

LEGISLATIVE COUNCIL PANEL ON DEVELOPMENT

2013 Policy Address Policy Initiatives of Development Bureau

INTRODUCTION

The Chief Executive (CE) delivered his 2013 Policy Address on 16 January 2013. This paper elaborates on the policy initiatives of the Development Bureau (DEVB).

OUR VISION

2. Our vision is to ensure adequate **land supply** and to build up a “land reserve” so as to meet future demands in a timely manner and improve people’s living space. It is also our vision to continue to invest in and manage **infrastructure development** to facilitate economic and sustainable development of Hong Kong.

3. We aim to create a **safe and quality city** through formulating and implementing policies in the areas of heritage conservation, greening, tree management and total water management; implementing measures in landslip prevention, flood prevention, and lifts and escalators safety; implementing a multi-pronged approach to enhance building safety; as well as expediting urban renewal to improve the built environment and achieve better utilisation of land resources to meet various development needs.

NEW INITIATIVES

(1) LAND SUPPLY

(a) Increasing Supply of Housing Land in Short to Medium Term

(i) *Increasing Development Density and Streamlining Land Administration*

4. Increasing the development density of residential sites is a feasible way to enhance flat production. We are working closely with the Planning Department (PlanD) and other departments to increase the development density of unleased or unallocated residential sites as far as allowable in planning terms. Similar applications from private residential developments for approval of higher development density will also be positively considered. Meanwhile, the Lands Department (LandsD) is exploring the streamlining of land administration procedures and approval processes, with a view to expediting the related land developments.

(ii) Timely and Optimised Use of Sites

5. Land is a valuable resource and we should optimise the use of every single site. All policy bureaux have been requested to act decisively to optimise the use of land. Where the originally intended use is not required any more, the site should be released for housing development or other uses with more pressing needs in the community. For example, as the Hong Kong Housing Society (HKHS) has been unable to identify suitable partners for its short term land use project in Tin Shui Wai Area 112, the Government is considering deploying the land for residential, hotel or other uses.

(iii) Relaxing or Lifting the Pok Fu Lam and Mid-Levels Moratorium

6. With a view to lifting development restrictions in Pok Fu Lam and the Mid-Levels, the Administration is considering relaxing or lifting the administrative moratorium currently in force to restrict new land sale or lease modification in these two areas. The Government will conduct detailed assessment of the potential impact before making a decision.

(iv) Expediting Implementation of Approved Projects

7. Over the past three years, the Town Planning Board has approved 57 planning applications relating to residential development. Excluding the two sites identified in the last round of review of industrial land, the remaining 55 applications involve a total area of about 130 hectares (ha) and, if all are implemented, they are expected to provide more than 45 000 flats in total. We will expedite the administrative approval procedures and take other corresponding measures to facilitate flat production with public interest in mind.

(v) Development of Former Diamond Hill Squatter Areas and Quarry Sites

8. To expedite the development of the former Diamond Hill Squatter Areas (Tai Hom Village), as well as the former Cha Kwo Ling Kaolin Mine, former Lamma Quarry and Anderson Road Quarry, all of which do not involve land resumption, we will actively consider making use of private developers' capacity for development to provide the infrastructure and ancillary facilities, and construct public and private residential units thereon. These four projects are expected to provide about 27 ha of residential land for construction of about 15 000 units.

(b) Long-Term Land Supply

(i) Reclamation outside the Victoria Harbour and Rock Cavern/Underground Space Development

9. We conducted the stage 1 public engagement activities for Enhancing Land Supply Strategy: Reclamation outside the Victoria Harbour and Rock Cavern Development from November 2011 to March 2012. The results of the public engagement revealed that the majority of the public generally agreed on a six-pronged land supply strategy, including reclamation outside Victoria Harbour and rock cavern development. Most of the public also agreed that more land supply would be required for Hong Kong and a land reserve should be built up for meeting unexpected demands.

10. On reclamation outside the Victoria Harbour, the public opinions were mixed with supporting and objecting views. Most of the objecting views came from signature campaigns organised in the local communities and focused on several illustrative reclamation sites¹ that might cause greater impacts on the environment and the community. Separately, members of the public generally agreed on the eight site selection criteria with guiding principles in accordance

¹ In January 2012 when the stage 1 public engagement was half-way conducted, in response to stakeholder suggestions, the government announced 25 illustrative possible reclamation sites outside Victoria Harbour which were divided into four categories comprising artificial islands, reclamation to connect islands, reclamation upon artificial or disturbed shoreline and reclamation on sites close to natural but not protected shoreline. When publicizing these sites, the government had emphasized that they did not constitute a list of selected sites confirmed for implementation but were specific examples to facilitate the public to consider the eight initial site selection criteria for reclamation.

with the social, environmental and economic benefits, and with particular emphasis on the criteria relating to the environmental, marine ecological and social impacts. The Stage 1 Public Engagement Report has been uploaded to the websites of Enhancing Land Supply Strategy under DEVB and Civil Engineering and Development Department (CEDD).

11. Having regard to the criteria for selecting reclamation sites, we propose five potential near shore reclamation sites comprising Lung Kwu Tan, Ma Liu Shui, Siu Ho Wan and Sunny Bay at Lantau North, as well as Tsing Yi Southwest. The total area of these reclamation sites is about 600 ha. For Lung Kwu Tan, Siu Ho Wan and Sunny Bay, there are more convenient land and marine transport and less impacts on the environment and the community, whilst Ma Liu Shui and Tsing Yi Southwest could be implemented as extensions to the current new towns of Sha Tin and Tsuen Wan/Tsing Yi as the two reclamation sites are close to existing new towns and strategic highways.

12. Apart from the near shore reclamation sites, we have also considered the option of artificial islands, and reviewed the eastern waters, the central waters and the western waters of Hong Kong outside the Victoria Harbour. The eastern waters are bound by extensive shorelines of high ecological value and remote from existing infrastructure whilst the western waters are already heavily constrained by a number of major infrastructure projects. The central waters (between Hong Kong Island and Lantau) however can generally avoid shorelines of high ecological value and if artificial islands are provided with suitable transport infrastructure, they could be extended as new development areas from the current urban areas. The total area of potential reclamation sites including both the near shore reclamation and possible artificial islands in the central waters is about 2 000 to 3 000 ha which could be used for land reserve and other uses in future.

13. On rock cavern and underground development, we commenced in September 2012 a study on the long term strategy of cavern development in Hong Kong with a view to preparing cavern master plans and setting up policy guidelines to facilitate future cavern development. In addition to the Sha Tin Sewage Treatment Works (STSTW), we propose three potential public facilities for relocation to caverns and as pilot schemes for the next round of public consultation and further studies. These facilities are Diamond Hill Fresh Water and Salt Water Service Reservoirs, Sai Kung Sewage Treatment Works and

Sham Tseng Sewage Treatment Works respectively. The three proposed rock cavern projects could release a total of about 6 ha of land in the urban area and improve the nearby living environment. For enhanced use of underground space as another source of land supply, we will further explore the potential of developing underground space in the urbanised areas of Hong Kong and conduct study on underground developments connecting existing or future buildings/facilities.

14. We will conduct stage 2 public engagement on the potential reclamation and rock cavern development as mentioned in the preceding paragraphs in the first quarter of 2013. Taking into account the public views collected in the stage 2 public engagement, we plan to commence technical studies including cumulative environmental impact assessment in regard to suitable reclamation and rock cavern development sites, and implement the reclamation projects as land reserve and for other uses as soon as possible.

(ii) Developing the New Territories North

15. Outside the existing built-up areas, country parks, conservation areas, hills etc., the New Territories North can be a major source of new land for meeting Hong Kong's long-term needs for housing and other uses. Apart from the North East New Territories New Development Areas (NENT NDAs) and the Hung Shui Kiu New Development Area (HSK NDA) under study, there are vast tracts of undeveloped land in the New Territories North (including land released from the Closed Area) that could be considered for meeting the long-term development needs of Hong Kong. While some parts of the areas (e.g. Deep Bay and nearby wetlands, woodland on Robin's Nest and streams in Lin Ma Hang) have high ecological significance and are unsuitable for development, there are areas such as those along major transport corridors and existing degraded land which could be put to more gainful uses with the provision of infrastructure facilities. As mentioned in the 2013 Policy Address, a planning study will be undertaken by PlanD to identify further development opportunities in the New Territories North, with a view to developing a modern new town there of a similar scale as the Fanling/Sheung Shui New Town.

(c) Increase the Supply of Commercial Land and Facilities

(i) Increasing Commercial Land Supply

16. As mentioned in the 2013 Policy Address, there is a need to increase the supply of commercial land and facilities, including the conversion of existing government office buildings and “Government, Institution or Community” (G/IC) sites in Central and Wan Chai to commercial use, as well as the development of the North Commercial District on Chek Lap Kok Airport Island. The DEVB, Financial Services and the Treasury Bureau, Transport and Housing Bureau and the departments concerned will work in concert to expedite the release of these sites for suitable commercial uses. The initiatives for long-term land supply as described in section (b) above would also provide land for various commercial and industrial uses.

(ii) Kowloon East

17. A dedicated Energizing Kowloon East Office (EKEO) was set up in June 2012 initially for one year to steer, supervise, oversee and monitor the transformation of Kowloon East (KE). We have examined the preferred organisation structure of the EKEO and propose to continue its operation by four years up to end June 2017. We have consulted the Panel on Development on the proposed continuing operation of the EKEO and will proceed to seek the approval from the Establishment Subcommittee in early 2013.

18. Two Action Areas, with clusters of existing government facilities in KE, are identified to have potential for optimising their development to facilitate the transformation of KE. The Action Areas have potential for providing an additional office area up to 500 000 square metres in the long term. We are examining the possibility for relocating the existing government facilities, and will proceed with studies on comprehensive development of mixed and diversified uses including offices, hotel/service apartments, artist workshops and galleries, entertainment and other ancillary uses at the Action Areas to optimise their development potential.

(iii) Kai Tak Development

19. The Kai Tak Development (KTD) is being implemented progressively. To make better use of the opportunity provided by KTD in the transformation of KE, we will undertake a rethink on the planning parameters with a view to increasing the office and housing supply in KTD based on the principle that such a rethink would not affect the land supply in the coming five years.

20. Separately, the runway tip is currently planned as a tourism hub in the KTD. We propose a Kai Tak Fantasy Park at this prominent location to serve as a tourism and entertainment hub with global significance for both local people and tourists.

(d) Overall Co-ordination of Land Supply

21. The Steering Committee on Housing Land Supply chaired by the Financial Secretary will be re-organised as the Steering Committee on Land Supply. Comprising heads of the relevant Bureaux and Departments, the new Committee will co-ordinate the overall plans for development and supply of land in Hong Kong for various uses, and adjust supply in response to changes in demand. The new Committee will report to CE on a regular basis.

(2) DEVELOPING INFRASTRUCTURES FOR ECONOMIC GROWTH

(a) Infrastructure Investment

22. We will continue to invest heavily in infrastructure development to promote economic growth, create employment opportunities and enhance the long-term competitiveness of Hong Kong. In addition to major capital projects, we are pressing ahead with projects of small to medium size including minor works in order to meet the diverse needs of the community. Of about \$450 billion approved for the Capital Works Programme over the last five years, about 56% is devoted to the Ten Major Infrastructure Projects and the remaining 44% to other projects of varying scales.

23. We expect that based on the planned infrastructure programme, the capital works expenditure in the next few years will exceed \$70 billion on an annual basis, creating more jobs for the construction industry.

(b) Construction Manpower

24. In order to maintain a good grasp of the future manpower situation to help formulate long-term training strategy, we have collaborated with the Construction Industry Council (CIC) to commission a manpower forecast study on projecting the supply and demand of construction personnel over a 10-year horizon. Further, the CIC, as the industry coordinating body, maintains close liaison with stakeholders to gauge the latest market situation so that training plans can be adjusted as necessary to better meet the changing needs.

25. The Construction Workers Registration Ordinance (CWRO) provides for the registration and regulation of construction workers. Apart from ensuring the quality of construction work and raising the status of construction workers through recognition of their skill levels, the merits of the registration system will, inter alia, help make available more reliable manpower data for manpower planning and training. Following the implementation of Phase One Prohibition under CWRO in 2007, we are taking forward the implementation of the remaining phase of the Prohibition². To address the potential difficulties encountered in implementing the remaining phase, we have identified key areas of concerns that will necessitate amendments to the Ordinance. A Task Force was set up under DEVB comprising representatives from relevant stakeholders to take forward the legislative amendments for an early implementation of the remaining phase of the Prohibition.

26. To enhance construction safety in public works projects, we will implement a series of enhancement measures including strengthening the existing merit and demerit systems in tender assessment and performance

² Under Phase One Prohibition, construction workers carrying out construction works at construction sites shall be registered. The registration qualification of a general construction worker is possession of a valid Construction Industry Safety Training Certificate (also known as “Green Card”). Upon the implementation of the remaining phase of the Prohibition, workers carrying out trade works shall meet the registration qualification and registered as skilled or semi-skilled workers of that particular trade, or under instruction and supervision of a registered skilled or semi-skilled worker of that particular trade.

reporting for contractors, enhancing the Pay for Safety and Environment System, reinforcing the safety training for site supervisors and strengthening the safety publicity and promotion work. We will also introduce more welfare facilities for workers in public works projects to enhance the site operating environment including provision of shelters at work places, provision of sheltered rest areas, and formalisation of the afternoon tea rest time arrangement.

(c) Procurement System for Public Works Projects

27. While the massive infrastructure development programme brings to Hong Kong substantial economic and social benefits, we are mindful of the need to take anticipative actions to ensure the economical delivery of quality infrastructures. We are carrying out a strategic review of the existing procurement system for public works projects. The review aims to remove any redundant entry barriers, attracting more contractors and consultants, both local and overseas, into our construction market and enhancing the competition in tendering for the public works projects. It also aims to encourage more innovation and creativity in the design and construction of the projects with a view to their quality delivery.

28. In addition, procurement strategy that will encourage enhancement of productivity including a wider use of mechanisation and prefabrication for trades with anticipated labour shortage will be devised and integrated into the procurement system with a view to minimising the demand of these workers. This will cover both consultancies and contracts to foster productivity enhancements by incorporating additional contractual provisions, inviting alternative designs, revising marking schemes and introducing additional aspects in performance reports.

(d) Security of Payment

29. To enhance the business operating environment of the construction industry, we are carrying out preparation work for introducing a new legislation to enhance the security of payment in construction-related contracts and to adjudicate on disputes for speedy resolution. The new legislation could enhance the cash flow of the construction supply chain and attract more overseas construction enterprises to invest and carry out business in Hong Kong thereby enhancing our infrastructure delivery capacity and increasing

competition. It will also help combat wage arrears as employers would have improved their cash flow.

(e) Promotion of Professional Services

30. We will strengthen our liaison with the Mainland authorities under the framework of the “Mainland and Hong Kong Closer Economic Partnership Arrangement” (CEPA) and make endeavour to secure mutual recognition of professional qualification for more professional disciplines of Hong Kong construction industry (including electrical engineering, building services engineering and building engineering). We will also seek to secure more market liberalisation measures to allow Hong Kong professionals, who have acquired the respective Mainland professional qualifications to register as practitioners and have their registration status recognised as enterprise qualifications for setting up enterprises in the Mainland.

31. Currently, Hong Kong professionals are allowed to register as practitioners and have their status recognised as enterprise qualifications in the form of a pilot scheme arrangement in Guangdong Province. We will work closely with the Mainland authorities for early review of the arrangement with a view to extending these market liberalisation measures to other parts of the Mainland. In June 2012, the Mainland Government approved Qianhai as a key development area where more special pilot scheme policies can be implemented. We will work closely with Qianhai and other concerned Mainland authorities to seek further liberalisation measures which are more favourable than the pilot scheme arrangement in Guangdong province so as to further open up the business opportunities of Qianhai development to Hong Kong professionals and enterprises.

32. Separately, in strategic locations of the Mainland, where the number and economic activities of a particular discipline have reached a critical mass, we will assist in liaising with the respective Mainland authorities to facilitate the establishment of a more substantive presence of the professional discipline to better support the professionals working there.

(3) QUALITY CITY

(a) Heritage Conservation

33. It is the Government's policy objective to strike a proper balance between respect for private property rights and heritage conservation. The Government recognises that on the premise of respecting private property rights, we need to offer appropriate economic incentives to encourage or in exchange for private owners to conserve historic buildings in their ownership. Having reviewed the experience in the past few years, we consider that we should review the present policy on the conservation of privately-owned historic buildings so as to better meet the public's expectations. The review will cover areas such as the extent and ways to use public resources to conserve privately-owned historic buildings, the need to set up a set of more standardised mechanism and criteria for providing economic incentives to owners, as well as whether we should advance the conservation of privately-owned historic buildings through town planning. We will also examine whether the setting up of a heritage trust will help in the conservation of privately-owned historic buildings and if so, the feasibility of setting up of a trust in the context of Hong Kong.

(b) Enhancement of the Victoria Harbourfront

34. It is the Government's long-term objective to create a world-class harbourfront that is attractive, vibrant, accessible and sustainable for all to enjoy. The Government welcomes the recommendations of the Harbourfront Commission (HC) to establish a dedicated statutory Harbourfront Authority to push ahead the design, development, operation and management of harbourfront projects in a holistic manner with a creative and innovative mindset.

35. We are working with HC with a view to commencing a public engagement exercise in 2013 to gauge public views on the proposal. If the proposal is widely supported by the public, the Government will provide the necessary financial support and prepare for the legislative work.

(c) Greening, Landscaping and Tree Management

36. To engage stakeholders in the wider promotion of greening, landscape and tree management, the Development Bureau will launch a "Be our

Greening Partner” promotion campaign in 2013. We would collaborate with local and overseas experts in the field, and partner with local communities, professional groups and non-governmental organisations in launching public engagement initiatives in greening and tree management. We would continue to engage members of the public in the community surveillance of trees. A teaching kit on greening, landscape and tree management for use by secondary schools students will be published to enhance the awareness of youngsters in these aspects.

37. To promote a wider adoption of skyrise greenery in both public and private sectors, a pictorial guide on suitable plant species for skyrise greening in Hong Kong will be prepared. Besides, guidelines will be prepared on the planning and design of landscape works with a view to enhancing design quality and design coherence.

38. In order to facilitate a systematic approach in the collection and analysis of tree information, the electronic Tree Management Information System (TMIS) has been established for use by tree management departments. The TMIS supports risk assessment and data management in a comprehensive manner.

(d) Promote Low Carbon Building

39. In line with the sustainable development being implemented in KTD, we will promote KE as a green community with low carbon building design. We are taking the lead to employ low carbon and sustainable design concept in government projects. On private sector side, we will examine the possibility to specify in the lease conditions for private development to achieve Gold rating under BEAM Plus and to provide more extensive green coverage.

40. We will collaborate with the Hong Kong Green Building Council to promote energy saving and adoption of green measures in the building industry. To promote green buildings, we will produce a green map with green labelling system in EKEO’s website showing those buildings in KE which have obtained BEAM Plus Gold or above rating. We will also develop a green trail to encourage the general public to visit the green buildings in KE.

(e) Art and Creative Industries

41. To support the development of art and creative industries so that KE will be transformed into a business area with special character, we will explore opportunities to provide suitable space for artists, art groups and creative designers in this area.

(f) Facilitate Quality and Innovative Building Design

42. To promote quality and innovative building design, Buildings Department (BD) has amended the Practice Note for Authorized Persons and Registered Structural Engineers in December 2012 to allow for greater flexibility in determining site coverage and open space provision to facilitate more innovative design. With this amendment, we are looking forward to more creative building design in KE.

(g) Total Water Management

43. We promulgated the total water management (TWM) strategy in 2008 which maps out the long-term strategy for a balanced demand and supply of raw water to support the sustainable development of Hong Kong. On the effort in containing demand, we have established a temporary Water Conservation Education Centre to publicise the importance of water conservation through exhibits, live demonstrations and interactive games thus enhancing knowledge of the younger generation in water resources. Separately, we plan to extend the voluntary “Water Efficiency Labelling Scheme” to cover flow controllers³ in addition to showers for bathing, water taps, washing machines and urinal equipment.

44. In view of the good achievements of the replacement and rehabilitation (R&R) programme in reducing water mains bursting and leakage, the Water Supplies Department (WSD) is formulating strategy for embarking on a new programme for the R&R work. Due reference will be made to experience gained from the current R&R work including prioritisation of works to maximise cost effectiveness and measures to mitigate impacts of works on traffic in urban areas.

³ Flow controller is a device for attaching to water tap so as to restrict the flow of water from the tap.

(4) SAFE CITY

(a) Flood Prevention

45. Following the completion of the Drainage Master Plans for northern and northwestern New Territories, we will start a review of the Drainage Master Plans in Sha Tin, Tai Po and Sai Kung in 2013 for completion in 2015. Further, to enhance the protection against flood risks to people living along rivers, we will commence a study to assess the risk level of rivers in rural catchment areas as well as to develop flood warning systems and mitigation measures for flood-prone rivers.

(b) Slope Safety

46. To address landslide risks due to encroachment of more urban development/redevelopment on natural terrain, we launched the Landslip Prevention and Mitigation Programme in 2010 to deal with, among others, landslide risks of natural hillside catchments. With the experience gained in related works, we will develop guidelines to facilitate the design and implementation of mitigation works for natural hillside catchments.

(c) Enhancing Building Safety in Hong Kong

47. In 2013, we plan to introduce a piece of subsidiary legislation setting out the implementation details of the Signboard Control System which aims at enhancing the safety of existing unauthorised signboards.

ON-GOING INITIATIVES

(1) LAND SUPPLY

48. To meet the housing demand of the community and various economic and social development needs of Hong Kong, the Government will continue to adopt a multi-pronged approach in identifying suitable land for development. This includes optimising the use of developed land to make available land in the short to medium term to meet housing and other needs in higher demand; and to identify new land for development through major

engineering works to increase land supply in the long term and to build up a land reserve. The details are set out below.

(a) Increasing Supply of Housing Land in Short to Medium Term

49. The Government aims to optimise the use of existing developable land by planning their appropriate use to meet the changing needs of the community, and administering the deployment of existing land for temporary and permanent uses in a timely manner. Potential sources of existing developable land include government land that is unleased, unallocated or in temporary uses; government and private land that could be replanned through rezoning or increase in development intensity for more gainful uses; urban land with existing public or private housing developments that have potential for redevelopment, etc.

50. For land with potential for development, the Government will review and assess its development feasibility under the established planning regime. When a plot of government land is ready for development, the Government will make appropriate arrangements, such as allocating it for public housing development, including it in the Application List for sale, or allocating it for other uses. The Housing Authority keeps existing public housing developments under review and undertakes redevelopment of public housing estates where appropriate. For private redevelopments, they are essentially market-driven and the Government will process the applications required as efficiently as possible under the established mechanisms. In addition, the Urban Renewal Authority (URA) will continue to undertake redevelopment of existing old, dilapidated private buildings.

51. The major sources of land for housing are sites in the Government's land sale programme, sites earmarked for public housing development, public housing and private redevelopment projects, URA's projects and railway property development projects. To meet the housing demand of our society in the short to medium term, the 10 measures set out in the paper are either being or will be implemented. As currently known, seven of these measures alone will already make available over 300 ha of land for housing development.

(i) Review of Government, Institution or Community Sites

52. PlanD has completed a round of review of sites zoned G/IC and other government sites, and has identified 36 sites suitable for residential development involving a total of 27 ha of land. It is estimated that about 11 900 public and private residential flats could be produced if all the sites are used for residential development. Among the sites, 10 have been zoned or are going through town planning procedures for rezoning for housing development. PlanD will accord priority to rezoning the remaining sites. The Government will continue to be on the lookout for other G/IC and Government sites that may have potential for residential and other uses.

(ii) Review of Green Belt Sites

53. PlanD has been reviewing sites in “Green Belt” (GB) areas that are no longer serving the intended function with a view to identifying those that are suitable for housing development. In its Stage 1 review, PlanD has reviewed GB areas that are devegetated, deserted or formed in the New Territories. 13 sites with a total area of 57 ha are considered suitable for residential development. The rezoning of seven sites, which could produce about 13 500 units, is expected to be completed by 2017. The remaining six sites will be rezoned within the subsequent few years to produce some 9 500 flats. PlanD is carrying out the next stage of GB review to identify more suitable GB sites for residential development.

(iii) Review of Industrial Sites

54. PlanD has conducted three rounds of review of industrial land since 2000. Resulting from the first two rounds of review conducted in 2000 and 2005, some 253 ha of industrial land have already been rezoned to non-industrial uses. In the last round of review conducted in 2009, another 60 ha of land have been identified as suitable for housing and other land uses, among which some 30 ha on 16 sites are suitable for residential use. Among them, 13 (eight are privately owned whereas five are owned by the Government) have completed or are undergoing the rezoning process. Some 14 600 units could be provided upon redevelopment of the industrial buildings on them. For the remaining three privately-owned industrial sites, it is estimated that some 5 800 units could be provided as and when they are redeveloped. PlanD

will commence another round of review of industrial land this year with a view to examining the possibility of converting more industrial land to other uses, including residential use.

(iv) Development of the Kam Sheung Road Station, Pat Heung Maintenance Depot and Adjoining Areas

55. In stepping up efforts to put into full play the integrated development of mass transportation and residential property, we will take forward the planning for residential development above Kam Tin South West Rail Kam Sheung Road Station and Pat Heung Maintenance Depot, with land of about 33 ha in total estimated to provide about 8 700 flats. In parallel, engineering studies will be conducted for the adjoining areas of about 110 ha for future provision of private and public housing. We will also explore vigorously the residential development potential of land along existing and planned railways.

(v) Urban Renewal Projects

56. In the coming four years, URA's development projects, which cover a total area of about 4.9 ha, will provide about 4 700 flats. A more detailed account of our urban renewal initiatives is provided in paragraphs 95 to 97.

(vi) Land Sale Arrangement

57. Since 2010, the Government has fine-tuned the land sale arrangement by initiating the sale of government sites through public auction or tender while retaining the Application List system. The objective is to increase land supply to the market. Announcing annually the Application List and quarterly land sale programmes in advance has become an established practice. This provides the market with a transparent and certain programme of land supply and at the same time allows the Government to respond to market demands and adjust the pace of government-initiated land sale, in order to maintain a steady supply of land to the market. The Government will continue to supply land to the market on a sustained basis to tackle the housing problem.

(vii) Railway Property Development

58. Railway property development projects continue to be an important source of housing land supply. Apart from the West Rail Tsuen Wan West Station TW5 (Bayside) project (about 2 384 flats) and the West Rail Long Ping Station (North) project (about 832 flats) already tendered out, the West Rail Tsuen Wan West Station TW6 project (about 894 flats) is being tendered by the MTR Corporation Limited (MTRCL) until 21 January 2013. Furthermore, the West Rail Long Ping Station (South) project (about 720 flats) has made good progress and is expected to be tendered in 2013. MTRCL has also indicated that it hopes to re-tender the project at Tai Wai Station (about 2 900 flats) within the current financial year.

(viii) Other Sources of Housing Land Supply

59. At this stage, we estimate that in 2012-13, housing land supply from different sources could achieve the target of being capable of providing about 20 000 private residential flats. The Government will continue to closely monitor the land supply situation of various sources, and suitably put up more residential sites for sale depending on market reaction.

(b) Long-Term Land Supply

60. Creating new land supply is an essential source of developable land in the long term. Newly created land can be made available for large-scale and higher-intensity development subject to results of planning and engineering studies, forming undeveloped rural or other land or by leveling hills or reclamation, and providing the necessary infrastructure and facilities to support development. All these are common measures adopted for urban expansions or new town developments in the past. The Administration will expeditiously take forward the following projects.

(i) New Development Areas

61. The development of NDAs is a major source of land supply to meet the long term housing, as well as other social and economic development needs of Hong Kong. The two planning and engineering studies on the NENT NDAs, which cover the Kwu Tung North, Fanling North and Ping Che/Ta Kwu

Ling NDAs, and HSK NDA are in progress.

62. On 30 October 2012, the Panel on Development was briefed on the major issues of public comments received from the Stage 3 Public Engagement (PE3) exercise of the NENT NDAs Planning and Engineering Study [LC Paper No. CB(1)61/12-13(05)]. According to the Recommended Outline Development Plans (RODPs) announced in the PE3 exercise, the NENT NDAs could provide 533 ha of developable land, including 150 ha of housing land to provide some 53 800 residential units, and about 52 000 local employment opportunities would be created. In tandem with collating and analysing the public comments in detail, we are examining from the planning and engineering feasibility perspectives whether and how to adjust the RODPs to address the comments.

63. The adjustments would include appropriately increasing the development intensity, increasing the public to private housing ratio to over 50%, identifying sites for new Home Ownership Scheme developments, and taking forward, as appropriate, the “Hong Kong property for Hong Kong people” policy for private housing sites. Subject to the detailed assessments, we will amend the planning proposals as appropriate and target to publish the PE3 Report in the first half of 2013. That will be followed by the statutory planning procedures and other preparation work required for the development project, including communicating with the affected villagers on the compensation and rehousing arrangements for land resumption and clearance.

64. With a view to helping to address the concerns of the squatter occupiers and farmers who will be affected by the NDAs project, we are looking into the relevant compensation and rehousing package as well as the facilitation measures that can be provided to farmers who wish to re-establish their farming activities elsewhere. In the meantime, we are reviewing the existing compensation and rehousing arrangements with a view to identifying areas for suitable enhancements to more effectively address the needs and concerns of those who will be affected by land resumption and clearances for public works projects in the light of changing circumstances.

65. The HSK NDA Planning and Engineering Study has commenced in August 2011. Subsequent to the completion of the first stage Community Engagement programme in February 2012, various preliminary land use options

have been formulated and technical assessments are being conducted with a view to deriving a Preliminary Outline Development Plan (PODP). This project, with a study area of 790 ha, can provide over 400 ha of developable land according to preliminary assessment. The second stage Community Engagement exercise to seek public views on the PODP is scheduled to commence in mid-2013.

66. Land in the NENT NDAs and HSK NDA is expected to come on stream and available for development from 2019 and 2021 onwards respectively.

(ii) Review of Deserted Agricultural Land in North District and Yuen Long

67. To make more gainful use of agricultural land which is currently used mainly for industrial purposes or temporary storage, or which is deserted, PlanD is reviewing a total of about 257 ha of such sites in North District and Yuen Long, with a view to identifying more suitable sites for housing development as soon as possible.

(iii) Development of Lantau Island - Tung Chung New Town Extension

68. With the anticipated completion of the Hong Kong – Zhuhai – Macao Bridge and the Tuen Mun – Chek Lap Kok Link, Lantau Island, particularly Tung Chung, is poised to become an important transport hub not just by air to overseas destinations, but also by land to the Pearl River Delta region. PlanD and CEDD are undertaking the Tung Chung New Town Extension Study to examine the possibility of extending Tung Chung New Town to accommodate a target population of 220 000 and leverage future economic opportunities that would help create more jobs for Tung Chung residents. Stage 1 Public Engagement was completed in August 2012 and the departments are preparing various preliminary development options for Stage 2 Public Engagement in the first half of 2013.

(iv) Rock Cavern Development

69. We commenced a feasibility study on the relocation of STSTW to caverns in May 2012 as scheduled. The STSTW is the largest secondary sewage treatment works in Hong Kong. Relocation of STSTW to caverns will

not only release a land area of 28 ha for housing and other beneficial use, but also improve the surrounding living environment. We are conducting the public engagement to enhance the understanding of the public on the relocation proposal with a view to soliciting support.

(c) Increase the Supply of Commercial Land and Facilities

(i) Kowloon East

70. We are committed to adopt a visionary, coordinated and integrated approach to expedite the transformation of KE into an attractive, alternative Central Business District (CBD), which has the potential for providing an additional office floor area of about 4 million square metres. Since the setup of the preparatory team in February 2012, EKEO has kick-started urban improvement works and place-making projects, initiated studies and established an administrative framework to provide one-stop service to facilitate implementation of both private and public sector projects.

Public Engagement

71. EKEO has engaged various stakeholders, including professional institutions and District Councils of Kwun Tong, Wong Tai Sin and Kowloon City to collect their views on EKE. More than 1 800 participants have participated in various public engagement activities including briefings, public workshop, artist workshop, place making forum, international seminars and international exhibitions organised by EKEO. Apart from the above engagement activities, a total of 33 organisations and 20 different countries have visited EKEO. We will continue to engage the stakeholders and collect valuable views and suggestions from the public through workshops, forums, conferences, exhibitions and media briefing/interviews. We will take on board suggestions received during the on-going public engagement process, and push ahead with various area improvement projects.

Conceptual Master Plan (CMP) Version 2.0

72. Since our issue of the first CMP in October 2011, which focuses on enhancing **C**onnectivity, **B**randing, **D**esign and **D**iversity (CBD2) in KE, the CMP has further evolved, been enriched and refined by taking on board

suggestions received during the on-going public engagement process. We have published in June 2012 the CMP 2.0 with 10 main tasks aiming at enhancing connectivity, improving the environment and releasing development potential in KE. The CMP will continue to be evolved and updated to guide the transformation of KE.

Direction to Take Forward the Initiatives

73. The making of KE as Hong Kong's premier alternative CBD is a complex and long-term urban transformation process. EKEO will continue to adopt the visionary place-making approach to push ahead the EKE initiative.

Improving Connectivity of Kowloon East

74. To enhance connectivity and integration within KE, we are studying the development of an Environmentally Friendly Linkage System (EFLS) in the form of a nine kilometres long, two directional elevated monorail system with 12 stations linking the KTD, Kowloon Bay and Kwun Tong with the existing MTR Kwun Tong line and the future Shatin-to-Central Link. The stage 1 of a two-stage public engagement exercise on the findings of the feasibility study on EFLS to gauge public views on the proposal was completed in October 2012. Comments and suggestions received during the stage 1 public engagement are being analysed whilst further surveys and studies are being conducted to address the key issues. We plan to launch the stage 2 of public engagement exercise in the second quarter of 2013 on the proposed way forward for EFLS taking into account the public views received. To facilitate public deliberation of the EFLS proposal, we will present a comprehensive plan for enhancing the connectivity of KE which encompasses other transportation modes including strategic highways, the existing and the planned MTR lines, road-based green transport, lift and escalators as well as walkway systems in KE and adjacent areas.

(ii) Relocation of Existing Government Office from Prime Sites in Urban Districts

75. The Legislative Council (LegCo) has approved funding to purchase and convert an industrial building to accommodate New Territories West Regional Office of the WSD to release its valuable site at Mongkok for more

gainful use. Upon extensive site search by consultants engaged by WSD, a suitable industrial building satisfying WSD's operational requirements and at a price within the budget approved by the LegCo could not be identified. In order for the WSD's Mongkok site to be released early, we are considering alternative relocation plans including the construction of a new building for accommodating the WSD facilities. We will keep Members abreast of development in due course.

(iii) Revitalisation of Industrial Buildings

76. The measures to facilitate redevelopment and wholesale conversion of older industrial buildings (the revitalisation measures) came into effect on 1 April 2010 and will expire on 31 March 2016. They aim at providing more suitable floor space to meet Hong Kong's changing social and economic needs. By the end of December 2012, LandsD had received 88 applications and approved 62 of them, which could provide converted or new floor space with a total gross floor area (GFA) of about 680 000 square metres.

77. To better facilitate revitalisation of industrial buildings into non-industrial uses, we are examining further refinements to the existing revitalisation measures. Relaxations to certain restrictions on wholesale conversion being considered include: (1) allowing recovery of GFA demolished by building on top or outside existing building frame within lot boundary under specific conditions; (2) waiving the building height restriction under lease for the placing of GFA-exempted roof-top utility installations; and (3) waiving the premium and administrative fee payable for lease modification for the installation of claddings or curtain walls exceeding lot boundary. For redevelopment, we will also consider extending the option of premium payment by annual instalments in lease modifications and land exchanges of industrial lots on non-industrial zones for hotel use.

(2) DEVELOPING INFRASTRUCTURES FOR ECONOMIC GROWTH

(a) Infrastructure Investment

78. The spending performance of the Capital Works Programme in 2012-13 is satisfactory, reaching the target of around \$62 billion. This

represents a gradual and persistent increase from the actual expenditure of \$58.4 billion in 2011-12.

79. We are pressing ahead with various infrastructure projects under our portfolio. For KTD, construction of the first-stage development, including the public rental housing, the Kai Tak Cruise Terminal, the Runway Park Phase 1 and the water quality improvement works at Kai Tak Approach Channel and Kwun Tong Typhoon Shelter is progressing on schedule for completion in 2013. Apart from the Trade and Industry Tower and Shatin-to-Central Link which have commenced construction in 2012, the second stage of development including Kwun Tong Promenade (Stage 2), the Centre of Excellence in Paediatrics and the reconstruction of Kai Tak Nullah within KTD will commence construction in 2013. Public engagement exercises on the preservation of Lung Tsun Stone Bridge remnants will also be conducted in 2013.

80. In regard to the Liantang/Heung Yuen Wai Boundary Control Point (BCP) project, the resite area for Chuk Yuen Village affected by the project was substantially completed in March 2012. Following the completion of the detailed design of the site formation works and the connecting road leading to the BCP in April 2012, the construction works will be carried out in phases in the first half of 2013 for completion in 2018. Further, we plan to engage consultants to carry out the design and site investigations of the buildings works and the associated facilities of the BCP in February 2013 and commence the upgrading works of Shenzhen River in the second half of 2013. The target to commission the BCP in 2018 remains unchanged.

81. We have also made good progress on other major projects which will help improve our living environment and quality. Of the three drainage tunnel projects in Hong Kong Island, Lai Chi Kok and Tsuen Wan, the first two were commissioned in 2012 with the remaining one scheduled to complete by mid-2013. Moreover, about 2 000 kilometers of water mains have been replaced or rehabilitated under the R&R programme with works for the remaining 1 000 kilometers targeted to complete by 2015. In regard to the development of a comprehensive cycle track network in the New Territories, works of the Sheung Shui to Ma On Shan section are in progress for completion by early 2013. We have secured funding to commence construction for the expansion of the Tai Po Water Treatment Work. Further, under the Landslip

Prevention and Mitigation Programme, 150 Government man-made slope features have been upgraded/landscaped whilst 30 natural hillside catchments have been implemented with mitigation as at end of 2012.

82. Separately, we are mindful of protecting the environment and will continue to promote the wider use of energy efficient devices and adoption of renewable energy systems in public works projects. In 2012, we have incorporated energy efficient devices, such as light-emitting diode type signage and service-on-demand control for escalators, in new public works projects of while some have also incorporated renewable energy technologies, such as solar hot water system, with a total installed capacity of about 62 kilowatt. We have also engaged consultants to study the contribution of construction activities to the carbon emission in Hong Kong and would consider adopting measures to reduce carbon emission in the delivery of public works projects.

(b) Construction Manpower

83. In the past few years, with the pressing ahead of a large number of infrastructure projects, unemployment rate of the construction sector fell from a peak of 12.8% in the period from February to April 2009 to 4.4% in the period from September to November 2012. Indeed, this is a very low unemployment rate in recent years, reflecting the tightening labour situation.

84. To meet the projected rising manpower demand in the coming years, we obtained approval of the Finance Committee of the LegCo in April 2012 to increase the one-off allocation by \$220 million from \$100 million to \$320 million in order to enhance support for the CIC to nurture a quality workforce and maintain sufficient construction manpower. Following that, we have, in collaboration with the CIC, devised a total manpower strategy adopting a multi-pronged approach to encompass comprehensively relevant initiatives and measures to address the construction manpower demand.

85. The Enhanced Construction Manpower Training Scheme (ECMTS) is a key scheme devised to attract 6 000 new entrants by 2014 to the construction industry, especially for trades experiencing acute ageing, labour shortage and recruitment difficulties. Trainees under the scheme will receive a monthly training allowance of about \$8,000. Participating firms of the scheme have pledged to offer a monthly wage of not less than \$10,000 to graduates of

the scheme in the initial six months and thereafter not less than \$15,000. The scheme is well received by new entrants, especially the young people. As at end November 2012, more than 2 000 trainees joined the scheme and about 60% of them were aged below 35. For relevant public works contracts to be tendered from end December 2012 onwards, we have implemented the mandatory employment of ECMTS graduates to secure better employment opportunities for this target group, and enhance the attractiveness of the scheme.

86. To provide more training places, the CIC has also launched the “Contractors Cooperative Training Scheme” (CCTS) under which contractors employ trainees and provide in-service training on construction sites, while CIC will pay for the trainees’ allowances and other training costs. We have required, since December 2011, relevant public works contractors to participate in the CCTS to further increase the training opportunities.

87. In October 2011, the CIC launched the “JobsNet” to provide a free online employment platform to facilitate the matching of manpower supply and demand. Up to end November 2012, about 480 contractors have uploaded some 3 700 vacancies with over 1 000 job titles and about 90 000 visitors browsed the website. Furthermore, the Construction Industry Resource Centre, operated by the CIC, was opened on 24 Feb 2012 as a flagship project on the continuous development of the construction industry in Hong Kong. The Centre aims to become a one-stop educational, promotional and information hub for industry players including workers, craftsmen, professionals, employers and job seekers, as well as students and the public, to access the latest job and training opportunities and other construction related information.

88. Under the “Build-Up Publicity Campaign”, which is a 3-year publicity campaign launched in May 2011, publicity and promotion activities have been conducted through various channels including traditional media (e.g. TV and radio programme, newspapers) and social media (e.g. Apps and on-line web-site) to project a more positive image of the construction industry. Following the dissemination of more construction information and the resultant rising public interest in the industry with its better economic outlook and prospect, we are encouraged by the increase in the construction labour force, which now stands at 309 600, and is at an all-time high in five years. As revealed in a recent image tracking survey, the general perception of the construction industry has improved and more young people are willing to serve

in the industry.

89. We will continue to closely monitor the manpower situation and collaborate with the key industry stakeholders including the CIC, contractors and labour unions to implement the various measures to address the manpower needs in a proactive manner.

(c) Promotion of Professional Services

90. We have been maintaining close liaison with the Mainland counterparts and seeking preferential treatment under CEPA since 2003 to assist stakeholders of the construction industry to gain access to the Mainland market with a view to developing their careers and businesses there. So far, 37 market liberalisation measures have been secured for the construction sector. These include the mutual recognition between the two sides for six professional disciplines' qualifications, the registration of these Hong Kong professionals for practice, and recognition of their registered practitioners' status as enterprise qualifications to set up enterprises under the pilot schemes in Guangdong Province.

91. Amongst the 37 liberalisation measures sought, starting from 1 May 2012, Hong Kong professionals who have obtained the Mainland's Registered Architect and Structural Engineer qualifications through mutual recognition can register for practice and declare as enterprise qualifications to set up enterprises in Guangdong after passing the Mainland legal tests. Since 2011, two legal tests have been organised in Guangdong for the Hong Kong professionals and a total of 224 architects and 50 structural engineers have passed the test.

92. Separately, to better tap the vast business opportunities of the Mainland's construction market, further liberalisation measures have been sought for Hong Kong professionals of seven professions (supervision engineer, architect, structural engineer, civil engineer (harbour and waterway), public facility engineer, chemical engineer and electrical engineer), who have obtained the respective Mainland qualifications, to register for practice and as enterprise qualifications when they apply for setting up relevant enterprises in Guangdong Province starting from January 2013. These measures will greatly facilitate local professionals and construction related companies to establish business on

the Mainland on their own account and control.

(3) QUALITY CITY

(a) Heritage Conservation

93. We have made good progress with a number of initiatives on heritage conservation –

- (a) Of the six historic buildings under Batch I of the Revitalising Historic Buildings through Partnership Scheme (Revitalisation Scheme), the former North Kowloon Magistracy (which has been revitalised into the Savannah College of Art and Design Hong Kong Campus), Old Tai O Police Station (which has been revitalised into Tai O Heritage Hotel), Lui Seng Chun (which has been revitalised into Hong Kong Baptist University School of Chinese Medicine - Lui Seng Chun), and Phase One of the former Lai Chi Kok Hospital project (which has been revitalised into Jao Tsung-I Academy) have commenced operation. The two remaining projects (i.e. Fong Yuen Study Hall and Mei Ho House) and Phase Two of the former Lai Chi Kok Hospital project will start operation in 2013;
- (b) We have obtained funding support for the renovation works for three historic buildings under Batch II of the Revitalisation Scheme, namely Old Tai Po Police Station, the Blue House Cluster and Stone Houses, from the LegCo in the 2011-12 legislative session. Works for the Stone Houses have commenced in late 2012 while works for the Old Tai Po Police Station and the Blue House Cluster will commence in 2013;
- (c) We launched Batch III of the Revitalisation Scheme on 7 October 2011. Assessment of applications for the four buildings (i.e. King Yin Lei, Bridges Street Market, Haw Par Mansion and Former Fanling Magistracy) is underway. Selection results are expected to be announced in early 2013;

- (d) Up to December 2012, the Antiquities Advisory Board (AAB) has confirmed the grading of 1 227 historic buildings⁴. AAB will continue to take forward the grading exercise, focusing first on finalising the grading of the remaining items on the list of 1 444 historic buildings before examining new items/categories proposed by the public for consideration of grading⁵;
- (e) The Antiquities Authority obtained the support of the AAB to declare the Béthanie and the Cenotaph at Statue Square as monuments in 2012, and is proceeding with the declaration in accordance with the Antiquities and Monuments Ordinance. As for the intended declaration of Ho Tung Gardens as a monument, the CE in Council directed on 27 November 2012 that the intended declaration shall not be made;
- (f) A decision was taken for the entire complex of the former Central Government Offices to be adaptively re-used by the Department of Justice and law-related non-governmental organisations as office accommodation; and
- (g) Following the launching of the Financial Assistance for Maintenance Scheme in August 2008, we have approved 25 applications involving a total amount of about \$22 million and are now processing another 10 as at December 2012.

94. In the past year, the Commissioner for Heritage's Office organised a series of public education programmes and activities to encourage wider participation by different community groups in heritage conservation. For instance, the "Heritage Discovery" Roving Exhibition was held at eight locations featuring Hollywood Road, Tai Po Wun Yiu Kiln site and six heritage routes of "Hong Kong Heritage Tourism Expo – Access Heritage" from June to December 2012 attracting 148 864 visitors with 157 144 pamphlets distributed; the "Conference on Materials, Techniques and Construction Management of

⁴ This figure includes items on the list of 1 444 historic buildings in the territory for which a public consultation exercise on their proposed grading was carried out from March to September 2009 as well as new items proposed for grading.

⁵ AAB will flexibly advance its discussion on the grading of the new items if there is cogent need for an early assessment.

Heritage Architecture in Mainland China and Hong Kong” was co-organised with the Construction Industry Council, the Department of Architecture of the University of Hong Kong and the Antiquities and Monuments Office in December 2012, attracting about 200 attendees from the industry; and a bimonthly newsletter “活化@Heritage” featuring heritage issues and the work of the Commissioner for Heritage’s Office was published since June 2008 with over 350 000 printed copies distributed by the end of 2012.

(b) Urban Renewal

95. In the next four years, URA is expected to provide some 4.9 ha of land, mainly for residential development.

96. In response to the Administration’s call to help accelerate the pace of renewal of old industrial areas to release land for residential or commercial development, URA has launched a pilot scheme to redevelop industrial buildings last year.

97. All the key initiatives under the new Urban Renewal Strategy promulgated on 24 February 2011 have been progressing well –

- (a) URA launched the “Demand-led Redevelopment Project Pilot Scheme” in July 2011. Under this scheme, property owners could initiate redevelopment by submitting an application to URA to invite the Authority to redevelop their proposed sites. The scheme has been well received. URA received 25 applications in the first round of invitation from July to October 2011. Three projects were selected and commenced in April 2012. Voluntary acquisitions in all the three projects already exceeded 80%. URA received 34 applications in the second round of invitation from June to August 2012. It will select suitable projects for implementation in 2013-14;
- (b) Apart from the “Demand-led” scheme, URA also provides assistance to owners as a consultant under a new “Facilitation” scheme to help them assemble titles for joint sale of their properties for redevelopment. URA has set up a dedicated Urban Redevelopment Facilitating Services Company Limited to render

facilitation service since 2011. The company has so far received eight applications of which three have been taken up;

- (c) The first District Urban Renewal Forum (DURF), set up in Kowloon City in 2011 to collect public views on district urban renewal planning, commissioned a planning study, a district social impact assessment study and Stage One of its public engagement programme in 2012. The Kowloon City DURF is now working on a draft district urban renewal plan for Stage Two public engagement, taking into account public views received and the study findings. The recommended district urban renewal plan for Kowloon City is expected to be ready in 2013;
- (d) Since the establishment of the \$500 million independent Urban Renewal Trust Fund in 2011, new service contracts for the social service teams providing assistance and advice to residents affected by URA-implemented redevelopment projects were issued under the Trust Fund in 2012. A new Urban Renewal Heritage Preservation and District Revitalisation Funding Scheme to provide support to urban renewal preservation and revitalisation projects proposed by the community was also launched under the Trust Fund in 2012; and
- (e) The site at the KTD earmarked to facilitate early implementation of the URA's "Flat-for-Flat" Scheme was handed over to URA in July 2012. Construction is in progress. The flats are expected to be ready for occupation in 2016.

(c) Greening, Landscaping and Tree Management

98. In 2012, technical circulars were issued on the provision of planting corridors on new at-grade roads and the minimum site coverage of greenery for government buildings, with a view to achieving sustainable greening through allowing adequate space for quality greening at early planning stage. Following the implementation of the urban Greening Master Plans (GMPs), consultancy studies for the New Territories GMP have been launched.

99. On the promotion on the use of greening technology such as skyrise greenery, we organised the Skyrise Greenery Awards in 2012 which was the first of its kind in Hong Kong that promoted the integration of skyrise greenery into the city's built environment. A series of "Tree and Landscape Map" has been published which aims to promote the understanding and appreciation of trees and green spaces among the public.

100. The Tree Management Office (TMO) enhanced tree risk assessment arrangement, prioritising on areas with high pedestrian and vehicular flow. Detailed guidelines were promulgated and refined regularly for compliance by tree management departments. Other key areas of our work include raising the professional standard of tree management through training; developing guidelines including that of the management of brown rot root disease, arboricultural occupational safety and health; conducting researches and setting up an inventory of trees; promoting public education and community involvement; enhancing the care of Old and Valuable Trees and the emergency response system on tree cases.

101. The complaint handling mechanism of tree related cases will be streamlined through the strengthening of coordination of the TMO and tree management departments.

102. In order to enhance a professional approach in tree management, the TMO will complete the research studies on Common Wood Decay Fungi, Wood Strength Assessment for Common Tree Species and Comprehensive Street Tree Management Plan for Hong Kong. The TMO will make reference to findings of these studies in the strategic management plan for the urban tree population including species selection, installation, maintenance, transplanting and replacement. The TMO will also strengthen the training on Brown Root Rot management so as to better protect the tree population from the disease.

(d) Total Water Management

103. In pursuance of the total water management TWM strategy we will continue to educate the public the importance of water conservation. In order to better understand the water usage pattern of consumers to device effective water conservation measures, we have completed a water consumption study to identify general water consumption patterns of domestic households for

promotion of sustainable use of water. We have engaged green groups in analysing the results which would be announced shortly.

104. The R&R programme completed so far has resulted in sharp reduction in the number of water mains bursts from about 2 500 in 2000-01 to about 260 in end 2012. The water mains leakage rate has also reduced from 25% in 2001 to 18% in 2012. We will continue to press ahead with the implementation of the water mains R&R programme with a view to completing the programme by 2015 when the water leakage rate is expected to further reduce to 15%.

105. With regard to the water supply side, we have commissioned consultants to carry out a two-year planning and investigation study for setting up a seawater desalination plant at Tseung Kwan O. The study would assess the feasibility and cost effectiveness of building a desalination plant at the earmarked site; and would formulate implementation strategy and programme.

106. Further, we have started a preliminary study on the use of reclaimed water for toilet flushing and other non-potable applications in Sheung Shui, Fanling and NENT NDAs.

(4) SAFE CITY

(a) Flood Prevention

107. We commenced the review of the Drainage Master Plans in East Kowloon and West Kowloon in January 2012 with a view to assessing the flooding risks in these urban districts and proposing improvement measures. For on-going drainage improvement projects, the construction of stormwater drains in Wan Chai and Central and Western districts under the “Drainage Improvement in Northern Hong Kong island” and the construction of stormwater culvert along Tung Tze Road under the “Drainage Improvement Works in Shuen Wan, Tai Po” have been in good progress and will be completed in 2013 and 2014 respectively. We also commenced the construction of the underground stormwater storage tank in Happy Valley in September 2012. We will continue the programme to complete the decking and/or landscaping of 16 sections of nullahs to improve the living environment,

with 14 sections completed (notably Fuk Man Road Nullah in Sai Kung and Queen's College Nullah in Tai Hang) and the remaining (Kai Tak Nullah and Staunton Creek Nullah) to be completed in stages from 2015. Further, we will continue with the preliminary design of the improvement work for the Yuen Long Town Centre Nullah to enhance the local environment quality and the ecological value of the nullah.

(b) Slope Safety

108. We will continue with the Landslip Prevention and Mitigation Programme to upgrade and landscape government man-made slopes, mitigate the landslide risk of natural terrain with known hazards, and conduct safety screening studies for private slopes. We will also continue our efforts on public education on slope safety including enhancing the emergency preparedness of the public.

(c) Lifts and Escalators Safety

109. A new legislation aiming to strengthening the regulatory control over lift and escalator safety was enacted in April 2012 with most of the main provisions of the Lifts and Escalators Ordinance brought into operation on 17 December 2012. The responsibilities of the owner of a lift or escalator have been extended to cover any other persons who manage or control the lift or escalator. A workers registration system is now in place whereby workers may apply for registration as registered lift/escalator workers based on their qualifications. Members of the public will also see new use permits gradually posted at lifts and escalators which clearly show the expiry date of the permits. The Electrical and Mechanical Services Department will strictly enforce the Lifts and Escalators Ordinance, continue to provide assistance to building owners and stage public education programmes to enhance lifts and escalators safety in Hong Kong.

(d) Enhancing Building Safety in Hong Kong

110. To further enhance building safety in Hong Kong, we have since April 2011 adopted a multi-pronged approach covering legislation, enforcement, support and assistance to owners as well as publicity and public education. In the past year, a number of important legislative proposals to enhance building

safety have been enacted and put into force. The Buildings Legislation (Amendment) Ordinance 2012 was enacted in July 2012, introducing a number of measures to enhance building safety including, inter alia, enabling the BD to apply for court warrant for gaining entry into individual premises for inspection and enforcement actions. The relevant subsidiary legislation setting out the detailed technical requirements of the Mandatory Building Inspection Scheme (MBIS) and the Mandatory Window Inspection Scheme (MWIS) was enacted in December 2011. Fully implemented on 30 June 2012, the MBIS and MWIS will help tackle the problem of building neglect at source. Also, under the Building (Minor Works)(Amendment) Regulation 2012 which came into effect on 3 October 2012, several types of building works associated with subdivision of units have now been included under the Minor Works Control System.

111. On the enforcement front, BD has since April 2011 adopted a revised enforcement policy against unauthorised building works (UBWs) by extending the coverage of actionable UBWs to include all UBWs (except minor amenity features) on the façade of a building. BD will continue to launch various large-scale operations, including an operation to rectify irregularities of building works associated with sub-divided flats. The territory-wide stocktaking exercise for all UBWs on the exterior of buildings is expected to be completed within 2013 and it will form a useful database for future enforcement action and policy formulation.

112. In parallel with actions taken in the urban areas, BD has since April 2012 adopted an enhanced enforcement policy against UBWs in New Territories Exempted Houses. Since April 2012, BD has commenced village-by-village surveys of villages and issued removal orders against existing UBWs which constitute serious contravention of the law and impose higher potential risks to building and public safety. BD has also launched a reporting and safety certification scheme for other UBWs which constitute less serious contravention of the law and impose lower potential risks.

113. To enhance villagers' awareness of the risks that the UBWs pose to their occupants and other members of the public, and to clearly apprise them of the types of structures and facilities which may or may not be allowed in these houses, we have launched extensive publicity targeted at the villagers concerned. We are also maintaining close liaison with the Heung Yee Kuk to enhance communication and understanding of the enforcement policy by villagers.

114. We are working closely with the HKHS and URA to assist owners in need to carry out repair and maintenance works. Various financial assistance schemes under the HKHS and URA were consolidated into the Integrated Building Maintenance Assistance Scheme in April 2011 under which one-stop assistance is provided to all owners in need and applications for various schemes funded by the Government can be made to either organisation. During the past year, we also continued with the Operation Building Bright (OBB). With a total funding of \$3.5 billion, the OBB will assist the owners of around 3 100 buildings to maintain their buildings and create more than 60 000 employment opportunities in total. To complement the launch of the MBIS, HKHS and URA jointly launched the Mandatory Building Inspection Subsidy Scheme in August 2012 to subsidise eligible owners the full cost of the first building inspection (subject to a cap). As for the repair works found necessary under the MBIS, building owners may apply for financial assistance under the various existing schemes administered by HKHS, URA and BD.

115. We will continue to launch various publicity initiatives through tailor-made channels to foster a building safety culture in Hong Kong and disseminate building safety messages.

CONCLUSION

116. We welcome Members' feedback and look forward to working closely with the LegCo in taking forward DEVB's policy initiatives.

Development Bureau
16 January 2013