

# LCQ20: Land administration of shipyard sites

Following is a question by the Hon Au Nok-hin and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (February 20):

Question:

The Lands Department (LandsD) conducted a tendering exercise in 2012 to let 16 shipyard sites along Ap Lei Chau Praya Road by way of short-term tenancies (STTs). The STTs concerned were granted for a term ranging from five to seven years commencing from 2013, with the lowest monthly rental being around \$10,000-odd. It is stipulated in the STTs that the sites concerned may only be used for ship or boat building and/or repairing. However, it has been reported that while slipways are originally intended for temporary anchorage of vessels pending repair only, some tenants have, for profiteering purpose, let such slipways as berthing spaces for yachts. Over the years, I have received a number of complaints from local residents alleging that certain sites have been put to uses not permitted under the STTs, such as vehicle repairing, yacht sale shows and barbecue parties. The structures erected on such sites have also exceeded the structure height restrictions stipulated in the STTs. In this connection, will the Government inform this Council:

(1) whether the LandsD has set priorities for handling complaints about alleged breaches of STT conditions; if so, of the details;

(2) since the commencement of the STTs of the aforesaid 16 shipyard sites in 2013, of the respective numbers of (i) inspections made by staff members dispatched by the LandsD and (ii) occasions on which the LandsD found that the shipyard tenants had breached STT conditions; the actions taken by the LandsD in respect of those cases involving breaches of STT conditions and the outcome thereof;

(3) as the LandsD had reportedly written to the shipyard tenants concerned in late 2017 requesting them to provide information to prove that the land uses at that time had not breached STT conditions, whether the LandsD has assessed if such a practice is sufficient for ensuring tenants' compliance with STT conditions; whether the LandsD (i) has other measures in place to ensure that the shipyard tenants will comply with STT conditions and (ii) has reviewed the effectiveness of such measures;

(4) as the STTs for 15 out of the 16 shipyard sites will soon expire, whether the LandsD has plans to conduct a tender exercise for letting such sites again; if so, of the details; and

(5) whether it has made long-term plans for the uses of these 16 shipyard

sites?

Reply:

President,

A consolidated reply to the five-part question in consultation with the Transport and Housing Bureau (THB) is as follows:

(1) At present, there are over 5 000 short-term tenancies (STTs) in Hong Kong, covering a total area of some 2 500 hectares. Upon receipt of complaints or referrals, District Lands Offices will conduct appropriate investigations and follow up actions having regard to the circumstances of individual cases, such as making site inspections, issuing enquiry letters to tenants, consulting relevant bureau(x) and department(s) on actual operations, and seeking legal advice on tenancy conditions and enforcement, etc. If it is found that a tenant has breached STT conditions, the relevant District Lands Office will require the tenant to rectify within a specified period. If the situation shows no improvement, the District Lands Office, acting in the capacity of landlord, will take enforcement actions in accordance with the tenancy conditions, including terminating the relevant STT as the last resort. Where appropriate, District Lands Offices will also carry out proactive inspections on STTs which involved breach of conditions previously to monitor their compliance.

(2),(3) and (4) With the policy support of the THB, the Lands Department (LandsD) conducted open tender for 16 shipyard sites along Ap Lei Chau Praya Road for award to the highest bidders in 2013. The STTs of these sites were effective from 2013, with 14 sites let out on a term of seven years and the remaining two on a term of five years. After consulting the THB and relevant department(s), the LandsD recently re-tendered the latter two sites in December 2018, with the two STTs commencing in April and May 2019 respectively. The tenure of both sites is a fixed term of five years, but extendable for two years thereafter (i.e. a maximum of seven years in total) if the tenant of a site applies to and obtains approval from the Town Planning Board for use of the site as shipyard permanently. The LandsD will consult relevant bureau(x) and department(s) at an appropriate time and handle the remaining 14 sites according to the applicable policies.

Whether the use of an individual shipyard site is in breach of the tenancy user conditions depends on the actual operation of the shipyard concerned and the content of the STT conditions involved. As regards the 16 sites concerned, their STT conditions stipulate that the sites shall only be used for ship or boat building and/or repairing (excluding building and/or repairing of steel ships or boats). In general, mooring of such vessels awaiting repair within the STT area will not constitute a breach of STT conditions. Nevertheless, it will be a breach of STT conditions if a tenant sublets land within the STT area to others for berthing of vessels or uses the site for other purposes unrelated to building/repairing of such vessels.

In light of complaints and referrals regarding suspected breaches of

tenancy user conditions, the LandsD wrote to Ap Lei Chau Praya Road shipyard tenants in November 2017, enquiring about the current use of the shipyard sites and whether they had been sub-let for berthing of yachts, as well as reminding them of the user restriction under their respective STTs and their responsibility to rectify any breach of STT conditions. At that time, the shipyard tenants replied that the shipyard sites had been used only as shipyards, and not sub-let for berthing of yachts. The LandsD and the Marine Department (MD) subsequently conducted joint site inspections (including surprise checks) on Ap Lei Chau Praya Road shipyards in batches in January, March, June, and November 2018. Among the 16 sites mentioned in the question, after consulting the MD, the LandsD considers that there is no evidence to substantiate breaches of tenancy user restrictions in respect of nine of the shipyards. As for the remaining seven shipyards, in view of the substantial amount of information involved, the LandsD is consolidating the results of the joint inspections and will consult the MD in due course to confirm whether there is any breach of tenancy user restriction.

In addition, having consulted the THB and the MD, in order to strengthen the monitoring of the use of the STT sites, special tenancy conditions have been incorporated in the two recently re-tendered Ap Lei Chau Praya Road shipyard STTs, requiring tenant to produce job sheets in relation to shipyard use on the STT site, as well as opinion from certified public accountants or other relevant documents upon request by the Government, to confirm that the tenant's income from business carried on the STT site is related to shipyard use.

As for the issue of the building height of structures mentioned in the preamble of the question, the LandsD conducted investigation and followed up in October 2015 on a complaint about breach of height restriction in one of the shipyard sites. The relevant tenant rectified the breach in the same month.

The LandsD and the MD will conduct joint inspection of the shipyard sites concerned in a timely manner as and when necessary to ensure that the use of the sites complies with the tenancy conditions. If there is evidence substantiating that tenancy conditions have been breached in the use of the shipyard sites, the LandsD will take appropriate enforcement actions.

(5) The 16 shipyard sites located along the Eastern side of Ap Lei Chau Praya Road are zoned "Industrial" on the approved Aberdeen and Ap Lei Chau Outline Zoning Plan (OZP) No. S/H15/33. According to the Explanatory Statement of the OZP, the area at the Eastern side of Ap Lei Chau Praya Road is developed for boatyards and engineering workshops to serve the local fishing fleet. Providing timely and adequate repairing and maintenance services to sea vessels is of paramount importance to port operation, maritime safety, and sustainable development of the shipping industry. At present, the Government has no plan to change the existing planned use in the area.