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Report of the Panel on Development for submission to the Legislative Council

Purpose

This report gives an account of the work of the Panel on Development (“the Panel”) during the 2023 session. It will be tabled at the meeting of the Legislative Council (“LegCo”) on 13 December 2023 in accordance with Rule 77(14) of the Rules of Procedure of LegCo.

The Panel

2. The Panel was formed by the resolution of LegCo on 8 July 1998, as amended on 20 December 2000, 9 October 2002, 11 July 2007, 2 July 2008 and 26 October 2022 for the purpose of monitoring and examining Government policies and issues of public concern relating to lands, buildings, planning, water supply, development-related heritage conservation, Public Works Programme and other works matters. The terms of reference of the Panel are in **Appendix 1**.

3. For the 2023 session, the Panel comprises 20 members. Hon Tony TSE Wai-chuen and Hon LAU Kwok-fan were elected Chairman and Deputy Chairman of the Panel respectively. The membership list of the Panel is in **Appendix 2**.

Major work

Increasing land supply

4. The Administration has been adopting a multi-pronged approach to increase land supply over the years with a view to addressing the housing shortage problem and meeting the need of Hong Kong to sustain its development. During the 2023 session, the Administration consulted the Panel on a number of land development-related plans and public works projects.

Development of the Northern Metropolis

5. The Administration has advised that the Northern Metropolis¹ is the major source of land supply in the future, providing some 3 000 hectares (“ha”) of new development land. Among this, about 1 300 ha will be available for development within 10 years, accounting for about 40% of the total “spade-ready sites” to be provided in the coming decade. During the 2023 session, the Administration consulted the Panel on the staffing proposal for the establishment of the Northern Metropolis Co-ordination Office (“NMCO”) and the land use proposal of San Tin Technopole, and briefed members on the policy measures relating to the development of the Northern Metropolis as announced in the Chief Executive’s 2023 Policy Address (“Policy Address”).

(a) Establishment of the Northern Metropolis Co-ordination Office

6. The Administration considered it necessary to set up NMCO to champion and drive the development of the Northern Metropolis and reinforce the directorate set-up of the Civil Engineering and Development Department (“CEDD”) with a view to taking forward the land development projects in the Northern Metropolis. At the Panel meeting on 28 March 2023, members discussed the relevant staffing proposal, namely creating three supernumerary directorate posts and redeploying one permanent directorate post in the Planning and Lands Branch of the Development Bureau (“DEVB”) to lead NMCO; and creating one supernumerary directorate post in CEDD to take forward the development of San Tin Technopole and Ma Tso Lung for a period of about five years. Members in general supported the relevant proposal.²

7. Members noted that the proposed Director of NMCO (“D/NMCO”) had to lead NMCO to assume an overall championing and coordinating role in taking forward the Northern Metropolis initiative, provide strategic recommendations for the high-level team and maintain close liaison with Mainland bodies. In view of the complexity of the duties involved, members were concerned about whether the proposed D/NMCO, ranked

¹ The Northern Metropolis has an area of 30 000 hectares, which is around one-third of Hong Kong’s total area. It covers the Yuen Long and the North districts, encompassing the mature new towns in Yuen Long, Tin Shui Wai and Fanling/Sheung Shui, various New Development Areas at different planning and development stages, as well as neighbouring rural areas.

² The relevant staffing proposal (i.e. [EC\(2023-24\)5](#)) was endorsed by the Establishment Subcommittee on 17 May 2023 and approved by the Finance Committee (“FC”) on 9 June 2023.

only at D6 level, was capable of leading NMCO and making the relevant policy decisions and had sufficient authority to coordinate the work of other bureaux at a senior and strategic level. There was also a suggestion that the organization of NMCO should be strengthened by subsuming some of the departments responsible for implementing land development projects in the two districts of Yuen Long and the North District or their staff³ under NMCO, so as to allow NMCO to execute and implement the relevant development projects more smoothly in addition to coordinating various tasks from a policy perspective.

8. The Administration advised that D6 was the rank of a head of department (“HoD”). As the head of a dedicated office, the proposed D/NMCO reported to the Permanent Secretary for Development (Planning and Lands), and it was appropriate to pitch the post at D6 level. The post had sufficient authority to champion, coordinate and harmonize the work of bureaux/departments at the HoD level. The Administration also advised that the main duties of NMCO were to assume an overall championing and coordinating role in taking forward the Northern Metropolis development. At this stage, there was no plan to subsume the teams of other implementing departments under NMCO, lest it would add unnecessary complication to work supervision and staff deployment. The Administration took note of members’ suggestions about strengthening the manpower of NMCO for implementing its work in planning and lands matters and would give further consideration in view of operational needs in the future.

9. Members were of the view that in coordinating and taking forward the various land development projects and the associated transport and other infrastructure development, NMCO had to harmonize the schedule and priority of project implementation in an appropriate and orderly manner in view of the progress of various major development projects in Hong Kong, with a view to ensuring that the construction industry could deploy resources and manpower to cope with various development programmes. Given the scale and importance of the Northern Metropolis initiative, members requested that NMCO should make timely reports to the Panel on the latest progress and implementation details of various projects in the future. The Administration advised that the Northern Metropolis development had a wide geographical coverage. DEVB and NMCO would continue to update the Panel on the major milestones in the development of various composing blocks of the Northern Metropolis. Moreover, DEVB would make timely reports to the Panel on the progress of major projects such as the Kau Yi Chau Artificial Islands and reclamation at Lung Kwu Tan (“LKT”).

³ For example, the West and North Development Offices of CEDD and the North and Yuen Long District Lands Offices of the Lands Department.

(b) Land use proposal of San Tin Technopole

10. With the National 14th Five-Year Plan supporting Hong Kong's development into an international innovation and technology ("I&T") centre, the Administration aspires to develop the Northern Metropolis into a new international I&T city. Located at the heart of the Northern Metropolis and in close proximity to Shenzhen's I&T zone in Huanggang and Futian, San Tin Technopole is strategically positioned to be a hub for clustered I&T development that creates synergy with Shenzhen. At the Panel meeting on 23 May 2023, the Administration briefed members on the land use proposal of San Tin Technopole.

11. Concurring with the Administration's planning direction of leveraging diversified means of land disposal and private market forces to promote the development of San Tin Technopole, members asked the Administration to explain the forms of public-private partnership and land disposal methods other than open tendering to be adopted. There was a view that if land was to be granted at nominal or concessionary premium, measures to protect public interests (e.g. conducting regular review of the resultant economic benefits and scientific research outcomes of the admitted enterprises) had to be in place to prevent abuse.

12. The Administration advised that it would consider adopting land disposal methods other than open tendering, including restricted tender and direct grant, for the grant of the I&T land in San Tin Technopole. DEVB would make corresponding arrangements in land administration matters (including land disposal methods) in the light of the industrial policy of the Innovation, Technology and Industry Bureau ("ITIB"). Under the existing mechanism, approval of the Chief Executive in Council was required for direct land grant. The Lands Department ("LandsD") would also adopt a transparent practice by publishing the relevant land grant conditions, the land premium, etc. The lease terms would be determined having regard to the industrial policy of ITIB.⁴ For the sake of ensuring that the admitted enterprises could make economic contribution to Hong Kong, the Administration might impose land grant conditions in the light of the nature and development of the admitted enterprises, including requiring the enterprises to use a certain area of the site for I&T development. The enterprises might be required to meet objectives by way of operation agreements at the same time. The Government had the right to repossess the sites in case of breaches of the agreements.

⁴ According to the Administration, land was normally granted for a lease term of 50 years. The Government might also grant lease terms of less than 50 years in accordance with the land policy.

13. There was a suggestion that the Administration should allow land owners and prospective enterprises to take part in site formation works or some of the infrastructure works with a view to shortening the overall development time of San Tin Technopole. The Administration advised that one of the forms of public-private partnership under consideration was that in granting the I&T land, the Administration would allow the admitted enterprises to undertake the development of both I&T and other ancillary facilities (including the talent accommodation) on the relevant land parcels. Consideration would also be given to allowing the enterprises to take up the site formation works if the development could be expedited.

14. Regarding the transport infrastructure, members pointed out that while San Tin Station of the Northern Link (“NOL”) Main Line was expected to be commissioned in 2034, the alignment of the Lok Ma Chau (“LMC”) Spur Line of NOL had not yet been finalized and no implementation timetable was available. Members were concerned that the construction of these two railway lines lagged behind the schedule of the first population intake and business intake of San Tin Technopole. They were worried that the existing LMC Spur Line would be overloaded by the population growth by then. Members urged the Administration to expedite the works of the NOL Main Line and the NOL Spur Line with a view to completing the construction by 2030, and to provide an account of the implementation progress of the NOL Spur Line as soon as possible.

15. The Administration anticipated that San Tin Town Centre would supply about 50 000 public and private housing units starting from 2031 and the NOL Main Line would commence operation in 2034 at the earliest. DEVB would follow up with the Transport and Logistics Bureau in a bid to compress the construction time of the railways and advance their commissioning dates as far as possible in the light of the implementation timetable of San Tin Technopole. It would also study the public road transport arrangements and make use of Kwu Tung Station which would commence operation in 2027 to meet the transport needs of new population in San Tin in the initial phase.

(c) Policy measures relating to the development of the Northern Metropolis as announced in the Chief Executive’s 2023 Policy Address

16. The Chief Executive proposed in his Policy Address that the Northern Metropolis would adopt an “industry-oriented and infrastructure-led” approach as its key planning axle and become a new engine for Hong Kong’s future development. The Northern Metropolis Action

Agenda⁵ which was published subsequently outlined the development themes and industry positioning of the four major zones of the Northern Metropolis, namely the high-end professional services and logistics hub, the I&T zone, the boundary commerce and industry zone, and the blue and green recreation, tourism and conservation circle. Members supported the relevant development strategies and opined that the Administration should formulate a forward-looking industrial policy to promote the development of related industries in the Northern Metropolis. Moreover, the Administration should adhere to the infrastructure-led approach of planning and expedite the implementation of infrastructure projects in the Northern Metropolis. Members also proposed the adoption of a public-private partnership approach to leverage market forces in promoting the development of the Northern Metropolis. Meanwhile, utmost efforts should be made to ward off the negative impacts arising from the relevant development, including providing the appropriate rehousing arrangement for brownfield operations affected by the Government's development.

17. The Administration advised that the development timetable of the Northern Metropolis had been set out in the Northern Metropolis Action Agenda. To further leverage market forces to expedite the development of the Northern Metropolis, the Administration would extend the land exchange arrangement under the "Enhanced Conventional New Town Approach" to all new development areas and improve its operational arrangements to designated sites for industries and private community/welfare facilities, and facilitating landowners owning 90% or above of private land within a development site to carry out consolidated development. Moreover, the schedule for clearing brownfield sites had been adjusted as far as possible to allow more ample time for the affected brownfield operations to relocate or make other arrangements.

Tseung Kwan O Area 137 and related near shore reclamations—Preliminary Outline Development Plan

18. As set out in the 2022 Policy Address, Tseung Kwan O ("TKO") Area 137 ("TKO 137")⁶ will be developed into a new community primarily for housing purpose, providing about 50 000 residential units for a total population of around 135 000.⁷ To make way for the housing development

⁵ Following the announcement of the Policy Address, the [Northern Metropolis Action Agenda](#) was published on 30 October 2023.

⁶ TKO 137, located to the south of Tseung Kwan O InnoPark, is a sizeable piece of formed land of around 80 ha.

⁷ With a public-private housing split of 70:30, TKO 137 can provide around 34 500

at TKO 137, the Administration has proposed to make available about 25 ha of land off Tseung Kwan O Area 132 (“TKO 132”) through reclamation and slope-cutting for accommodating two existing public facilities (i.e. a public fill transfer facility (“PFTF”) and a concrete batching plant (“CBP”)) in TKO 137 and four location-specific public facilities (i.e. electricity facilities, a construction waste handling facility, a refuse transfer station and a marine refuse collection point). At the Panel meeting on 31 January 2023, the Administration briefed members on the Preliminary Outline Development Plan for TKO 137 and the land to be created off TKO 132 recommended under the Planning and Engineering Study for Re-planning of TKO 137—Feasibility Study.

19. Some members were very concerned about the negative impacts caused by the near-shore reclamation in TKO 132 on the water quality, natural ecology (including the coral communities in nearby waters), and the natural coastline in the area, as well as the impacts on the fisheries sector. They pointed out that some of the proposed public facilities might generate odours, dust, etc., in their future operation, which would affect the air quality in the area. Moreover, the clustering of six public facilities at a near-shore location would damage the landscape and the buffer distance between the location and the residential development nearby was merely one kilometre. Such a proposal was unacceptable to the residents nearby.

20. The Administration explained that the site off TKO 132 was selected to avoid two coral communities nearby. The proposed public facilities in TKO 132 included a PFTF and a CBP reprovisioned from TKO 137, as well as four location-specific facilities. Apart from the proposed electricity facilities, all the other five public facilities would serve the needs of the territory east area, which included TKO. The marine frontage of these public facilities could facilitate the transportation of materials (e.g. public fill, construction waste and municipal solid waste) involved in their operation by sea, which would avoid creating further pressure on road traffic. Furthermore, TKO 132 was situated in a relatively obscure location. In the future, the vehicular traffic arising from the proposed public facilities could have direct access to the TKO—Lam Tin Tunnel and would not need to route through the existing road network in TKO New Town when commuting to and from Kowloon, thereby minimizing any possible nuisance to the local residents.

public housing units and 15 500 private residential units. As a major source of housing supply in the short to medium term, these housing units will start coming on stream with the first population intake of around 34 000 people involving about 12 600 units in 2030 at the earliest.

21. Members urged the Administration to actively consider making good use of the existing hinterland and resorting to slope-cutting for land creation to the farthest extent, and relocating public facilities into caverns and having them scattered in different locations as far as possible, so as to reduce the scale of reclamation and lengthen the distances between the proposed public facilities and residential dwellings. The Administration advised that it would further optimize the land in-take and the layout design in the course of conducting detailed assessments. While reviewing the feasibility of relocating public facilities into caverns, the Administration would resort to slope-cutting as far as possible to reduce the scale of reclamation provided that it would not affect the works schedule.

22. There was a suggestion that a road harbour crossing and a cross-harbour railway connecting TKO 137 and Siu Sai Wan should be built to provide more transport options for TKO residents and divert the traffic flow, so that the new population arising from the proposed housing development in TKO 137 would not add further traffic load to the vicinity of Kwun Tong and the Eastern Harbour Crossing. In this connection, the Panel passed a motion urging the Administration to improve the traffic network in TKO 137.⁸ The Administration explained that the construction of cross-harbour transport infrastructure connecting to the Island Eastern Corridor or the Island Line entailed significant technical difficulties due to the heavy presence of near-shore buildings and facilities in the area between Heng Fa Chuen and Chai Wai. In addition, the construction of cross-harbour transport infrastructure required significant public resources. The Government had to study prudently and consider factors such as the transport demand and economic benefits in the long run before the feasibility of constructing such transport infrastructure could be ascertained.

Planning and engineering study for Lung Kwu Tan reclamation and re-planning of Tuen Mun West Area

23. LKT reclamation and the re-planning of the Tuen Mun West (“TMW”) area are among the medium-to-long term land supply recommendations in the Report of the Task Force on Land Supply which was accepted in full by the Government as announced in 2019. In the 10-year Supply Forecast of Developable Land announced by the Government in October 2022, LKT reclamation and the re-planning of the TMW area are to provide “developable land” to meet development needs starting from 2030-2031. At the Panel meeting on 28 February 2023, the Administration

⁸ The motion was moved by Mr Stanley NG and Mr TANG Ka-piu. The wording of the motion and the Administration’s response were set out in LC Paper Nos. [CB\(1\)86/2023\(01\)](#) and [CB\(1\)177/2023\(01\)](#).

briefed members on the funding proposal for upgrading the Planning and Engineering Study for LKT reclamation and the re-planning of the TMW area (“the proposed P&E Study”) to Category A. Members in general supported the submission of the funding proposal to the Public Works Subcommittee (“PWSC”) for consideration.⁹

24. The Administration’s latest thinking was that the reclamation extent in the LKT area would be reduced from 220 ha or above as proposed in 2020¹⁰ to 145 ha. The future land uses of the reclaimed land and its adjacent transformed sites would be mainly for modern and advanced industries. The TMW area near Tuen Mun Ferry Pier would be mainly planned for residential development while the existing operational facilities to the west (including EcoPark, an aviation fuel facility, a steel mill, a cement plant and the Castle Peak Power Station) could remain in situ. The Administration would also improve the local and external transport connectivity of LKT and the TMW area to meet development needs.

25. Members in general agreed with the Administration’s proposed reduction of the reclamation extent in LKT and urged the Administration to consider, in tandem with the reduction of the reclamation scale, other land creation approaches (such as slope-cutting and cavern development) to ensure sufficient land to meet development needs. Members also raised a number of suggestions for the land uses of and the development proposals and transport support for LKT and the TMW area, including reducing the impact of existing facilities (such as the landfill, the columbarium and the incinerators) in LKT and the existing operational facilities in the TMW area on the industries to be accommodated on the reclaimed land in LKT and residents of the residential developments in the TMW area in the future respectively. Members also requested the Administration to expound the idea of constructing a new road in the LKT area for connecting to other areas, and to ensure that the proposed P&E Study would work out a specific proposal for the transport infrastructure design of the LKT area.

⁹ The relevant funding proposal (i.e. [PWSC\(2023-24\)25](#)) was endorsed by PWSC on 22 November 2023, and yet to be submitted to FC for approval at the time when this report is being prepared.

¹⁰ The Administration consulted the Panel on the proposed P&E Study in January 2020 and submitted the relevant funding proposal to PWSC for consideration in the same year. However, the scrutiny of the relevant funding proposal eventually could not be completed within the prevailing term (i.e. the sixth term) of LegCo. Having reviewed the views of Members at that time and the latest development in recent years, the Administration made refinements to aspects including the reclamation extent, major land uses and transport infrastructure in LKT and the TMW area and briefed members on the refined proposal at the Panel meeting on 28 February 2023.

26. The Administration advised that it would include sites of 65 ha near LKT which were now mainly used as brownfields into the study boundary for holistic planning with the reclaimed land, thereby increasing the potential land for development to about 210 ha. If future studies found that more space would be required for accommodating the infrastructure, etc., the Administration would further consider whether to increase the reclamation extent as appropriate to meet development needs. In formulating the detailed design of the LKT area, the Administration would make good use of the nearby hills at Black Point and the existing power station as a barrier to ensure an adequate buffer zone. In addition, after the relocation of part of the facilities in the temporary public fill bank now adjoining the River Trade Terminal, the vacated site could have its use changed and serve as a buffer zone between the future residential development at TMW and the other facilities for industrial uses along the western coast. In the light of the latest airport height restrictions imposed on the Three-Runway System at the Hong Kong International Airport, certain sites in the TMW area could only accommodate mainly medium/low-density developments. The Administration also advised that the proposed P&E Study would explore the technical feasibility of constructing a new road on the reclaimed land in LKT for connecting to the TMW area. It would also explore the feasibility of the phased completion of a railway spur line in TMW and the relevant timetable would be drawn up.

Cavern development—Relocation of Sha Tin Sewage Treatment Works and Public Works Central Laboratory to caverns and building of Government Records Service’s Archives Centre in caverns

27. To support the sustainable development of Hong Kong, it is the established policy of the Government to adopt a multi-pronged approach, including cavern development, to enhance land supply. The Administration holds the view that the relocation of suitable government facilities to caverns can on the one hand release the existing sites for housing or other uses to meet community needs, and on the other hand relocate facilities that are incompatible with the land uses nearby for improvement of the urban layout. During the 2023 session, the Panel was consulted on the following funding proposals relating to cavern development projects: (a) relocation of Public Works Central Laboratory (“PWCL”) to caverns and building of Government Records Service’s (“GRS”) Archives Centre in caverns;¹¹ and (b) the Stage 3 works of the relocation of Sha Tin Sewage Treatment Works

¹¹ The relevant funding proposals were discussed at the Panel meeting on 25 April 2023.

(“STSTW”) to caverns.¹² Members supported the submission of such funding proposals to PWSC for consideration.¹³

28. Members considered that the Administration should formulate an overall strategy for cavern development, take forward more proactively the development of the 48 Strategic Cavern Areas delineated in the Cavern Master Plan (“CMP”), and give more holistic consideration when planning the uses of caverns with a view to making better use of caverns for more diversified purposes. The Administration explained that it had promulgated CMP and the associated planning and technical guidelines, setting out a list of land uses that could be considered for development in caverns. Since then, the Administration had been proactive in taking forward multiple cavern development projects¹⁴ and had issued internal guidelines requiring departments to give consideration to using caverns for accommodating land uses with potential for development in caverns when conducting planning and engineering studies for large-scale land development projects.

29. Although members generally supported the use of cavern development to enhance land supply, in particular the relocation of obnoxious facilities to caverns to improve the environment of the community, they were particularly concerned about the cost-effectiveness of the proposed projects given the relatively high cost of cavern development. Given that the estimated cost of the first three stages of the STSTW

¹² The relevant funding proposal was discussed at the Panel meeting on 23 May 2023. The entire project for relocating STSTW to caverns consists of: (a) the Stage 1 Works (mainly including site preparation and main access tunnel construction) which commenced in February 2019 and was completed in April 2022; (b) the Stage 2 Works (mainly including main caverns construction and upstream sewerage works) which have progressively commenced since July 2021 and are expected to be completed in 2031; (c) the Stage 3 Works (mainly including the works for buildings, cavern ventilation system and other associated works); and (d) the remaining works (mainly including the construction of sewage treatment facilities in the new caverns, and decommissioning and demolition of the existing STSTW). The Administration will seek funding approval from LegCo upon completion of the detailed design of the remaining works.

¹³ The funding proposals for the relocation of PWCL to caverns and building of GRS Archives Centre in caverns were endorsed by PWSC on 30 May 2023 and approved by FC on 23 June 2023. The funding proposal for the Stage 3 works of the relocation of STSTW to caverns was endorsed by PWSC on 21 June 2023 and approved by FC on 14 July 2023.

¹⁴ Information on the latest progress made by the Administration in implementing various cavern development projects was set out in [LC Paper No. CB\(1\)526/2023\(01\)](#).

relocation project was already close to \$20 billion and yet only 28 ha of land could be released, some members considered that the project was not cost-effective and suggested that the Administration should seek the opinions of independent consultants on the project to examine if the cost could be reduced. Members also enquired about the timetable for releasing the site of the existing STSTW for other uses upon its relocation to caverns, and requested the Administration to expedite the progress of the project.

30. The Administration advised that the construction of the sewage treatment works in caverns at Nui Po Shan would be completed in 2029, and the demolition of the existing STSTW would be completed in 2031, with the site concerned released then. The Administration would shorten the delivery period of the entire project where possible in a bid to expedite the STSTW relocation project as far as practicable. The 28 ha of land to be released by the relocation project, together with the land to be created by the Ma Liu Shui reclamation project, would provide a total of 88 ha of new land which would mainly be used for I&T development for the benefit of Hong Kong's economy. When estimating project costs, apart from referring to the costs of similar public works projects in the past, the Administration would also submit projects to the Project Strategy and Governance Office under DEVB for cost scrutiny, so as to enhance cost surveillance and project governance. In addition, the Administration would ensure that the tendering process of public works projects was open and competitive, so that the costs of projects would remain at reasonable levels.

31. Some members expressed concern that the project costs of the relocation of PWCL to caverns and building of GRS Archives Centre in caverns were higher than that of the STSTW relocation project (in terms of the estimated construction unit cost) and enquired about the reasons for that. The Administration explained that the two projects to respectively relocate PWCL to caverns and build GRS Archives Centre in caverns and the STSTW relocation project involved the construction of facilities for different uses, and thus it was not appropriate to make direct comparison when evaluating the project costs. The similarity among the aforesaid three projects lied in cavern construction and the estimated construction unit cost per cubic metre for cavern construction of the two former projects was comparable to that of the STSTW project.

Assistance to brownfield operations affected by government projects

32. The Government has been committed to increasing land supply in recent years through means including the development of brownfield sites in

the New Territories.¹⁵ Given that brownfield operations involve the construction, logistics, recycling industries, etc., and have been contributing positively to Hong Kong's economy, there have been views in the community that the Government should, in the course of developing brownfield sites, provide assistance to the affected brownfield operations so as to minimize the impact of such development on the relevant operations. At the Panel meeting on 25 April 2023, the Administration briefed the Panel on the assistance provided to the affected brownfield operations and the latest implementation progress of the relevant measures.

33. Members noted that according to the criteria for assessing planning applications set out in the planning guidelines made by the Town Planning Board ("TPB"), TPB might consider granting planning permission for open storage/port back-up uses in Category 2 areas on a temporary basis for a maximum effective period of three years if certain conditions were fulfilled. The coverage of Category 2 areas had been extended by about 320 ha upon TPB's revision of the planning guidelines. Members opined that considering the size of the affected brownfield sites, the revised planning guidelines could only resolve the difficulties faced by brownfield operators in identifying relocation sites to a limited extent. Members also pointed out that the temporary planning permission granted would be valid for a maximum of three years only, which was unable to meet the operational needs of those operations requiring more long-term investment and was unfavourable to the upgrading and transformation of the brownfield operations concerned. The Administration should introduce targeted measures to support brownfield operators who were looking for relocation sites for long-term development.

34. The Administration explained that the operators concerned might apply to TPB for renewal of the temporary planning permission in accordance with the established mechanism. TPB would consider applications based on the utilization of the land in the past and other relevant planning factors. There were also many past cases in which renewal applications had been approved. Operators intending to submit planning applications could also seek assistance from the dedicated multi-disciplinary team under DEVB for undertaking the preliminary preparatory work of the planning applications and seeking relevant approvals from other departments as soon as possible upon securing the planning permission in order to implement the relocation arrangements. Furthermore, a dedicated page would be set up on the website of DEVB to enable brownfield operators to

¹⁵ According to the Administration, about 30 ha of brownfield sites were resumed and cleared over the past three years. It is expected that around 200 ha of brownfield sites will be resumed from now till 2026. In the long run, over 1 000 ha of brownfield sites will be resumed for housing and other developments.

have a more comprehensive picture of the sites that could be considered for relocation and thus facilitate their preparation for re-provisioning.

35. Regarding the arrangements for assisting the relocation of brownfield operations, members suggested that the Administration should introduce measures (e.g. introducing loan schemes and further advancing the date for disbursing the compensation) to help brownfield operators meet the financial needs arising from the relocation. The Administration advised that according to the Development (Town Planning, Lands and Works) (Miscellaneous Amendments) Bill 2022 (“the Bill”),¹⁶ upon the approval by the Chief Executive in Council for land resumption for a project, the Government might proceed with land resumption and disbursement of rehousing/compensation without having to wait for funding approval for the relevant works. Prior to the passage of the Bill, LandsD had also enhanced the administrative arrangement for disbursing the ex-gratia allowance (“EGA”) to business operators. The affected brownfield operators might apply for early disbursement of EGA upon the posting of land resumption notices by LandsD and collect payment without having to wait until the departure date.

36. Members noted that the Government’s long-term objective was to develop multi-storey buildings for modern industries (“MSBs”) for promoting the development of industries and accommodating brownfield operations affected by the Government’s clearance exercises. Members urged the Administration to expedite the development of MSBs and suggested that, in the course of planning the uses of MSBs, the relevant bureaux should work towards the centralized re-provisioning of various types of operations with upstream and downstream relationships in the supply chain (such as steel mills and scrap metal recycling yards) in MSBs with a view to consolidating and regulating the development of the relevant industries.

37. The Administration advised that it would invite expressions of interest (“EOIs”) from developers for five sites with a total area of about 11 ha near the Yuen Long Innopark and in Hung Shui Kiu for the development of the first batch of MSBs. The first batch of MSBs were expected to be used mainly for logistics and vehicle repair industries. The Administration would fine-tune the land sale arrangement in the light of the EOIs received, including imposing a requirement in the specific land sale conditions for developers to hand over 30% or more of the floor space to the Government for letting to the affected brownfield operations. In addition,

¹⁶ The Bill was passed by LegCo on 13 July 2023 and the enacted Ordinance came into effect on 1 September 2023.

the Administration had reserved a total of 72 ha of land in Hung Shui Kiu/Ha Tsuen New Development Area (“NDA”) and Yuen Long South Development Area to support multiple industrial uses, of which 69 ha would be used for MSB development. The Administration would examine the feasibility of expediting the implementation of the relevant development projects. Moreover, more MSB sites would be planned at other development areas, such as San Tin Technopole. The Administration took note of members’ suggestion that the relevant bureaux should coordinate efforts to facilitate the reprovisioning of the affected brownfield operations in MSBs with a view to effectively consolidating the relevant industries.

Harbourfront enhancement

38. Working closely with the Harbourfront Commission, the Administration is dedicated to enhancing the harbourfront along both sides of the Victoria Harbour, developing new harbourfront promenades and open space, and improving harbourfront facilities for public enjoyment. Besides, the Administration intends to amend the Protection of the Harbour Ordinance (Cap. 531) (“PHO”) with a view to facilitating harbourfront development along the Victoria Harbour while maintaining the protection of the harbour.

Development of a more connected harbourfront

39. At the Panel meeting on 28 February 2023, the Administration briefed members on the latest development of a continuous and connected harbourfront and high-quality public open space along both sides of the Victoria Harbour. A number of members expressed appreciation of the Administration’s work and effectiveness in promoting the development of a more connected harbourfront.

40. Members in general took the view that the continuity of harbourfront promenades in various districts should be enhanced and they put forward a number of suggestions in this regard. In respect of the harbourfront development on the Kowloon side, members were concerned about whether the harbourfront promenade sections in Kowloon East could be linked up from the Kwun Tong Promenade to Lei Yue Mun, and even further to the Tseung Kwan O Waterfront Park in the future. For Kowloon West, members suggested that pedestrian connectivity facilities should be provided at an inland location near the Cheung Sha Wan Wholesale Food Market in addition to the provision of pedestrian connection in the region to link up the harbourfront promenades in Cheung Sha Wan, Tai Kok Tsui and the West Kowloon Cultural District. On the Hong Kong Island side, members urged the Administration to consider developing a harbourfront promenade in

Hong Kong Island North that would stretch all the way to Siu Sai Wan when taking forward the Round-the-Island Trail project.

41. The Administration advised that the harbourfront sections in Kowloon East from Kwun Tong to Lei Yue Mun could all be linked up after the completion of the harbourfront projects in Kwun Tong, Cha Kwo Ling and Yau Tong. The Administration would consider using the proposed project of Tseung Kwan O Area 137 and land creation off Tseung Kwan O Area 132 as an opportunity to explore the feasibility of connecting Tseung Kwan O and Lei Yue Mun through the development of hill trails. The Administration would also examine the feasibility of providing pedestrian connectivity facilities at an inland location near the Cheung Sha Wan Wholesale Food Market and study the proposals for connecting the harbourfront sections at Heng Fa Chuen in the context of the Round-the-Island Trail project.

42. Regarding the management of harbourfront sites, members pointed out that some harbourfront sites had shown signs of deterioration due to the lack of proper maintenance, with the Hung Hom Promenade and the Tsim Sha Tsui Promenade cited as examples. In this connection, they urged the Administration to adhere to its “incremental” strategy of opening harbourfront sites first and enhancing them next by making efforts to enhance harbourfront sites that had been opened earlier (such as introducing more artistic elements and leisure facilities to them) and provide better maintenance. Members stressed that while harbourfront sites were operated and managed by different government departments/organizations, it was the public’s expectation that the Harbour Office (“HO”) of DEVB could play a more active coordinating role and step up its effort to monitor and support the maintenance of harbourfront sites.

43. The Administration responded that HO played a coordinating role in the overall management of harbourfront areas. It would also explore new designs and management models to promote harbourfront development. HO would follow up with the relevant government departments on matters relating to the unsatisfactory maintenance of some harbourfront sites.

44. There were suggestions that the Administration should add food and beverage facilities (e.g. food bikes and floating restaurants) in harbourfront sites, and relax the regulations concerned to provide more flexibility for groups and members of the public to organize harbourfront activities (e.g. youth bazaars that involved fee-charging activities). The Administration advised that it had all along been committed to enhancing harbourfront facilities and exploring the inclusion of more elements that could serve the public’s needs and provide a better experience, including the provision of

facilities such as snack carts, floating restaurants and restaurants on the shore. The Administration would also consider setting up a more flexible mechanism to facilitate the application by members of the public and groups to organize diversified activities at harbourfront sites.

Review of the Protection of the Harbour Ordinance (Cap. 531)

45. At the Panel meeting on 28 March 2023, the Administration consulted members on the proposed framework for legislative amendments to PHO. Members opined that the Administration should add provisions in PHO stipulating that the Government would not initiate large-scale reclamation in the harbour subject to the ordinance to form land for housing, commercial or industrial developments, etc., so as to allay public concern. Moreover, there was a view that the implementation of PHO in the past had been mainly shaped by the court judgments in 2004 and 2008, resulting in the high threshold to meet for carrying out works in the harbour. Therefore, the legislative amendment exercise in question should also include relevant amendments to clarify and crystallize the principles established in those judgments.

46. The Administration explained that since the legislative amendment exercise did not aim at relaxing the regulation of large-scale reclamations, the proposed legislative amendments would be prepared along the line of the existing legislation and the principles established by the relevant court judgments. The “presumption against reclamation” under the existing ordinance would remain intact after the legislative amendment and would continue to apply to large-scale reclamations in the harbour. The proposed legislative amendments would even strengthen the mechanism for regulation. However, to allay public concern, the Administration would consider stipulating in PHO that reclamation would not be carried out in the harbour to provide land for sale or housing development. The Administration indicated that it appreciated and shared the public’s aspiration about protecting the harbour and understood that the legislative amendment exercise would be quite controversial.

47. Members noted that in the legislative amendment exercise, the Administration would strengthen the regime regarding the regulation of reclamations in the harbour. In this connection, there was a concern as to whether it was envisaged that the exposure of reclamation projects to legal challenges could be reduced after amending the legislation. There was also a concern as to whether the application threshold for judicial review (“JR”) would be raised after amending the legislation, undermining the legal right of the public. The Administration reiterated that the proposed legislative amendments would not affect the public’s rights to apply for JR. Under the

proposed framework of legislative amendments, the regulation over reclamations in the harbour would be further institutionalized, which should reduce the chance of the Government being challenged for its decisions. However, given the uniqueness of each JR application, it was up to the court to decide whether leave should be granted to individual cases, and hence a broad-brush approach did not apply.

48 Regarding the proposed amendments for the purpose of facilitating harbour enhancement works involving small-scale reclamations, members enquired about the principles based on which the Administration had compiled the list of harbour enhancement works eligible for exemption from the “presumption against reclamation” principle under PHO and whether it would be specified that the facilities covered by the relevant works had to be opened for public use. Some members took the view that apart from imposing a limit on the total area of reclamation in the project concerned (i.e. 0.8 ha per project according to the preliminary proposal), a limit should be imposed on the total number of harbour enhancement projects that could be carried out in the entire harbour, and the shape of the reclamation areas should be regulated to prevent them from extending excessively to the centre of the harbour.

49. The Administration advised that the works set out in the prescribed list were aimed at enhancing public enjoyment of the harbour and/or enhancing the functions of the harbour as a working harbour. Such works included minor harbour enhancement projects that could not be implemented due to the restrictions under the existing PHO. The list had been prepared by consolidating the relevant suggestions received in the past and the experience gained from implementing the relevant works.

50. The Administration also explained that one of the objectives of the legislative amendment exercise was to remove the barriers to small-scale reclamations in harbour enhancement works. For this reason, the Administration had no intention to add provisions to limit the total number of projects to be exempted or to exclude private development projects. Meanwhile, to ensure that the exempted works served public interest (including keeping the density of enhancement projects of the same category within the same area under monitoring) and to ensure that there were appropriate checks and balances, the Administration proposed the introduction of a mechanism under which exemption would be granted by Secretary-level government officers and the retention of the established administrative arrangement under which project proponents had to consult the Harbourfront Commission, the relevant District Councils and stakeholders. In the light of members’ views, the Administration would study whether other restrictions (e.g. restrictions on the shape of the

reclaimed land) should be imposed on harbour enhancement works in addition to the restriction on the total area of reclamation in exempted works.

Work of the Urban Renewal Authority

51. Urban renewal has all along been a subject of concern of the Panel. At the meeting on 25 July 2023, the Panel was briefed by the Urban Renewal Authority (“URA”) on the progress of its work.

52. On the front of redevelopment, members pointed out that the current pace of urban renewal work was lagging behind the speed of urban decay. They urged the Administration to formulate a more proactive overall strategy against the problem of serious decay of buildings in Hong Kong (including making greater use of market forces) and adjust the Urban Renewal Strategy (“URS”) and the approach of redevelopment work, so as to speed up the pace of redevelopment. Members also requested that the Administration should review whether the existing modus operandi of URA was able to cope with challenges arising from the implementation of various urban renewal programmes, so as to address the difficulties currently faced by urban renewal work. It was pointed out that amid the downward adjustment of property prices in recent years, the principle of calculating the compensation based on the value of a seven-year-old notional flat in the same locality adopted by URA for acquisition of old buildings would be more unfavourable to the implementation of urban renewal work.

53. The Administration advised that apart from carrying out redevelopment projects and tackling the urban decay problem in a holistic, district based and planning-led approach, URA also administered a number of building rehabilitation assistance schemes centrally for the Government with a view to achieving the urban renewal objectives set out under URS which was updated in 2011. The Administration was of the view that at this stage, efforts should be made to press ahead with the implementation and deepening of projects and measures under URS so that the relevant work would bear fruit, instead of allocating resources for reviewing and revising the overall strategy. Meanwhile, the Administration would adopt a multi-pronged approach to expedite the redevelopment work, such as updating and streamlining the compulsory sale regime under the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) to encourage more private land owners to participate in urban renewal. Regarding the compensation principle of “a seven-year-old flat in the same locality”, the Administration stressed that it had no plan at this stage to adjust that principle. It was because any adjustment to compensation for property acquisition, especially a downward adjustment, would give rise to controversy and might even slow down the renewal of old districts. That said, the Government would

provide financial support for URA by appropriate means (e.g. raising the borrowing ceiling of URA and exempting the payment of land premiums for redevelopment projects) to support URA in promoting sustainable urban renewal.

54. On the front of building rehabilitation, members were concerned about the spate of incidents of concrete or finishes spalling off from the external walls of buildings that occurred in mid-2023, and they enquired about the details of URA's work in redeveloping old and dilapidated buildings in recent years and the resources allocated for promoting building rehabilitation among owners.

55. The Administration advised that it was highly concerned about the incidents of spalling concrete or finishes and the problem of non-compliance with statutory notices served under the Mandatory Building Inspection Scheme ("MBIS notices") as revealed in such incidents. The Buildings Department ("BD") would take decisive enforcement actions against owners who failed to proactively fulfil their responsibilities. For those owners who wished to comply with MBIS notices early, the Administration would offer assistance to help them complete the building inspection and the requisite repair works as soon as possible. URA had set up an online Building Rehabilitation Platform and a Building Rehabilitation Resources Centre in To Kwa Wan to provide building owners with information and technical support on building rehabilitation in a one-stop manner. URA had also appointed non-governmental organizations to visit households in target buildings to promote building rehabilitation. In addition, URA, BD and the Home Affairs Department would strengthen liaison and the dissemination of information to assist owners in inspecting and repairing their buildings for the protection of public safety.

Scaling up capability in coping with extreme weather

56. The Chief Executive stated in his Policy Address that the Administration would keep strengthening Hong Kong's overall capability in coping with extreme weather conditions in four aspects, namely early warning, emergency preparedness, response and recovery. That included taking forward expeditiously the more than \$8 billion worth of drainage improvement works. Moreover, the Drainage Services Department would complete the Strategic Planning Study on Flood Management against Sea Level Rise and Extreme Rainfall in 2024 and develop a more forward-looking strategy. Members were very concerned about the more severe flooding that occurred in Wong Tai Sin and Hong Kong Island East during the onslaught of the super typhoon and the once-in-a-century torrential rain in September 2023 and how the aforesaid

drainage improvement works could alleviate the flooding problem in the areas concerned. Members also suggested that the Administration should adopt the strategy of “stormwater interception at upstream”, “flood storage at midstream” and “drainage improvement at downstream” in formulating flood prevention measures and develop Hong Kong as a “sponge city”.

57. The Administration advised that it adhered to the strategy recommended by members and the concept of Blue-Green Infrastructure in formulating flood prevention measures. The drainage improvement works mentioned in the Policy Address included the laying of stormwater drains in Wong Tai Sin and construction of an underground stormwater storage tank at Morse Park, as well as works in Hong Kong Island East that would be carried out in two phases (improvement of drainage channels in the area in the first phase and construction of drainage interception tunnels at the upstream in the second phase). The Administration planned to submit the funding proposals for the drainage improvement works in Wong Tai Sin and Hong Kong Island East (phase 1) to LegCo within 2024.

Other funding/legislative proposals discussed by the Panel

58. Apart from the funding proposals mentioned in the preceding paragraphs, the Panel discussed the funding proposals for other public works projects during the 2023 session. These projects included: improvement works at Mui Wo; site formation and infrastructure works for the development of ex-Cha Kwo Ling Kaolin Mine Site (Phase 2); site formation and infrastructure works for public housing development at Cha Kwo Ling Village, Kowloon East; drainage improvement works at North District; Kai Tak Development—infrastructure at north apron area of Kai Tak Airport; improvement of fresh water supply to low-level area in Central; public open space at East Coast Park Precinct, North Point; and risk-based improvement of large diameter water mains (stage 1A).

59. As regards legislative proposals, apart from the review of PHO (Cap. 531) mentioned in paragraphs 45 to 50 above, the Panel was consulted by the Administration on the following proposals:

- (a) proposals to update drainage-related regulations under the Buildings Ordinance (Cap. 123);
- (b) the legislative proposal to streamline the arrangement for extension of land leases;
- (c) Waterworks (Amendment) Bill 2023; and

- (d) Lifts and Escalators Ordinance (Cap. 618) Commencement Notice under Section 24 of Schedule 16 in respect of recognized qualifications for registered lift/escalator engineers.

Meetings held and visit programmes

60. From 17 January to 31 October 2023, the Panel held a total of 10 meetings and meetings have also been scheduled for November and December 2023 respectively. At the meeting on 28 November 2023, the Administration will consult members' views on the following financial/legislative proposals : (a) detailed design, site investigation and construction of cycle track between Tsuen Wan and Tuen Mun (Stage 2); (b) the Construction Industry Security of Payment Bill; and (c) increasing the financial commitments for the funding scheme to support the use of vacant government sites by non-government organizations and the development of Common Spatial Data Infrastructure portal. At the meeting on 13 December 2023, the Administration will brief members on the new agreement for the supply of Dongjiang water between 2024 and 2026, as well as the funding submission for Capital Works Reserve Fund block allocations for 2024-2025.

61. To enable the Panel to understand the planning and latest development of San Tin Technopole and Kwu Tung North NDA, which are both located within the Northern Metropolis, as well as the regulation of the Shenzhen River, the Administration will arrange for members to conduct a site visit to New Territories Northwest on 9 January 2024. Furthermore, the Panel will be joined by the Secretary for Development and relevant officials on its study visit to Shanghai from 19 to 21 December 2023 to learn about the urban planning and management, new areas development, heritage conservation and revitalization, and emergency response and disaster prevention work in Shanghai, as well as to observe through site visits the municipality's coastal and riverside development.

Subcommittee to Study Policy Issues Relating to the Harbourfront

62. The Subcommittee to Study Policy Issues Relating to the Harbourfront ("the Subcommittee") appointed by the Panel commenced work in May 2023. It received the Administration's briefing on the strategy of connecting and enhancing the harbourfront within and beyond the Victoria Harbour and received public views on the development and future planning of the harbourfront and the uses and management of harbourfront sites at the meetings in July and October 2023 respectively. The Subcommittee has

scheduled another meeting for 4 December 2023 to discuss with the Administration the land use of waterfront sites by the Victoria Harbour and the feasibility of developing waterfront sites into tourist attractions alongside the adjoining areas. In addition, at the invitation of the Administration, the Subcommittee inspected harbourfront development along the Victoria Harbour on board a government launch on 20 September 2023 to learn about the planning and implementation progress of various harbourfront promenade projects on both the Hong Kong Island and Kowloon sides.

Council Business Division 1 and Public Complaints Office
Legislative Council Secretariat
4 December 2023

Legislative Council

Panel on Development

Terms of Reference

1. To monitor and examine Government policies and issues of public concern relating to lands, buildings, planning, water supply, development-related heritage conservation, Public Works Programme and other works matters.
2. To provide a forum for the exchange and dissemination of views on the above policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.
4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

Panel on Development

Membership list for the 2023 session

Chairman Hon Tony TSE Wai-chuen, BBS, JP

Deputy Chairman Hon LAU Kwok-fan, MH, JP

Members Hon Starry LEE Wai-king, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBM, GBS, JP
Hon Michael TIEN Puk-sun, BBS, JP
Ir Dr Hon LO Wai-kwok, GBS, MH, JP
Hon Kenneth LAU Ip-keung, SBS, MH, JP
Hon Doreen KONG Yuk-foon
Dr Hon Hoey Simon LEE, MH, JP
Ir Hon LEE Chun-keung, JP
Hon Stanley NG Chau-pei, SBS, JP
Dr Hon CHOW Man-kong
Hon LAM So-wai
Hon Andrew LAM Siu-lo, SBS, JP
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Hon Edward LEUNG Hei
Hon CHAN Yuet-ming, MH
Hon CHAN Hok-fung, MH, JP
Hon TANG Ka-piu, BBS, JP
Hon Louis LOONG Hon-biu

(Total: 20 members)

Clerk Ms Connie HO

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