

Legislative Council Panel on Development

Initiatives of Development Bureau in the 2017 Policy Address and Policy Agenda

INTRODUCTION

The Chief Executive delivered his 2017 Policy Address entitled “Make Best Use of Opportunities, Develop the Economy, Improve People’s Livelihood, Build an Inclusive Society” on 18 January 2017. This is supported by the Policy Agenda which sets out the Government’s new and on-going initiatives. This paper elaborates on those initiatives under Development Bureau (DEVB).

POLICY ADDRESS AND POLICY AGENDA INITIATIVES

2. The work of DEVB mainly contributes to the two Chapters on “Land, Housing and Transportation” and “Environment and Conservation”. We have also provided input to the Chapters on “Economic Development and Innovation and Technology” and “Education, Population and Human Resources”. An extract of all the new and on-going initiatives under DEVB as contained in the 2017 Policy Agenda is at **Annex**. The major items are highlighted in the paragraphs below.

Economic Development and Innovation and Technology

New Initiatives

(I) Construction Industry

(a) Tackling High Construction Cost

3. Hong Kong is facing the challenge of high construction cost. If the issue of high construction cost is not properly tackled, it will adversely affect the implementation of capital works projects and eventually undermine Hong Kong’s competitiveness. Following the 2016 Policy Address, DEVB has established the Project Cost Management Office to take forward various cost

management measures for capital works projects and to promote the same in the private building sector.

4. We are comprehensively reviewing works polices and requirements on the implementation of capital works projects. Under the overriding principle of not compromising functionality, quality and safety of works, we are consolidating requirements issued at different times and customising existing general requirements into project specific ones. We have been promoting the concept of buildability in capital works projects in recent years for boosting construction productivity and hence lowering cost. A series of works polices has been rolled out, including the guidelines of 3S (standardisation, simplification and single-integrated element), “no-frill” design and repackaging large value contracts to manageable sizes, for cost management purposes. We aim to pilot the use of buildability index in government building projects in 2017.

5. On project-by-project scrutiny of cost estimates, we have completed the review of about 60 capital works projects in the planning and design stage. A cost reduction of around \$13 billion (in money-of-the-day prices) has been achieved through design optimisation.

6. We will review the cost estimation method for public works projects and establish a benchmarking mechanism for better managing project cost. We will also arrange project management training for more than 1 500 government construction professionals to equip them with contemporary project management skills to tackle the evolving challenges to the implementation of capital works projects. We have already earmarked about \$10 million¹ to undertake these tasks in 2017 for completion in 2018. Provision for the initiatives will be reflected in the Estimates of the relevant years.

(b) Innovation and Technology Application Centre

7. The Government continues its efforts to promote innovation and technology which will enhance the competitiveness of various fields and create new momentum for economic and social development. To enhance productivity of the construction industry, the Construction Industry Council

¹ Including \$1.5 million for review of cost estimation method, \$1.0 million for establishment of a benchmarking mechanism and \$7.7 million for project management training.

(CIC) will establish an innovation and technology application centre. The centre is expected to be in operation in the second half of this year, starting with collecting latest information on local and overseas construction technologies to establish a knowledge hub, enhancing the productivity and safety performance of the construction industry. In the long run, the centre aims at establishing a global research network to promote interdisciplinary research and application on enhancement of productivity.

(c) Supporting Construction and Related Professionals to Extend Business to the Mainland and New Market

8. Since signing of the “Mainland and Hong Kong Closer Economic Partnership Arrangement” in 2003, market liberalisation measures have been implemented to facilitate stakeholders of the Hong Kong construction industry to practise and develop their business in the Mainland. Through mutual recognition between Hong Kong and the Mainland, as at 1 December 2016, 1 490 Hong Kong construction and related professionals have already obtained the relevant Mainland professional qualifications. The Agreement on Trade in Services signed on 27 November 2015 extended the liberalisation measures under the negative list (commercial presence) from Guangdong to the whole Mainland. For the positive list (cross-border services), the Agreement extended most of the liberalisation measures in Guangdong to Guangxi and Fujian. The implementation methods of the liberalisation measures in Guangxi have been put into effect since September 2016. We will continue to work closely with Fujian on the implementation of the same measures to facilitate the access of enterprises and professionals to the market of the province.

9. Based on a co-operation agreement signed with the DEVB, Qianhai Authority has compiled a register of Hong Kong’s architectural, building services, quantity surveying and structural engineering professional firms which may provide professional services for projects wholly or principally funded by Hong Kong businesses. We will further pursue with Qianhai for the inclusion of other categories of professional firms in the register. A pilot project for trial implementation of Hong Kong’s project management system is in good progress. We are liaising with the Mainland authorities for extending the scope and number of trial projects in Qianhai as well as Nansha and Hengqin of the Quandong Free Trade Zone.

10. Following a tendering exercise by the Ministry of Commerce, two Hong Kong consultancy firms have been awarded the contracts in 2015 for carrying out supervision work of two foreign aid building projects in Nepal and Cambodia. We will continue discussions with the Ministry on providing more foreign aid projects to Hong Kong consultancy firms; engaging the firms in different types of projects including infrastructure projects; and expanding their service scope to include project planning, design, procurement, construction and final acceptance.

11. Capitalising on the opportunities provided by the Central Government's Belt and Road Initiative, we will facilitate the relevant professions of the Hong Kong construction industry in their participation in the associated infrastructural projects and market our services.

On-going Initiatives

(I) Construction Industry

(a) Infrastructure Investment

12. The spending of the Capital Works Programme in 2016-17 will exceed \$80 billion which is higher than the actual expenditure in 2015-16. We will continue infrastructure development to meet the livelihood needs of the public and maintain the long-term competitiveness of Hong Kong. Based on the planned infrastructure programme, we anticipate that the annual capital works expenditure in the next few years will maintain at a level exceeding \$80 billion.

(b) Procurement System for Public Works

13. To achieve economical delivery of quality infrastructures, we are always mindful of the need to build up the overall capability of the construction industry, facilitate its healthy growth and encourage innovation and creativity. To ensure sufficient market participants and bring new technology and ideas into the local construction industry, we have reviewed our list management system to facilitate contractors in participating in public works projects. We will continue to improve management practice and procedures of public works projects to enhance the constructability of works, increase productivity, encourage innovation and creativity and strengthen cost control.

(c) Security of Payment Legislation

14. We completed the public consultation on the proposed Security of Payment Legislation in September 2015. The public and the industry were in general supportive of the proposed legislation. An Information Paper was submitted to the Panel on Development in June 2016 briefing Members on the results of the public consultation, the legislative framework and the way forward for the proposed legislation. We have started drafting the legislation bill and plan to introduce the bill to the Legislative Council (LegCo) in 2017. The legislation will help contractors, sub-contractors, consultants and suppliers in the supply chain to receive payment on time for work done and services provided. The legislation will also introduce an adjudication system to speed up the resolution of disputes, thereby enhancing the cash flow of the supply chain in the construction industry.

Land, Housing and Transportation

New Initiatives

(I) Increasing Land Supply

15. Land and space has been a major factor constraining the development of Hong Kong in various aspects. While our multi-pronged approach to increase land supply to meet the needs in the short, medium to long-term is starting to bear fruits, we must press ahead with the implementation of the new development areas (NDAs) and new town extension in Kwu Tung North (KTN)/Fanling North (FLN), Tung Chung, Hung Shui Kiu (HSK) and Yuen Long South (YLS), and keep up with our efforts in conducting land use reviews to identify more developable sites for housing and other uses. To this end, through our on-going land use reviews, together with some newly identified potential housing sites, it is estimated that some 25 additional housing sites, capable of producing over 60 000 units (of which over 80% are public housing units), can be made available for housing development, most of which in the five years from 2019-20 to 2023-24, provided that the relevant statutory plans can be amended and/or the necessary procedures completed in time. As with the established practice, we will consult the District Councils and relevant stakeholders on the development of individual sites as and when they are ready, and submit for consideration by the Town Planning Board (TPB).

(II) Lantau Development and Conservation

16. In collaboration with the Lantau Development Advisory Committee, we completed a three-month public engagement (PE) exercise on the proposed development strategies for Lantau in April 2016. As revealed by the public views collected, the majority are in general supportive of the broad development direction of Lantau with “Development at the North; Conservation for the South”. Taking into consideration the public views received, we are preparing the “Sustainable Lantau Blueprint” providing, among others, a reference roadmap for exploring and implementing the development and conservative initiatives in Lantau. The blueprint is planned for publication in the first half of this year.

17. In the short to medium-term, we will conduct a study on the traffic and transport network of Lantau and its capacity to receive visitors with a view to addressing the needs arising from the development of the island and the increase in its visitor numbers. We will implement the Tung Chung New Town Extension (TCNTE) as well as the other developments along the northern shore of Lantau which include the topside development at the Hong Kong Boundary Crossing Facilities (HKBCF) Island of the Hong Kong-Zhuhai-Macao Bridge (HZMB), Siu Ho Wan development and Sunny Bay reclamation. At the same time, we are continuing with the implementation of improvement/revitalisation projects at Tai O, Mui Wo and Ma Wan Chung as well as other local improvement works. We will also take forward those feasible and worthwhile proposals on recreation and tourism development of Lantau. In the longer term, we will study the proposal of developing an East Lantau Metropolis (ELM) as a new town and the third core business district (CBD3). Please also see paragraphs 51 to 53 below for various on-going initiatives in relation to Lantau Development and Conservation.

18. On the conservation front, we will preserve the predominant part of Lantau for nature conservation and sustainable recreational uses and green tourism. We will draw up and implement measures to conserve nature, antiquities and monuments, and cultural heritage on Lantau and collaborate with the green groups, conservationists and relevant stakeholders.

19. To take forward various studies and development projects and expedite the conservation work for Lantau, there is an urgent need to enhance

our manpower and management steer by forming a new dedicated multi-disciplinary “Sustainable Lantau Office” in the Civil Engineering and Development Department (CEDD) so that we could start the work immediately to seize the development and conservation opportunities in Lantau.

(III) Making Optimal Use of Brownfield Sites

20. Making optimal use of brownfield sites is one of the main directions in the Government’s multi-pronged land supply strategy. We will continue to plan and develop the northwestern and northern parts of the New Territories (NT) including HSK and YLS where brownfield sites are concentrated, with a view to releasing land for development under the new town development approach. CEDD will continue its studies on the possibility of consolidating brownfield operations in multi-storey buildings to optimise land utilisation, taking HSK as a pilot case. In parallel, the Planning Department will commence a comprehensive survey on the distribution and uses of brownfield sites in the NT. The study findings will provide a fuller picture of brownfield sites in the territory and the brownfield operations thereon, and allow us to formulate appropriate policies for tackling brownfield sites in different areas, with a view to achieving the objectives of optimising land utilisation, releasing brownfields potential and improving the rural environment.

(IV) Revitalising Agricultural Land

21. In accordance with the “New Agriculture Policy” announced in 2016, the Food and Health Bureau and DEVB will jointly commission a consultancy study on Agricultural Priority Area later this year. The study aims at identifying suitable areas with relatively large clusters of quality farmland and investigating suitable policy and measures to promote agricultural rehabilitation of the fallow farmlands within these areas, with a view to supporting local agricultural development and improving the rural environment.

(V) Updating Territorial Development Strategy

22. Past experience indicates that a long lead time is required from planning to realisation of land development for housing, economic activities, community facilities and leisure and recreation space. For the sustainable development of Hong Kong, there is a need for the Government to adopt a visionary, proactive, pragmatic and action-oriented approach to tackle the

planning issues critical to Hong Kong's future, and to formulate a robust territorial development strategy in the light of the latest planning circumstances and challenges ahead. Against this background, the Government commenced the Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030 (Hong Kong 2030+) Study in early 2015 to provide an update to the "Hong Kong 2030: Planning Vision and Strategy" (Hong Kong 2030) promulgated in 2007.

23. Building upon the foundation of Hong Kong 2030, Hong Kong 2030+ aims to examine the strategies and feasible options for the overall spatial planning, land and infrastructure development, and the shaping of the built and natural environment for Hong Kong beyond 2030. We need a stronger focus on strengthening our position as a liveable, competitive and sustainable Asia's World City. To this end, Hong Kong 2030+ proposes three building blocks that help facilitate the planning for a liveable high-density city, embracing new economic challenges and opportunities, and creating capacity for sustainable growth, and includes a conceptual spatial framework that translates these building blocks in spatial planning terms. To address the estimated land shortfall of at least 1 200 hectares (ha) covering different land uses and to cater for new initiatives and the unforeseen, two strategic growth areas, namely ELM and NT North (NTN), are proposed in Hong Kong 2030+ to allow us room to enhance liveability, balance home-job distribution, and create buffer to capture opportunities and embrace new challenges. We have launched the PE on Hong Kong 2030+ in October 2016 for six months until April 2017. More details of the proposals under Hong Kong 2030+ have been uploaded to the website² and submitted to LegCo³.

(VI) Harbourfront Development

24. As learnt from the PE Exercises conducted jointly by the Harbourfront Commission (HC) and the Government, there is general consensus in the community for the need of a new mindset in taking forward harbourfront enhancement. However, there was a divergence of views as expressed in the PE Exercises on the various recommendations made under the proposal of establishing a statutory Harbourfront Authority (HFA). Some members of the

² Relevant details are available at the website www.hk2030plus.hk.

³ Please see LegCo Paper No. CB(1)51/16-17(07).

public and sectors in the community indicated support while others expressed concerns. They differed in their views on the process and pace of the transition from the current model to an HFA and also on the statutory functions, composition, authority and finance of the statutory HFA. We consider that it is premature to establish a statutory HFA at this stage. The Government has decided to first take harbourfront enhancement works to the next level before further deliberations on the proposal. The Government will partner with the HC and implement harbourfront enhancement initiatives through a dedicated team and with dedicated funding, with a view to further extending the waterfront promenade along both sides of the Victoria Harbour, beautifying areas in the vicinity and improving the accessibility to the waterfront for the enjoyment of all. The Government has earmarked \$500 million for the first stage for taking forward harbourfront development.

25. At this stage, the Government will first enhance the role and involvement of the HC in the implementation of harbourfront projects, and make use of the \$500 million dedicated funding to take forward harbourfront enhancement projects with guidance and inputs from the HC on the formulation, study, prioritisation and implementation of these projects. We will also seek resources to strengthen the manpower of the existing Harbour Unit under the DEVB and set up a dedicated Harbour Office to support the work of the HC. The dedicated Harbour Office, which would have project implementation and contract management capabilities, would be supported by multi-disciplinary staff and would make use of the dedicated funding to take forward harbourfront enhancement projects including development and management of specific sites in accordance with the guidance and inputs from the HC. We will first recruit a non-civil service contract architect for the time being. Depending on future needs, we will recruit additional staff as appropriate. Meanwhile, the Government will continue to keep in view public views on harbourfront enhancement and further consider the mechanism for facilitating harbourfront enhancement.

(VII) Energizing Kowloon East

26. We commenced a consultancy study in February 2016 to formulate a framework strategy, set direction and priority for the Smart City development in Kowloon East. We will carry out proof-of-concept trials including kerbside loading and unloading bay monitoring system; persona-based pedestrian navigation; crowd management for major events; and data sharing parking

vacancies and energy consumption of buildings within the district with a view to exploring the effectiveness of different innovations, and review implementation approach and strategy. We also collaborate with different research and academic institutions, using Kowloon East as a major component in investigating Smart City development.

27. On releasing development potential, we will commence a review of the future use of the land released from the relocation of the Ngau Tak Kok Divisional Police Station, which is expected to be in around 2020.

28. We plan to consult the public this year on two studies related to Kai Tak Fantasy project, one on the design plan of the former airport runway tip and the other on the preliminary proposals for development of the Kwun Tong Action Area.

(VIII) Enforcement against Domestic Use in Industrial Buildings

29. Industrial buildings (IBs) are not designed for domestic use and such use will pose a significantly high level of risk to the inhabitants. We will actively consider introducing new legislative provisions to strengthen the Buildings Department (BD)'s enforcement efforts against illegal domestic use in IBs, including enhancing BD's power in entering suspected domestic units for investigation, and imposing criminal sanction against owners, principal tenants and directors of companies who operate such units. Our target is to brief this Panel on the legislative proposals in the second quarter of 2017.

(IX) Pier Improvement Programme

30. We propose to launch a Pier Improvement Programme (PIP) to enhance the structural and facility standard of some existing piers in remote rural areas in phases, in order to respond to the public requests and improve the accessibility to some remote scenic spots and natural heritages, including the famous Geopark, Marine Parks, historic buildings, etc. We plan to seek the approval of the Finance Committee (FC) of the LegCo in mid-2017 for creation of a new block vote to fund the PIP. Subject to funding approval of the FC, we will carry out investigation and detailed design of the initial phase of the PIP, covering about 10 remote rural piers, in 2017 and strive to commence works in late 2019.

On-going Initiatives

(I) Increasing Housing Land Supply in the Short to Medium Term

(a) Land Use Reviews

31. As announced in the 2013 and 2014 Policy Addresses, we have identified in total some 190 potential housing sites, most of which we aim to make available in the five years of 2014-15 to 2018-19 for housing development, with a view to providing over 250 000 flats, with over 70% of them for public housing, subject to timely amendments to their statutory plans and/or completion of the necessary procedures. As of mid-January 2017, 93 sites had been zoned or rezoned for housing development, and are estimated to provide a total of about 112 100 housing units. Another 21 sites have their statutory rezoning procedures initiated; and if completed are estimated to provide a total of about 13 600 housing units.

(b) Increasing Development Intensity where Planning Terms Permit

32. The Government announced in the 2014 Policy Address that except for the north of Hong Kong Island and Kowloon Peninsula which are more densely populated, the maximum domestic plot ratio that can be allowed for housing sites located in other Density Zones of the Main Urban Areas and New Towns would be raised generally by about 20% as appropriate. As of end 2016, TPB has approved applications of 44 sites for increase in development intensity, resulting in an increase of 8 640 additional flats (including the increase of about 4 920 units in the Kai Tak Development Area).

33. We have recently completed the review on further increasing the development intensity and land use of the Kai Tak Development and confirmed that, in overall terms, the residential flats can be increased to about 50 000 units while the commercial gross floor area (GFA) can be increased to about 2 300 000 m². We are conducting public consultation on the proposal and will amend the Kai Tak Outline Zoning Plan in accordance with the Town Planning Ordinance.

(c) Private Housing Land Supply

34. In 2016-17, a total of 22 residential sites have been sold/will be put

up for sale, which are capable of providing about 14 700 flats. This is the highest flat production capacity of government land sale sites since the Government-initiated sale mechanism was introduced in 2010-11. As of mid-January 2017, the private housing land supply in the same financial year from various sources, including government land sale, railway property development projects, projects of the Urban Renewal Authority (URA), private development or redevelopment projects, was estimated to have a total capacity to provide over 19 000 flats, exceeding the annual target for the third consecutive year; the aggregate private housing land supply from various sources from 2012-13 to 2016-17 was estimated to be capable of providing about 96 600 flats⁴. In particular, during the same period, the Government sold/will sell 115 residential sites capable of providing about 51 100 flats; 15 railway property development projects were tendered, which are estimated to provide about 23 900 flats. The remaining committed railway property development projects pending tender are capable of providing about 14 000 units in the short to medium term.

35. The Government will closely monitor the market situation and continue to supply more private housing sites to the market, with a view to promoting steady development of the property market.

(d) Pilot Scheme for Arbitration on Land Premium (Pilot Scheme)

36. The Pilot Scheme for Arbitration on Land Premium (Pilot Scheme) was launched for a trial period of two years in October 2014 to facilitate agreement between the Government and private land owners on land premium payable for lease modification/land exchange applications through arbitration. As of mid-December 2016, Lands Department (LandsD) had extended a total of 18 invitations, including one completed arbitration case. An applicant in another case decided, after agreeing to arbitration, to accept the land premium proposed by LandsD, hence obviating the need for arbitration. The applicants of the remaining 16 cases chose to continue to negotiate premium with LandsD. In addition, LandsD had rejected an application for arbitration involving no increase in residential floor area. Given the limited number of completed arbitration cases, LandsD has extended the Pilot Scheme for two more years from end October 2016 in order to accumulate more experience. A review will

⁴ The forecast figures of the private housing land supply in 2016-17 will be adjusted after the end of 2016-17 in accordance with the actual land supply.

be conducted afterwards. LandsD will continue to select suitable lease modification/land exchange cases and invite relevant applicants to determine premium through arbitration. Private land owners are also welcome to apply for arbitration in respect of their respective lease modification/land exchange applications under processing.

(e) Development of Former Diamond Hill Squatter Areas and Quarry Sites

37. The development of the former Diamond Hill Squatter Areas (Tai Hom Village) as well as the former Cha Kwo Ling Kaolin Mine (CKLKM) and Anderson Road Quarry (ARQ) is in good progress. The former Diamond Hill Squatter Areas will provide some 4 050 public housing flats, the former CKLKM site can provide some 2 270 flats, and the ARQ site is estimated to have a capacity to produce about 9 410 flats. We are also considering making use of private developers' capacity to expedite these developments and are further studying the financial viability of the former Lamma Quarry development.

(II) Medium to Long-term Land Supply

(a) New Development Areas and New Town Extension

38. NDAs and new town extension are major source of land supply to meet the medium to long-term housing, social and economic development needs of Hong Kong. The implementation of KTN and FLN NDAs, TCNTE, HSK NDA and YLS development are in good progress. These development projects are expected to provide close to 200 000 housing units and over 8.6 million m² of industrial and commercial floor area between 2023 and 2038.

39. The KTN and FLN NDAs will be implemented as an extension to the Fanling/Sheung Shui New Town providing about 60 000 new units for an additional population of about 173 000 and creating about 37 000 new jobs. The proportion of public housing, including public rental and subsidised sale flats, will be about 60%. The KTN and FLN NDAs development will be implemented in phases for first population intake expected to take place in 2023 at the earliest.

40. We will continue to take forward and implement the development of TCNTE to tie in with the development of Lantau, turning Tung Chung into a

distinct and more comprehensively developed new town. TCNTE will provide about 49 400 new flats with the first population intake expected in 2023. Detailed design and site investigation have already commenced in June 2016. Subject to funding approval of LegCo, the Government aims to start reclamation in Tung Chung East in 2018.

41. For the HSK NDA, a Recommended Outline Development Plan (RODP) has been formulated for the area, which will provide about 441 ha of developable land. The HSK NDA will be the next generation new town for a total population of about 218 000 (including a new population of about 176 000). It will provide about 61 000 additional flats and 150 000 job opportunities. The Revised RODP was promulgated on 5 September 2016 and the Government is proceeding with the preparation of the Outline Zoning Plan for the NDA. According to the latest programme, construction works will be completed by phases with the first population intake expected in 2024.

42. The Planning & Engineering (P&E) Study on the Housing Sites in YLS was commissioned in November 2012 to examine the development potential of the degraded brownfield land for housing purpose and other uses with supporting infrastructure and community facilities, and improving the environment. The last Stage 3 Community Engagement (CE3) on the draft RODP was conducted from January to April 2016. Taking into account the views received during CE3, the RODP is under preparation. According to the draft RODP, the YLS development would accommodate a total population of about 85 000, providing about 27 700 new flats with 60% for public housing. The proposal would also generate about 10 800 job opportunities. Subject to further detailed technical assessments, the first population intake is anticipated to be in 2027.

(b) Re-planning of Tseung Kwan O Area 137

43. As part of the Government's on-going efforts in identifying suitable areas for the long-term development of Hong Kong, we commenced in end-2016 a P&E study for the re-planning of Tseung Kwan O Area 137, which is a sizeable piece of land in the urban area with potential for large-scale developments. We will explore in the study the feasibility of residential, commercial and other developments, with a view to making more optimal use of this some 80 ha of formed land, after accommodating the desalination plant and taking into account considerations including the potential environmental

impact, as well as traffic and infrastructural capacities.

(c) Siu Ho Wan Depot Site and Property Development along Rail Lines

44. In the medium to long term, potential railway property development projects can provide over 21 000 residential units. Among others, Environmental Impact Assessment and various technical studies are being carried out for the planned comprehensive residential and commercial development at the Siu Ho Wan Depot Site which can provide no less than 14 000 residential flats in the medium to long term with relevant commercial and community facilities. The development parameters will be kept under review with regard to the results of on-going studies to optimise the utilisation of the site as far as possible. The Government plans to commence statutory planning procedures for the relevant area in 2017-18, and will follow up with MTR Corporation Limited (MTRCL) as appropriate on the various technical matters and related details based on the results of the technical studies. The topside development above West Rail Pat Heung Depot can also provide about 6 000 units in the medium to long term. In collaboration with the MTRCL, the Government will continue to explore the development potential of railway stations and related sites along existing and new railway lines to make optimal use of such land.

(d) Reclamation Outside the Victoria Harbour and Rock Cavern Development

45. On rock cavern development, we continue the investigation and detailed design for the relocation of the Sha Tin Sewage Treatment Works to caverns, which is in good progress and scheduled for staged completion from 2017 onward. We will implement the construction works in phases with a view to releasing the site of the existing sewage treatment works of about 28 ha for housing and other beneficial uses.

46. We have substantially completed the feasibility studies on the relocation of three other government facilities to caverns, viz. the Diamond Hill Fresh Water and Salt Water Service Reservoirs, the Sai Kung Sewage Treatment Works and the Sham Tseng Sewage Treatment Works. We will carry out public consultations on the land use options of the released sites, of about 6 ha in total, in preparation for the next phase of work.

47. On implementation of the recommendations of the study on the long-term strategy for cavern development, we will promulgate a territory-wide Cavern Master Plan to delineate areas suitable for cavern development including provision of technical information for reference of potential cavern project proponents. At the same time, we will formulate guidelines to facilitate future cavern developments including proactive consideration of cavern options in the planning of certain new government facilities. We will also set priorities for systematic relocation of selected government facilities, and carry out a technical study on underground quarrying for cavern development.

48. We will complete the technical studies for the proposed Siu Ho Wan, Lung Kwu Tan and Ma Liu Shui reclamations this year. We intend to commence a P&E study for Ma Liu Shui reclamation of about 60 ha as soon as practicable which will also consider the future planning of the adjoining 28-ha site vacated after relocation of the Sha Tin Sewage Treatment Works into caverns with a view to providing land for development of high technology and knowledge-based industries, housing and other uses. To provide land for industrial and other uses, we plan to commence a P&E study as soon as possible for Lung Kwu Tan reclamation of about 200 ha. We will also strive to seek funding approval for commencing a P&E study for the proposed Sunny Bay reclamation as early as possible.

(e) Underground Space Development

49. We are continuing the detailed study on underground space development for Causeway Bay, Happy Valley, Admiralty/Wan Chai and Tsim Sha Tsui West. Public consultations are under way on sites with underground space development potential, including Kowloon Park, Victoria Park and Southorn Playground, in preparation for the next stage of preliminary planning and technical assessment work.

(f) Development of the New Territories North

50. Apart from KTN, FLN and HSK NDAs and YLS, there are vast tracts of undeveloped land in the NTN (including land released from the Frontier Closed Area) that could be considered for meeting the long-term development needs of Hong Kong. A preliminary feasibility study on developing the NTN (NTN Study) was commissioned in early 2014 for a comprehensive review of the land use planning for the area. The findings of

the NTN Study related to the two development scenarios and three potential development areas (PDAs) were promulgated in the context of the PE for Hong Kong 2030+. The two development scenarios were proposed to accommodate population intake from 255 000 to 350 000. The three PDAs include the San Tin/Lok Ma Chau Development Node, Man Kam To Logistics Corridor, and NTN New Town at Ping Che, Ta Kwu Ling, Heung Yuen Wai, Hung Lung Hang and Queen's Hill with a total development area of about 720 ha.

(III) Lantau Development and Conservation

(a) Topside Development at Hong Kong Boundary Crossing Facilities Island of Hong Kong-Zhuhai-Macao Bridge

51. While we are continuing with the study to explore the optimal utilization land at the HKBCF Island of the HZMB through topside and underground developments for commercial and other economic uses, we will conduct the Stage 2 CE in the first half of this year to collect public views on the draft RODP, which will provide a total GFA of up to 500 000 m² for development.

(b) Local Improvement Initiatives

52. We are continuing the planned improvement works for revitalisation of Mui Wo and Tai O in stages, as well as for Ma Wan Chung under the TCNTE. We are carrying out the improvement and expansion works for the mountain bike trail networks in south Lantau and the improvement works to the sharp road bends at Keung Shan Road and South Lantau Road. We are also working closely with the relevant departments to increase car parking spaces in south Lantau and to monitor the implementation of the first phase of traffic relaxation measures for access of tour coaches and private cars to the closed roads in south Lantau.

(c) East Lantau Metropolis

53. The basic concept of ELM is to create artificial islands by reclamations in the waters near Kau Yi Chau and the Hei Ling Chau Typhoon Shelter, and to make better use of the under-utilised land in Mui Wo, with the aim of creating a smart, liveable and low-carbon development cluster with a CBD3. The ELM would provide the much needed land and space for

decanting the existing urban areas upon redevelopment. It also provides a new platform to leverage development potential spurred by the new and improved transport connections extending from the traditional CBD to the Pearl River Delta east and west. We will seek funding approval from LegCo to take forward strategic studies for constructing the artificial islands in the central waters for the development of the ELM at an appropriate time.

(IV) Commercial/Business and Industrial Sites

54. In 2016-17, a total of 7 commercial/business sites (about 503 000 m² of GFA) were sold/will be put up for sale. This is a record high since 2010-11 when the Government refined the land sale arrangement to introduce Government-initiated Sale Mechanism. In addition, a total of 2 industrial sites (about 52 000 m² of GFA) were sold/will be put up for sale in 2016-17. Land sale by the Government for commercial and industrial uses in the current financial year can provide about 555 000 m² of GFA, exceeding the aggregate supply in the preceding four financial years. From 2012-13 to 2016-17, the Government has supplied a total of 23 commercial/business/industrial sites to the market, providing over one million square metres of GFA.

55. The Government will continue to increase commercial land supply to facilitate the development of economic activities. One of the supply sources is to convert suitable government sites into commercial use. In 2016, the Murray Road Public Carpark site in Central and Queensway Plaza in Admiralty were rezoned for commercial/office uses. The government site on Caroline Hill Road in Causeway Bay will also be released for commercial and other uses.

(V) Energizing Kowloon East

56. The Government continues to push ahead the policy initiatives of Energizing Kowloon East. We announced our Conceptual Master Plan version 5.0 in November 2016 which is a continuous improvement on our previous versions, incorporating public views collected from many engagement activities.

57. At present, Kowloon East has more than 2.3 million m² of commercial/office floor area. It is estimated that Kowloon East will potentially provide about 7 million m² in total in future. A total of 30 private development/conversion projects have been completed since 2012, producing

about 610 000 m² of commercial/office floor area. The estimated supply of new commercial/office floor area in Kowloon East in the coming five years is around 900 000 m², including about 370 000 m² from the six pieces of government land sold since 2012. The momentum of increasing commercial/office supply in Kowloon East will continue.

58. To expedite the release of development potential in Kowloon East, we are implementing gradually the relocation of the existing government facilities including the vehicle examination centres, waste recycling centre and driving test centre in the Kowloon Bay and Kwun Tong Action Areas to provide more commercial/office floor space.

59. We continue to implement the concept of “walkable” Kowloon East to improving the pedestrian environment and traffic conditions. These include carrying out detailed design for an additional footbridge next to Kowloon Bay MTR Station to enhance connectivity with the future East Kowloon Cultural Centre and nearby residential areas, and detailed design for the extension and face-lifting of the pedestrian subway network connecting to Ngau Tau Kok MTR Station, face-lifting of a public transport interchange and improvement of pedestrian facilities to create a comfortable walking environment for pedestrians heading for the business area and the promenade. We continue to collaborate with different organisations and government departments on the back alley project with the spirit of co-creation and social inclusion to further improve pedestrian connectivity.

60. On improving the environment, we continue to showcase the industrial culture of Kowloon East as design elements at the Tsun Yip Street Playground and other parks that will undergo improvements in Kowloon East under the theme of “The Spirit of Creation”. We also enrich and update the Green Map on Energizing Kowloon East Office’s website, showing green buildings which have obtained BEAM Plus Gold or above rating in Kowloon East. A total of 23 buildings in the area have achieved such accredited rating.

61. “Diversity” is one of our key development strategies. We continue to develop the spaces beneath Kwun Tong Bypass into the “Fly the Flyover 0123” project. “Place-making” is applied to the project to transform the spaces into uniquely designed and vibrant venues with facilities related to culture, art, leisure as well as green and healthy city to tie in with the Kwun Tong waterfront development.

62. The transformation of Kowloon East into CBD2 is a complex process, and we have to strike a balance among the needs of different stakeholders. As of December 2016, more than 520 briefings, seminars, workshops, forums, exhibitions and visits with more than 13 000 participants were held. Besides, about 200 place-making activities by various groups with more than 560 000 participants were held at “Fly the Flyover 01” and the former airport runway tip. We will continue to maintain a close dialogue with the community to gauge public views to further improve our work on Kowloon East.

63. We are continuing the detailed feasibility study for the Environmentally Friendly Linkage System for Kowloon East and will consult the public on the recommended transport mode with a view to commencing the next phase of the study.

(VI) Common Spatial Data Infrastructure

64. We are working to promote the establishment of a “Common Spatial Data Infrastructure” (CSDI) to provide bureaux and departments, as well as public and private organisations with an information infrastructure for sharing of spatial data, supporting various smart city applications, and dovetailing with the smart city blueprint. We will commission a consultancy study in the first quarter of 2017 aiming to formulate the overall CSDI development strategy and roadmap from the “joined-up government” and “spatially-enabled society” perspectives.

(VII) Building Maintenance and Urban Renewal

(a) Enhancing Building Safety in Hong Kong

65. Apart from taking enforcement action against domestic units in industrial buildings as well as other sub-divided units mentioned in paragraph 29, the Government will continue to adopt a multi-pronged approach in enhancing building safety in Hong Kong. Among others, we will work closely with the Hong Kong Housing Society and the URA to assist owners in need to carry out repair and maintenance works through the Operation Building Bright, the Integrated Building Maintenance Assistance Scheme, the “Smart Tender” Building Rehabilitation Facilitating Services (Pilot Scheme) and other

assistance schemes. We will also continue to launch various publicity initiatives through tailor-made channels to foster a building safety culture in Hong Kong and disseminate building safety messages.

(b) Urban Renewal

66. The Government promulgated the Urban Renewal Strategy on 24 February 2011 (the 2011 URS). In line with the 2011 URS, the URA continues its role as an “implementer” for redevelopment by initiating redevelopment projects on its own and by responding to joint approaches from building owners to initiate redevelopment of their buildings/lots under the Demand-led Redevelopment Project (Pilot Scheme). As of end December 2016, URA had commenced 60 redevelopment projects since its inception. These projects have produced/have the potential of producing a total of about 18 200 residential units.

67. At the same time, URA also continues its role as a “facilitator” for redevelopment by assisting owners of old buildings to assemble property interests with a view to seeking their joint sale in the market for redevelopment. The revised Facilitating Services (Pilot Scheme) launched in November 2015 has shortened the processing time from two years to nine months. The joint sale of one project site has been successfully facilitated and three applications are under processing. Moreover, since May 2016, a new pilot scheme has been put in place to provide facilitating services to building owners under the Civil Servants’ Co-operative Building Society Scheme and the Government Built Housing Scheme under a separate queue. Two applications are under processing.

68. Last year, for the first time, the URA introduced a holistic and district-based approach for implementing its redevelopment projects in To Kwa Wan, so as to raise the quality of the environment and improve the road networks by enhancing the overall planning for the community. While undertaking redevelopment, we must also explore effective ways of addressing the problem of ageing building stock. The URA plans to conduct a district planning study for Yau Ma Tei and Mong Kok on a pilot basis. The study aims to explore how to enhance the efficiency of existing land use and redevelopment potential of these districts. At the same time, the URA will also conduct a study on building rehabilitation strategies to formulate

appropriate and sustainable measures to prolong the life span of the buildings and explore the feasibility of “retrofitting” as a proposal for building rehabilitation.

69. The Urban Renewal Fund set up by URA has recently concluded the third round exercise of the Urban Renewal Heritage Preservation and District Revitalisation Funding Scheme. The approved projects would commence by the third quarter of 2017.

(c) Lifts and Escalators

70. The Electrical and Mechanical Services Department (EMSD) will continue enforcing the Lifts and Escalators Ordinance (LEO) (Cap. 618) including the registration of qualified persons, providing assistance to Responsible Persons⁵ (who include building owners) to manage their lifts and escalators, conducting inspections, promoting modernisation of aged lifts and public education to enhance the knowledge of the public in lift and escalator safety and for Responsible Persons on their obligations under the LEO. EMSD undertook various work in 2016 including updating the Performance Assessment Scheme for the Contractors’ Performance Rating System, releasing for public reference the lift maintenance prices for private residential and commercial buildings, and launching the promotion of modernisation of aged escalators.

(VIII) Enhancing External Link

71. The construction works for the Liantang/Heung Yuen Wai Boundary Control Point (BCP) are in good progress since the commencement of works in July 2013. Up to end 2016, the connecting road and the Passenger Terminal Building have been over 40% and 30% completed respectively. We will make our best endeavours to complete the BCP project in 2018.

(IX) Cycle Track Network

72. We are continuing the development of the NT cycle track network in phases. Since the opening of the cycle track section from Ma On Shan to

⁵ Responsible Person is a person who owns the lift or escalator or any other person who has the management or control of the lift or escalator.

Sheung Shui in 2014, we will open another cycle track section from Tuen Mun to Yuen Long early this year. We also commenced in June 2016 the construction of the cycle track section from Yuen Long to Sheung Shui for completion in early 2020. By that time, the public will be able to enjoy the entire cycle track section from Ma On Shan to Tuen Mun with a total length of 60 kilometres. Apart from the above, we will commence the detailed design of the cycle track section from Tuen Mun to So Kwun Wat whilst continuing the review of the alignment of the remaining cycle track sections from Tsuen Wan to Tuen Mun.

Environment and Conservation

New Initiatives

(I) Enhancing the Water Safety Regime for Hong Kong

73. DEVB has established an inter-bureau and inter-departmental working group, including representatives from the Food and Health Bureau, the Environment Bureau, the Transport and Housing Bureau, the Commerce and Economic Development Bureau, the Department of Health and the Water Supplies Department (WSD) to identify a suitable water safety regime for Hong Kong. The working group is putting forward proposals on introducing legislation for safeguarding the drinking water safety in Hong Kong, including developing a set of drinking water standards and a water quality regulatory framework, as well as putting in place a comprehensive programme for monitoring the safety and quality of drinking water from the source to the consumers' taps.

(II) Safeguarding Drinking Water Quality

74. Before the aforesaid water safety regime is put in place, in order to safeguard the drinking water quality, the WSD has engaged overseas consultants to study the corresponding overseas practices and their applicability in Hong Kong's situation. Following the advice of International Expert Panel⁶

⁶ The Panel was set up by the DEVB on 1 June 2016 and comprises five members with three overseas members and two local members. The three overseas experts are from United Kingdom, Australia and Canada with extensive experience in the water industry and involvement in the work of international associations. One of the two local experts is an experienced water consultant and the other is a medical professor.

(IEP) and with reference to overseas experiences, the WSD and its consultants are developing a holistic plan comprising the drinking water quality standards, the associated sampling protocols, a territory wide water quality monitoring programme as well as its enhanced water safety plan. In tandem, the WSD is developing templates for the Water Safety Plan for buildings for use by building owners and is stepping up the material control in respect of regulation of pipes and fittings used in inside service. Currently, the WSD is making full effort to complete the aforesaid tasks with a view to announcing the details of the holistic plan by end of March 2017.

75. Moreover, the WSD has set forth on a holistic review of the Waterworks Ordinance and its Regulations with a view to revamping the legislation to cater for the latest development of the plumbing trade, technologies and practices, including a review on the roles and responsibilities of trade personnel and technical requirements and plumbing material standards. In this connection, the WSD has identified some priority amendments including those defining the duties of licensed plumbers and plumbing workers, and those relating to the standards for plumbing materials in the inside service and will submit them to the LegCo for deliberation in the 2016-17 legislative session.

(III) Water Resources Management

76. To reduce water loss, the WSD has strengthened enforcement action to control leaks of inside service. The WSD is also collaborating with other government departments in taking forward a pilot scheme for leakage detection of underground water pipes and consolidating experience from the scheme to pave the way for promotion of leak detection and maintenance of private underground water pipes by their owners.

(IV) Using Building Information Modelling Technology

77. Building Information Modelling (BIM) is a new technology in the construction industry. The technology enables construction professionals to design and build in virtual environments. BIM can minimise changes in the construction process and reduce the project risk, so that the cost of the project at all stages are clearer and more accurate. We are actively seeking to apply the BIM technology in the design of major government capital works projects from 2018 onwards. Consultants and contractors undertaking the design and construction work for these projects will be required to use the BIM technology.

(V) Promoting Green Buildings

78. Since 2011, registration for certification under BEAM Plus Assessment conferred by the Hong Kong Green Building Council has been a prerequisite for an applicable project to be eligible for GFA concession for its green and amenity features. In order to further promote green building in the private sector, the BD will commission a consultancy study in 2017 to review the current arrangement. The study will, among others, explore the feasibility of tightening the prerequisite by requiring a project to meet certain minimum environment standard before being eligible for GFA concession for its green and amenity features, and adopting a performance-based or site-specific approach for determining the cap for GFA concession.

(VI) Urban Forestry

79. We will promote a holistic approach to formulate urban forestry strategies, develop proper urban arboricultural practices, enrich vegetation diversity and enhance place ecology for sustainable development of our cityscape. We will also promote capacity-building for the arboriculture and horticulture industry and assist the Arboriculture and Horticulture Industry Training Advisory Committee in developing a qualification framework.

(VII) Rehabilitation Works for Aged Drainage Systems

80. There are about 2 400 kilometres underground drains, including gravity pipes and box culverts, in Hong Kong. Many of these drains were in services for over decades and are suffering from ageing and wear and tear. We will conduct investigations and, where necessary, carry out rehabilitation works for aged drainage systems to minimise flooding risk and safety hazards arising from pipe collapse.

On-going Initiatives

(I) Total Water Management Strategy

81. To brace Hong Kong for challenges of climate change and continuing population and economic growth, we have taken forward a host of water demand and supply management measures since the promulgation of the Total Water Management (TWM) strategy in 2008. To further strengthen our

resilience and preparedness to unforeseen challenges, we will complete a consultancy review in 2017 to update and enhance our TWM strategy.

(II) Development of Desalination

82. The WSD is proceeding with the design of the first stage of the proposed seawater desalination plant in Tseung Kwan O with a water production capacity of 135 million litres per day (Mld) with provision for expansion to 270 Mld to meet 5% to 10% of Hong Kong's fresh water demand. The detailed design of water mains for delivery of desalinated water to the water supply system using in-house resources has been largely completed. WSD plans to commence the mainlaying works in 2017.

(III) Water Intelligent Network

83. The WSD continues to establish the "Water Intelligent Network" (WIN) which comprises a total of about 2 000 District Metering Areas (DMAs) for continuous monitoring of the health conditions of the water supply network. The construction of some 970 DMAs have already been completed at end 2016 and 430 are under construction. WSD has also awarded further contract for construction of 85 DMAs and two consultancies for design of the remaining 515 DMAs. Besides, WSD will put out to tender the intelligent network management computer system for analysing the data collected from the sensors installed at the DMAs in early 2017. To further assist in early identification and thus handling of water mains in poor condition, WSD has engaged a consultant to predict the failure probability of water mains using data mining technique.

(IV) Water Conservation and Reclamation

84. On enhancing promotion of water conservation, WSD has actively engaged diverse sectors of the community in the Water Conservation Week 2016 that was held in mid-November 2016. In the Week, WSD has launched the best practice guidelines for water usage in the catering and hotel industries and encouraged the private sector to conduct review on water usage. WSD will ride on the momentum to continue enhancing collaboration with various stakeholders to promote water conservation. In addition to the "Cherish Water Campus" Integrated Education Programme which over 200 primary schools have already joined, WSD will extend our educational effort to kindergartens.

Separately, the design work for the Water Resources Education Centre at Tin Shui Wai for replacing the existing temporary centre has commenced.

85. On developing new water sources, we are continuing to take forward our work on the supply of reclaimed water in the north-eastern part of the NT (including Sheung Shui and Fanling) for non-potable uses. The associated infrastructure works will commence in stages and WSD has already completed the design of advance infrastructure works. Separately, WSD will complete the consultancy study on the financial and legal framework for the supply of reclaimed water in 2017 and will continue to promote wider use of grey water recycling and rainwater harvesting systems under suitable new government projects.

(V) Green Construction

86. To promote low carbon construction, emission reduction and the use of recycled materials in public works projects, we will continue to implement measures including promoting the use of electric vehicles in works projects, using biodiesel as fuel for construction machineries in construction sites, adopting green site offices, and using waste glass as fill materials for reclamation works.

(VI) Greening, Landscape and Tree Management

87. To advocate higher quality landscape planning and design in the upstream and more diligent vegetation management and maintenance in the downstream, we will continue to improve the tree risk management strategy, promulgate technical circulars and guidelines, enhance the emergency response system as well as notification system on tree related cases, and promote public education and awareness programme on proper tree care.

(VII) Heritage Conservation

88. We have made good progress with a number of initiatives on heritage conservation –

- (a) We set up the Built Heritage Conservation Fund (BHCF) in 2016 to provide subsidies for public education, community involvement and publicity activities, as well as academic research. The BHCF

also subsidises certain existing government measures and initiatives on built heritage conservation, including the Revitalising Historic Buildings Through Partnership Scheme (Revitalisation Scheme) and Financial Assistance for Maintenance Scheme (FAS). Under the newly established BHCF, we have enhanced the FAS since November 2016 including the increase of grant ceiling from \$1 million to \$2 million for each works project, and the expansion of scope to cover not only privately-owned graded historic buildings but also government-owned declared monuments and graded historic buildings that are leased to non-profit-making organisations. Separately, we are taking forward progressively new funding schemes for PE projects and thematic research under the BHCF;

- (b) There have been five batches of historic buildings under the Revitalisation Scheme involving 19 projects, among which revitalisation works for eight have been completed and are open to the public. Among these eight which have commenced operation, four projects have been granted the UNESCO Awards for Cultural Heritage Conservation. We will continue to strengthen our collaboration with non-governmental organisations;
- (c) Under the premise of up-keeping building structural safety and health standards, we updated the relevant practice note and practice guidebook on built heritage conservation in 2016 to provide more flexibility on building control and expand the scope for carrying out alteration and addition works for historic buildings with a view to further revitalising built heritage. In 2017, we will further update the practice guidebook by incorporating practical examples of recent adaptive re-use projects as case studies for reference to practitioners and conservationists;
- (d) Three historic buildings – Blocks 7, 10 and 25 of the old Lei Yue Mun Barracks in Chai Wan, were declared as monuments in accordance with the Antiquities and Monuments Ordinance (Cap. 53) in 2016;

- (e) As of December 2016, the Antiquities Advisory Board (AAB) has confirmed the grading of 1 342 historic buildings⁷. The AAB will continue to take forward the grading exercise and proceed to examine the remaining items on the list of 1 444 historic buildings⁸ and new items/categories proposed by the public; and
- (f) In 2016, the Commissioner for Heritage's Office (CHO) of the DEVB organised a series of public education programmes and activities to encourage community participation in heritage conservation. For instance, music performances were held at YHA Mei Ho House Youth Hostel, Green Hub, PMQ and Stone Houses Family Garden from January to April 2016; King Yin Lei Open Days for underprivileged groups were held from March to April 2016; the "New Life @ Heritage II" roving exhibition was held from June to December 2016; "King Yin Lei Public Open Days" were held at selected weekends in July, August, October and November 2016; "Heritage Fiesta 2016" was held from October to November 2016; and a bimonthly newsletter "活化@Heritage" featuring heritage issues and the work of the CHO has been published since 2008.

(VIII) Landslip Prevention and Mitigation Programme

89. We are continuing the Landslip Prevention and Mitigation Programme to upgrade and landscape government man-made slopes, mitigate the landslide risk of natural terrain with known hazards, and conduct safety screening studies for private slopes. We will also continue our efforts on public education on slope safety including enhancing the emergency preparedness of the public.

(IX) Flood Prevention

90. We have been reviewing the Drainage Master Plans (DMP) for various districts with a view to assessing their flood risks and proposing

⁷ This figure includes items on the list of 1 444 historic buildings in the territory for which a public consultation exercise on their proposed grading was carried out from March to September 2009 as well as over 200 new items proposed for grading by the public.

⁸ The AAB will flexibly advance its discussion on the grading of the new items if there is cogent need for an early assessment.

improvement measures to cope with new developments and the impact of climate change. The reviews of the DMP for Yuen Long, North District, Happy Valley, East Kowloon and West Kowloon have been completed whereas those for Sha Tin, Tai Po, Sai Kung, Northern Hong Kong Island, Lantau Island and other outlying islands are in progress. We are also conducting a River Flood Risk Study aiming to draw up flood warning systems and mitigation measures for flood-prone rivers in order to enhance the protection of the residents near these rivers. We will continue to implement projects to improve the drainage systems including Phase 2 construction works of an underground stormwater storage tank in Happy Valley. The works are in good progress with Phase 1 put into operation since March 2015.

(X) Revitalising Nullahs and River Channels

91. We will continue the design of the improvement works for the Yuen Long Town Centre Nullah to enhance the local environment quality and its ecological value.

92. We are also conducting a consultancy study for exploring practicable options for applying the concept of revitalising water bodies to other nullahs and river channels when carrying out large-scale drainage improvement works and drainage planning for NDAs. Apart from achieving efficient drainage, such objectives will promote greening, biodiversity, beautification and water friendliness; build sustainable drainage facilities; and provide a better living environment.

Education, Population and Human Resources

On-going Initiatives

(I) Strengthening Construction Manpower Supply

93. We and the CIC have been actively implementing a host of multi-pronged measures to cope with the tight manpower situation of the construction industry.

94. We have obtained a total of \$420 million from the LegCo since 2010 to support CIC in stepping up training for local construction personnel. From

2009 to 2016, CIC has trained more than 23 000 semi-skilled workers.

95. In end 2015, CIC rolled out a pilot scheme for upgrading the skills of semi-skilled workers to the levels of skilled workers. CIC is conducting an interim review on the effectiveness of the pilot scheme for completion by the first quarter of 2017.

96. Further, CIC is going to revamp the on-going contractor cooperative training scheme so as to make it more effective in attracting newcomers and to better equip the newcomers with basic knowledge on craft skill as well as construction safety. CIC will also strengthen its effort to upgrade the skills of general workers to the level of semi-skilled workers. That would cover in-service female workers, ethnic minority workers and other local workers.

97. In collaboration with CIC and other relevant training institutions, we will continue to provide workers with a clear progression pathway, boost skill and professional developments, and attract new entrants to the industry.

(II) Implementation of “Designated Workers for Designated Skills” Requirement under Construction Workers Registration Ordinance

98. The registration system under the Construction Workers Registration Ordinance (CWRO) (Cap. 583) recognises the skill levels of construction workers to raise their status, ensures the quality of construction work, and provides reliable manpower data to facilitate manpower planning and training. The Phase One Prohibition under CWRO has been implemented since 2007 and the construction industry generally complies with its requirements.

99. The Construction Workers Registration (Amendment) Ordinance 2014 has pre-set that the “designated workers for designated skills” (DWDS) requirement is to come into operation on 1 April in 2017. In this respect, we have already tabled the Construction Workers Registration (Exemption) Regulation at the LegCo sitting on 14 December 2016.

100. To prepare for implementing the DWDS requirement on 1 April 2017, CIC launched an extensive publicity and promotional campaign for the DWDS requirement since January 2015. Further, CIC is preparing relevant guidelines for the DWDS requirement (including exemption details) and is developing a smartphone application to disseminate relevant information.

(III) Construction Industry Recruitment Centre

101. The Labour Department will continue to help contractors recruit local construction workers and assist local construction workers to secure employment through the Construction Industry Recruitment Centre.

CONCLUSION

102. We welcome Members' feedback and undertake to work closely with LegCo in taking forward DEVB's policy initiatives. We aim to further discuss with the Panel on Development on the following items shortly –

- PWP Item No. 7786CL-2A – Tung Chung New Town Extension – Reclamation and Advance Works
- PWP Item No. 7765CL-2 – Development of Anderson Road Quarry Site – Remaining Works
- Proposed planning and engineering study on Sunny Bay reclamation
- Planning, engineering and architectural study for Topside Development at Hong Kong Boundary Crossing Facilities Island of Hong Kong-Zhuhai-Macao Bridge – Stage 2 Community Engagement
- Proposed strategic studies for artificial islands in the central waters
- Waterworks (Amendment) Bill and Waterworks (Amendment) Regulation
- Design and construction for first stage of desalination plant at Tseung Kwan O – mainlaying
- Proposed Construction Industry Security of Payment Legislation

- Progress of key follow-up action of lead in water incident
- Stage 1 Public Engagement for Pilot Study on Underground Space Development in Selected Strategy Urban Areas
- Detailed Feasibility Study for Environmentally Friendly Linkage System for Kowloon East – Interim Public Consultation and Progress Update on Kai Tak Development

Development Bureau
19 January 2017