

## **Legislative Council Panel on Development**

### **Initiatives of Development Bureau in the 2014 Policy Address and Policy Agenda**

#### **INTRODUCTION**

The Chief Executive (CE) delivered his 2014 Policy Address entitled “Support the Needy, Let Youth Flourish, Unleash Hong Kong’s Potential” on 15 January 2014. 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 “Education, Population and Human Resources”. An extract of all the new and on-going initiatives under DEVB as contained in the 2014 Policy Agenda is at **Annex**. The major items are highlighted in the paragraphs below.

#### **Economic Development**

##### *New Initiatives*

##### Assess Future Demand and Supply of Economic Land Use

##### Review of Economic Land Uses

3. One of the Government’s policy objectives is to provide sufficient land to facilitate the sustained development of different economic activities. This is crucial to the successful implementation of various policies on industry or economic development. The

development of Hong Kong Science Park and industrial estates are some good examples. In view of the latest global and local economic developments, Planning Department (PlanD) will shortly update its forecast of demand for land of major market-driven economic uses<sup>1</sup> in the “Hong Kong 2030: Planning Vision and Strategy”, taking into account Hong Kong’s economic outlook, the latest population growth and manpower projections, technology advancement, etc.

4. Meanwhile, DEVB and PlanD will continue to work with the other relevant bureaux and departments on the land use planning for and requirements of specific industries and economic activities to help further analyse their future land demand and supply, with a view to further supporting the Government’s policies on industry or economic development, and better utilising our scarce land resources. Our aim is to obtain a holistic picture for better land use planning to duly cater for the development needs of different sectors/industries and, in the case of competing requirements, properly prioritise land allocation.

### ***On-going initiatives***

#### (I) Construction Industry

##### (a) Infrastructure Investment

5. The spending performance of the Capital Works Programme in 2013-14 is satisfactory, reaching the level of around \$70 billion. This represents a gradual and sustained increase from the actual expenditure of \$62.4 billion in 2012-13. We will continue to invest in infrastructure development to promote economic growth, create employment opportunities and enhance the long-term competitiveness of Hong Kong.

6. We continue to implement infrastructure projects to meet the diverse needs of the community. Of the about \$480 billion approved by

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<sup>1</sup> The HK2030 Study provides a broad-brush estimation of the future requirements of three major economic land uses, including Central Business District (CBD) Grade A Offices; General Business which covers private offices (excluding CBD Grade A offices), industrial/office buildings, flatted factories and private storages; and Special Industries which refer to land uses with particular accommodation requirements, such as requiring sites suitable for capital and/or technology intensive industrial operations which may have special infrastructural and/or locational requirements, and/or where special treatment, security, or other measures have to be taken.

the Legislative Council's (LegCo's) Finance Committee over the last five years, about 60% is devoted to the Ten Major Infrastructure Projects and the remaining 40% to other projects of varying scales. We expect that based on the planned infrastructure programme, the annual capital works expenditure in the next few years will exceed \$70 billion.

(b) Procurement System for Public Works Projects

7. While the infrastructure development programme brings to Hong Kong substantial economic and social benefits, we are mindful of the need to take anticipative actions to ensure the economical delivery of quality infrastructures. After a strategic review of the existing procurement system for public works projects, we have been formulating new initiatives to build up capacity and facilitate healthy growth of the construction industry. For this purpose, we remove redundant entry barriers with a view to attracting more contractors and consultants, both local and overseas, into our construction market and enhancing competition in tendering for public works projects. We are also formulating measures to enhance construction productivity, innovation and creativity in the design and construction of projects.

(c) Security of Payment Legislation

8. To enhance the business operating environment of the construction industry, we are carrying out preparation work for introducing a new legislation in 2015-16 to enhance the security of payment in construction-related contracts and with adjudication for speedy resolution of disputes, thereby enhancing the cash flow of the construction supply chain. We have set up a "Working Group on Security of Payment Legislation for the Construction Industry" with members from key industry stakeholders. The Working Group has provided views on the framework of the proposed legislation. We will conduct public consultation on the legislative proposal in 2014.

(II) Supporting Construction and Related Engineering Professionals to Conduct Business in the Mainland

9. Since signing of the “Mainland and Hong Kong Closer Economic Partnership Arrangement” (CEPA) in 2003, 41 market liberalisation measures have been secured to facilitate stakeholders of the Hong Kong construction industry to practise and develop their business in the Mainland, particularly in Guangdong Province under the pilot scheme arrangement. Through mutual recognition between Hong Kong and the Mainland, 1 490 Hong Kong construction and related engineering professionals have already obtained the relevant Mainland professional qualifications. Amongst them, 559 professionals of the three disciplines, namely architect, structural engineer and building surveyor, may now use their status of registered practitioner in Guangdong as an enterprise qualification to set up companies to conduct business under the Guangdong pilot scheme.

10. We will strive to secure mutual recognition of professional qualifications for more professional disciplines, including electrical engineer and building services engineer. We will also seek to expand the Guangdong pilot scheme so that more Hong Kong professionals, who have acquired the respective Mainland professional qualifications, may register as practitioners and have their status recognised for the purpose of fulfilling enterprise qualifications in Guangdong. Efforts will also be made to expand the pilot scheme to other parts of the Mainland.

11. In September 2013, we signed a Cooperation Agreement with the Authority of Qianhai Shenzhen - Hong Kong Modern Service Industry Cooperation Zone of Shenzhen (Qianhai Authority) with a view to exploring more opportunities for Hong Kong professionals and enterprises in the construction and engineering sectors to participate in Qianhai development. We will closely collaborate with the Qianhai Authority to identify pilot construction projects in Qianhai to introduce Hong Kong construction and management systems and allow Hong Kong professionals and enterprises to provide professional services directly in Qianhai. We also seek to expand the scope of services of construction designers so that they can provide a full range of services throughout the project delivery cycle, including engineering design, project management

and works supervision services. Besides, we will arrange training attachment for professionals of the two sides to facilitate exchange of expertise and knowledge in the aspects of planning and construction.

## **Land, Housing and Transportation**

### *New Initiatives*

#### (I) Long-term Housing Strategy

12. To meet the housing need of the community and the Long Term Housing Strategy's (LTHS's) target of providing 470 000 public and private housing units within ten years (i.e. from 2013-14 to 2022-23), DEVB, together with the relevant departments, has been carrying out land use reviews, including reviews on the Government land currently vacant, under Short Term Tenancies or different short-term or government uses, for conversion to residential use, as well as the next stage of the review on Green Belt (GB) sites. These reviews have started to bear fruits. On top of the progress reported in the last Policy Address, we have identified about 80 new sites that could be made available in the coming five years (i.e. from 2014-15 to 2018-19), involving a total area of over 150 hectares (ha) with an estimated capacity of providing some 89 000 flats, which have potential for conversion to residential use in different districts throughout the territory. Upon completion of the studies confirming their development feasibility, we will consult the relevant stakeholders and proceed with the town planning and other relevant procedures, so as to increase housing land supply as soon as practicable.

13. The LTHS target is undeniably a challenging task for both the Government and the community. In particular, about 150 potential housing sites (including the 80 new sites identified as mentioned above) will require amendments to their respective statutory plans for change of use and increase in development intensity, before they could be made available for housing development in the coming five years (i.e. from 2014-15 to 2018-19) for providing over 210 000 flats. To rezone these sites for residential use and increase development intensity, and to strive to achieve the housing production target, we have to take into account a whole host of practical planning factors, including traffic and

infrastructure capacity, provision of community facilities and open space, the relevant technical constraints, local characteristics and existing development intensity, the potential impacts on the local environment, and visual and air ventilation impacts, etc. Some sites may require land resumption and clearance, or relocation of existing or planned facilities. While the Government will take all these into account and mitigate the adverse impacts as far as possible, what is no less important is the support and cooperation of the various stakeholders in the community. We need to work together with them to achieve the important goal, and appeal to them for putting the overall housing needs of the community above their personal and other interests. Only with their full support for the rezoning of these sites for housing purpose and for increasing the development intensity of the sites would we be able to achieve our housing production target to provide adequate supply of subsidised and private housing.

14. Land has already been identified, earmarked or allocated for producing 179 000 Public Rental Housing (PRH) and 17 000 Home Ownership Scheme (HOS) flats. As mentioned above, some 150 potential housing sites have also been identified and assessed to have potential for rezoning for housing development to provide over 210 000 flats. These, together with other private housing sites which are zoned for housing use, railway property development projects, urban renewal projects, and private projects subject to and not subject to lease modification/land exchange, and subject to the successful rezoning of the 150 sites, the timely implementation of the necessary supporting infrastructural works and the overcoming of other technical constraints, it is possible to make available sufficient land for housing development to achieve the LTHS 10-year housing supply target. It is indeed a daunting task the accomplishment of which depends in no small measure on the support of the whole community. DEVB and Transport and Housing Bureau will provide a paper setting out the details for the LegCo Joint Panels on Development and Housing.

(II) Increasing Land Supply

(a) Increasing Residential Development Intensity

15. While a multi-pronged strategy and a series of land supply initiatives have been adopted to increase land supply in the short, medium and long term, given the limited amount of readily developable land, the current tight situation in the supply of housing land, be it subsidised or private housing, as well as in the supply of land for various economic activities and social facilities, is expected to continue. Therefore, there is an urgent need to make more efficient use of our scarce land resources that could be made available for development or redevelopment within a shorter timeframe. Taking into account the relevant planning considerations, the Government considers that the maximum domestic Plot Ratios (PRs) for housing sites located in the respective Density Zones of the Main Urban Areas and New Towns could be increased. The new system is set out below –

Main Urban Areas

- (i) Density Zone 1: no increase in PR (maximum domestic PR remains at 8/9/10, as the density of the built-up area is already high);
- (ii) Density Zone 2: PR to be increased by 20% (maximum domestic PR to increase from 5 to 6); and
- (iii) Density Zone 3: PR to be increased by 20% (maximum domestic PR to increase from 3 to 3.6).

New Towns

- (i) Density Zone 1: PR to be increased by 20% (maximum domestic PR to increase from 5 to 6)<sup>2</sup>;

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<sup>2</sup> While the maximum domestic PRs for Density Zone 1 to 3 in New Towns as specified in the Hong Kong Planning Standards and Guidelines are 8, 5 and 3 respectively, the existing maximum PRs for most of the individual sites are not yet up to the said levels mainly due to various constraints on development capacity (such as transport or infrastructure limitations, environmental, topographical or geotechnical conditions) or special design considerations.

- (ii) Density Zones 2 and 3: PR to be increased by 20%<sup>2</sup>; and
- (iii) Density Zone 4 (low density zone): PR to be increased by 100%.

*Both Main Urban Areas and New Towns*

Individual sites to be up-zoned based on planning merits.

16. The increases in maximum domestic PRs will not compromise relevant planning principles and considerations, and will be adopted only when there is scope in terms of traffic and infrastructure capacity, and the various constraints and impacts so arising, if any, could be addressed through appropriate measures. Under this initiative, individual housing sites will be able to provide more developable floor area (but not necessarily increase the actual population, and this will depend also on size of family and other factors). This can help maintain a stable supply of developable housing land and gradually realise the long-term vision to increase Hong Kong people's "elbow room".

17. These revised planning parameters will be adopted in the on-going planning studies and land use reviews that are at initial stages (e.g. the Planning and Engineering Study for Housing Sites in Yuen Long South and the Planning and Engineering Study for Kwu Tung South), as well as all future planning studies and reviews (e.g. the Preliminary Feasibility Study on Developing the New Territories (NT) North). The Hong Kong Planning Standards and Guidelines will also be updated to incorporate the changes.

18. We have completed the preliminary technical assessment of the new Kai Tak Development (KTD), and propose to increase the development intensity of its new housing sites and thus the number of flats to be built thereon by about 20%. Moreover, to maximise the development potential of the residential sites identified in Tuen Mun East, a PR of 3.6 is proposed for most of the sites, which will be equivalent to the maximum of Density Zone 3 (i.e. PR 3.0) with a further 20% increase, with some exceptions at higher PRs of 4.0 and 6.0 taking into account the relevant site considerations.

19. For major land development projects for which the respective planning studies and reviews which are already at an advanced stage (including those on the Anderson Road Quarry (ARQ), ex-Cha Kwo Ling Kaolin Mine, North East New Territories (NENT) New Development Areas (NDAs), Hung Shui Kiu (HSK) NDA and Tung Chung New Town Extension, increasing the development intensities where planning terms permit has already been factored into the studies as appropriate. We do not intend to re-plan these land development projects such that their implementation would remain on schedule to deliver the planned land and housing production.

20. For privately owned sites, development parameters including maximum domestic PRs/gross floor areas (GFAs) are generally stipulated in the relevant statutory plans. There are provisions in the relevant statutory plans for minor relaxation of the development restrictions upon application to the Town Planning Board (TPB). In considering such planning applications, TPB would consider all relevant planning considerations and would make reference to the increase in maximum domestic PRs in the respective Density Zones as aforementioned as well as the applicants' presentation as to how the potential impacts on traffic, infrastructural capacity and environment, etc. arising from the proposed increase in development intensity would be duly addressed.

(b) Relaxing the Moratorium on Pok Fu Lam

21. The Government has completed the assessment on relaxing or lifting the administrative moratorium currently in force to restrict new land sale or lease modification in Pok Fu Lam.

22. With the West Island Line and South Island Line (East) progressively in place, alongside further active consideration by the Government of the construction of the South Island Line (West), the Government considers it feasible to partially lift the moratorium in the south of Pok Fu Lam area to facilitate the redevelopment of Wah Fu Estate and provision of additional public housing. Six government sites are involved: four sites near Chi Fu Road, north of Wah Fu Estate, Wah Lok Path and Wah King Street, which are currently vacant or put to open space or short-term uses and are considered readily developable; the

existing Wah Fu Estate; as well as a “GB” site nearby (i.e. Kai Lung Wan). Two sites are already zoned for residential use, and the Government will proceed with rezoning the other four sites for housing development. The Housing Department will work out the redevelopment programme of Wah Fu Estate with the concerned departments, including the decanting arrangement and provision of necessary infrastructures, as well as the development plan for the other public housing sites, and will consult the concerned District Councils and stakeholders in due course.

(c) Pilot Scheme for Arbitration on Land Premium

23. A lease modification/land exchange application, including premium negotiation, is a contractual matter between the Government acting in the capacity of a private landlord and the applicant, which could be completed and executed only with mutual agreement. The amount of premium payable by the applicant is one of the key terms of such applications for lease modification/land exchange. Accordingly, differences over the amount of premium payable would leave the lease modification/land exchange applications pending even after a long period of negotiation. Past experience suggests that the time taken for processing lease modification/land exchange applications could be long due to the lengthy negotiation on the amount of premium payable, which is dependent on many factors, including the applicant’s market outlook, commercial considerations, etc.

24. To facilitate early agreement on premium for lease modification/land exchange applications so as to advance housing land supply and speed up flat production, there is a need to explore an additional means to resolve differences between the Government and respective applicants on land premium. The Government considers that there may be merits in trying out a Pilot Scheme for Arbitration on Land Premium for lease modification/land exchange applications as an administrative initiative for facilitating the determination of premium. Given that the initiative is completely new with wide implications, it is prudent to launch a pilot scheme on a limited scale to try out the arrangement. A review of the Pilot Scheme for Arbitration on Land Premium will be undertaken after the Scheme has been implemented for

some time and the Government has gained experience from it.

25. DEVB and the relevant departments including Lands Department (LandsD) are formulating the implementation arrangements for this new initiative.

(d) Lantau Development

26. Lantau enjoys a strategic location with many new mega infrastructure projects under planning, including the proposed third runway of the Hong Kong International Airport (HKIA), the proposed Tuen Mun-Chek Lap Kok Link and Tung Chung New Town Extension. With the opening of the Hong Kong-Zhuhai-Macao Bridge (HZMB), Lantau will be the confluence of Hong Kong, Macao and western Pearl River Delta (PRD), and the travelling time between Hong Kong and west bank of the PRD will be substantially reduced to realise the “One-hour Intercity Traffic Circle” covering the Pearl River Estuary area.

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

27. Given its position at Hong Kong’s doorway, the Hong Kong Boundary Crossing Facilities (HKBCF) Island of HZMB has great potential to serve more than just a boundary crossing point. Commercial developments at this regional transport hub, together with the adjacent proposed North Commercial District (NCD) of the airport, will promote the bridgehead economy and can potentially be a tourism facility creating synergy with key tourism and commercial attractions on Lantau including Hong Kong Disneyland, Ngong Ping 360 and Asia World Expo. We will maximise the value of the 130-ha HKBCF Island to capture the benefits from the increase in flow of visitors and goods. Our preliminary review shows that topside development can be implemented at the HKBCF Island for various types of commercial development such as retail, hotel and other commercial developments in support of the “bridgehead economy”. In addition to supplying new land to expand our visitor handling capacity, the proposal can further enhance the tourism potential of Lantau, thereby helping to relieve the congestion in the major urban shopping areas. It will also bring in more business and

job opportunities benefiting the Lantau community.

28. We plan to conduct a planning, engineering and architectural (PEA) study in 2014-15 with the objective of optimising the scale of the proposed development and will consult the Panel on Development around March 2014 to seek its support for the conduct of the PEA study.

*(ii) North Commercial District on Chek Lap Kok Airport Island*

29. We will also ensure the optimal use of the limited land on the Airport Island. The Airport Authority (AA) is now carrying out studies on the development strategies of the NCD of the HKIA. The aim is to maximise the development potential of the site, taking into account the future expansion of HKIA, including the three-runway system, as well as the synergy with the development on Lantau. On 17 December 2013, the AA Board decided that AA would proceed immediately with the development of a new hotel at the NCD as the area's first phase of commercial development. Relevant planning work to finalise a Master Layout Plan for the entire NCD development will continue.

*(iii) Tung Chung New Town Extension*

30. For extension of Tung Chung New Town, PlanD and Civil Engineering and Development Department (CEDD) are undertaking the Tung Chung New Town Extension Study to examine the feasibility of extending the Tung Chung New Town into a distinct community and leverage on future economic opportunities that would help create more jobs for Tung Chung residents. Stage 2 Public Engagement of the study to consult the public on the initial development options was completed on 21 July 2013. According to the initial land use options, the "Livable Town" and "Economic Vibrancy" options in Tung Chung East will provide about 38 000 and 33 000 flats respectively, while Tung Chung West will provide about 15 000 flats. We anticipate that the study will be completed by 2015.

(iv) *East Lantau Metropolis*

31. East Lantau has a huge potential for sustainable population and economic growth of Hong Kong in the long run. Geographically, the central waters to the east of Lantau are close to our Central Business District (CBD) on Hong Kong Island. Ecologically, this area is less sensitive when compared with the western or northern waters in Lantau. Capitalising on the strategic transport infrastructure and the locational advantages, we see the potential of developing an “East Lantau Metropolis” on reclamations in the central waters and adjacent areas. On the newly reclaimed artificial island, there will be scope for comprehensive planning with the application of innovative and forward-looking planning and design for the future generation of new town/satellite town. Apart from housing land, with the provision of convenient railway and highway links to the main urban areas, the “East Lantau Metropolis” can also accommodate a new core business hub with critical mass for office, hotel and other commercial developments, providing business enterprises an alternative locational choice other than the traditional CBD and Kowloon East (KE). It will not only create more employment opportunities on Lantau to enhance the economic competitiveness of Hong Kong, but also contribute to a more balanced distribution of employment in the territory.

32. In support of the “East Lantau Metropolis” development, we are preparing to commence strategic studies to explore the feasibility of constructing artificial islands in the central waters to the east of Lantau, which is also included in the Stage 2 public engagement exercise for Enhancing Land Supply Strategy: Reclamation outside the Victoria Harbour and Rock Cavern Development. The study will take into account port operation, marine, traffic, environmental, engineering, infrastructure support and financial aspects in a holistic manner. We plan to consult the Panel on Development in March 2014 to seek support on funding application for commencing the study in the second half of 2014.

33. With a view to preparing the long-term development strategy for the Lantau Island, the Government will set up a Lantau Development Advisory Committee chaired by the Secretary for Development,

comprising members from relevant stakeholders, to advise the Government on (1) social and economic development opportunities on Lantau to capitalise its advantages as the confluence of major transport infrastructure linking Hong Kong, Macau and western PRD to meet the long-term development needs of Hong Kong; and (2) the policies, measures and specific proposals conducive to the sustainable development and conservation of Lantau.

(e) Underground Space Development in Strategic Urban Districts

34. Recognising the limited space in the conventional business and commercial areas in Hong Kong for further development, and the urban road congestion problem in these areas, we have selected four strategic urban districts, viz. Causeway Bay, Happy Valley, Admiralty/Wan Chai and Tsim Sha Tsui West, for conducting a pilot study on underground space development. A master plan for underground space development for each of these districts will be formulated with priority projects for early implementation. We plan to consult the Panel on Development in April 2014 to seek funding support for commencing the pilot study in the second half of 2014.

(III) Energizing Kowloon East

35. The Government is pushing ahead the initiative of Energizing Kowloon East (EKE) to facilitate the transformation of KE into a core business district to sustain Hong Kong's long-term economic development. In 2012-13 and 2013-14 financial years, three sites in KE have been sold providing about 140 000 square metres (m<sup>2</sup>) commercial GFA in total. For the coming five years, 700 000 m<sup>2</sup> commercial GFA will be made available in KE. Under the initiative of EKE, the momentum for commercial floor supply in KE will continue.

36. To expedite the release of development potential in KE, we are taking forward the relocation of the existing government facilities including the vehicle examination centres, the waste recycling centre and the driving test centre in two identified Action Areas. The pre-construction preparation for relocating the facilities is underway. These Action Areas have the potential to supply about 500 000 m<sup>2</sup> of

commercial floor area in total. Suitable sites within the Action Areas will also be identified for early release to the market as appropriate.

37. We launched the Kai Tak Fantasy (KTF) International Ideas Competition on Urban Planning and Design in November last year to generate original concepts, master planning and urban design layouts and schemes for the area comprising the former Kai Tak Runway Tip, the Kwun Tong Ferry Pier Action Area and the waterbody enclosed between them. The competition aims to solicit creative and innovative proposals for KTF's development into a world class tourism, entertainment and recreation hub, which will have a synergy effect with the EKE initiative in facilitating the transformation of KE and bringing vibrancy and diversity to the area. It will be capable of accommodating mega urban city events and positioned as a destination for both the local community and overseas visitors. The result of the competition will be announced in end 2014.

38. To improve connectivity and enhance pedestrian environment of KE, we will advocate the sustainability concept on "walkability". We have formulated short and medium term proposals with green and low carbon design to improve the pedestrian environment of the Kowloon Bay Business Area (KBBA). We are also devising long-term measures to tackle the traffic situation in KBBA and to further enhance the connectivity of the area. A similar study for pedestrian and traffic improvements in the Kwun Tong Business Area has been rolled out to enhance its "walkability" and traffic condition to facilitate the transformation of KE.

39. To improve the condition and the surrounding environment of the existing King Yip Street nullah, we are working closely with relevant departments to commission a study to transform the nullah into a Tsui Ping River with more greening and leisure.

## ***On-going initiatives***

### (I) Increasing Land Supply

#### (a) Land Use Reviews

40. As set out in the 2013 Policy Address, through the various on-going land use reviews, we have been converting suitable sites, including Government, Institution or Community (G/IC) and other government sites, GB sites, as well as industrial sites, for housing or other uses to better meet community needs. The latest progress of the various initiatives is as follows –

#### (i) Review of G/IC Sites

41. PlanD has completed the review of the sites reserved for G/IC use but without concrete development plan or sites used for various government purposes which are no longer required or could be relocated. A total of 36 G/IC sites and other government sites (27 ha) have been identified for residential developments, which are estimated to have the capacity to provide about 14 920 flats<sup>3</sup> for public and private housing. As at December 2013, 18 of these 36 sites had already been zoned for/rezoned to residential use or were undergoing the statutory planning procedure. The gazettal of rezoning of six other sites is tentatively scheduled for 2014. PlanD has been actively working with the relevant departments to resolve the outstanding issues for the remaining eight sites with a view to rezoning them for residential use as early as possible. Apart from the 36 sites, 21 additional G/IC sites, with an estimated capacity to provide about 25 570 flats, have also been identified as suitable for residential development. 11 of them have been rezoned to residential use or are undergoing the statutory rezoning procedure, while the rezoning of nine sites is tentatively scheduled for 2014. The rezoning of the remaining site is subject to the reprovisioning of an existing facility.

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<sup>3</sup> The TPB, after hearing representations on the rezoning of a site in Ma On Shan Area 100, decided to retain the site for “G/IC” use. In addition, three other sites will be retained for “G/IC” use after further review. Revised estimated flat number excludes four sites retained for “G/IC” use.

(ii) Review of GB Sites

42. For the 13 GB sites in the NT which are devegetated, deserted or formed, measuring 57 ha in total, and recommended for rezoning to residential use, their rezoning procedures have commenced progressively. Among the 13 sites, one had already been rezoned to residential use as at December 2013. Rezoning of the remaining 12 sites will be completed as soon as practicable. They are expected to provide about 23 000 flats in total.

(iii) Review of Industrial Sites

43. PlanD has conducted three rounds of review of industrial land since 2000. In the last round conducted in 2009, about 60 ha of land have been identified as suitable for housing and other land uses, among which about 30 ha on 16 sites are recommended for residential use. Among them, 13 have completed or are undergoing the statutory rezoning process. Some 14 700 units could be provided upon development or redevelopment of all the 13 sites. For the remaining three industrial sites, it is estimated that some 5 800 units could be provided as and when they are all developed or redeveloped. With a view to examining the latest utilisation of the existing industrial land, and the possibility of further converting some sites to other uses, including residential use, PlanD has started another round of review since end March 2013, which is expected to be completed in 2014.

(b) Optimising the Use of Land

44. As mentioned in the 2013 Policy Address, policy bureaux will act decisively to optimise the use of land. After careful review, a number of major sites, where the originally earmarked purposes will no longer be pursued, will be made available for housing development or other uses in higher demand in the community. The Government announced last year that the site at Tai Po Area 9 which had originally been reserved for private hospital development will be re-allocated for public housing; the Cheung Sha Wan Wholesale Food Market Phase 2 site will be used for public housing, private housing and hotel development; and Tin Shui Wai Areas 112 and 115, which were originally earmarked for the Hong Kong Housing Society (HKHS) to

implement community projects, have been re-allocated for private residential development and will be put up for sale in the first quarter of 2014.

45. Having reviewed the latest circumstances and relevant considerations, the Government considers that the Queen's Hill site should no longer be reserved for developing self-financing tertiary education. After prudent consideration of the development potential of the site, the Government has decided to change the use of the west part of the site (about 13.3 ha) for public housing development to produce an estimated number of about 10 500 public housing units (comprising both PRH and HOS units) for accommodating a population of around 30 000. Suitable sites will be reserved within the development area for the provision of the necessary education, open space, recreation, social welfare and community, retail, transport and infrastructure facilities, etc., and the first phase of public housing development will be completed by 2019-20 at the earliest. As regards the east part of the Queen's Hill site (about 6.4 ha), the Government will conduct feasibility studies for providing private housing and international school. The remaining sloping ground is recommended for "GB".

46. Furthermore, a site at Pak Shek Kok which will not be used for the originally planned expansion of the Hong Kong Science Park in the short to medium term will be made available for housing development. We would continue to identify and earmark land for science park expansion and development on the basis of demands as identified by the Innovation and Technology Commission.

(c) Streamlining Land Administration Process

47. LandsD has been reviewing the processes under lease in relation to simplification of lease conditions, streamlining the procedures in processing lease modification (including land exchange) applications and enhancing clarity of standards in the handling of approvals required under lease. It has been discussing these land administration matters with the trade and is implementing the enhancement measures on a progressive basis. LandsD will continue to review and, where practicable, implement further suitable measures to facilitate land

development.

(d) Revitalisation of Industrial Buildings

48. The measures to facilitate redevelopment and wholesale conversion of older industrial buildings (the revitalisation measures) came into effect on 1 April 2010 and will expire on 31 March 2016. The revitalisation measures aim at providing more suitable floor space to meet Hong Kong's changing social and economic needs. Up to end December 2013, LandsD had received 119 applications under the revitalisation measures, of which 89 applications had been approved, which could provide converted or new floor space with a total GFA of about 984 000 m<sup>2</sup>. Pursuant to the 2013 Policy Address, further refinements to the revitalisation measures were introduced in October 2013. The refinements would help address certain difficulties currently faced by applicants of wholesale conversion and redevelopment of industrial buildings. LandsD is currently preparing the practice note on these further refined measures, with a view to putting them in place as soon as possible.

(e) Development of the West Rail Kam Sheung Road Station, Pat Heung Maintenance Depot and the Adjoining Areas

49. In stepping up efforts to put into full play the integrated development of mass transportation and residential property, PlanD will take forward the planning for residential development above the Kam Tin South West Rail Kam Sheung Road Station and Pat Heung Maintenance Depot, with land of about 33 ha in total estimated to provide about 8 700 flats. In parallel, a land-use review of the adjoining areas of about 110 ha is being undertaken with a view to identifying more suitable sites for housing development. Upon completion of the review by 2014, we will undertake local consultation on the development of the West Rail property and its adjoining areas including the Yuen Long District Council, Kam Tin and Pat Heung Rural Committees, etc. An engineering feasibility study will also be conducted to assess the infrastructural requirements. The Government will continue to explore vigorously the residential development potential of land along existing and planned railways.

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

50. The development of the former Diamond Hill Squatter Areas (Tai Hom Village), as well as the former Cha Kwo Ling Kaolin Mine, former Lamma Quarry and ARQ is in good progress. For instance, subject to funding approval of the LegCo's Finance Committee, we plan to commence the detailed design and site investigation works for the development of the ARQ site in June 2014. The ARQ development will cater for a planned population of 25 000 with the production of about 9 410 flats. On the other hand, in view of the suggestions from the District Council and locals, we have revised the development proposal for the former Diamond Hill Squatter Areas, which will provide about 4 200 public housing units, as well as cultural and social facilities.

(g) New Development Areas

51. NDAs are a major source of land supply to meet the mid to long-term housing, as well as other social and economic development needs of Hong Kong. While the NENT NDAs Planning and Engineering Study has largely been completed, the HSK NDA Planning and Engineering Study is in good progress.

52. As we have announced in July last year, adjustments have been made to the NENT NDAs project, including overall planning, mode of implementation, compensation and rehousing arrangements, and assistance to affected farmers. We will proceed with the Kwu Tung North (KTN) and Fanling North (FLN) NDAs as soon as possible as extensions to the Fanling/Sheung Shui New Town, so as to meet the demand for housing and other development needs. The Ping Che/Ta Kwu Ling NDA will be re-planned under a new study on the NT North, and the public will be consulted again. To make the best use of land, the development intensity of KTN and FLN NDAs has been suitably increased. The total number of housing units have increased from the original 47 300 to about 60 000 units. The proportion of public housing, including PRH and HOS, has also been increased from less than half (49%) to about 60%. The first population intake will be in 2022-23.

53. For the HSK NDA, a Preliminary Outline Development Plan (PODP) has been formulated for the area, which will provide about 446 ha of developable land. The proposals under the PODP will accommodate a new town of a population of about 218 000 (including a new population of about 175 000), about 60 000 additional flats and 100 000 job opportunities. A three-month Stage 2 Community Engagement exercise has ended in mid-October 2013.

(h) Developing the New Territories North

54. Apart from NENT NDAs and HSK NDA, there are vast tracts of undeveloped land in the NT North (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 NT North will be commissioned in early 2014 for a comprehensive review of the land use planning for the area to capitalise on infrastructural developments within and adjacent the areas to make the best use of this vast stretch of land for housing, social and economic development.

(i) Review of Deserted Agricultural Land in North District and Yuen Long

55. To make more gainful use of agricultural land which is currently used mainly for industrial purposes, temporary storage, or deserted, the Government is reviewing a total of about 257 ha of such sites in North District and Yuen Long, with a view to identifying more suitable sites for housing development as soon as possible. In this connection, four areas in Kwu Tung South (KTS), Yuen Long South (YLS), Fanling/Sheung Shui Area 30 (FSS) and Kong Nga Po (KNP) have been identified for planning and engineering studies to ascertain the feasibility of and scope for residential development. The studies on the KNP, YLS and KTS sites have already commenced for completion by 2014-15, while the study on the FSS site will be conducted in two phases, with Phase 1 anticipated to commence in mid-2014 for completion by end-2014, and Phase 2 to commence upon review of Phase 1's findings. According to the preliminary assessment, some of the sites are anticipated to be available for housing development in 2020 at the earliest.

(j) Converting Suitable Government Sites to Commercial Use

56. By converting suitable government sites to commercial use, the sites so released will help increase the supply of commercial office space, thereby facilitating the development of different types of economic activities. The Government plans to convert suitable government sites in the existing CBDs, including the Murray Road Carpark in Central and the Rumsey Street Carpark in Sheung Wan, into commercial uses. Where possible, the Government will release other suitable government sites for commercial uses. We plan to consult the relevant District Councils on the rezoning proposal before the commencement of town planning procedures.

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

57. We completed the Stage 2 public engagement exercise for Enhancing Land Supply Strategy: Reclamation outside the Victoria Harbour and Rock Cavern Development in June 2013, during which we sought the public views on the possible land uses for the five potential near-shore reclamation sites, namely Lung Kwu Tan in Tuen Mun, Siu Ho Wan and Sunny Bay on North Lantau, Tsing Yi Southwest and Ma Liu Shui in Sha Tin, and the possible artificial islands in the central waters between Lantau and Hong Kong Island. The Stage 2 Public Engagement Report has been uploaded to the website of Enhancing Land Supply Strategy under CEDD. The results revealed that land reserve, residential development (in particular PRH), recreational or leisure facilities, commercial uses, tourism-related facilities, logistic facilities, etc. were the major supported land uses.

58. We are preparing to commence a planning and engineering study for the proposed reclamation at Sunny Bay to develop a detailed reclamation proposal. We plan to consult the Panel on Development in April 2014 to seek funding support for conducting the study. We are also making preparation to commence technical studies for other near-shore reclamation sites.

59. To address the public's concern on the potential impact of reclamation on the marine ecology and habitats of Chinese White Dolphins (CWD) in the western waters, we are conducting a CWD survey and a cumulative environmental impact assessment for the proposed reclamation sites in Tuen Mun and North Lantau to ascertain their environmental acceptability before embarking on the next stage of studies.

60. On rock cavern development, we have substantially completed a feasibility study on the relocation of the Sha Tin Sewage Treatment Works (STW) to caverns. Preparatory work for conducting investigation and design for the relocation project is in progress with a view to releasing the existing site of about 28 ha for other beneficial and compatible uses. We plan to consult the Panel on Development in March 2014 to seek funding support for commencing the investigation and design of the relocation project in the second half of 2014. The Government will aim at a balanced development on the released land. A separate planning and engineering study will be conducted at the next stage a few years before the completion of the relocation project to formulate the plan use planning of the released site, taking into consideration the social needs and the public's aspiration for a better community and environment for Sha Tin.

61. After acquiring general public support on cavern development in the Stage 2 public engagement exercise, we are preparing to commence feasibility studies on the proposed relocation of the other three government facilities to caverns, viz. Diamond Hill Fresh Water and Salt Water Service Reservoirs, Sai Kung STW and Sham Tseng STW so as to release a total of about 6 ha of precious land in the urban areas for housing and other uses. We plan to consult the Panel on Development in March 2014 to seek funding support for commencing the respective feasibility studies in the second half of 2014.

62. We are also continuing the study on the long-term strategy of cavern development in Hong Kong. Preparation of a territory-wide Cavern Master Plan and formulation of policy guidelines to facilitate future cavern development are in progress. Formulation of an implementation programme for relocating other suitable government

facilities to caverns are on-going and prospective projects with clear users' demand and support have been identified for consideration. In addition, a demand survey from the private sector is being conducted.

(l) Underground Space Development

63. On the enhanced use of underground space as another source of land supply, we commenced a territory-wide study in December 2013 to identify opportunities and constraints arising from more extensive underground space development in the urban areas of Hong Kong. We aim to develop preliminary conceptual schemes for providing more space for commercial and other uses, relocation of incompatible facilities to underground space thereby releasing surface land for other beneficial uses, and enhancing connectivity with existing/planned underground developments.

(m) Reviewing the Development Intensity in Kai Tak Development

64. The KTD is being implemented progressively with a significant number of essential infrastructure projects including those at the north and south apron areas and at the former runway, Trunk Road T2, and Kai Tak Approach Channel and Kwun Tong Typhoon Shelter improvement works to be delivered in the coming years. The Kai Tak Office of CEDD continues the coordination of projects implemented by different bureaux/departments for target completion in 2016 and beyond, in particular the relevant sections of Shatin-to-Central Link and Central Kowloon Route, Multi-purpose Sports Complex, schools, government buildings and about 100 ha of open space in KTD.

65. In the 2013 Policy Address, to facilitate the transformation of KE covering KTD, the CE promulgated a new policy initiative on reviewing the development intensity in the KTD to explore the possibility of increasing office and housing supply without compromising the planning aspirations for and land supply from the area in the coming five years. CEDD is conducting a technical study to assess the increase in the development intensity and associated impacts on the infrastructure and supporting facilities. Initial findings indicate that the commercial GFA in KTD could be increased by about 0.43 million m<sup>2</sup> while an

additional 6 800 housing flats could be provided and the total population in KTD could be increased from about 90 000 to 110 000. Taking advantage of the advance findings of the study, the first batch of planning applications for minor relaxation of the planning parameters for increasing about 20% of the domestic GFA in four sites at the north apron area were approved by the TPB in November 2013. Subject to the completion of the technical study for other sites in mid-2014, applications to the TPB for the proposed increases in the development intensity for other sites in the KTD would be initiated to tie in with the land delivery programme.

(n) Environmentally Friendly Linkage System (EFLS)

66. To enhance the connectivity to facilitate the transformation of KE into another CBD, we propose to introduce a multi-modal linkage system including an EFLS in the form of an elevated mono-rail supplemented by improved pedestrian walkway and road-based green transport. We are conducting the stage 2 public consultation on the proposed EFLS. We plan to consult the Panel on Development tentatively in May 2014 to seek funding support for conducting a detailed feasibility study for taking forward the EFLS project.

(o) Relocation of the New Territories West Regional Office of Water Supplies Department at Mongkok

67. We have identified a suitable site at Tin Shui Wai for the construction of a new building for accommodating the New Territories West Regional Office of the Water Supplies Department to release its valuable site at Mongkok for more gainful use. We expect that the Regional Office could be relocated by 2017.

(II) Harbourfront Development

68. The Government will continue to work with the Harbourfront Commission to ensure that our planning, land use and urban design are in line with our stated mission to protect the Victoria Harbour, and to enhance the harbourfront for the enjoyment of all with participation of the community. We are conducting public engagement in collaboration

with the Harbourfront Commission on the proposed establishment of Harbourfront Authority to press ahead with harbourfront development in a holistic manner with an innovative mind-set and a more flexible management approach.

(III) Building Maintenance and Urban Renewal

(a) Enhancing Building Safety in Hong Kong

69. Since April 2011, we have adopted a multi-pronged approach covering legislation, enforcement, support and assistance to owners, as well as publicity and public education to further enhance building safety in Hong Kong. In 2013, to enhance the safety of existing unauthorised signboards, we enacted the legislation for the Validation Scheme for Unauthorised Signboards (the Validation Scheme) under the Signboard Control System. The Validation Scheme, which commenced operation in September 2013, allows certain existing unauthorised signboards to be validated after safety inspection, strengthening (if necessary) and certification by relevant registered building professionals and/or registered contractors. We will continue to monitor the implementation of various statutory regimes, including the Mandatory Building Inspection Scheme (MBIS), the Mandatory Window Inspection Scheme and the Minor Works Control System.

70. Following the completion of a consultation exercise on the introduction of seismic-resistant building design standards in Hong Kong, Buildings Department (BD) will embark on an exercise in 2014 to formulate a set of seismic-resistant building design standards with a view to further enhancing building safety in Hong Kong.

71. On the enforcement front, BD has since April 2011 adopted a revised enforcement policy against unauthorised building works (UBWs) by extending the coverage of actionable UBWs to include all UBWs (except minor amenity features) on the façade of a building. BD will continue to launch various large-scale operations, including an operation to rectify irregularities of building works associated with sub-divided flats. In 2014, BD will step up its enforcement against sub-divided flats for domestic use in industrial buildings and plans to increase the number

of target buildings for inspection. In order to enhance the effectiveness of its inspection, BD will select those industrial buildings with higher risk as target buildings, such as those old-style industrial buildings with multiple ownership, located in urban or highly accessible areas, and which have records of complaint or referral from other departments. BD will step up the prosecution action against owners who fail to comply with relevant orders. LandsD will also enhance its lease enforcement action with a view to enhancing the overall deterrent effect against non-compliant owners.

72. BD has since April 2012 adopted an enhanced enforcement policy against UBWs in New Territories Exempted Houses through categorisation for control and management as well as prioritisation for progressive enforcement. In 2014, BD will continue to conduct village-by-village surveys for enforcement against existing UBWs which constitute serious contravention of the law and impose higher potential risks to building and public safety on the one hand, and to administer a reporting and safety certification scheme for other UBWs which constitute less serious contravention of the law and impose lower potential risks on the other.

73. We are working closely with the HKHS and Urban Renewal Authority (URA) to assist owners in need to carry out repair and maintenance works. Various financial assistance schemes under the HKHS and URA were consolidated into the Integrated Building Maintenance Assistance Scheme in April 2011 under which one-stop assistance is provided to all owners in need and applications for various schemes funded by the Government can be made to either organisation. During the past year, we also continued with the Operation Building Bright (OBB). With a total funding of \$3.5 billion, the OBB will assist the owners of around 3 100 buildings to maintain their buildings and create more than 60 000 employment opportunities in total. To complement the launch of the MBIS, HKHS and URA jointly launched the Mandatory Building Inspection Subsidy Scheme in August 2012 to subsidise eligible owners the full cost of the first building inspection (subject to a cap). As for the repair works found necessary under the MBIS, building owners may apply for financial assistance under the various existing schemes administered by HKHS, URA and BD.

74. We will 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) Implementation of the Urban Renewal Strategy

75. All the key initiatives contained in the Urban Renewal Strategy (URS) promulgated on 24 February 2011 have been progressing well.

(i) Demand-led Redevelopment Project Pilot Scheme

76. In response to the CE's invitation to forge ahead with the "Demand-led Redevelopment Project Pilot Scheme" (the "Demand-led" Scheme) in his 2013 Policy Address, the URA launched the third round of its Demand-led Scheme from early July to end September 2013 under which 51 applications were received. URA had completed shortlisting suitable applications to be commenced in 2014. The development project at Nos. 41 to 51 (odd numbers), Kai Ming Street, which is one of the shortlisted projects of the third round, has been commenced last December in advance of the others due to its poor structural building condition and the issue of demolition orders.

77. Since the launch of the Demand-led Scheme in July 2011, URA has already commenced eight projects, one of which has been terminated after having failed to meet the 80% owners' acceptance threshold by the specified deadline.

78. While the Demand-led Scheme has been well-received, URA is facing the challenge of an increasing number of applications with larger site areas and which require the consideration of more varied factors. For the purpose of maintaining a sustainable urban renewal programme that balances the goal of a better utilisation of land, brings improvement to the living conditions of the affected households and at the same time, is capable of being self-financed in the long run, URA will conduct a review of the pilot scheme with a view to, inter alia, better rationalisation of resources deployed for the Demand-led Scheme vis-à-vis its self-initiated redevelopment programme.

(ii) District Urban Renewal Forum

79. Another highlight of the 2011 URS is the establishment of the Kowloon City District Urban Renewal Forum (KC DURF) set up to advise the Government on a holistic and integrated approach to renew the Kowloon City district. KC DURF is finalising its District Urban Renewal Plan for Kowloon City. We will study the recommendations of KC DURF upon receipt and follow up the recommendations where appropriate in our future urban renewal efforts in the district. As KC DURF will embark on a review of its work, we will consider whether a second DURF in another district should be set up in the light of the experience of KC DURF.

(iii) Pilot Scheme to Redevelop Industrial Buildings

80. To speed up the renewal of old industrial areas to release land for residential or commercial development, in his 2012-13 Budget Speech, the Financial Secretary invited URA to launch a pilot scheme to redevelop industrial buildings. Of the two pilot projects commenced in 2013, the project at Kennedy Town was terminated due to unanimous objection from the owners while the other one at Cheung Sha Wan has proceeded to the acquisition stage. The response from the owners and tenants will be closely monitored.

(c) Lifts and Escalators Ordinance

81. The Electrical and Mechanical Services Department (EMSD) will continue to implement the registration of qualified persons under the Lifts and Escalators Ordinance (LEO), strictly enforce the LEO, provide assistance to building owners, promote modernisation of aged lifts, and conduct public education programmes to enhance the safety of lifts and escalators in Hong Kong. The Lift and Escalator Safety Advisory Committee was established in 2013 with members from the trade and relevant sectors to advise EMSD on matters including the administration and enforcement of the LEO.

(IV) Improving Pedestrian Environment and Enhancing External Links

(a) Cycle Track Network in the New Territories

82. We continue to develop a cycle track network in the NT to improve the quality of living. The 60 km cycle track from Ma On Shan to Tuen Mun is being implemented in stages with the section from Ma On Shan to Sheung Shui being opened to public in phases from early 2014.

(b) Liantang/Heung Yuen Wai Boundary Control Point Project

83. On the Liantang/Heung Yuen Wai Boundary Control Point (BCP) project, the site formation works commenced in April 2013. Construction of the connecting road commenced in phases in July 2013 and the regulation of Shenzhen River stage IV commenced in August 2013. The design for the buildings works and associated facilities of the BCP commenced in January 2013. We plan to commence the construction of the building works in early 2015 for target commissioning of the BCP in 2018.

## **Environment and Conservation**

### *New Initiatives*

#### Green Construction

84. To promote low carbon construction, carbon reduction and the use of recycled materials in public works projects, we will introduce measures including the use of electric vehicles in works projects, using biodiesel as fuel for construction machineries in selected construction sites, promoting the adoption of green site offices, and conducting trials on the use of waste glass as engineering fill materials in site formation, backfilling and reclamation projects.

## *On-going initiatives*

### (I) Total Water Management Strategy

85. We promulgated the total water management (TWM) strategy in 2008 which mapped out a long-term strategy covering two limbs viz. reduce water demand and exploit new water resources, for a balanced demand and supply of water resources to support the sustainable development of Hong Kong.

86. On reducing water demand, we have stepped up the effort to further promote water conservation and reduce water loss. Apart from running the temporary Water Resources Education Centre to enhance the younger generation's knowledge of water resources and water conservation, we have set up a Mobile Showroom and conducted roving exhibitions regularly in different districts to strengthen the public awareness and knowledge of water conservation. We will extend the voluntary "Water Efficiency Labelling Scheme" in 2014 to cover flow controllers in addition to showers for bathing, water taps, washing machines and urinal equipment. We will also uplift our plan to promote water conservation to both domestic consumers through the "Let's Save 10L Water" campaign<sup>4</sup> and commercial consumers through developing best water using practices for the trades.

87. We have achieved promising results in reducing water mains bursts and leaks through the water mains replacement and rehabilitation (R&R) programme. The number of water mains bursts has reduced from 1 066 in 2009 to about 260 in 2013 whereas the water mains leakage rate has reduced from 21% in 2009 to 17 % in 2013. We will carry on the implementation of the water mains R&R programme with a view to completing the programme by 2015 when the water leakage rate is expected to further reduce to 15%. We will put our focus not only on R&R but also on water pressure management and district monitoring to the water mains network so as to enhance efficiency in water loss control and management of the water mains network. To combat unlawful taking of water, we will step up our effort to increase the number of

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<sup>4</sup> The campaign is to encourage domestic consumers to save 10-litres fresh water consumption per capita per day.

inspections and prosecutions and to conduct various publicity and education events.

88. In regard to exploiting new water resources to meet the challenges arising from climate change and continued growth in population, we are exploring some new water resources which are insensitive to climate change, such as seawater desalination and water reclamation. On the former, we are continuing our study on the feasibility and cost effectiveness of setting up a seawater desalination plant at Tseung Kwan O and formulation of the implementation strategy and programme. The study is scheduled for completion in early 2015. On water reclamation, we will commence the study on supplying reclaimed water to the north-eastern part of the NT including Sheung Shui, Fanling and the NDAs for toilet flushing and other non-potable uses. We are also exploring wider use of grey water and rainwater harvesting in government new projects.

89. We plan to engage consultants to review the water management measures implemented under the current TWM Strategy, including measures to reduce reservoir overflow. The review results, taking account of a number of factors including latest population growth and effects of climate change, will be used to formulate a long-term water management strategy up to 2040 with an aim to ensuring sustainable use of our precious water resources and timely introduction of new initiatives to strengthen our resilience and preparedness against uncertainties and challenges.

## (II) Greening, Landscape and Tree Management

90. We continue to promote sustainable development on quality greening in a highly urbanised living environment. Since 2004, the development and implementation of Greening Master Plan for urban areas have brought about noticeable improvement in the greenery of our cityscape. To continue the Government's effort on greening and sustainable development, we will commence by phases the implementation of greening measures as recommended in the Greening Master Plans for the NT.

91. In 2013, technical circulars were issued on planting on footbridges and flyovers and tree preservation to enhance quality greening and tree management.

92. On the promotion on the use of greening technology such as skyrise greenery, the Greening and Landscape Office has promulgated the “Pictorial Guide to Plant Resources for Skyrise Greenery in Hong Kong”. This is the first of its kind with specific data on the application of plant materials for skyrise greenery in the local context, through which we aim to facilitate proper plant selection and promote the principle of “Right Plant for the Right Place”. The “Tree and Landscape Map” has been launched with smart phone apps to facilitate the public to gain easy access to information of the Map series and to promote their appreciation of trees and green spaces in various districts in Hong Kong.

93. The Tree Management Office (TMO) will continue to enhance tree risk assessment arrangement with priority on areas with high pedestrian and vehicular flow. Detailed guidelines were promulgated and refined regularly for compliance by tree management departments. Other key areas of our work include raising the professional standard of tree management through training; developing guidelines including that of the management of stonewall trees, pavement renovation works and tree stability; building up an inventory of trees; promoting public education and community involvement; enhancing the care of Old and Valuable Trees and the emergency response system on tree cases.

94. The complaint handling mechanism of tree related cases has been enhanced through the strengthening of coordination of the TMO and tree management departments.

95. To enhance a professional approach in tree management, the TMO has been conducting the research studies on Common Wood Decay Fungi, Wood Strength Assessment for Common Tree Species and the evaluation of Trichoderma species as a biological control agent against Brown Root Rot disease infected trees. The TMO will also strengthen the management strategy of Brown Root Rot disease so as to better protect the tree population from the disease.

96. We have been promoting public participation in quality greening and proper tree care. By involving the community, we not only aim to foster a culture of love, appreciation and care for our green environment, but also to nurture a sense of ownership. To this end, we will continue the “Be Our Greening Partner” Campaign by engaging greening partners from all walks of life, organising promotion activities for the Campaign, and joining efforts of the community in achieving quality greening and tree management. One of the key events will be the launching of “Our Favourite Old and Valuable Trees” programme with collaboration with experts in the field, professional groups and the general public.

### (III) Heritage Conservation

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

- (a) The six historic buildings under Batch I of the Revitalising Historic Buildings through Partnership Scheme (Revitalisation Scheme) have commenced operation. These include the former North Kowloon Magistracy (revitalised into the Savannah College of Art and Design Hong Kong Campus), Old Tai O Police Station (revitalised into Tai O Heritage Hotel), Lui Seng Chun (revitalised into Hong Kong Baptist University School of Chinese Medicine - Lui Seng Chun), Fong Yuen Study Hall (revitalised into “Fong Yuen Study Hall” - Tourism and Chinese Cultural Centre cum Ma Wan Residents Museum), Mei Ho House (revitalised into YHA Mei Ho House Youth Hostel) and Phase One of the former Lai Chi Kok Hospital project (revitalised into Jao Tsung-I Academy). Phase Two of the former Lai Chi Kok Hospital project will start operation in the first quarter of 2014;
- (b) Under Batch II of the Revitalisation Scheme, the Blue House Cluster will be turned into a multi-functional services complex “Viva Blue House”, the Stone Houses will be revitalised into a themed cafeteria-cum-visitor information centre, while the Old Tai Po Police Station will be converted to the Green Hub for

sustainable living. Renovation works for the Stone Houses have commenced in late 2012 while works for the Old Tai Po Police Station and the Blue House Cluster have commenced in 2013;

- (c) Under Batch III of the Revitalisation Scheme, Haw Par Mansion will be revitalised into Haw Par Music Farm, Bridges Street Market will be turned into Hong Kong News-Expo, while the Former Fanling Magistracy will be converted into the Hong Kong Federation of Youth Groups Institute of Leadership Development. Works for the three buildings are expected to commence in 2015;
- (d) We launched Batch IV of the Revitalisation Scheme on 16 December 2013. Application deadline for adaptive re-use of four historic buildings (i.e. No. 12 School Street, Old Dairy Farm Senior Staff Quarters, Lady Ho Tung Welfare Centre and King Yin Lei) is on 15 April 2014. Selection results are expected to be announced in the first quarter of 2015;
- (e) Up to December 2013, the Antiquities Advisory Board (AAB) has confirmed the grading of 1 268 historic buildings<sup>5</sup>. AAB will continue to take forward the grading exercise and proceed to examine new items/categories proposed by the public alongside the remaining items on the list of 1 444 historic buildings<sup>6</sup>;
- (f) The Antiquities Authority obtained the support of the AAB to declare four historic buildings, including Béthanie in Pok Fu Lam, the Cenotaph in Central, Fat Tat Tong in Sha Tau Kok and Tat Tak Communal Hall in Ping Shan, Yuen Long, as monuments, and after the approval of the CE, completed the declarations of these four historic buildings as monuments in

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<sup>5</sup> 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 202 new items proposed for grading as announced in February 2013.

<sup>6</sup> AAB will flexibly advance its discussion on the grading of the new items if there is cogent need for an early assessment.

accordance with the Antiquities and Monuments Ordinance in 2013;

- (g) Following the launching of the Financial Assistance for Maintenance Scheme in August 2008, we have approved 32 applications involving a total amount of about \$28.7 million and are now processing another 15 as at December 2013;
- (h) We successfully sought owners' agreement to preserve their historic buildings through the provision of economic incentives in three cases in 2013:
  - (i) Jessville (a Grade 3 building) is preserved under a revised preservation-cum-development proposal which was facilitated by the upholding of an earlier decision to partially uplift the Pok Fu Lam Moratorium as approved by the CE in Council on 26 March 2013;
  - (ii) Part of the façades of 8 Pollock's Path (a Grade 2 building) is preserved through a minor relaxation of PR restriction from 0.5 to 0.548 as approved by the Metro Planning Committee of the TPB on 27 September 2013; and
  - (iii) Cheung Chau Theatre (a Grade 3 building) is preserved through a minor relaxation of PR restriction from 0.4 to 0.472 and that of site coverage restriction from 20% to 36.8% as approved by the Rural and New Town Planning Committee of the TPB on 13 December 2013.
- (i) We have, with the assistance of the AAB, commenced a review of the policy on the conservation of built heritage. The AAB will submit a report to the Government.

98. In the past year, the Commissioner for Heritage's Office organised a series of public education programmes and activities to encourage wider participation by different community groups in heritage conservation. For instance, the King Yin Lei Open Days were held in April, from June to August and from October to December 2013 which

attracted 24 283 visitors; the “New Life @ Heritage” Exhibition and the Roving Exhibition on Batch I of the Revitalisation Scheme were held at the airport from June to December 2013 and eight locations from July to December 2013 respectively featuring the six revitalised historic buildings under Batch I of the Revitalisation Scheme, attracting 161 480 and 75 887 visitors respectively; the “Heritage Fiesta 2013” featuring historic school buildings was held from September to October 2013 which attracted 48 000 visitors; the “International Conference on Heritage Conservation 2013 - Latest Movements in Heritage Conservation: Global Vision and Local Outlook” was co-organised with the Architectural Conservation Programmes of the Department of Architecture of the University of Hong Kong in November 2013, attracting over 300 attendees from the industry; and a bimonthly newsletter “活化@Heritage” featuring heritage issues and the work of the Commissioner for Heritage’s Office was published since June 2008 with over 400 000 printed copies distributed by the end of 2013.

#### (IV) Landslip Prevention and Mitigation Programme

99. We will continue 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.

#### (V) Flood Prevention

100. We have been reviewing the Drainage Master Plans (DMP) for various districts with a view to assessing their flood risks and proposing improvement measures. The reviews of the DMP for East Kowloon and West Kowloon are in progress whereas the reviews of the DMP for Sha Tin, Tai Po and Sai Kung are underway since early 2013. We also commenced the River Flood Risk Study in 2013 to assess the flood risk levels of rivers in rural catchment areas, and develop flood warning systems and mitigation measures for flood-prone rivers to enhance the protection of people living along the rivers against flood risk. For drainage improvement projects, all the three drainage tunnels in Hong

Kong Island West, Lai Chi Kok and Tsuen Wan have been commissioned. The construction of the stormwater drains in Wan Chai, Central and Western districts, the stormwater culvert along Tung Tsz Road in Shuen Wan, Tai Po and the underground stormwater storage tank in Happy Valley is in good progress.

(VI) Decking and Landscaping of Nullah

101. We will continue the programme to complete the decking and/or landscaping of 16 sections of nullahs to improve the living environment. Fourteen sections have been completed already and the remaining two sections (Kai Tak Nullah and Staunton Creek Nullah) will be completed in stages from 2015 onwards. Furthermore, we will continue the design of the improvement works for the Yuen Long Town Centre Nullah to enhance its local environment quality and ecological value.

## **Education, Population and Human Resources**

### ***On-going initiatives***

(I) Construction Manpower

102. With the onset of major infrastructure projects and other construction works, the construction output will be maintained at a high level. The Construction Industry Council (CIC) has undertaken the forecast for the supply and demand of construction workers in the coming ten years. It revealed that the manpower demands of the industry will continue to increase in coming years. Further, the industry is facing ageing and skills mismatch.

103. Since 2008-09, DEVB has adopted a series of measures to tackle the challenges. DEVB obtained a total of \$320 million in 2010 and 2012 from the LegCo to support CIC to enhance the training for construction personnel, and to enhance promotion and publicity activities to attract more people to join the construction industry, especially the young people.

104. To target trades with projected labour shortage, acute ageing or recruitment difficulties, we collaborate with CIC to launch the Enhanced Construction Manpower Training Scheme (ECMTS) with enhanced training allowances to train about 6 000 semi-skilled workers by end 2014. Up to November 2013, about 4 300 trainees have joined ECMTS and about 55% of them were aged below 35 and most of the ECMTS graduates were new entrants, indicating that more younger people are interested to join the construction industry. About 3 300 ECMTS trainees have graduated.

105. Further, to diversify the modes of training and provide more training places, CIC has launched a series of training initiatives. In 2009, they rolled out the “Contractors Cooperative Training Scheme” (CCTS), whereby contractors hire trainees, train them on-site with CIC’s subsidies. CCTS facilitates trainees to acquire early on-site experience. In mid 2013, CIC rolled out new training initiatives including extending CCTS to electrical and mechanical (E&M) trades and collaborating with sub-contractors. CIC also provides subsidy to students who will join the E&M apprenticeship in the construction industry after completing the Basic Craft Certificates of Vocational Training Council. Further, CIC subsidises contractors employing ECMTS graduates in order to further enhance their skills and productivity.

106. To advance the skill levels of the in-service workers and cope with skills mismatch, CIC provides subsidies for fees of trade tests and specified training courses to encourage workers possessing relevant trade skills and experience to register as skilled workers. CIC also provides subsidies for skills enhancement courses for trades with relatively lower passing rates of trade tests.

107. In 2011, we collaborated with CIC to launch the “Build Up Publicity Campaign” to uplift the image of the construction industry. Recent image tracking surveys revealed that the percentage of young people interviewed who are willing to join the industry has been increased significantly to more than 20%, as compared with that of only 7.9% before the launch. Further, from the launch of the “Build Up Publicity Campaign” to November 2013, the number of registered construction workers has increased by about 18%, reflecting the

effectiveness of the promotional effort. To sustain the momentum of the campaign, we are collaborating with CIC to take forward the next wave of promotion and publicity activities to project a youthful, energetic and professional image of the industry in order to attract more new blood to join the industry. Major initiatives include producing TV drama<sup>7</sup> on the industry, introducing the Build Up Ambassadors<sup>8</sup>, displaying of the newly designed trade and industry posters and banners through bus bodies, MTR light box advertisement, outdoor banners and site hoardings, etc.

108. To enhance job opportunity of construction workers, CIC will continue to organise job fairs with contractors and facilitate job matching of employers and job seekers through the implementation of “JobsNet”, a free online employment platform. To attract more new blood, the construction industry will continue to make endeavours to enhance the site working environment and construction safety. On the other hand, we have devised relevant guidelines on the design and construction practices, and encourage more mechanisations to reduce the demand of skilled workers.

109. In the long term, we endeavour to meet the construction manpower demand through training local workers and attracting new entrants to the construction industry. In the years to come, the industry is facing tightening manpower situation. With due regard to the principle of not affecting the employment and reasonable income level of local construction workers, we shall make full use of the prevailing “Supplementary Labour Scheme” to timely import skilled workers to meet the manpower demand for the construction works. Further, this eases the pressure on the demand of local in-service skilled workers so that they can be available to nurture the graduates through in-service training with an aim to advancing their skill levels to meet the proficiency

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<sup>7</sup> DEVB, together with CIC and Radio Television Hong Kong (RTHK), has jointly produced a new series of TV drama on the industry, entitled “Dreams Come True”, featuring motivational stories of young people in the industry. A total of seven episodes of “Dreams Come True” are scheduled to be broadcasted on consecutive Mondays from 13 January 2014 to 24 February 2014, from 8:30pm to 9:00pm on RTHK Digital Terrestrial Television (Channel 31). The TV drama will also be live casted and archived at RTHK's website (rthk.hk).

<sup>8</sup> 13 Build-up Ambassadors have been selected by a judging panel formed by CIC to promote the image of the construction industry through participating in publicity activities and sharing their personal stories.

levels of skilled workers.

110. We will continue to monitor the manpower situation of construction personnel, and collaborate with CIC and relevant industry stakeholders to launch various measures to address manpower demand.

(II) Amendment of the Construction Workers Registration Ordinance

111. The registration system under the Construction Workers Registration Ordinance (CWRO) can recognise the skill levels of construction workers to raise their status, ensure the quality of construction work, and provide reliable manpower data to facilitate manpower planning and training. Following the implementation of the Phase One Prohibition under CWRO in 2007, the construction industry generally complies with its requirements. To cope with the possible difficulties encountered in implementing the remaining phase of the Prohibition<sup>9</sup>, we have set up a Task Force with industry stakeholders to formulate the proposed legislative amendments in order to facilitate smooth implementation of the remaining phase of the Prohibition.

112. From September to October 2013, we conducted industry-wide briefing jointly with CIC to widely inform stakeholders of the proposed amendments and briefed workers during the morning exercises on construction sites. We plan to introduce an amendment bill into the LegCo in the second quarter of 2014 for an early implementation of the remaining phase of Prohibition.

## CONCLUSION

113. We welcome Members' feedback and undertake to work closely with LegCo in taking forward DEVB's policy initiatives. In the next three months, we aim to further discuss with the Panel on Development on the following items –

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<sup>9</sup> Under Phase One Prohibition, construction workers carrying out construction works at construction sites shall be registered. The registration qualification of a general construction worker is possession of a valid Construction Industry Safety Training Certificate (also known as "Green Card"). Upon the implementation of the remaining phase of the Prohibition, workers carrying out trade works shall meet the registration qualification and registered as skilled or semi-skilled workers of that particular trade, or under instruction and supervision of a registered skilled or semi-skilled worker of that particular trade.

- Manpower increase for implementing initiatives to increase land supply
- Strategic studies for artificial islands in the Central Waters
- Planning and engineering study on Sunny Bay Reclamation
- Relocation of Sha Tin sewage treatment works to caverns
- Feasibility studies on relocation of Sham Tseng and Sai Kung sewage treatment works, and Diamond Hill fresh water and salt water service reservoirs to caverns
- Pilot study on underground space development in selected strategic urban areas
- Planning and Engineering Study for Housing Sites in Yuen Long South
- Planning, Engineering and Architectural Study for Topside Development at HKBCF Island of HZMB

**Development Bureau**  
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