

**Government's Response to  
Recommendations and Major Comments  
in the Report of Task Force on Land Supply (TFLS)**

***(A) TFLS's recommendations on land supply strategy  
(paragraphs 5.2 – 5.8 of the Report)***

<b>TFLS's Recommendations/ Observations</b> <i>(reference in the Report)</i>		<b>Government's Response</b>
1.	<p>The Government should adopt land supply strategy with various features.</p> <p><i>(paragraphs 5.2 – 5.8)</i></p>	<p>✓ The Government <b>fully endorses</b> the TFLS's recommendations relating to the land supply strategy. We see a need for a more robust and vision-driven land supply policy to be articulated to guide our land supply efforts in ensuring delivery of sufficient land on time to cater for Hong Kong's development.</p> <p>✓ Taking into account TFLS's observations that the shortfall of 1 200 ha of land, which has been put forward in the context of the Hong Kong 2030+, has grossly under-estimated our long term demand for land, the broad-based support for creating a land reserve and the community's strong aspiration for better living environment, the Government's <b>land supply strategy will comprise the following features -</b></p> <p>(a) the Government's core strategy is to <b>increase land supply on a sustained basis</b>. We should uphold and follow through this</p>

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	<p>policy position regardless of short-term economic changes or fluctuations in property prices;</p> <p>(b) the objective of our land supply strategy is to provide sufficient space for <b>cop</b>ing with any <b>anticipated increase in population and committed provision standards</b>. We should aim to <b>build up a land reserve</b> for <b>enabling potential improvements</b> in provision standards for good quality living environment in a compact, urbanised city; <b>fostering economic growth</b>; providing room for <b>cop</b>ing with <b>unforeseen circumstances and capitalising on unforeseen opportunities</b>; and <b>strengthening Government's ability to provide land in a timely and effective manner</b> in response to Hong Kong's ever changing needs;</p> <p>(c) the Government should continue to adopt a <b>multi-pronged strategy</b> to expand our land resources, to minimise reliance on individual sources and facilitate greater certainty in achieving the land supply strategy;</p> <p>(d) taking into account the long lead time for realising new supply of</p>

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	<p>land, our land supply strategy should embrace the <b>early commissioning of all the necessary impact assessments and studies, while allowing room for reviewing the recommended land uses and the timetable for implementation</b> in the light of the outcomes of the studies and latest circumstances; and</p> <p>(e) the Government should adopt an <b>infrastructure-led and capacity creating approach</b> in planning and providing strategic transport infrastructure to encourage early development and allow sufficient buffer for growth. In this connection, we should better <b>integrate land use planning and infrastructure decision-making</b> to, where appropriate, intensify the land uses around the infrastructure and allow the cost effectiveness of corresponding infrastructural investments to be assessed over a longer, more reasonable timeframe. We will also make better use of <b>capital, technology and innovation</b> to overcome limitations in land.</p> <p>✓ To strengthen <b>high level steer</b> overseeing and coordinating the assessment of land demand and supply and the strategic planning for</p>

<b>TFLS's Recommendations/ Observations</b> <i>(reference in the Report)</i>	<b>Government's Response</b>
	<p>different land uses, the Government will <b>expand the composition and terms of reference of the existing Steering Committee on Land Supply (SCLS)</b> chaired by the Financial Secretary to include all the Directors of Bureaux requiring land to support their policy objectives and the Government Economist. Among other things, the expanded SCLS will look into the following areas -</p> <ul style="list-style-type: none"> <li>(a) adopt a vision-driven and forward-looking approach in re-assessing our land demand for housing, economic, community and recreational needs, taking into account public aspirations for better housing and quality living environment, the space required to maintain our economic competitiveness, the needs of the elderly and their families amidst an ageing population, and accordingly the scale of land reserve that we should target for;</li> <li>(b) oversee the adoption of an infrastructure-led and capacity creating approach in planning and providing strategic transport infrastructure, as well as integration of land use planning and infrastructure decision making;</li> </ul>

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	<p>(c) consider whether, and if so how, alternative funding and execution arrangements should be adopted for major development projects; and</p> <p>(d) coordinate cross-bureau efforts and monitor progress to ensure that land supply strategy and its implementation are taken forward in a timely and effective manner.</p>

***(B)TFLS’s recommendations on the land supply options worthy of priority studies and implementation***

*(paragraphs 5.9 – 5.101 of the Report)*

<b>TFLS’s Recommendations/ Observations</b> <i>(reference in the Report)</i>		<b>Government’s Response</b>
<b><i>Developing Brownfield Sites</i></b>		
2.	<p>Developing brownfield sites should be a priority option for implementation.</p> <p><i>(paragraph 5.16)</i></p>	<p>✓ Developing brownfield sites for land-efficient uses has all along been a <b>key component of the Government’s multi-pronged land supply strategy.</b></p>
3.	<p>The Government should devise a comprehensive policy on the development of brownfield sites in the NT; ascertain the development potential of about 200 hectares of brownfield sites in NT North; identify land parcels with development potential among the remaining 760 hectares of brownfield sites not yet included in current planning and development projects; give priority to the development of brownfield sites close to existing planned New Development Areas (NDAs) and transport infrastructure and consider appropriate enhancement of infrastructure close to such land parcels.</p> <p><i>(paragraph 5.17)</i></p>	<p>✓ The Government will continue to take forward development of about <b>340 hectares (ha) of brownfields through planned NDA projects.</b> Specifically, funding approval from the Legislative Council (LegCo) for the main works of Kwu Tung North (KTN)/ Fanling North (FLN) and Hung Shui Kiu (HSK) NDAs will be sought in the first and second half of 2019 respectively. Statutory planning for Yuen Long South (YLS) Development will also start in 2019.</p> <p>✓ For the <b>New Territories (NT) North involving 200-ha of brownfields</b>, the Government will commence the Phase One study on NT North NDA covering the San Tin/Lok Ma Chau area (with about</p>

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<p>4. Concerns of brownfield operators must be handled properly.  <i>(paragraph 5.18)</i></p>	<p>65 ha of brownfields) in Q3 2019.</p> <ul style="list-style-type: none"> <li>✓ For the <b>remaining 760 ha of brownfield sites that are not at the moment covered by any current or proposed NDAs</b>, the Planning Department will commence an in-house study mid-2019 to assess their development potential and prioritise those sites with housing potential for follow-up study by departments.</li>   <li>✓ In parallel, the two <b>brownfield-related studies (one on distribution and profile, and another on feasibility of accommodating brownfield operations in Multi-storey buildings (MSBs))</b> are expected to be completed shortly. In light of consultants’ recommendations and subject to further discussion with relevant bureaux, the Government will formulate <b>policy measures to promote development of MSBs and incentivise brownfield operations</b> to be relocated to such MSBs. We aim to announce the study findings together with policy proposals within 2019.</li> </ul>

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<p><b><i>Tapping into Private Agricultural Land Reserve in the New Territories</i></b></p>	
<p>5. The Government should formulate a detailed mechanism for public-private partnership (PPP) that is open, fair and transparent to realise the potential of private land in the NT.</p> <p><i>(paragraphs 5.30 and 5.31)</i></p>	<p>✓ The 2018 Policy Address (PA) outlines the Land Sharing Pilot Scheme (LSPS) which seeks to unlock privately-owned agricultural lots in the NT for both public and private housing development in the short-to-medium term. The 2018 PA has suggested that a range of no less than 60% to 70% of the additional gross floor area of the application under the LSPS should be dedicated for public housing, and that the cost of justified infrastructural works may be deducted from land premium.</p> <p>✓ Taking into account the directional pointers in the 2018 PA and TFLS’s recommendations, the Government is in the process of <b>drawing up more specific criteria and other details of the implementation framework for LSPS</b>, with a view to inviting applications in the second half of 2019 after seeking the endorsement of the Chief Executive-in-Council.</p>
<p>6. Set specific benchmarks for the proportion of public housing in PPP projects, with the benefits accrued to the community being no less than the amount of public money invested by the Government in infrastructural upgrading for the subject projects.</p> <p><i>(paragraph 5.32)</i></p>	

<b>TFLS's Recommendations/ Observations</b> <i>(reference in the Report)</i>		<b>Government's Response</b>
<b><i>Alternative Uses of Sites under Private Recreational Leases (PRL)</i></b>		
7.	<p>Accord priority to studying and resuming the 32 hectares of land of Fanling Golf Course (FGC) to the east of Fan Kam Road.</p> <p><i>(paragraph 5.47)</i></p>	<p>✓ The Government will <b>develop the 32 ha of land east of Fan Kam Road of FGC for the purpose of housing development (with emphasis on public housing)</b>, and will accordingly commence a detailed, technical study in the second half of 2019 to ascertain the highest flat yield attainable within the corresponding timeframe; assess the scope of infrastructural works required to support such development; identify environmental, ecological and other constraints, and formulate mitigation measures to contain any identified impacts to within acceptable limits; and come up with an implementation plan with timing and costs.</p> <p>✓ We aim to complete the technical study in end-2020 or early 2021. Accordingly, the 32 ha of land will not be covered by any lease renewal for the FGC and will only be subject to a <b>special three-year hold-over arrangement</b> after expiry of the current lease in August 2020. After the special three-year hold-over arrangement, the 32 ha of land will revert to the Government.</p>
8.	<p>Whether the remaining 140 hectares of land of FGC site should be further released for other developments in the longer run, the Government should consider identifying a suitable site to relocate the golf course, the lead time for relocation, impact on the ecology and conservation values of the site, as well as the necessary ancillary infrastructure to support other developments.</p> <p><i>(paragraph 5.49)</i></p>	

<b>TFLS's Recommendations/ Observations</b> <i>(reference in the Report)</i>		<b>Government's Response</b>
		<p>✓ As regards the <b>remaining 140 ha of land for the FGC</b>, the Government has <b>no plan to pursue any alternative land uses</b>. Upon the expiry of the current lease in August 2020, the lease renewal of FGC should only apply to the remaining 140 ha of land. According to the results of the PRL policy review, the renewed lease should cover a period up to the end of June 2027 at nominal land premium and nil administrative fee, with modified terms on aspects such as further “opening up” requirements and enhancement of governance measures.</p>
<b><i>Near-shore reclamation outside Victoria Harbour</i></b>		
9.	<p>The Task Force supports in principle the reclamation projects at the five proposed near-shore locations, namely Lung Kwu Tan in Tuen Mun, Siu Ho Wan and Sunny Bay in North Lantau, Ma Liu Shui in Sha Tin, and Tsing Yi Southwest.</p> <p><i>(paragraph 5.60)</i></p>	<p>✓ The Government proposes to take forward <b>detailed studies for the projects at Lung Kwu Tan, Sunny Bay and Siu Ho Wan</b><sup>Note</sup>, with a target to submit funding applications for the related studies to LegCo in the second half of 2019.</p> <p>✓ Reclamation at <b>Ma Liu Shui</b> will be put on hold subject to review to address concerns over traffic impact and public/private housing mix in</p>
10.	<p>The Government should carry out thorough preliminary studies and</p>	

<b>TFLS's Recommendations/ Observations</b> <i>(reference in the Report)</i>		<b>Government's Response</b>
	<p>planning, as well as conduct environmental impact assessment according to the statutory mechanism. Appropriate measures should be devised to mitigate the impact of reclamation works on the environment and ecology.</p> <p><i>(paragraph 5.63)</i></p>	<p>slower time.</p> <p>✓ The Government does not intend to proceed with reclamation at <b>Tsing Yi Southwest reclamation</b>, as its possible uses and potential are limited by the hazardous facilities (e.g. oil tanks) nearby.</p> <p><small>Note</small> The reclamation at Siu Ho Wan will be a small-scale one involving the construction of a new highway running parallel to the North Lantau Highway.</p>
11.	<p>The Government should provide more information and analyses to address the concerns directly relevant to local residents, especially those relating to whether the carrying capacity of existing transportation infrastructure is sufficient, with the aid of feasibility and planning studies.</p> <p><i>(paragraph 5.64)</i></p>	
<b><i>Developing the East Lantau Metropolis (ELM)</i></b>		
12.	<p>The Task Force recognises the strategic importance of the ELM in terms of creating new land masses for integrated planning and development crucial to Hong Kong's long-term interests, expanding our strategic transport network and building a land reserve.</p>	<p>✓ The Government will take forward the <b>detailed studies for the reclamation of the Kau Yi Chau artificial islands, with an area of about 1000 ha, and related infrastructure</b>, being part of the Lantau Vision Tomorrow, and seek funding approval from LegCo in the first half of 2019.</p>

<b>TFLS's Recommendations/ Observations</b> <i>(reference in the Report)</i>		<b>Government's Response</b>
	<i>(paragraphs 5.72 to 5.74)</i>	✓ The Government is aware of the public concerns relating to the artificial islands. We will conduct the needed site investigations, technical studies, and traffic and environmental impact assessments, etc. in the future studies and then draw up a detailed proposal. In the course of the studies, public engagement activities will be conducted to provide more comprehensive information for consulting the public and gathering their views and suggestions.
13.	The Government should address and handle with caution the impact of construction of artificial islands on the marine environment and ecology; costs and time involved; and whether the artificial islands could stand up to the impact of climate change and extreme weather conditions.  <i>(paragraph 5.75)</i>	
14.	The Task Force considers that developing the 1000-hectare ELM artificial islands is a key initiative to resolve the problem of land shortage in the medium-to-long term. The Government should commence the preliminary studies and planning to collect more information and data for deciding the next step.  <i>(paragraph 5.76)</i>	
<b><i>Developing Caverns and Underground Space</i></b>		
15.	The Task Force supports Government to continue its efforts to identify caverns and projects suitable for underground space development and to proceed with the necessary studies and	✓ The Government will actively pursue the <b>relocation of the Sha Tin Sewage Treatment Works and Diamond Hill Fresh Water and Salt Water Service Reservoirs to cavern</b> , and continue with the

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	<p>planning, bearing in mind the cost-effectiveness of the projects and the interests of the community.</p> <p><i>(paragraph 5.86)</i></p>	<p>ongoing pilot studies on <b>underground space development in selected strategic urban areas.</b></p>
<b><i>More New Development Areas (NDAs) in the NT</i></b>		
16.	<p>The Government should take forward the planned NDA projects as soon as possible.</p> <p><i>(paragraph 5.93)</i></p>	<p>✓ The Government will continue to press ahead with the <b>implementation of the KTN/FLN and HSK NDAs and YLS.</b> Specifically, subject to LegCo’s funding approval in the first half of 2019, land resumption and infrastructural works for the First Phase of the KTN/FLN NDA development will commence in the second half of 2019 for population intake to start in 2023/24. Funding approval for the main works of HSK NDA will be sought in the second half of 2019. Statutory planning for YLS will also start in 2019.</p>
17.	<p>The Government should adopt a “people-oriented” and “policy-led” approach when exploring how to enhance implementation measures on NDAs.</p> <p><i>(paragraph 5.93)</i></p>	<p>✓ The Government will commence a detailed study on the first phase of <b>NT North</b>, which will cover the San Tin/Lok Ma Chau Development Node, in Q3 2019. The timing for triggering detailed studies on the remaining areas of the NT North</p>

<b>TFLS's Recommendations/ Observations</b> <i>(reference in the Report)</i>		<b>Government's Response</b>
		<p>New Town at Ping Che/Ta Kwu Ling/Hung Lung Hang will be determined later.</p> <p>✓ The Government introduced in May 2018 measures to enhance the ex-gratia compensation and rehousing arrangements for domestic households or business operators affected by the Government's development clearance exercises. The proposal, which should smoothen the implementation of NDA developments, was approved by the LegCo.</p>
<b><i>Developing the River Trade Terminal (RTT) Site</i></b>		
18.	<p>The Government should consider holistically the land uses of the entire coastal area of Tuen Mun West (including the RTT site, the Lung Kwu Tan reclamation site as well as the industrial and special industrial facilities nearby) and examine rationalisation and realignment of operations on different sites, so as to increase planning flexibility.</p> <p><i>(paragraph 5.99)</i></p>	<p>✓ The Government will seek funding approval from LegCo in the second half of 2019 to initiate <b>study on the re-planning of the coastal area of Tuen Mun including the RTT site</b> as part of the detailed study for the proposed reclamation at Lung Kwu Tan.</p>

***(C) TFLS’s comments on other land supply options  
(paragraphs 6.1 – 6.50 of the Report)***

<b>TFLS’s Recommendations/ Observations</b> <i>(reference in the Report)</i>		<b>Government’s Response</b>
<b><i>Relocation or Consolidation of Land-Extensive Recreational Facilities</i></b>		
19.	<p>The Task Force considers that relocation and consolidation of land-extensive sports and recreational facilities does not gain general support from the community.</p> <p><i>(paragraph 6.6)</i></p>	<ul style="list-style-type: none"> <li>✓ The Government <b>notes Task Force’s observations</b> on this option.</li> <li>✓ While the Government has no intention to implement this option on a large scale or as a major means to increase land supply, the Government shares the Task Force’s observation that should there be individual sites that carry the potential for relocation and consolidation of land-extensive sports and recreational facilities under the “single site, multiple use” model to optimise land use and if such initiative can bring overall benefit to society, the Government will further consult relevant District Councils and local stakeholders on relevant proposals.</li> </ul>
<b><i>Developing Areas on the Periphery of Country Parks</i></b>		
20.	<p>Notwithstanding the fact that this option was supported by over half of the respondents in the telephone survey, it garnered obviously less support in the</p>	<ul style="list-style-type: none"> <li>✓ The Government <b>notes the Task Force’s observations</b> on this option.</li> <li>✓ In light of the strong reservation in</li> </ul>

<b>TFLS’s Recommendations/ Observations</b> <i>(reference in the Report)</i>		<b>Government’s Response</b>
	<p>responses collected through alternative channels (including questionnaires), and the responses reflected mainly objections in principle.</p> <p><i>(paragraph 6.14)</i></p>	<p>the community and given that the development of country park periphery will involve more hurdles and complexities compared with the other medium-to-long term options as pointed out by TFLS, as well as the pressing need now to focus attention and resources on those options with priority as recommended by TFLS, <b>we will not at this stage further pursue the alternative land use of country park periphery.</b></p>
21.	<p>Compared with the other medium-to-long term options, developing areas on the periphery of country parks involves more issues, hurdles and complexity. Moreover, the possibility of legal challenges throughout the process should not be underestimated.</p> <p><i>(paragraph 6.15)</i></p>	<p>✓ We will accordingly discuss with the Hong Kong Housing Society the arrangements for <b>not proceeding further with its study</b> on the feasibility of such development at two specific sites after the completion of those fact-finding tasks already commenced.</p>
<b><i>Increasing Development Intensity of “Village Type Development” Zones</i></b>		
22.	<p>The Task Force finds it difficult to accord priority to this option for implementation. Nonetheless, from the perspective of optimising land use, the Government may consider if there is room to review the Small House Policy upon conclusion of the judicial review proceedings in relation to this</p>	<p>✓ The Government <b>notes the Task Force’s observations</b> on this option.</p> <p>✓ The Government will <b>keep in view the development of the judicial review against the Small House Policy.</b></p>

<p style="text-align: center;"><b>TFLS’s Recommendations/ Observations</b> <i>(reference in the Report)</i></p>	<p style="text-align: center;"><b>Government’s Response</b></p>
<p>subject.</p> <p><i>(paragraph 6.24)</i></p>	
<p><b><i>Topside Development of Existing Transport Infrastructure</i></b></p>	
<p>23. The Task Force endorses the direction of utilising the topside space of transport infrastructure for other developments, but it would be more desirable to consider holistically the need and the feasibility to do so alongside the planning of the transport infrastructure, so as to handle the planning and design of different facilities at the same time, better integrate the functional uses of both developments, and minimise complex interface issues.</p> <p><i>(paragraph 6.31)</i></p>	<ul style="list-style-type: none"> <li>✓ The Government <b>notes the Task Force’s observations</b> on this option.</li> <li>✓ The Government will <b>explore on a case-by-case basis whether topside development can be pursued</b> when designing and implementing new transport infrastructure projects, taking into account the principle of “single site, multiple use”, to optimise land use.</li> <li>✓ The Government will also continue to take forward planned topside development at existing transport infrastructure, including the <b>topside development above the Siu Ho Wan Depot Site</b> which has the potential to provide public and private housing of no less than 14 000 residential units in total in the medium-to-long term. We will also <b>continue to explore the development potential of topside development above other existing transport infrastructure</b> including railway facilities.</li> </ul>

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<b><i>Utilising the Development Potential of Public Utilities Sites</i></b>	
<p>24. The Task Force considers that the Government should review in due course whether individual public utilities sites are still performing their original functions, and whether certain sites carry the potential for development (including topside development), particularly the reasonably large sites in the urban areas.</p> <p><i>(paragraph 6.36)</i></p>	<ul style="list-style-type: none"> <li>✓ The Government <b>notes the Task Force’s observations</b> on this option.</li> <li>✓ When reviewing the land leases of public utilities sites (including telephone exchange) before their expiry in accordance with the existing mechanism, Government will examine whether there is a need to retain the site for its original use. Government will also review as appropriate the development potential of individual sites (especially relatively large ones at good locations) including potential for topside development, with reference to relevant planning studies for that area.</li> </ul>
<b><i>Kwai Tsing Container Terminals (KTCTs) Sites</i></b>	
<p>25. The Task Force considers that notwithstanding that the options of relocation and topside development of the Terminals could hardly contribute to resolving the land shortage in the short-to-medium and medium-to-long run, the Task Force considers that, for the</p>	<ul style="list-style-type: none"> <li>✓ The Government <b>notes the Task Force’s observations</b> on the options, particularly its comments on relocation of KTCTs in the longer term.</li> <li>✓ KTCTs are important port facilities and economic infrastructure of Hong Kong which underpin the</li> </ul>

<b>TFLS's Recommendations/ Observations</b> <i>(reference in the Report)</i>		<b>Government's Response</b>
	<p>long-term development, the Government may explore whether it is worthwhile to study the relocation option, taking into account the latest developments in the logistics, maritime and ports industries in Hong Kong, the Mainland (especially the Greater Bay Area) and the whole region, the needs of Hong Kong Port, as well as the overall land demand and supply situation in Hong Kong.</p> <p><i>(paragraph 6.43)</i></p>	<p>development of our trading and logistics sector. Since relocation of such major infrastructure is a massive exercise with many implications and interface issues, we will first accord priority to other land supply options.</p>
<b><i>Reclaiming Part of Plover Cove Reservoir (PCR) for New Town Development</i></b>		
26.	<p>The Task Force does not recommend reclaiming part of the PCR as a land supply option.</p> <p><i>(paragraph 6.50)</i></p>	<ul style="list-style-type: none"> <li>✓ The Government <b>notes the Task Force's observation</b> on this option.</li> <li>✓ The Government has <b>no intention to pursue</b> this option.</li> </ul>

**Development Bureau**  
**February 2019**