

**Speaking Points for the Secretary for Development
at the Special Meeting of the Finance Committee
on 26 March 2010 (Friday)**

Chairman,

- I would like to thank Members for their interest in the Draft Estimate of the Development Bureau (DEVB). My respective Controlling Officers have provided answers to 213 written questions from Members accounting for the use of resources under the purview of Planning and Lands. They are here to respond to any further questions that Members may wish to raise.
- My 2010-11 Recurrent Expenditure on Planning and Lands is \$3,378.07 million, representing a decrease of \$52.45 million (or 1.5%) compared with the revised estimate of \$3,430.52 million for 2009-10.
- In 2010-11, there will be an increase of 22 civil service posts, all of which are non-directorate posts. This includes staffing for the new tree unit and a dedicated team to process centrally applications for redevelopment and conversion of industrial buildings.
- The DEVB's measures included in the Financial Secretary's Budget Speech are detailed in our paper submitted to the Legislative Council Panel on Development for discussion by Members at the meeting to be held next Tuesday (30 March). Now, I would like to take a few minutes to brief

Members on several priority tasks of the Planning and Lands portfolio in the coming financial year.

Review of the Outline Zoning Plans

- We are aware of the community's aspiration for a better living environment and have started to review the Outline Zoning Plans (OZPs) of various districts in a progressive manner since 2007. Priority is given to areas subject to high development or redevelopment pressure and areas of special setting and character (e.g. areas around Victoria Harbour and within view corridors to important ridgelines) which warrant particular attention. There are altogether 109 OZPs in Hong Kong and 58 of them are subject to review.
- The review of OZPs is an on-going task for which the Town Planning Board (TPB) and the Planning Department (PlanD) have devoted a huge amount of time and resources. The Town Planning Ordinance specifies clearly the statutory public consultation procedures to be followed by the TPB when preparing or amending the OZPs.
- The review of OZPs is highly controversial with both supporting and objecting views. Among the 58 OZPs subject to review, the TPB has so far reviewed 14 OZPs and part of three other OZPs, and imposed, as appropriate, building height restrictions. 10 of these have been approved by the Chief Executive in Council. For the OZPs that have been reviewed, the TPB received a total of

2 235 representations/objections, 1 366 comments and 36 further representations in respect of the building height restrictions.

- The PlanD will continue to assist the TPB in the review of the OZPs. As the number of representations/objections/comments received for each OZPs in the review process varies and the affected parties may challenge the TPB's decisions through legal channels, we are unable to draw up a concrete timetable for completing the review.

Sustainable Built Environment

- The Council for Sustainable Development (the Council) conducted a four-month public engagement process entitled “Building Design to Foster a Quality and Sustainable Built Environment” to gauge public views on a number of issues regarding sustainable built environment. The Council is now consolidating the views collected and aims to submit its recommendations and report to the Government in mid-2010. The Government will carefully consider the recommendations in the report in deciding the way forward.
- Should the Government decide to revise the current policy initiatives, we will seek the views of the relevant organisations, including the Legislative Council, on the details of the recommendations through established channels.

Review of the Urban Renewal Strategy

- Launched in July 2008, the two-year Review of the Urban Renewal Strategy (URS) has already entered Stage 3 “Consensus Building”. Having completed the “Envisioning” and “Public Engagement” Stages, we note that a consensus in urban renewal has emerged on the following three directions: (1) a district-based approach; (2) a people-centred and bottom-up approach; and (3) a blend of the old and the new.
- Stage 3 “Consensus Building” will end in the middle of this year. After considering the views from the community, we will prepare a new URS to provide guidance for future urban renewal work.

Revitalising Industrial Buildings

- After the announcement by the Chief Executive on the new measures to optimise the use of industrial buildings in his 2009-10 Policy Address delivered in mid-October last year, we have been earnestly preparing for the launching of these measures on 1 April this year. The Head of the Development Opportunities Office, representatives of the relevant departments and I have attended more than 30 meetings, seminars and luncheons to brief stakeholders on the new measures and to listen to their views, so as to ensure a smooth and effective implementation of the new measures. We have also announced to the public the specific arrangements of the new measures

through different channels, including press conferences, media interviews and websites.

- On 19 March, the Director of Lands published a Practice Note which sets out the application arrangements for redevelopment and wholesale conversion of industrial buildings under the new measures for the reference of potential applicants and professionals employed by them. In addition, the Lands Department will also set up a dedicated team on 1 April to process centrally all applications for redevelopment and conversion of industrial buildings under the new measures.

Building Safety

- The building collapse incident in Ma Tau Wai highlights the importance of building safety and the serious problem of poor maintenance of old buildings. The latter is a complicated issue which has to be addressed by a four-pronged approach, namely, legislation, law enforcement, support measures and public education.
- Regarding legislation, I have moved the second reading of the Buildings (Amendment) Bill 2010 (the Bill) on 3 February in the Legislative Council. The Bill proposes to implement the Mandatory Building Inspection Scheme and the Mandatory Window Inspection Scheme. The Bills Committee has already started to examine the Bill and the third meeting will be held on

31 March. The DEVB will give full assistance to the Bills Committee, with a view to completing the scrutiny of the Bill as early as possible.

- Furthermore, the legislative process for the minor works control system was completed at the end of last year. The system aims to provide a lawful, simple, safe as well as convenient means for building owners to carry out small-scale building works so as to enhance the safety standards of building works and facilitate owners' compliance. We have started the registration for minor works contractors and are now running a large-scale publicity campaign to encourage minor works practitioners to register as soon as possible. Our target is to fully implement the minor works control system within 2010.
- With regard to law enforcement, as the large scale operation to remove unauthorized building works (UBWs) will complete by the end of March 2011, the DEVB is now conducting a review with the Buildings Department (BD) on the outcomes and the way forward. The review will cover the priority and foci of the various aspects of work undertaken by the BD and its overall staffing requirement, with a view to stepping up preventive actions regarding building safety in the long run. In our review and planning, we will pay particular attention to whether the new initiatives could absorb the non-civil service contract staff currently employed by the BD.
- In the past few years, the DEVB, BD, Urban Renewal Authority (URA) and Hong Kong Housing Society (HKHS) have offered different financial support schemes to assist private building owners. We will examine if there is room

for further consolidation among the various support schemes so as to better meet the needs of the owners.

- In respect of public education, our target is to promote a culture of building safety in Hong Kong and ensure that all stakeholders, including building owners, occupants, building professionals, contractors and workers, give due attention to building safety. A safe built environment can only be maintained when all parties concerned fulfil their own duties.
- The responsibility to maintain building safety ultimately lies with building owners, which is also the key message we are going to get across in our future public education programmes. In our publicity activities, we will focus on the benefits of extending the life span of a building and enhancing its property value by proper maintenance and management; the risk of fatal incidents from unsafe building works, illegal alteration of building structure and unauthorised structure; and the legal responsibilities shouldered by building professionals, contractors, workers and owners.

"Operation Building Bright"

- I am grateful to Members of the Finance Committee for approving on two occasions in the past year a total funding allocation of \$1.7 billion for Operation Building Bright, making it possible for the Operation, which aims to preserve employment and improve safety of old buildings, to be launched

within a short time. In the 2010-11 Budget, the Financial Secretary has announced his proposal to allocate an additional funding of \$500 million for Operation Building Bright to provide targeted assistance to owners of old buildings who cannot co-ordinate maintenance works on their own, including owners of buildings without owners' corporations.

- As at 5 March 2010, the HKHS and URA had issued "notices of approval-in-principle" to 999 eligible Category 1 target buildings (i.e. buildings with owners' corporations). Some of the owners' corporations concerned commenced the repair works in the third quarter of 2009, including appointing building professionals and registered contractors to co-ordinate and carry out maintenance and repair works. The Administration has also selected 615 buildings as Category 2 target buildings (i.e. buildings where owners are not capable of co-ordinating repair works). If their owners are unable to organise repair works by themselves, the BD will carry out the works on their behalf.
- To date, the total number of Category 1 and 2 target buildings assisted by Operation Building Bright is 1 614. Among them, 66 have completed repair, 201 are carrying out the works and the remaining will commence the works in due course. Since its launch, this Operation which aims to preserve employment has created jobs for around 5 900 building professionals, technicians and workers. According to the experience obtained from those buildings which have commenced repair works, each target building can generate about 20 job opportunities.

- We will report the latest progress to the Panel on Development in the middle of the year, and we will also seek the Panel's view on our proposal to apply to the Finance Committee for the additional funding of \$500 million.

Conclusion

- Chairman, this concludes my opening remarks. My colleagues and I will be happy to answer any questions that Members may wish to raise. Thank you.