

Legislative Council Panel on Development

Initiatives of Development Bureau in the 2010-11 Policy Address and Policy Agenda

INTRODUCTION

The Chief Executive (CE) delivered his 2010-11 Policy Address on 13 October 2010 entitled “Sharing Prosperity for a Caring Society”. This is supported by the Policy Agenda which lists the HKSAR Government’s new and ongoing initiatives. This paper elaborates on those initiatives under the Development Bureau (DEVB).

POLICY ADDRESS AND POLICY AGENDA INITIATIVES

2. The work of DEVB will mainly contribute to the two themes of “Developing the Infrastructure for Economic Growth” and “Quality City and Quality Life”. An extract of all the new and ongoing initiatives under DEVB as contained in the 2010-11 Policy Agenda is at **Annex 1**. The major items are highlighted in the paragraphs below.

(A) Initiatives under “Developing the Infrastructure for Economic Growth”

(I) Progress on the Initiatives to Revitalise Industrial Buildings

3. The package of new measures came into operation on 1 April 2010 and Lands Department (LandsD) has set up a dedicated team at its headquarters to centrally process all redevelopment and wholesale conversion applications. By end September 2010, LandsD had received 29 applications under the new initiatives for redevelopment (6) and wholesale conversion (23) of industrial buildings.

4. We have set a three-year application period for the new measures. As undertaken earlier, we will conduct a mid-term review in the coming year to ensure that the new initiatives will promote more

efficient use of the existing industrial premises to meet the changing social and economic needs of Hong Kong.

(II) Land Supply

5. With a view to increasing land supply for private housing, we will continue to uphold the Application List as the main axle and supplement it by Government-initiated land sales by auction or tender. Moreover, we will review existing land uses or explore new land resources. For example, we have completed a review of industrial land in the territory and propose to rezone about 30 hectares of it for residential use. We have also lowered the threshold for compulsory land sale for redevelopment to facilitate the redevelopment of more old buildings. In the medium to longer term, the development of the Kai Tak Development Area and other new development areas in the northern New Territories will provide more land to meet housing needs. Planning studies will also commence shortly in respect of quarry sites at Anderson Road, Lam Tei and Lamma Island to see if they can provide land for residential use. We will also work towards commencing as soon as possible the feasibility study for the proposed further development of Tung Chung, upon finalization of the detailed planning of the related infrastructure projects of the Hong Kong-Zhuhai-Macao Bridge.

6. It is the Government's policy to ensure a healthy and stable development of the property market. To this end, in the next 10 years, on average land needs to be made available annually for some 20 000 private residential flats. As underlined by the CE, this is not a fixed target for residential flat production. Our aim is to build up a sufficient large land reserve over a period of time to ensure stable land supply for the residential property market. In particular, we need to make available sufficient land for building small and medium residential flats to keep their prices stable. The private housing land supply includes government land to be disposed of, lease modifications and land exchanges initiated by private developers, private redevelopment projects not subject to premium payment, as well as land tenders carried out by the MTR Corporation Limited (MTRCL) and Urban Renewal Authority (URA).

7. To achieve the above-mentioned objective, the Financial Secretary will chair a “Steering Committee on Housing Land Supply” to coordinate the efforts of the departments concerned. This will ensure that issues relating to housing land will be dealt with as a matter of priority so as to ensure a stable and adequate supply of such land.

8. In order to increase the supply of mass market flats, we have earmarked the ex-Yuen Long Estate site for constructing such flats through specifying the minimum number of flats and the unit size restrictions in the land sale conditions. We are preparing to sell the site by tender later this year. In the light of the experience gained, we will explore applying this arrangement to other sites.

9. Furthermore, we will discuss with MTRCL and URA on the provision of more small and medium flats in their residential developments along the West Rail and urban renewal projects respectively.

10. Hong Kong’s population and development needs were met over the decades through harbour reclamation and leveling of hills. We have pledged to do no more reclamation within the Victoria Harbour upon completion of the final reclamation at Central and Wan Chai for construction of the Central and Wan Chai Bypass. To generate more land in the long run, we will consult the public on the proposal for reclamation on an appropriate scale outside Victoria Harbour. Separately, the Civil Engineering and Development Department is conducting a study on the use of underground space in Hong Kong. Although cavern and underground space are not suitable for housing, they can provide land for other competitive uses like public and storage facilities.

(III) Government Expenditure on Infrastructure Projects

11. The spending performance of the Capital Works Programme (CWP) in 2010-11 is satisfactory, and we expect to meet in full the original estimate of about \$49.6 billion. This is a marked improvement from the actual expenditure of \$23.4 billion in 2008-09 and a further

increase from the spending of \$45.3 billion in 2009-10.

12. We are pressing ahead with various major infrastructure projects under our portfolio. For the Kai Tak Development (KTD), a dedicated Kai Tak Office was established in March 2010 to lead and oversee the co-ordination and implementation of all KTD-related projects. Currently, construction of the first-phase development, including public rental housing, the cruise terminal building-cum-first berth, and the supporting infrastructure, is in full swing and is scheduled for completion in mid-2013. To take forward the implementation of other development in Kai Tak, the detailed design for the infrastructure works at the north apron, together with the bio-remediation works at Kai Tak Approach Channel, is underway. We will also continue with the public engagement exercises for the Lung Tsun Stone Bridge Remnants and the Kai Tak River in early 2011.

13. On the Lok Ma Chau Loop (the Loop), the Hong Kong and Shenzhen Governments have commissioned a joint planning and engineering study in June 2009. The Study is to explore the feasibility of developing the Loop with higher education as the leading land use, to be complemented with hi-tech R&D facilities as well as cultural and creative industries on the basis of mutual benefits. We aim to complete the Study in 2012.

14. On New Development Areas (NDA), we have commenced the Planning & Engineering Study for the North East New Territories (NENT) NDA (Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling). The NENT NDA will provide land to meet the long term housing need and other land use requirements in the future. It is expected that the Study will be completed in 2011. Preparatory work for the commencement of the Planning & Engineering Study for the Hung Shui Kiu (HSK) NDA in 2011 is also being undertaken.

15. In regard to the Liantang/Heung Yuen Wai Boundary Control Point project, construction of a resite area for Chuk Yuen Village affected by the project started in August 2010 as scheduled. The investigation and preliminary design will be substantially completed in end 2010. Detailed design of the civil engineering works will commence, subject to

funding approval.

16. We have also made good progress on other major projects which will help improve our living environment, including the three drainage tunnel projects on Hong Kong Island, Tsuen Wan and Lai Chi Kok; and the improvement works under Stages 1, 2 and 3 of Replacement and Rehabilitation (R&R) of Watermains Programme.

(IV) Job Creation

17. In addition to the major capital works projects, we are pressing ahead with the minor works in order to create more jobs for the construction industry. With these efforts and building maintenance works under the Operation Building Bright, the unemployment rate of the construction sector fell from a peak of 12.8% in the period from February to April 2009 to 7.0% in June to August 2010, representing a cumulative decrease of 5.8%. We expect that with the annual capital works expenditure continuing to stay at a high level in excess of \$50 billion in the next few years, more jobs will be created for the construction industry.

(V) Manpower Supply in the Construction Industry

18. DEVB and the Construction Industry Council (CIC) have completed studies to forecast the construction manpower supply situation of the industry at the professional, supervisory and worker level in the coming years and recommend manpower strategies and measures to better deal with the future construction manpower demand. The finding of the studies indicate that while no major problem is anticipated in most construction-related professional disciplines, the labour workforce is facing an ageing and skill mismatch problem and supervisors will be in high demand.

19. In view of the rising demand for construction manpower in the next few years, we need to maintain an adequate manpower supply and enhance the skills and competitiveness of the existing workforce. To this end, we have obtained the approval of the Finance Committee of the Legislative Council for a one-off allocation of \$100 million. The bulk

will be used to support the CIC to enhance the training and trade testing for prospective fresh blood and local in-service construction personnel, and to provide trainees attending CIC's adult short courses and construction supervisor/technician courses with an enhanced training allowance. This will help train up a multi-skilled construction workforce to enhance the mobility and competitiveness of workers for serving varying future needs. DEVB will use the remaining fund to enhance promotion and publicity activities, in conjunction with CIC and other stakeholders, to attract more people to join the construction industry.

20. We will continue to work in collaboration with the CIC and industry stakeholders to assess the effectiveness of the above measures and closely monitor the manpower demand and supply situation. For trades with acute manpower shortage, consideration will be given to include suitable provisions in public works contracts encouraging contractors to adopt a mechanized method of construction.

(B) Initiatives under “Quality City and Quality Life”

(I) Urban Renewal Strategy Review

21. Pursuant to section 20 of the Urban Renewal Authority Ordinance (Cap 563), the Urban Renewal Strategy (URS) was published in November 2001. When preparing its draft corporate plan, the URA has followed the guidelines set out in the URS. As urban regeneration involves many complex social and economic issues directly related to people's values and aspirations for quality of life which change over time, the Secretary for Development (SDEV) announced in July 2008 launching of a two-year comprehensive review of the URS with a view to making timely changes as necessary to ensure that the URS would continue to reflect the aspirations and priorities of the community on urban regeneration issues.

22. The Review was conducted in three stages, namely, Envisioning, Public Engagement and Consensus Building. The two-year Review was overseen by a Steering Committee chaired by

SDEV and consisting of ten non-official members. We attended seven meetings of the Legislative Council (LegCo) Panel on Development to hear Members' views and receive public representations in the course of the Review.

23. As we have reported to the LegCo Panel on Development, the Steering Committee came up with ten key recommendations which were published for consensus-building in May 2010 and have received broad-based support from the community. In the light of stakeholders' feedback, we have refined these key recommendations and incorporated them, as appropriate, into the draft of the revised URS.

24. To further ensure and facilitate effective implementation of the revised URS, we will –

- (a) set up a pilot District Urban Renewal Forum (DURF) in Kowloon City, where there is a large number of dilapidating buildings and where the URA has not carried out many projects;
- (b) allocate one or two housing sites in Kai Tak Development to URA to build new, modest housing units to facilitate “flat for flat”; and
- (c) create from URA's resources a \$500 million Urban Renewal Trust Fund to finance (i) activities to be conducted by DURF, (ii) costs for engaging social service teams to provide assistance and advice for those affected by URA-implemented redevelopment projects, and (iii) applications from bodies other than the URA for undertaking heritage preservation and district revitalisation initiatives in the overall urban renewal context.

25. Details of the key recommendations and further proposals are set out in a separate LegCo Brief. The draft of the revised URS is published for a two-month public consultation till 13 December 2010 before promulgation in early 2011.

(II) Support to Property Owners on Compulsory Sale for Redevelopment

26. The Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage) Notice has come into effect on 1 April 2010. Since then, the Hong Kong Housing Society (HKHS) provides, through their 10 Property Management Advisory Centres, free over-the-counter information service to minority owners as well as interested members of the public on the compulsory sale process under the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545). To publicise its information service, the HKHS has recently published a leaflet (at Annex 2) which has been distributed to all Owners Corporations and Mutual Aid Committees over the territory.

27. As at 25 September 2010, the HKHS had handled a total of 163 enquiries through its information service, with a majority number of enquiries related to the application threshold and procedures for making submissions to the Lands Tribunal for compulsory sale. In cases where the HKHS's frontline staff is not able to fully address questions on the operations of the Ordinance, the HKHS will refer such enquiries to the Hong Kong Institute of Surveyors (HKIS) for professional advice. The HKIS would also arrange public fora for property owners as necessary.

28. In response to Members' suggestion when considering the Notice, we are working closely with the Department of Justice and the Joint Mediation Helpline Office Limited and are planning to set up a pilot mediation scheme for compulsory sale cases before the end of this year. This pilot scheme will facilitate parties involved in or contemplating applications for compulsory sale for redevelopment under Cap. 545 to undertake mediation on a voluntary basis.

29. To provide further assistance to elderly minority owners of old buildings, we will engage on a pilot basis a social welfare agency to provide out-reach services to elderly owners to explain to them the practice of acquisition and compulsory sale under Cap. 545, and to refer them to professionals such as surveyors for advice according to their wish.

30. To step up publicity and public education on the rights of minority owners and the caveats that these owners should watch out for when approached by developers on voluntary acquisition or compulsory sale, we plan to launch a video documentary on Cap. 545 later this year. The video will explain in a user friendly manner the acquisition and/or compulsory sale process to educate owners of old buildings of their rights and the support and assistance available to them.

(III) Enhancing Building Safety in Hong Kong

31. Building safety is a highly complex and multi-faceted issue. The Government and the whole community must play their due roles and take immediate action to tackle the problem of building neglect. Further to the building collapse incident at 45J Ma Tau Wai Road, we have completed a comprehensive review of the building safety policy in Hong Kong. Taking into account the latest condition of our building stock and with a view to maximising synergy amongst the various stakeholders, we will adopt a new multi-pronged approach covering four major areas, namely, (a) legislation; (b) enforcement; (c) support and assistance to owners; and (d) publicity and public education.

32. Details of the above package are set out in a separate LegCo Brief.

(IV) Fostering a Quality and Sustainable Built Environment

33. In response to the rising public concern over the quality and sustainability of our built environment, in particular over issues regarding the bulk and height of buildings, air ventilation, greening and energy efficiency, a four-month public engagement exercise entitled “Building Design to Foster a Quality and Sustainable Built Environment” was conducted by the Council for Sustainable Development. The exercise has revealed a clear call that the status quo is not an option. In line with the CE’s pledge for progressive development, we propose a comprehensive package of measures to enhance the built environment, including –

- (a) *sustainable building design requirements* – requiring building separation, setback and greenery to promote ventilation and mitigate urban heat island effect;
- (b) *GFA concessions* – imposing an overall cap on GFA concessions granted and reducing GFA concessions for individual green/amenity features and car parks to control building bulk and height; and
- (c) *energy efficiency of buildings* – introducing measures to enhance building energy efficiency standards.

34. Details of the above measures and implementation are set out in a separate LegCo Brief.

(V) Harbourfront Enhancement

35. We will continue to strengthen our work on harbourfront planning and implement harbourfront enhancement initiatives for public enjoyment. Harbourfront enhancement projects completed in 2010 so far include Kwun Tong Promenade Stage 1, the park area of Sun Yat Sen Memorial Park in Sheung Wan, temporary waterfront promenade along the eastern part of the ex-North Point Estate site and the Tsing Yi Northeast Park. Furthermore, to allow the public an early access to the Central harbourfront and increase its vibrancy, we have embarked on the works of an advance promenade at Site 7¹ (works are expected to complete by early 2012) and started the planning of Site 4² development. A Harbourfront Signage Scheme cum Logo Design Competition is also under way. The new signage and logos to be put up will help to enhance accessibility of the harbourfront at both sides of the Victoria Harbour. We will continue to work in partnership with the newly-established Harbourfront Commission which has succeeded the work of the former Harbour-front Enhancement Committee.

1 A continuous waterfront promenade with attraction nodes including plazas, viewing platforms etc. will be provided at Site 7.

2 Site 4 is proposed as a “Harbour Place” to provide waterfront-related commercial and leisure uses to complement the waterfront promenade as well as to provide an anchor at the harbourfront, thereby adding vibrancy and a diversity of waterfront experience.

(VI) Conserving Central

36. In his 2009-10 Policy Address, the CE announced the “Conserving Central” initiative, which comprises eight innovative projects to preserve many of the important cultural, historical and archaeological features in Central while adding new life and vibrancy to the area. The implementation progress of these projects is set out at Annex 3.

(VII) Heritage Conservation

37. In the past year, apart from taking forward the heritage conservation projects under the “Conserving Central” initiative, we made good progress with other initiatives on heritage conservation. In the Government domain –

- (a) All of the six revitalisation projects under Batch I of the Revitalising Historic Buildings Through Partnership Scheme (the Revitalisation Scheme) have obtained funding for project implementation. The works for revitalising the former North Kowloon Magistracy as the Savannah College of Art and Design Hong Kong (SCAD-HK) campus was completed in July 2010 and the school started operation in September 2010. The works for revitalising the old Tai O Police Station as a boutique hotel commenced in March 2010 for completion in August 2011. The site works of the Fong Yuen Study Hall, the former Lai Chi Kok Hospital, Lui Seng Chun and Mei Ho House are scheduled to commence by the end of this year for completion in 2011 to 2012;
- (b) We announced the results of Batch II of the Revitalisation Scheme in September 2010. Three projects proposed by non-profit-making organisations were selected to preserve and revitalise the Old Tai Po Police Station, the Blue House Cluster and the Stone Houses; and
- (c) Since the announcement of the preliminary grading of 1 444 historic buildings proposed by the Antiquities and

Monuments Offices in March 2009, about 960 responses (including verbal and written comments) have been received from the public and owners. Up to September 2010, the Antiquities Advisory Board (AAB) has confirmed the grading of over 1 000 historic buildings. Discussion with the owners and related work for confirmation of the grading of the remaining cases of the 1 444 historic buildings will continue. AAB will proceed with the grading exercise step-by-step, and will flexibly consider the new items proposed by the public for grading.

38. In the private domain –

- (a) Following the launching of the Financial Assistance for Maintenance Scheme in August 2008, we have approved nine applications and are now processing another seven; and
- (b) With the approved minor relaxation of plot ratio, the front portion of a 4-storey shophouse, a Grade 3 historic building, at 179 Prince Edward Road West will be preserved under a conservation-cum-hotel development proposal. The second floor of the preserved portion will be converted into a display area for displaying the history of the building and the district for free public access.

39. In 2010, the Commissioner for Heritage's Office has organised a series of public education programmes and activities with the objective of encouraging wider participation by different community groups in heritage conservation. For instance, a series of guided heritage tour targeting low-income families and the disabled are being organised. In addition, a roving exhibition to promote heritage tourism will be launched in December 2010. We shall continue with these efforts in the coming year.

(VIII) Greening, Landscape and Tree Management

40. Pursuant to the recommendation in the "Report of the Task Force on Tree Management – People, Trees, Harmony" published in June

2009, the Greening, Landscape and Tree Management (GLTM) Section was established under the Works Branch of DEVB in March 2010 to champion a new, strategic policy on greening, landscaping and tree management, with a view to achieving the sustainable development of a greener environment for Hong Kong.

41. The GLTM Section is underpinned by the Greening and Landscape Office (GLO) and the Tree Management Office (TMO). The GLO is responsible for central coordination of Government's greening and landscape planning and design efforts while the TMO advocates the adoption of a professional approach to tree management among tree management departments and in the community at large. Each with its focus and priority tasks, the two offices work in close co-operation to promote a holistic greening approach embracing adequate space allocation for new planting, proper selection of planting species as well as quality landscape design and planting practices in the upstream and proper vegetation maintenance in the downstream, with due emphasis on protection of public safety as a priority consideration.

42. Government attaches importance to enhancing the quality of tree management work in our tree management departments in order to better protect public safety. Apart from raising the professional standard in tree care work through enhanced training, research and promulgation of best practices, the TMO will step up audit checks of the tree inspection records prepared by tree management departments and carry out on-site audit inspections. Tree risk management efforts, with priority given to trees in areas with high vehicular and high pedestrian flow, will continue beyond the rainy season.

43. In view of the large volume of trees in Hong Kong, we will enhance community involvement in the surveillance of trees through co-operation with District Councils, schools and non-governmental organizations. We will provide district-based training seminars to local residents, mutual aid committees, owners' incorporation, etc. We will also appeal for the support of the Green Ambassadors and Tree Volunteers recruited by the Leisure and Cultural Services Department in implementing this initiative. In addition, we are working closely with various non-governmental organisations to engage students and young

people in support the Government's tree management work at the local level.

(IX) Lift Safety

44. The spate of lift incidents in recent years has heightened public concern over lift safety. We have implemented a multi-pronged package of improvement measures to enhance lift safety. These measures include the enhancement of the Code of Practice for Lift Works, disclosure of contractors' performance, stepping up inspections and enhancing publicity. We will continue to monitor the operation and maintenance of lifts and the progress in taking forward the improvement measures.

45. To further enhance the safety of lifts and escalators, we are drafting a new bill with a view to introducing it into the Legislative Council in 2011. Upon enactment of the new legislation, we will repeal the Lifts and Escalators (Safety) Ordinance (Cap. 327). The legislative proposals include the introduction of a registration system for lift and escalator workers, upgrading the qualification requirements for registered lift and escalator engineers, streamlining the regulatory processes and raising the level of penalty and sanctions. We obtained general support from the community for these legislative proposals in the public consultation conducted earlier.

(X) Total Water Management

46. Fresh water is a scarce resource. From a sustainability perspective, water conservation is one of the fundamental elements to ensure a reliable and sufficient water supply to the people in Hong Kong. Against this backdrop, we launched a Total Water Management Strategy in 2008 with the aim to manage the demand and supply in an integrated, multi-sectoral and sustainable manner.

47. In regard to water demand management, we have stepped up public education on water conservation. Amongst others, we have been implementing a voluntary "Water Efficiency Labelling Scheme" (WELS) to promote awareness of the public in respect of the level of water

consumption and efficiency of water-using fixtures and appliances. This will facilitate proper choice of water-efficient products by the public to promote water conservation. The WELS is being implemented in phases for different water-using fixtures and appliances. The first phase for bathing showers was launched in September 2009. The second phase for taps was launched in September this year. The next phase, which will cover washing machines, will be implemented in early 2011.

(XI) Flood Prevention

48. As a continuing commitment to provide flood relief infrastructures, we will formulate a flood prevention scheme for the provision of an underground stormwater storage tank in the in-field of Happy Valley Racecourse to relieve the flooding risks in Happy Valley and the adjacent areas. In taking forward this project, we will tap on the experience gained in the flood storage schemes in Mong Kok and Sheung Wan. We plan to seek funding approval for the project in the 2010-11 legislative session.

(XII) Sustainable Development for Construction - Low Carbon Construction

49. Climate change poses an unprecedented global challenge for all, including the construction industry. With a view to reducing greenhouse gas emissions in construction and setting an example for others to follow, we plan to embark on a study on the adoption of low carbon construction measures in the delivery of public works projects.

CONCLUSION

50. 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 LegCo Panel on Development and the Subcommittee on Building Safety and Related Issues on the following items –

- Urban Renewal Strategy Review

- Redevelopment Scheme of West Wing, Central Government Offices
- Planning and Engineering Study on Development of Lok Ma Chau Loop - Investigation - Preliminary Outline Development Plan and Stage 1 Public Engagement
- Package of measures to enhance building safety (including consolidation of financial assistance schemes for building owners)
- Progress of various heritage conservation projects
- Kai Tak Development Progress Report
- Liantang/Heung Yuen Wai Boundary Control Point and associated works – detailed investigation and design

Development Bureau
13 October 2010