

**Speaking Points of the Secretary for Development
at the Special Finance Committee Meeting (Planning and Lands)
on 2 April 2014 (Wednesday)**

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 225 written questions from Members accounting for the use of resources under the purview of Planning and Lands. We are here to respond to any further questions that Members may wish to raise.
- My 2014-15 Recurrent Expenditure on Planning and Lands is \$4,301.92 million, representing an increase of \$214.85 million (about 5%) compared with the revised estimate for 2013-14. The additional resources are mainly for the work to strengthen the land production to increase housing land supply, and to continue stepping up enforcement actions to enhance building safety and against unauthorised developments.
- In 2014-15, there will be a net increase of 388 civil service posts in the Planning and Lands Branch and departments under its purview (the Buildings Department, the Lands Department, the Planning Department and the Civil Engineering and Development Department), including two civil service directorate posts.
- Now I would like to brief Members on several priority tasks of the Planning and Lands portfolio in the coming financial year.

Land Supply

- To meet the housing demand and various needs of the Hong Kong community, the Government has been adopting a multi-pronged strategy to increase land supply in the short, medium and long term, through the

continued and systematic implementation of a series of measures, including the optimal use of developed land as far as practicable and identification of new land for development. After the announcement of the Policy Address earlier on, I have reported to the Panel on Development twice on the details on this front so I will not repeat here. At the meeting today, I will talk more on the resources required to take forward these initiatives and the progress of some key projects.

(1) Manpower Increase

- To support the work of increasing land supply, the DEVB will set up a dedicated cross-disciplinary team to assist the Steering Committee on Land Supply chaired by the Financial Secretary in monitoring land supply and further promoting land development. At the same time, other departments concerned also plan to increase manpower in different positions so as to expedite the implementation of various initiatives to increase land supply in the short, medium and long term.
- In this connection, we consulted the Legislative Panel on Development on the proposal to increase manpower on 25 February 2014. The proposal was generally supported by Members. We plan to seek the endorsement of the creation of directorate posts by the Establishment Subcommittee of the Legislative Council on 30 April for the funding approval from the Finance Committee, so as to increase the manpower in various bureaux and departments concerned. I hope that Members would support the financial provision for the proposed manpower increase.

(2) Kwu Tung North (KTN) and Fanling North (FLN) New Development Areas (NDA)

- Since the announcement of the revised proposal, a series of meetings have been organised with the stakeholders, including the Rural Committee, village representatives and villagers, operators and residents of the Residential Care Homes for the Elderly at Dills Corner Garden, business operators (including Manufacturers Associations and tenants), agricultural organisations and

farmers, local people and different interest groups. Their aspirations and proposals are well understood and under active consideration. Under the principles of fair and reasonable, public interest and proper use of public money, we will discuss with bureaux concerned with a view to exploring practicable solutions to cater for the needs of the affected people. Community liaison groups will be set up to enhance communication and render assistance on matters relating to the engineering project, in order to alleviate the concerns about the NENT development. The freezing survey for the KTN and FLN NDAs was completed in January 2014. Other works for implementation of the development are being carried out as scheduled.

(3) Hung Shui Kiu New Development Area (HSK NDA)

- Stage Two of the Community Engagement (CE) exercise for HSK NDA was completed in October 2013. It is expected that the next stage of CE will be undertaken in the third quarter of 2014. The land for development in the NDA is expected to be available in 2021.

(4) Tung Chung

- According to the two initial land use options, Tung Chung New Town Extension will be capable of producing about 48 000 and 53 000 residential flats. Stage Two of the Public Engagement (PE) was completed in July 2013. We are analysing the public views collected and formulating the Outline Development Plan. The next stage of PE is expected to commence in the second quarter of 2014.

(5) Lamma Island

- Stage Two of the CE of the planning and engineering study of the Lamma Quarry has commenced on 14 March 2014 to gauge the public's views on the draft Recommended Outline Development Plan (RODP) so as to come up with a preferred land use option. The preferred option is mainly based on a "Tourism plus Housing" theme. It is proposed to provide low to medium density private and subsidised housing development capable of producing

1 900 residential flats for a planned population of about 5 000. Various tourism and recreational facilities would also be introduced for the enjoyment of visitors and the general public. I will consult the Panel on Development on the RODP on 22 April.

(6) Commercial floor area

- Apart from housing land, we will complete the land use and traffic impact study of the government site at Caroline Hill Road as soon as possible for the provision of more commercial floor area in Causeway Bay. The planning of the new Central harbourfront as a whole is expected to provide an estimated commercial floor area of about 260 000 square metres for office, retail, hotel and exhibition, uses, etc. Moreover, the Kai Tak Development, development of Kowloon East and underground space are important sources of future commercial land in Hong Kong.

(7) 2014-15 Land Sale Programme and Private Housing Land Supply

- The 2014-15 Land Sale Programme comprises 34 residential sites capable of providing about 15 500 flats, seven commercial/business sites which could provide about 230 000 square metres of commercial floor area and one hotel site capable of providing about 1 100 hotel rooms.
- Out of the 34 residential sites, 24 are new sites. The inclusion of such a significant number of new residential sites with a high flat production capacity in the 2014-15 Land Sale Programme (about 2 000 flats more than that of 2013-14) well demonstrates the Government's determination to increase housing land supply.
- As in the past, the Government includes in the Land Sale Programme sites that are estimated to be available for sale in the year, and will continue to announce in advance quarterly land sale programmes, providing transparency and certainty for the market.

- When formulating the quarterly land sale programmes, we will consider imposing minimum flat number or other requirements on suitable sites having regard to market conditions and site characteristics.
- Looking ahead in 2014-15, for railway property development projects, the West Rail property development project at Yuen Long Station could produce about 1 880 flats while the MTR Corporation Limited's property development projects in Tseung Kwan O Area 86 and Tai Wai Station are capable of producing a total of about 4 650 flats. In addition, projects of the Urban Renewal Authority are capable of producing about 3 200 flats. Private development or redevelopment projects could produce about 4 700 flats (based on ten-year average figures). Combining the various sources, the total private housing land that could be supplied in the next financial year is estimated to have the capacity to produce about 30 000 private flats. The Government will adjust the quantity of land put up for sale in each quarter as appropriate, having regard to the situation of land supply from various sources. Our objective is to provide, on average, land from various sources capable of producing about 18 800 private flats per annum to ensure the healthy development of the property market.

Urban Renewal

- All the key initiatives under the new Urban Renewal Strategy promulgated on 24 February 2011 have been progressing well –
 - (i) “Demand-led” scheme

URA launched the “Demand-led Redevelopment Project Pilot Scheme” (“Demand-led” scheme) in July 2011. So far, eight projects under the “Demand-led” Scheme have been commenced. One of them was terminated after having failed to meet the 80% owners’ acceptance threshold by the specified deadline. URA launched the third round of the 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.

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) Kowloon City District Urban Renewal Forum

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 had finalised the Urban Renewal Plan for Kowloon City and submitted it to DEVB on 29 January. The Government is carefully studying the recommendations of KC DURF.

Building Safety

- Over the past year, the Building (Minor Works) (Amendment) Regulation 2013 was enacted in July 2013, introducing the Validation Scheme for Unauthorised Signboards under the Signboard Control System to enhance the safety of existing unauthorised signboards. The Validation Scheme commenced operation in September 2013. I would like to take this opportunity to thank the Legislative Council for its support.

- On the enforcement front, with respect to the revised enforcement strategy in 2011, the BD will continue its large scale operations on unauthorised building works (UBWs), including those associated with sub-divided flats. In 2013, the BD had issued a total of 12 005 removal orders against UBWs and 682 repair orders and investigation orders in relation to dilapidated buildings. During the same year, 2 513 prosecutions had been instigated against failure to comply with removal orders.

Conclusion

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

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