electric vehicles to run new bus/green minibus routes in the area; (b) developing a travellers network that links up the former runway of Kai Tak, the Kowloon Bay Action Area and the Kwun Tong Action Area; (c) providing a GreenWay network that runs through promenades and open spaces in the KTD Area for shared use by pedestrians and cyclists; (d) constructing an elevated landscaped deck to connect the Kwun Tong Station; and (e) establishing a "water taxi" service point in the KTD Area.

the pilot scheme.

37. While expressing support for the proposal of extending the operation of EKEO for a further period of five years, members enquired if the Administration would consider optimizing the organization structure of EKEO. The Administration advised that EKEO would largely maintain the current staff establishment upon extension of its operation as the arrangement for deploying a Principal Government Town Planner and a Government Architect to lead a multi-disciplinary professional team was proven to be capable of handling the multifarious work portfolios of EKEO. That said, the Administration would consider adjusting the ratio of civil servants to non-civil service contract staff in EKEO.

Development and conservation of Lantau

38. During the 2022 session, the Panel continued to monitor the work of the Sustainable Lantau Office (“SLO”).¹⁸ At its meeting on 12 July 2022, the Panel received a briefing on the progress of work taken forward by SLO and supported the funding proposal for carrying out improvement works at Tai O to improve local connectivity, provide open space and public car park, and enhance the local environment.

39. Members were concerned how the Administration would promote thematic tourism in Lantau for the benefits of the local community and the environment, and whether the transport and tourist infrastructures in Lantau were able to cope with the needs of the locals and visitors. They commented that the Administration should adopt a more holistic and forward-looking approach to developing such infrastructures, addressing both the development and conservation needs of Lantau. There was also a suggestion that the Administration should consider providing an alternative road link to Tung Chung and a direct road link between Tung Chung and Tai O instead of developing Road P1 which ran parallel to the existing North Lantau Highway (“NLH”).

40. The Administration advised that based on the Lantau’s overarching principle of “Development in the North; Conservation for the South”, the Lantau Conservation and Recreation Masterplan, which included the development of five themed clusters (e.g. eco-recreation and eco-cultural corridors) across Lantau, had been formulated. Moreover, the Study on

¹⁸ SLO was set up under the Civil Engineering and Development Department in 2017 as a one-stop office to carry out the planning, study/assessment, design, tendering and implementation of various development and conservation initiatives and local improvement projects in Lantau in short, medium and the longer terms.

Traffic, Transport and Capacity to Receive Visitors for Lantau had put forward proposals on enhancing the vehicular access between North Lantau and South Lantau with five possible road network enhancement options (including improving the road connection between Tung Chung and Tai O); improving water transport services to complement land-based transport services; and provision of diversified sustainable leisure and recreational facilities in South Lantau. These proposals would be further studied.

41. The Administration added that NLH and Tuen Mun — Chek Lap Kok Link were the two external road links of Lantau at present. In anticipation that the congestion of NLH would get serious after 2031, the construction of Road P1 (Tung Chung — Tai Ho Section) had commenced and would be completed in 2026, whereas Road P1 (Tai Ho — Sunny Bay Section) was under study and this road section was targeted for completion in 2030. Members' views on the alignment of Road P1 would be taken into account in its design.

42. Some members were concerned whether the development of transport infrastructure could tie in with the population intake of the Tung Chung New Town Extension ("TCNTE"). They urged the Administration to expedite the implementation of the proposed road and railway development projects in Lantau. The Administration explained that apart from constructing new roads in TCNTE and Road P1 (Tai Ho — Sunny Bay Section), the Tung Chung Line Extension would be taken forward with the developments of TCNTE located within a 500-metre radius of the new MTR stations along this railway extension. These road and railway development projects would be completed by 2030 and other community facilities would be completed as scheduled as well.

43. In response to members' suggestion of facilitating the conduct of cultural and historical studies on villages in Lantau and other related places, the Administration remarked that funding was provided under the Lantau Conservation Fund to support organizations and local communities to carry out such studies. SLO was also conducting research on villages in Lantau with a view to setting up a cultural and historical database.

Work of the Urban Renewal Authority

44. Urban renewal has all along been a subject of concern of the Panel. At its meeting on 12 July 2022, the Panel was briefed on the progress of work of the Urban Renewal Authority ("URA").

45. While appreciating the work undertaken by URA on urban renewal and building rehabilitation, members expressed concern on the financial

capability of URA to take forward more redevelopment projects. They suggested that URA should cooperate with the private sector to foster large-scale redevelopment. The Administration advised that based on the recommendations made by the District Study for Yau Ma Tei and Mong Kok, the Administration and URA had been working to introduce measures (e.g. new planning tools) by phases with a view to offering economic incentives to encourage the private sector to participate in urban renewal projects.

46. Members urged the new-term Government to set out clearly its overall urban renewal policy and enquired about the role and positioning of URA in urban renewal. There was a suggestion that certain proportion of URA's redeveloped flats should be designated as subsidized housing or youth hostels such that people of different strata of the community could benefit from redevelopment. However, some members considered that URA should make the best use of its resources to improve the environment of aged buildings/old districts rather than shifting its focus to provide subsidized housing. In view of the ageing population, there was also a view that URA should provide tailor-made residential units for the elderly.

47. The Administration advised that the new-term Government would endeavour to enhance the speed, quantity, quality and efficiency of land development work. Pursuant to the Urban Renewal Authority Ordinance (Cap. 563), URA was tasked to achieve better utilization of land in the dilapidated areas and make land available to meet various development needs. Under the self-financing mode of operation of URA, aged private buildings acquired were mainly redeveloped as private housing. That said, URA would consider providing subsidized sale flats, such as "Starter Homes" and elderly housing, in its redevelopment projects subject to availability of resources. However, provision of subsidized housing was beyond the primary scope of work of URA.

48. Members suggested that the Administration should reserve some land in NDAs and on the Kau Yi Chau Artificial Islands as decanting sites to rehouse tenants affected by urban renewal projects to help expedite the redevelopment of old districts. Members were also concerned how URA would strike a balance between conservation and redevelopment, and considered that local characteristics should be preserved during redevelopment as far as possible.

49. The Administration responded that it would render necessary support to URA to take forward its work and explore various options to facilitate redevelopment of old districts. Dedicated rehousing estates would be developed in urban areas to rehouse affected tenants. URA advised that during redevelopment, buildings would be preserved to retain local

characteristics where appropriate. For instance, conservation element was included in the Kowloon City redevelopment projects.

Heritage conservation

50. During the 2022 session, the Panel continued to monitor the Administration's work in conserving and revitalizing the heritage sites and buildings in Hong Kong. At its meeting on 12 July 2022, the Panel was briefed on the implementation progress of various heritage conservation initiatives.

51. Members welcomed the progress made towards the grading assessment of buildings built between 1950 and 1959, and urged the Administration to expedite the work to ascertain the heritage value of more recently built buildings. Some members suggested that the Government should enhance the collaboration across bureaux (e.g. DEVB and the Culture, Sports and Tourism Bureau) to preserve historic buildings and enhance cultural software in tandem to tell a good Hong Kong story. They also commented that joint efforts of bureaux would facilitate preservation of historic landmarks falling outside the purview of the grading system of historic buildings.

52. The Administration replied that the grading assessment of the 1 444 buildings, identified from buildings mainly built before 1950, had started in 2009 and was expected to be completed by 2023. Given that the assessment process would take considerable time, starting with buildings built between 1950 and 1959 in extending the grading assessment to cover more recently built buildings was a pragmatic and progressive approach for taking forward the work on preservation of historic buildings. Furthermore, the Administration advised that it was committed to exploring cross-bureaux collaborative mechanisms for initiatives comprising interlinked and complementary elements of built heritage and cultural heritage.

53. Noting that the Former North Kowloon Magistracy ("FNKM") had been vacated for over two years since its previous project discontinued operation in June 2020 and the applications under Batch VI of the Revitalising Historic Buildings Through Partnership Scheme ("Revitalization Scheme") for adaptive re-use of FNKM were still being assessed, some members were concerned whether the projects under the Revitalization Scheme were expected to run on a long-term basis. They also enquired whether the Administration would review the sustainability of projects under the Revitalization Scheme.

54. The Administration replied that the tenancy period for a graded historic building revitalized under the Revitalization Scheme was in three-year renewable terms under normal circumstances so that the use of a building would not be confined permanently to a particular project, and instead could evolve over time with other innovative ideas. That said, a mechanism for monitoring the performance of a non-profit making organization running a project, including the requirement regarding the submission of annual reports to the Administration, was in place to ensure effectiveness of project delivery.

55. Some members asked whether the Administration had plans to review the Antiquities and Monuments Ordinance (Cap. 53) (“A&MO”) with a view to providing historic buildings with better statutory protection. The Administration responded that protracted liaison efforts with building owners concerned were required in implementing the protection mechanisms to preserve historic buildings, no matter whether such mechanisms were stipulated in A&MO or put in place under the administrative grading system. Having regard to the outcomes achieved under the grading system, the Administration did not have plans to amend A&MO in the near future as any move to tighten the statutory regulations would be controversial for property owners and could lead to unintended consequences if not thoroughly considered.

Other funding/staffing/legislative proposals and subject(s) discussed by the Panel

56. Apart from the funding proposals mentioned in the preceding paragraphs, the Panel had also examined the funding proposals on a number of other public works projects during the 2022 session. These projects included the construction of district open space, sports centre and public vehicle park at Sze Mei Street; development of open space at Eastern Street North, Sai Ying Pun; infrastructure works for developments at Kwun Tong Action Area; footbridge project near MTR Kowloon Bay Station Exit A; construction of a joint-user complex at Site G2, Anderson Road Quarry; seven pier improvement projects in remote areas in the New Territories and outlying islands;¹⁹ and drainage improvement works in Southern Hong

¹⁹ The seven piers where improvements works will be carried out are Sam Mun Tsai Village Pier and Sham Chung Pier in Tai Po, Yi O Pier and Ma Wan Chung Pier on Lantau Island, Yung Shue Wan Public Pier on Lamma Island, Shek Tsai Wan Pier in Ma Wan and Leung Shuen Wan Pier in Sai Kung.

Kong Island, Tsim Sha Tsui, Kwun Tong and Yuen Long respectively.²⁰

57. On staffing proposals, in addition to the proposal mentioned in paragraph 31 above,²¹ the Panel was consulted on the proposals of creating a supernumerary Chief Building Surveyor/Chief Structural Engineer post (D1) in the Buildings Department and re-creating a supernumerary directorate post in the Planning and Lands Branch of DEVB.

58. As regards legislative proposals, the Administration consulted the Panel on the proposals to lower the application thresholds and streamline the legal process under the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) with a view to facilitating redevelopment. Members noted that the Administration planned to introduce the relevant amendment bill into LegCo in the second half of 2023.

59. During the 2022 session, the Administration also briefed the Panel on the proposal on the development of multi-storey industrial buildings to facilitate consolidation of brownfield operations and relocation of brownfield operators, as well as report on the findings of the relevant market sounding exercise.

Meetings held

60. From 25 January to 22 November 2022, the Panel held a total of nine meetings, including three meetings by videoconferencing on 10 February, 22 March and 26 April 2022. The Panel has also scheduled a meeting for 19 December 2022 to receive briefings from the Administration on the funding submission for the Capital Works Reserve Fund block allocations for 2023-2024; the latest progress of the studies related to artificial islands in the Central Waters; and the proposed amendments to the Land Titles Ordinance (Cap. 585) for the implementation of the title registration on newly-granted land first.

Council Business Division 1 and Public Complaints Office

Legislative Council Secretariat

29 November 2022

²⁰ Three projects are proposed to be carried out in Yuen Long. These projects include: (a) Improvement of Yuen Long Town Nullah (town centre section); (b) Drainage improvement works at Yuen Long; and (c) Yuen Long Barrage Scheme.

²¹ i.e. the proposal of re-creating the supernumerary posts of a PGTP (D3) as Head of EKEO and a GA (D2) as Deputy Head of EKEO.

Legislative Council

Panel on Development

Terms of Reference

1. To monitor and examine Government policies and issues of public concern relating to lands, buildings, planning, water supply, development-related heritage conservation, Public Works Programme and other works matters.
2. To provide a forum for the exchange and dissemination of views on the above policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.
4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

Panel on Development

Membership list for the 2022 session *

Chairman	Hon Tony TSE Wai-chuen, BBS, JP
Deputy Chairman	Hon LAU Kwok-fan, MH, JP
Members	Hon Starry LEE Wai-king, GBS, JP Hon Michael TIEN Puk-sun, BBS, JP Ir Dr Hon LO Wai-kiwok, GBS, MH, JP Hon Kenneth LAU Ip-keung, BBS, MH, JP Hon Doreen KONG Yuk-foon Ir Hon LEE Chun-keung Hon Stanley NG Chau-pei, SBS Dr Hon Dennis LAM Shun-chiu, JP Hon Andrew LAM Siu-lo, SBS, JP Dr Hon Wendy HONG Wen Hon Edward LEUNG Hei Hon CHAN Yuet-ming, MH Hon Judy CHAN Kapui, MH Hon CHAN Hok-fung, MH, JP Dr Hon Stephen WONG Yuen-shan Hon Kenneth FOK Kai-kong, JP Hon Louis LOONG Hon-biu

(Total: 19 members)

Clerk Ms Connie HO

Legal Adviser Ms Vanessa CHENG

* Changes in membership are shown in the Annex

Annex to Appendix 2

Panel on Development

**Changes in membership
(2022 session)**

Member	Relevant date
Hon Alice MAK Mei-kuen, BBS, JP	Up to 18 June 2022