

## **Legislative Council Panel on Development**

### **Initiatives of Development Bureau in the Chief Executive's 2019 Policy Address and Policy Address Supplement**

#### **INTRODUCTION**

The Chief Executive delivered her Policy Address entitled “Treasure Hong Kong: Our Home” on 16 October 2019. This is complemented by the Policy Address Supplement (PA Supplement). Relevant extracts from the two documents covering initiatives under Development Bureau (DEVB) are set out at Annex. This paper highlights the major initiatives therein.

#### **POLICY ADDRESS AND PA SUPPLEMENT INITIATIVES**

##### **I. Initiatives related to increasing land supply**

2. Land Supply tops the policy agenda of the current-term Government. The Task Force on Land Supply (Task Force) established in September 2017 had conducted an extensive five-month public engagement exercise on options to increase land supply and submitted the report to the Government in December 2018. In February this year, the Government announced its full acceptance of the Task Force's recommendations that encompass a more robust and visionary land supply strategy to sustain and significantly increase land supply.

3. Whilst we press ahead with various ongoing land supply measures, we are taking active steps to follow up the eight land supply priority options as recommended by the Task Force. Among these, we have secured funding for the first stage of the main works of Kwu Tung North (KTN)/Fanling North (FLN) New Development Area (NDA) in May 2019, and relevant land resumption and works have commenced. Also in May 2019, we received the support of the Public Works Subcommittee of the Legislative Council (LegCo) for the studies related to artificial islands in the Central Water and are awaiting LegCo Finance Committee's approval to the funding application. In respect of the suggestion on partial resumption of the Fanling Golf Course site mainly for public housing development, we have commenced the study to ascertain the highest flat yield attainable in the short to medium term and the relevant supporting infrastructure, as well as to conduct technical assessments on traffic and environmental impact,

etc. To expedite the implementation of the New Territories North (NTN) NDA, the study on the first phase development covering the development node at San Tin/Lok Ma Chau has also started. The two aforementioned studies are expected to be completed in early 2021.

4. Given the acute land and housing shortage, we must increase land supply with more intense efforts and faster pace, through in particular Government-led development that could create land for public housing in the short to medium term. To this end, we will expedite our planning work to identify sites with development potential to support public housing development. We will take the lead in the planning and development of land and infrastructure, including invoking the Lands Resumption Ordinance (Cap. 124) and other applicable ordinances<sup>1</sup> to resume the private land involved wholly for development of public housing (including public rental housing (PRH), Green Form Subsidised Home Ownership Scheme (GSH) and Home Ownership Scheme (HOS)), Starter Homes (SH) and related facilities.

5. In this regard, we will intensify the Government-led planning efforts in the following three aspects and compress the time needed for taking forward the studies and other subsequent processes -

- (a) About 450 hectares<sup>2</sup> of brownfield sites in the New Territories may have development potential but have not been covered by new development areas (NDAs) or other development projects. These sites are mostly private land larger in size and located nearer to existing new towns and major highways, including brownfield sites in Ping Shan and Lam Tei. The Planning Department will accord priority to the study of 160 hectares brownfield sites that are closer to existing infrastructure, with a view to identifying sites therein suitable for public housing development by the end of the year and for Government to proceed with follow up technical assessments on those identified sites thereafter.
- (b) We will review private land parcels that have been zoned for high- density housing development in statutory outline zoning plans but without any development plan yet due to various reasons (such as

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<sup>1</sup> Such as the Roads (Works, Use and Compensation) Ordinance (Cap. 370).

<sup>2</sup> Figure according to the profile study on brownfield sites in the New Territories to be announced by PlanD. We will upload the complete study report to PlanD's website in early November, and brief the Panel on Development about the survey findings at the meeting in November.

fragmented ownership or infrastructural constraints). Specifically, we will review land parcels that have been zoned as Comprehensive Development Area or Residential (Group A) with a higher plot ratio (generally speaking at 7.5 or above in the urban area and at 5 or above in the New Territories) and with relatively low-rise existing structures of, say, only a few storeys, and that the owner(s) has no concrete development plan. Based on the information available, around 10 land parcels that meet such criteria have been identified. The relevant government departments will assess whether these sites are suitable for public housing developments. We expect to form preliminary views by the middle of next year.

- (c) We will expedite the studies on the land use and supporting infrastructure of the three urban squatter areas in Cha Kwo Ling Village, Ngau Chi Wan Village and Chuk Yuen United Village. Over seven hectares of land is involved in these three developments, and about 10% of which are private land that will be resumed for integrated planning and development of a new community comprising mainly public housing. Eligible affected residents will be compensated and rehoused in accordance with the prevailing policy to help improve their living environment. We aim to complete the feasibility study for the Cha Kwo Ling Village development by the end of 2020, while that for Ngau Chi Wan Village and Chuk Yuen United Village projects is targeted for completion by the end of 2021. Subject to final outcomes of the studies, our preliminary estimate is that these three projects can provide about 6 300 public housing units.

### **Land Sharing Pilot Scheme**

6. The Development Bureau has drawn up the details of the Land Sharing Pilot Scheme (LSPS) along the policy direction outlined in the Policy Address last year. With the target of accepting applications in early 2020, we will gauge the views of stakeholders in the coming few months, including submission of our detailed proposal for discussion by the LegCo Panel on Development in November. LSPS is aimed at tapping the market force in planning and construction, with a view to releasing as soon as possible private lots with consolidated ownership but not yet covered by Government's development studies supporting the use of land intended for public purposes, so as to speed up short- and medium-term housing supply. The Government will facilitate infrastructural improvement to allow higher development intensity and prescribe

that at least 70% of the additional gross floor area (GFA) gained should be allocated for public housing or SH as intended by the Government. As such, land owners have to carve out part of their land and hand them over to the Government for the said housing development, while the remainder of the site can be retained for private housing development. The project in question should be fairly sizeable and capable of delivering an additional GFA of 50 000 square metres and a minimum of 1 000 additional housing units. The land owners concerned will be responsible for providing infrastructure and other community facilities necessary to support the housing development projects, and the associated construction cost will be deducted from the land premium

7. The LSPS is a time-limited scheme receiving applications over a period of three years and the applications to be approved should together involve no more than 150 hectares of private land. Besides, to strike a balance between development and conservation, country parks and six environmentally sensitive zonings<sup>3</sup>, as well as areas covered by the list of 12 priority sites for enhanced conservation under the New Nature Conservation Policy<sup>4</sup>, will not be eligible for the LSPS. Also, applications involving sites overlapping with the area covered by Government's completed, ongoing or about-to-commence development studies supporting the use of land intended for public purposes will not be accepted.

8. We will adopt a fair, robust and transparent vetting and approval mechanism, under which applications are subject to thorough examination by a multi-disciplinary team of government officers. Also, a newly established Panel of Advisors comprising members with credibility in society will provide advice. After that, the applications will be submitted to the Chief Executive in Council for approval. All town planning and other statutory and administrative procedures will continue to apply, including the requirement for land owners to pay the land premium at full market value for the private housing development and ancillary commercial facilities. To speed up development, lease modification (including premium negotiation) has to be completed within 18 months after completion of the statutory planning process.

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<sup>3</sup> The six environmentally sensitive zonings include Conservation Area, Coastal Protection Area, Other Specified Uses (OU) (Comprehensive Development to include Wetland Restoration Area), OU(Comprehensive Development and Wetland Enhancement Area), OU(Comprehensive Development and Wetland Protection Area) and Sites of Special Scientific Interest.

<sup>4</sup> The 12 priority sites are: Ramsar Site; Sha Lo Tung; Tai Ho; Fung Yuen; Luk Keng Marsh; Mui Tsz Lam and Mau Ping; Wu Kau Tang; Long Valley and Ho Sheung Heung; Deep Bay Wetland outside Ramar Site; Cheung Sheung; Yung Shue O; and Sham Chung.

## **Optimising the Use of Government Land**

9. As custodian of the “Government, Institution or Community” (GIC) sites, the Government should strive to optimise the use of these sites. We will review over 300 GIC sites involving a total area of more than 300 hectares currently earmarked for standalone public facilities, and put forward concrete proposals for sites with no development plan, including developing multi-purpose public facility buildings under the “single site, multiple use” model, developing residential use and public facilities under a mixed development mode, or retaining them for specific government facilities. We will give priority to reviewing sites reserved for education, cultural and sports and social welfare facilities, community halls, public transport interchange etc., which take up about half of the areas of all the reviewed sites, with a view to completing this part of the review by mid-2021.

10. Meanwhile, to assist non-governmental organisations to optimise their under-utilised sites, we will facilitate the redevelopment of the low-rise buildings on these sites by providing support and introducing mixed uses including possibly residential, education and welfare uses. This will not only provide modernised facilities, but also help to increase the supply of various types of housing, including elderly housing, youth hostels or transitional housing, etc.

## **Development and Conservation of Lantau**

11. We are progressively taking forward various short and medium-to-long term initiatives about development and conservation of Lantau. While increasing land supply for housing and economic development, we in parallel enhance conservation efforts and improve the leisure and entertaining facilities of Lantau.

12. For short-term measures, we will continue to implement the Tung Chung New Town Extension project on North Lantau. The relevant reclamation works are being carried out as scheduled and the first parcel of land is anticipated to be available for public housing development in early next year. We will take Tung Chung New Town Extension as a pilot to promote the concepts of smart, green and resilience city. The relevant studies and design work are underway.

13. The Outline Zoning Plan in relation to the Siu Ho Wan Depot Site topside development was approved in February this year. The site is estimated to provide no less than 14 000 residential units in the medium to long run. We

will continue to follow up with the MTR Corporation Limited on various details of this topside development involving the development of a new community with subsidised and private housing as well as community facilities. Planning permission will be sought from the Town Planning Board in due course.

14. The Airport Authority Hong Kong (AAHK) has accepted our invitation, studying the development of airport-related businesses on the topside of the Hong Kong Boundary Crossing Facilities Island of the Hong Kong-Zhuhai-Macao Bridge. It is anticipated that the study will be completed in end-2020. Upon AAHK's submission of the development proposal, the Government will consider the relevant suggestions thoroughly with a view to formulating the planning and use of the topside development of the Hong Kong Boundary Crossing Facilities Island.

15. We treasure the natural and rural environment of Lantau to a great extent, as well as its unique ecology, history and culture. We will staunchly adhere to the planning principle of "Development in the North; Conservation for the South". In taking forward infrastructure and development projects, we will in parallel follow the policy of "Conservation to precede Development", making strenuous efforts in conservation. We are conducting an ecological study that involves Pui O, Shui Hau, Tai O and other sites with ecological value, which will be completed in the first quarter of 2020. Currently we are consolidating the survey outcomes of the study. The next phase of the study will focus on evaluating the existing ecological impacts within these areas and formulating appropriate and feasible conservation proposals. Besides, the Environment and Conservation Fund has approved funding to support 11 environmental education and community action projects with the theme of nature conservation in South Lantau.

16. To further enhance the resources and effectiveness of conservation efforts, we have earmarked \$1 billion for setting up the Lantau Conservation Fund (LCF) to promote conservation together with the community and pursue minor local improvement works for Lantau. We plan to establish the LCF next year; and we have obtained the support of the LegCo Panel on Development in March this year. Our current plan is to include the proposed new commitment concerning the part of the LCF related to conservation projects (i.e. \$500 million) in the 2020-21 draft Estimates for LegCo's approval in the context of the Appropriation Bill 2020. We have also earmarked \$500 million for minor local improvement works to support conservation and livelihood improvement related work. The relevant projects will be submitted to the LegCo in the related Block

Allocations under the Capital Works Reserve Fund.

17. On the leisure and entertainment front, we plan to commission the study on the Lantau Trails and Recreation Plan this year and implement relevant facilities in phases. The plan includes enhancement of the network of walking trails at Lantau to link up heritage, ecological and recreational hotspots with a view to offering diversified sustainable leisure experience to the public as well as to promote a healthy lifestyle. As regards promotion of water transport, the ferry operator has been implementing a trial scheme to increase the ferry schedules of the route to/from Tai O during weekends and public holidays. We are also exploring the feasibility to improve the pier facilities at Lantau.

18. In terms of medium-to-long term measures, the development of artificial islands in the Central Waters can create a vast area of new land for comprehensive planning while the associated transport infrastructure can increase the capacity of the overall Hong Kong traffic network. Currently some members of the community have concerns about the development of the artificial islands, and we will thus continue our efforts in explaining the project objectives and direction of the technical studies to the general public. We will establish platforms for various professionals and youths to take part in the formulation of measures in the areas of urban design, land use and smart, environment-friendly and sustainable development regarding the development of the artificial islands. We will continue to seek funding approval for the related study from the LegCo Finance Committee. Besides, we plan to seek funding from the LegCo so as to kick start the planning study on the development of reclamation at Lung Kwu Tan and the coastal area at Tuen Mun West as well as the engineering study on Road P1 (Tai Ho – Sunny Bay Section).

### **Redevelopment of Buildings under the Civil Servants' Co-operative Building Society Scheme**

19. To fully utilise the permissible plot ratios of land and to increase housing supply, we have invited the Urban Renewal Authority (URA) to identify one to two clusters of Civil Servants' Co-operative Building Society Scheme (CBS) lots suitable for high-density development for redevelopment as a pilot project, with a view to bringing planning and social gains and creating positive impacts on the local community. In this connection, URA has already identified two clusters of sites, involving more than 30 CBS buildings in Kowloon City suitable for redevelopment as a pilot project. URA plans to announce early next year the commencement of the redevelopment of these buildings to maximise the development potential of the concerned sites. Some of the resumed land will be

earmarked for public housing development, and the total number of public and private flats after redevelopment is estimated to be about five times the existing number.

### **Starter Homes**

20. In 2018, the Government invited URA to assign its redevelopment project at Ma Tau Wai Road as a “Starter Homes” (SH) pilot project (eResidence comprising 450 flats which was subsequently open for application in January 2019). Given the successful implementation of its first SH project (with enthusiastic response to eResidence with an oversubscription of 46 times), the Government will entrust URA with a new mission, inviting URA to provide more SH or other types of SSFs in its redevelopment projects. The Government will provide resources as appropriate to enable URA to continue carrying out its urban renewal mission.

### **Streamlining Development Control**

21. Our efforts on streamlining development control continue. The first and second batches of initiatives, covering building height restriction, landscape requirement and various requirements under the Sustainable Building Design Guidelines etc. have already taken effect. Details could be found on the various updated practice notes or new joint practice notes uploaded by departments.

## **II. Initiatives related to building safety and maintenance**

22. It is the Government’s long-held position that owners are primarily responsible for the timely and proper maintenance of their buildings. That said, we also recognise that some owners, in particular those residing in aged “three-nil” buildings<sup>5</sup>, may lack the technical knowledge or financial means in undertaking that responsibility. Against this backdrop, the Government announced on 11 October 2019 proposed funding injections and various enhancements to four existing subsidy schemes on building safety and rehabilitation, three of which are under DEVB’s purview. Details of the enhancements could be found vide the following link –

[https://www.devb.gov.hk/en/publications\\_and\\_press\\_releases/press/index\\_id\\_10478.html](https://www.devb.gov.hk/en/publications_and_press_releases/press/index_id_10478.html)

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<sup>5</sup> Viz. buildings which do not have an owners’ corporation or residents’ organisations, or having engaged any property management company.



23. While the Government would brief the Panel on the funding injections and enhancements shortly, highlighted below are the major directions of the enhancements –

- (a) on Operation Building Bright 2.0 (OBB 2.0), we plan to double the commitment to \$6 billion with a view to increasing the number of buildings to benefit from the initiative from around 2 500 to around 5 000. We plan to extend the second round of applications, which is scheduled for the third quarter of 2020, to eligible domestic buildings aged between 40 and 49 with outstanding MBIS notice(s) for the common parts of the buildings, on top of all eligible domestic buildings aged 50 or above. Our target is to commence the prescribed inspection and repair works of all participating buildings in seven years' time;
- (b) regarding the Building Maintenance Grant Scheme for Elderly Owner (BMGSEO), which is an ongoing scheme launched in 2008, we plan to inject an additional \$2 billion. Besides, we plan to enhance the depth and breadth of assistance to needy owner-occupiers by (i) increasing the level of the maximum grant from the current \$40,000 per case to \$80,000 per case; (ii) uplifting the prevailing asset limit from two times of the asset limit for Normal Old Age Allowance (Normal OALA)<sup>6</sup> to three times; and (iii) extending the scope of beneficiaries to cover non-elderly owner-occupiers who are recipients of Comprehensive Social Security Assistance or Disability Allowance subject to appropriate income and asset tests; and
- (c) on Lift Modernisation Subsidy Scheme (LIMSS), the Government plans to allocate an additional \$2 billion to subsidise the modernisation of 3 000 more lifts. We further propose that outreach services be provided to needy residents (e.g. the aged and the disabled) affected by lift modernisation works especially for buildings with single lift or floors served by one lift only including, e.g. delivery of food and meals and provision of stair-climber services. We will collaborate with Construction Industry Council (CIC) to arrange an appropriate training scheme to attract new blood to join the lift industry and target to roll out the scheme orderly over seven years to avoid inflating market prices or affecting works quality.

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<sup>6</sup> The prevailing asset limit for Normal OALA is \$343,000 for single person and \$520,000 for married couples.

## **Enforcement against dangerous and abandoned signboards**

24. In order to take advantage of latest technologies in the enforcement against the erection of unauthorised signboards, Buildings Department (BD) will commission a consultancy early next year for completion in second half of 2022 to explore the following directions –

- (a) engaging patrolling vehicles equipped with photo-imaging or 3D scanning equipment and employment of artificial intelligence (AI) to analyse the captured images with a view to enabling automatic identification of dangerous and abandoned signboards;
- (b) utilising big data in the public realm (such as property transaction and lease records on commercial premises) to identify new businesses that may require erection of signboards, such that those contemplating such erection would be reminded of their obligations at an early stage; and
- (c) employing AI-aided Optical Character Recognition Technology to establish a centralised database on all legal signboards to facilitate effective enforcement actions and encourage public monitoring.

Besides, BD will also step up prosecution against non-compliance with removal orders, and deploy more resources to remove dangerous and abandoned signboards where the signboard owners have failed to comply with Dangerous Structure Removal Notices<sup>7</sup>, to better protect public safety.

### **III. Other Initiatives**

#### **Energizing Kowloon East**

25. We continue to keep up our efforts to facilitate transformation of Kowloon East into another core business district to support Hong Kong's economic development. At present, Kowloon East has over 2.8 million square metres of commercial/office floor area, with potential to further supply

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<sup>7</sup> BD may issue (a) Dangerous Structure Removal Notices (DSRNs) under Public Health and Municipal Services Ordinance (Cap. 132) if the signboards identified are posing imminent danger to the public and warrant immediate enforcement action; (b) removal orders under the Buildings Ordinance (BO) (Cap. 123) if the signboards are considered dangerous or prone to become dangerous or are new signboards, or (c) priority demolition orders under the BO if the signboards are large and in serious breach of law. In the five years' period from 2014 to 2018, BD issued some 3 800 removal orders and some 3 800 DSRNs, some 12 000 unauthorised, dangerous or abandoned signboards were rectified during the same period.

approximately 4.2 million square metres in future. The planning and engineering studies on the Kowloon Bay and Kwun Tong Action Areas have largely been completed. We are also reviewing the future use of the Ngau Tau Kok Divisional Police Station site and a site at Lai Yip Street.

26. We continue our work to improve the pedestrian environment in Kowloon East. These include commencing construction of an additional footbridge near MTR Kowloon Bay Station Exit B subject to funding approval, commencing investigation and preliminary design for a new footbridge near MTR Exit A of the same station, carrying out design for extension of the pedestrian subway network connecting to MTR Ngau Tau Kok Station, and carrying out detailed design of another footbridge across Wai Yip Street near Siu Yip Street.

27. We will commence works on the “Revitalisation of Tsui Ping River” project as well as improvement of the Lam Wah Street Playground and its adjacent area subject to funding approval. We will also take forward the District Open Space, Sports Centre cum Public Vehicle Park project at Sze Mei Street with a view to enhancing provision of leisure and sports facilities, and providing about 300 parking spaces underground to meet public needs. We will provide distinctive play facilities at Kai Tak Runway Park to bring more vibrancy to the former airport runway tip.

28. We will continue to use Kowloon East as a pilot area for exploring smart city development and share the knowledge and experiences gained in carrying out the proof-of-concept trials with relevant government departments and stakeholders to facilitate wider application.

### **Harbourfront Development**

29. Providing connected and accessible promenades on both sides of the Victoria Harbour continues to top the agenda of our harbourfront enhancement efforts. In the past year, the Government has, with the support of the Harbourfront Commission (HC), extended the length of our connected promenade by about 10% to a total length of about 23 km. The newly completed/enhanced promenades have completed the jigsaw in the western part of the Hong Kong Island and fully connected the harbourfront from Shek Tong Tsui to the Hong Kong Convention and Exhibition Centre, providing the longest promenade (about 4.5 km) along the Harbour by far.

30. With the \$6.5 billion dedicated funding, the Government has been

working closely with the HC to press ahead the various harbourfront enhancement projects, with a view to extending the total length of our harbourfront promenade to about 34 km in a decade. Specifically, on the side of Hong Kong Island, we will commence the construction of West Landscaped Deck in Wan Chai for enhancing connectivity between the harbourfront and the inland area, and conduct detailed design of the proposed Boardwalk underneath the Island Eastern Corridor and the Open Space at Eastern Street North. As regards the other side of the Harbour, we will take forward the enhancement of the Hoi On Road harbourfront in Tsuen Wan and the Urban Park project in Hung Hom. We will also start engaging the relevant parties on the preferred design for the Metro Park in Kai Tak.

31. We will continue to look for opportunities to tap into the innovation and expertise of the professional industries, non-governmental organisations (NGO), local community and private sector alike on the planning, design, development and management of harbourfront areas. In this regard, we will organise design competition for developing the prominent harbourfront location in Wan Chai North, as well as explore the possibility of engaging outside parties for managing water sports and recreation facilities in Wan Chai North and the Boardwalk underneath the Island Eastern Corridor.

### **Rivers in the City**

32. In 2018, we completed the revitalisation of Kai Tak River to provide the community a green river corridor with both flood prevention function and ecological value. We will further foster the concept of “Rivers in the City”. The aim is to allow the public to enjoy river facilities, experience the multiple values of water bodies, treasure water bodies and create a better living environment. We are vigorously formulating all kinds of revitalisation schemes for rivers and nullahs with high revitalisation potential. The rivers and nullahs concerned include the Jordan Valley Nullah, Tai Wai Nullah and Fo Tan Nullah. Besides, we will also introduce water bodies rejuvenation facilities, such as artificial flood attenuation lakes and river parks in planning for new development areas.

### **Urban Forestry**

33. We have been taking forward a series of strategic and operational initiatives to bolster our urban forest and ameliorate tree risks. We will enhance the tree risk assessment requirements starting from the 2019 annual cycle, including tightening of the qualification and experience requirements of

inspection officers, additional auditing and surprise site checking of tree risk assessment and mitigation works, and piloting smart technologies to complement our tree management work to enhance effectiveness and efficiency. We will also set up a dedicated and strengthened Inspection Squad to carry out site patrols, conduct systematic tree failure inspections and analyses, and organise public education and promotion activities at the district level.

34. Given that the professional standards of arboriculture and horticulture practitioners are essential in keeping our urban forest healthy and sustainable, we will take forward several new initiatives to support the growth and development of the industry. Taking into account the views of the arboriculture and horticulture industry, we have worked out the principles and administrative framework for introducing a registration scheme for tree management personnel including arborists and tree workers in 2020.

35. As announced in the 2019-20 Budget, we will set up a \$200 million Urban Forestry Support Fund to implement a number of initiatives, including introduction of the Study Sponsorship Scheme and the Trainee Programme to enhance manpower supply in terms of both quantity and quality, hosting International Urban Forestry Conference and strengthening tree management promotion. We consulted this Panel on 28 May 2019, and Members supported the proposal. Our current plan is to include the funding commitment in the 2020-21 draft Estimates for LegCo's approval in the context of the Appropriation Bill 2020. In support of the manpower training initiatives, we will identify suitable venues to facilitate arboricultural field training for students and trainees.

### **Implementation of Construction 2.0**

36. The "Construction 2.0" advocated in the 2018 Policy Address has received wide support from the industry. In the past year, we strived to push ahead "Innovation", "Professionalisation" and "Revitalisation" through the establishment of a working group to oversee the "Construction 2.0" pilot projects, launching the "Registered Specialist Trade Contractor Scheme" and piloting digital works supervision system, etc. The forecast total construction volumes will remain at high level in the years to come. We will continue to lead the industry to reform and encourage innovative minds to overcome the various challenges being faced by the construction industry in Hong Kong. We will also attract more young people to join the construction industry, offer them more opportunities to develop their talents, and strive to nurture the energetic and competitive younger generation for the industry.

(a) Construction Innovation and Technology Fund

37. To transform the construction industry through innovation and technology adoption, we launched the \$1 billion Construction Innovation and Technology Fund (CITF) in October 2018, which aims to encourage wider adoption of new but proven technologies among the industry with a view to boosting productivity, uplifting built quality, improving site safety and enhancing environmental performance. The Fund also provides support to industry practitioners and tertiary students to join various empowerment programmes on latest construction technologies. As at 30 September 2019, we approved 558 applications involving a total amount of \$115 million.

(b) Wider Adoption of Modular Integrated Construction (MiC)

38. The Government will continue to promote MiC in Hong Kong to enhance productivity and improve construction site safety. Starting from 2020, selected government building projects (including schools, staff quarters, student hostels and government office buildings) will also consider adopting MiC. In respect of private buildings, the BD has promulgated a 6% concession for the floor area constructed by MiC. DEVB has also set up a Steering Committee to formulate policies and measures to promote this construction technology.

(c) Adoption of Innovative Technologies

39. The Building Information Modelling (BIM) technology has been successfully adopted in the design and construction of major government capital works projects with an estimated total contract value exceeding \$100 billion at the end of August 2019. We are now collaborating with CIC to promote BIM adoption in private sector and exploring its use in project management, asset management and smart city planning. In 2019, two more off-site steel reinforcing bar prefabrication yards have been included in the Civil Engineering and Development Department's List of Approved Steel Reinforcing Bar Prefabrication Yards, giving a total of four yards supplying prefabricated steel reinforcing bar products for Hong Kong. To encourage innovation in construction, we have been working with the CIC's Construction Innovation and Technology Application Centre to identify suitable innovative construction technologies for site trial and to promote their adoption in the industry, in particular small and medium enterprises.

### **Strengthening Management of Public Works Projects**

40. Hong Kong's capital works expenditures have reached about \$80 billion annually since 2017. It is estimated that the annual expenditure will be over \$100 billion in the coming years to meet various economic, transport, housing and social needs of Hong Kong. However, escalating construction cost, rapidly ageing workforce, and rising public's aspirations in recent years have posed great challenges to the delivery of capital works projects. Since the establishment of the Project Cost Management Office (PCMO) in 2016, we have strived to enhance the cost management of the public works projects, for example, by scrutinising more than 230 projects and managed to achieve a cost saving of \$55.6 billion or 13% of the total original project estimate by proposing different improvement schemes based on "Fitness for Purpose" and "No Frill" principles. In April this year, we expanded the establishment and functions of PCMO and established the Project Strategy and Governance Office for implementing strategic initiatives and enhancing capabilities in cost surveillance and project governance.

### **Uplifting Performance of Public Works Projects**

41. In recent years, the public has rising aspirations on the performance of public works projects. We will adopt multi-pronged approach to strengthen the monitoring and management of works through the promotion of digitisation of the works supervision system and launching project management and leadership development programme to equip public officers with more innovative minds and contemporary leadership skills for better delivery of public works projects. Besides maintaining close liaisons with local industry stakeholders, we strengthen collaborations and exchange experience with our counterparts in the Mainland, Australia, Singapore and United Kingdom. In July 2019, we signed a Memorandum of Understanding with the Singapore government with an aim to promoting partnerships and enhancing project management and performance.

### **Construction Manpower Development**

42. CIC established the Hong Kong Institute of Construction (HKIC) in February 2018, providing courses at Qualifications Framework Level 3, to train more high-calibre and professional construction practitioners. CIC will, with the Government's support, develop a well-equipped campus for the HKIC at its existing Tai Po Training Ground. Apart from workshops and teaching facilities, the new campus would provide training on innovative technologies (e.g. BIM,

MiC and robotics) to develop the HKIC into a centre of excellence in construction training.

43. To provide a clear career advancement pathway and to encourage more youngsters to join the construction industry, CIC has introduced a new two-year apprenticeship programme known as the CIC Approved Technical Talents Training Programme (CICATP) since September 2019, providing systematic and holistic on-the-job training to equip graduates of the HKIC's full-time certificate or diploma training programmes, who are Semi-skilled Workers, to become Skilled Workers. In the 2019-20 Budget, the Financial Secretary has set aside \$200 million for enhancing the training of construction workers, a majority of which will be used to support the CICATP through extending its coverage from six trades to 13 trades<sup>8</sup>. We consulted this Panel on 28 May 2019. With Members' unanimous support to the proposal, CIC has extended the CICATP to cover the additional trades requested by the Government since 1 September 2019. Our current plan is to include the funding commitment in the 2020-21 draft Estimates for LegCo's approval in the context of the Appropriation Bill 2020.

### **Water Safety Plan Subsidy Scheme**

44. Notwithstanding that the water supplied by the Water Supplies Department (WSD) complies with the Hong Kong Drinking Water Standards, the quality of drinking water could be affected by the internal plumbing systems of buildings. Therefore, property owners have the primary responsibility for proper management and maintenance of these systems. We notice that in carrying out management and maintenance of their internal plumbing systems, some owners may face difficulties due to financial constraint, technical knowledge, organisation ability, etc. This may pose drinking water safety risks to inhabitants and visitors of these buildings.

45. The Government launched the Action Plan for Enhancing Drinking Water Safety in Hong Kong in September 2017. Among those initiatives under the Action Plan, WSD has followed the recommendations of the World Health

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<sup>8</sup> The CICATP initially covered six trades, namely painter & decorator, joiner, carpenter (formwork), bricklayer, plasterer and tiler. Given that Skilled Workers in other trades (including bar bender & fixer, metal worker, general welder, plumber, leveler, electrical fitter and construction plant mechanic) will be in keen demand in the coming years, upon DEVB's request, CIC has extended CICATP to these trades.



Organisation in promoting development and implementation of Water Safety Plan for Buildings<sup>9</sup> (WSP for Buildings) by building owners/property management agents to safeguard the quality of drinking water in their buildings. In this connection, the Hong Kong Housing Authority has committed to implement WSP for Buildings for all its 185 public rental housing estates<sup>10</sup> in four years, starting from the fourth quarter of 2018, covering about 730 000 households or 28% of the total number of households in Hong Kong. Regarding private residential buildings, since the implementation of WSP for Buildings is not mandatory, the participation rate is not satisfactory. As at the end-August 2019, only 1 000 private residential buildings, covering about 212 000 households or 8% of the total number of households in Hong Kong, have implemented WSP for Buildings.

46. In view of this, the Government plans to allocate about \$ 440 million over five years starting from 2020-21 for launching the “Water Safety Plan Subsidy Scheme” (WSPSS) to promote the implementation of WSP for Buildings through provision of financial incentive with appropriate professional support to building owners in need. We will model on the on-going “Operation Building Bright 2.0” and “Lift Modernisation Subsidy Scheme” and by adopting the same cap on the average rateable values of domestic units in a participating building as the eligibility criterion so as to benefit those building owners in need. It is estimated that WSPSS will subsidise about 5 000 target buildings to take forward tasks required under the WSP for Buildings including formulation of WSP for Buildings, regular inspection and maintenance of the internal plumbing system, rectification works for the internal plumbing systems (if needed), internal audits, etc.

47. We plan to launch the WSPSS in the third quarter of 2020. We will work out further implementation details according to the above framework and consult this Panel in due course.

### **Heritage Conservation**

48. Various heritage conservation initiatives are progressing on course. Twelve projects under Batches I, II and III of the Revitalising Historic Buildings Through Partnership Scheme (Revitalisation Scheme) have commenced

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<sup>9</sup> WSP for Buildings provides a systematic and effective management framework for the internal plumbing systems in buildings including conducting risk assessment, implementing corresponding control measures and undertaking regular checking, inspections and maintenance together with regular audits and reviews.

<sup>10</sup> Hong Kong Housing Authority Paper No. HA 32/2018 dated 26 November 2018.

operation. With funding approval of the Finance Committee, revitalisation works for the three projects under Batch IV commenced in 2019. For the four historic buildings under Batch V, the selected revitalisation proposals were announced in July 2018 and preparatory work is now underway. We will launch Batch VI comprising four historic buildings by end-2019. Since the introduction of the United Nations Educational, Scientific and Cultural Organisation Asia-Pacific Awards for Cultural Heritage Conservation in 2000, a total of 20 heritage projects in Hong Kong have been recognised, of which five are under the Revitalisation Scheme. Separately, on the advice of the Antiquities Advisory Board, declaration of the rock carving at Cape Collinson in Eastern District, Yuk Hui Temple at Wan Chai and Hau Mei Fung Ancestral Hall at Kam Tsin, Sheung Shui as monuments under the Antiquities and Monuments Ordinance (Cap. 53) is in process.

## **CONCLUSION**

49. We welcome Members' feedback and undertake to work closely with LegCo in taking forward DEVB's policy initiatives.

**Development Bureau**  
**22 October 2019**