

Legislative Council Panel on Development

Initiatives of Development Bureau in the Chief Executive's 2023 Policy Address and Policy Measures

PURPOSE

This paper briefs Members on the major initiatives under the Development Bureau (DEVB) in the Chief Executive's 2023 Policy Address. A summary list of the major initiatives is at **Annex A**. Relevant extracts from the Policy Measures (a supplement to the Policy Address) are set out at **Annex B**. A list of Indicators for Specified Tasks under DEVB in the 2023 Policy Address is at **Annex C**, and the progress of indicators under DEVB in the 2022 Policy Address is at **Annex D**.

POLICY ADDRESS INITIATIVES

ENHANCING QUANTITY

10-Year Supply Forecast of Developable Land

2. To facilitate monitoring of progress in land creation, we formulated in 2022 for the first time a 10-year supply forecast of developable land (i.e. spade-ready sites). Land creation is progressing on schedule. According to the latest forecast this year, in the next decade (i.e. 2024-25 to 2033-34), the supply of spade-ready sites will reach 3,370 hectares (ha), representing an increase of 90 ha as compared to the 10-year projection period in last year's forecast (i.e. 2023-24 to 2032-33). All such supply is from Government-led projects, including over 1,400 ha from the Northern Metropolis (representing nearly half of the new developable land in the Northern Metropolis) and 400 ha from the Kau Yi Chau Artificial Islands (representing about 40% of the whole reclamation area). We will continue to update our 10-year land supply forecast and strive to ensure timely delivery of land for development.

Major Land Creation Initiatives

3. To deliver the land supply target, we are forging ahead with various initiatives, notably the Northern Metropolis and Kau Yi Chau Artificial Islands –

- (a) **Northern Metropolis** – Planned with an industry-oriented and infrastructure-led vision, the Northern Metropolis is a new engine for Hong Kong’s future development. Upon full development, it will provide about 500 000 new housing units and create 500 000 new jobs. It is our target to release the development proposals of Tsim Bei Tsui / Pak Nai / Lau Fau Shan, New Territories North New Town (including Lo Wu/Man Kam To), Ngau Tam Mei and Ma Tso Lung in 2024. Following the Policy Address 2023, we published on 30 October 2023 the Northern Metropolis Action Agenda to outline the key facilities and implementation programme of the four major zones in the area, enabling the public to better understand the benefits the Northern Metropolis will bring to Hong Kong. The Action Agenda is available at the following link (https://www.nm.gov.hk/downloads/NM_Eng_Booklet_Web.pdf). To further leverage market forces to expedite development, we will extend the land exchange arrangement under the “Enhanced Conventional New Town Approach” to all new development areas and improve its operation;

- (b) **Kau Yi Chau Artificial Islands** – The Kau Yi Chau Artificial Islands is another strategically important engine driving Hong Kong forward. It will provide 1 000 ha of land, creating a new central business district with liveable, smart, green and resilient development strategies. It will also serve as an important node in future for connecting Hong Kong Island, Lantau Island, the airport, New Territories West and even Qianhai of Shenzhen. The new railway and road network will enhance the overall traffic network of Hong Kong and ease the traffic congestion in New Territories West. The large piece of new land available also allows us to plan in a “future ready” manner, and helps meet Hong Kong’s goal of achieving carbon neutrality by 2050. Coupled

with the “Double Gateway” function of the Lantau Island, the Kau Yi Chau Artificial Islands is well-positioned to tap the economic opportunities from overseas and the Greater Bay Area. The Government will commence the environmental impact assessment process this year. We aim to commence the detailed design for the reclamation works, the associated infrastructure and the connecting roads in 2024. The target is to commence the reclamation works in late 2025 for the first population intake in 2033.

The Committee on the Financing of Major Development Projects to be chaired by the Financial Secretary will put forward proposals on the financing arrangements for the Northern Metropolis and Kau Yi Chau Artificial Islands. Action is also in hand to set up a gallery to showcase the major developments for the Northern Metropolis and Kau Yi Chau Artificial Islands.

Unleash development potential of existing land

4. Apart from creating new land, we will also optimise the use of existing land to unleash development potential. We will:

- (a) **Revitalise Hung Hom Station and nearby sites** – We have invited the MTRCL to conduct a preliminary study and submit proposals next year to re-plan and develop a total land area of about 10 ha covering the Hung Hom Station and the railway facility sites in the vicinity, as well as the waterfront and pier facility sites to the south of the Hong Kong Coliseum so as to upgrade the facilities of the Hung Hom Station, release commercial and residential floor area, and create a vibrant harbourfront. The Government will also explore ways to enhance pedestrian connectivity of Hung Hom with Tsim Sha Tsui East and waterfront area, and improve the waiting areas of the bus stops near the Cross Harbour Tunnel.
- (b) **Develop the ex-Lamma Quarry site** – The Government will complete the study to map out the development direction of the 20-ha site next year, with consideration given to developing the

site for accommodation facilities with lower traffic demand, such as senior citizen residential units, residential buildings for talents, and accommodation for personnel involved in recreational training. We will also optimise the use of the quarry site and shoreline to provide leisure and recreational facilities for island tourism.

- (c) **South Lantau Eco-Recreation Corridor** - We see potential making gainful use of suitable “Green Belt” areas for recreational and tourism purposes. In this regard, South Lantau offers rich eco-recreational resources, and could be developed for eco-tourism or recreational uses, including eco-recreational facilities at Cheung Sha, Shui Hau, Shek Pik and Pui O. The DEVB will gauge public views for the initiative in South Lantau in the first half of next year.

ENHANCING SPEED AND EFFICIENCY

Streamline and speed up the development process

5. We have set out in the Policy Address 2023 the following initiatives to streamline and speed up the development process and related workflow –

- (a) **Statutory Procedures** – The Development (Town Planning, Lands and Works) (Miscellaneous Amendments) Ordinance 2023, which streamlined statutory procedures including town planning, land resumption, reclamation, roads and railway works etc, took effect on 1 September 2023¹. Looking ahead, we will introduce a bill into the Legislative Council by the end of 2023 to streamline the procedures for extension of land leases expiring from 2025, viz. to extend a land lease by operation of law upon publication of gazette notices and not by executing a land lease document with the owner(s); and

¹ Streamlining the statutory procedures would reduce the time required for turning “primitive land” into “spade-ready sites” for typical projects outside NDAs from at least six years to about four years, and large-scale projects (e.g. NDAs) from around 13 years to about seven years.

(b) **Administrative Procedures** – We have rolled out administrative measures to simplify development procedures (e.g. procedures concerning the felling and compensatory planting of trees, processing of general building plan submissions). Going forward, we will introduce more administrative measures, with the following to be implemented before the end of the year:

- (i) extend the arrangement for charging land premium on standard rates within 2023, by regularising the arrangement for redevelopment of pre-1987 industrial buildings (IBs), with expansion of the applicable scope to cover pre-1987 IBs for special uses²; and extending the arrangement in phases to agricultural land in the New Territories outside New Development Areas, with the first phase targeting private developments within the existing new towns of Yuen Long, North and Tuen Mun districts as well as those that are in the vicinity of existing or proposed railway stations;
- (ii) simplify procedures to complete straight-forward title-checking cases within 12 weeks to expedite disbursement of land resumption compensation; and
- (iii) relax the gross floor area exemption to provide flexibility for carparks to be provided aboveground.

6. In addition, in order to expedite the approval of building plans, the Government will promulgate this year a roadmap for full adoption of Building Information Modelling (BIM) in the preparation and approval of building plans for private development projects. We will invite the Hong Kong Housing Society, the Urban Renewal Authority (URA) and the MTRCL to act as pioneers from the second quarter of next year by adopting BIM in preparing building plans of residential projects.

² Such as leather tanning, garment manufacturing and food production.

ENHANCING QUALITY

Facilitating urban renewal

7. In view of urban decay and ageing buildings, we will speed up redevelopment and step up maintenance of aged buildings. On redevelopment, we will continue to embrace the “planning-led” approach to renew and restructure old districts in a holistic and sustainable manner.

8. Apart from enhancing the financial capability of the URA to enable it to undertake larger scale redevelopment projects ahead, we also need to encourage greater private sector participation in urban renewal by lowering the compulsory sale application threshold. Taking into account comments from stakeholders and members of the public on the initial ideas released late last year, we propose to refine our legislative proposals by taking into account the redevelopment need of individual districts, in addition to building age, in deciding the applicable compulsory sale application threshold. The general principle is that lower thresholds will be adopted for older buildings in districts with more pressing redevelopment need. Specifically, we propose that different thresholds will be applicable to buildings of different age groups (aged below 50; aged 50 to 59; aged 60 to 69; and aged 70 or above), with lower thresholds for older buildings and the minimum threshold being no less than 65%. The compulsory sale application thresholds for buildings falling under the age groups of 50 to 59 and 60 to 69 will be further reduced if they are located in districts with more pressing redevelopment need.

9. We will introduce an amendment bill on the above proposals, together with other measures to update and streamline the compulsory sale regime (details are set out in **Annex E**) as supported by stakeholders, into the Legislative Council by end of this year. We will also set up a dedicated office within 2024 to provide one-stop support services to minority owners affected by compulsory sale.

10. To effectively arrest urban decay in a sustainable manner, we need to introduce more policy breakthroughs to promote redevelopment. In this regard, we will embark on a study this year to explore feasible policy measures to use part of the reclaimed land outside the Kau Yi Chau central

business district to facilitate implementation of urban redevelopment projects by the public and private sectors.

Enhance Building Safety

11. The Government is concerned about the dilapidation of aged buildings. We will continue to collaborate with the URA to provide owners with technical and financial support for building repairs. The Buildings Department (BD) will, starting from this quarter, initiate prosecution against owners or owners' corporations (OCs) who have not complied with notices served under the Mandatory Building Inspection Scheme (MBIS) and where there is a lack of progress without a reasonable explanation. Moreover, we will comprehensively review the policy in three directions, including (a) adopting a more precise approach in selecting target buildings for issuance of the MBIS notices; (b) proactively identifying higher-risk buildings, and enhancing the capabilities to inspect the buildings and carry out emergency repair works through outsourcing; and (c) reviewing the workflow of various stages of Operation Building Bright 2.0 to assist and urge owners or OCs who have applied for the subsidy to expedite actions, such as streamlining the procurement procedures for engaging professionals for building inspection. We will put forth specific recommendations in the first quarter of next year.

Review the Buildings Ordinance (BO)

12. To empower the BD to take enforcement actions more effectively, we will review the BO in the following two directions and put forth amendment proposals next year –

- (a) **Strengthen enforcement power** - We will consider raising the maximum penalties and, through introducing fixed penalties or summary offences, explore streamlining prosecution procedures against non-compliance with various notices and orders issued by the BD³, as well as vesting officers with greater power on

³ At present, the maximum fines for the relevant offences for various notices and orders such as MBIS and Mandatory Window Inspection Scheme, unauthorised building works removal orders, building or drainage repair/investigation orders, dangerous hillside orders, etc., range from \$25,000 to \$200,000, and the terms of imprisonment range from three months to one year.

evidence collection, so as to combat violations such as unauthorised building works; and

- (b) **Enhance safety of building works** - Apart from considering raising the maximum penalties of offences related to building works under the BO⁴, we will review the registration system of registered contractors, including exploring shortening the validity period of registration renewal and/or imposing renewal conditions (e.g. requiring the submission of safety improvement plans) under certain specified circumstances (e.g. where the contractor is involved in a serious injury or fatality incident), as well as examining ways to improve the regulatory system for authorised signatories appointed by contractors to act on their behalf. We will also review the disciplinary system for registered contractors, considering increasing the disciplinary penalties⁵ and exploring ways to streamline the procedures for making referrals to the disciplinary board.

Elderly-friendly building design

13. To encourage ageing in place, the Deputy Financial Secretary will co-ordinate bureaux including the Development Bureau, the Labour and Welfare Bureau, the Housing Bureau, etc. to put forward, within 2024, proposals for incorporating the concept of universal design and accessibility for elderly persons into BD's building design manual.

⁴ Such as undertaking works in contravention of the regulations; carrying out works without appointing prescribed building professionals and/or prescribed registered contractors; using defective materials and methods of construction; deviating from the approved plans or making misrepresentations in submissions; causing injury to any person or damage to any property by carrying out the building works or the manner in which they are carried out, etc. The maximum fines for the relevant offences range from \$35,000 to \$1,000,000, and the terms of imprisonment range from three months to three years.

⁵ Under the prevailing BO, if the independent disciplinary board is satisfied that the registered contractor or director or officer or the person appointed by the contractor concerned has been convicted of an offence, or done an act described in the BO, or failed to discharge the relevant duties or abide by the relevant requirements, the board may order (i) removal of the name from the relevant register either permanently or for such period the board thinks fit; (ii) imposition of a fine not exceeding \$250,000; or (iii) a reprimand.

Emergency Response Management – Enhance the Capability of Handling Extreme Weather

14. In response to extreme climate change, we will strengthen flood and slope management. For flood management, we have commenced the “Strategic Planning Study on Flood Management against Sea Level Rise and Extreme Rainfall” and will develop a forward looking strategy. The study is expected to be completed in 2024. We are taking forward expeditiously seven stormwater drainage improvement projects, with a total cost of more than \$8 billion, including projects in Wong Tai Sin and Hong Kong Island East and other areas hit by severe floods in the past, so as to alleviate the risk of flooding in the areas the soonest possible. In regard to slope management, we will conduct systematic investigations and studies on major landslide incidents triggered by extreme rainstorms and devise focused measures of landslide mitigation for more natural slopes. We will also explore ways to use technologies to improve our risk assessment capabilities on aspects of more uncertainties e.g. flooding and landslide hazards.

INDICATORS FOR SPECIFIED TASKS

15. We set out in **Annex C** a list of 11 Indicators for Specified Tasks contained in the Annex to the 2023 Policy Address. They comprise 4 new indicators and 7 ongoing and valid indicators. These Indicators for Specified Tasks cover a wide range of work under DEVB, and will serve as targets for our work and objective yardsticks against which our performance may be assessed. As regards the Indicators for Specified Tasks contained in the Annex to the 2022 Policy Address, the relevant progress is set out in **Annex D**.

ADVICE SOUGHT

16. We welcome comments from Members on the various initiatives.

Development Bureau
October 2023