

**LegCo Panel on Planning, Lands and Works
Special meeting on 6 June 2002**

**Issues relating to the suspension of the
construction of village expansion areas**

Purpose

This paper aims to set out the background of the village expansion area (VEA) scheme and the Administration's responses to the specific issues raised at the meeting between LegCo Members and Councillors of Heung Yee Kuk (HYK) on 29 January 2002.

Background

2. The VEA scheme has been evolved from the Small House Policy. The Small House Policy was introduced in 1972 with the objective of improving the then prevailing low standard of housing in the rural areas of the New Territories (NT). Under the Small House Policy, male indigenous villagers (IVs) aged 18 or above descended through the male line from one of the recognised villages in the NT may apply for building a small house for once in their life time. They can either apply for a free building licence (FBL) to build a small house on their own land at nil premium, or a private treaty grant (PTG) of Government land, if available, at a concessionary premium.

3. To provide for better planning of village developments and to cater for the housing needs of the indigenous villagers who do not have their own land, the Administration introduced the VEA scheme in 1981. Subject to the availability of land and other resources, Government has developed VEAs to enable indigenous villagers, who do not have their own land, to apply for a private treaty grant of Government land for building small houses. The first VEA was completed in 1985. So far, 36 VEAs providing a total of 1,962 small house sites have been developed or near completion. Another 11 VEAs (at Annex) are at various planning stages.

Problems associated with VEAs

4. The development of VEAs often requires the assembly of Government and private land involving land resumption and clearances. It is, therefore, not uncommon to find objections by affected land owners and residents towards the land resumption and clearances for the development of VEAs. The construction of VEAs also requires Government departments to provide relevant resources, e.g. provision of roads and amenities in the VEA.

5. Given the ongoing review of the Small House Policy and the issues associated with the construction of VEAs as outlined above, the Administration considers that no more new VEA projects should be initiated. VEA projects under planning should also be withheld pending the completion of the Small House Policy review which will examine, among other things, issues such as optimum land utilisation and land use planning in the NT.

Responses to issues raised by HYK

Housing needs of IVs

6. As mentioned in paragraph 2 above, the original objective of the Small House Policy was to improve the low standard of rural housing and hence was also intended to cater for the housing needs of the IVs. Since 1970's, large scale public housing programmes have taken place in the new towns in NT. These have provided housing opportunities to the community at large, including villagers in NT.

7. Government has never set any restrictions on the IVs regarding their rights to apply for public housing as long as they have not received any small house grants. This is in line with the main eligibility criteria to be observed by public housing applicants (i.e. applicants should not have their own properties). IVs can also apply for various types of public housing benefits, including Public Rental Housing, Home Ownership Scheme and Private Sector Participation Scheme if they meet the eligibility criteria of these schemes. They would be treated in the same manner as any other applicants under these schemes. Fulfilment

of the housing need of the IVs, therefore, does not rely on the Small House Policy alone.

8. HYK considers that Government's resumption of private land for public works projects has affected IVs' right to build small houses. The Administration wishes to clarify that under the Small House Policy, small houses can only be built within the "V" (Village Development Area) zone and the village environs, i.e. within the 300 feet radius of a recognised village, or the extended area of a recognised village. The resumption of private land for public works projects outside the village environs, therefore, will not affect IV's right to build small houses. Where land resumption affects the whole indigenous village, Government will normally provide resite arrangements for the villagers concerned. Where part of the recognised village is affected by land resumption, compensation will be given to eligible villagers in accordance with the prevailing compensation arrangements applicable to IVs.

Cost of developing VEA

9. HYK is of the view that the Government would not suffer any financial loss by developing VEAs, as the cost will be fully recovered from the successful applicants.

10. We wish to point out that on average, only about 30% to 50% of the costs of forming a VEA can be recovered from the premium paid by the applicants. The premium charged in respect of small house grants reflects only the costs of resumption, clearance and site formation of the land to be granted to eligible villagers. The costs of providing open space, access road and amenity facilities within the VEA are excluded from the calculation of premium payable. VEA development, therefore, has significant financial implications to Government.

Way forward for the VEA

11. In view of the issues associated with the construction of VEAs, the Administration maintains the view that no new VEA projects should be initiated before the completion of the Small House Policy review. As regards those VEAs which are at an advanced stage of planning, we will consider the merits of these cases and to see if there is any scope to

implement them before the completion of the Policy review.

Planning and Lands Bureau
May 2002

VEA Projects (11) at Various Planning Stage

| District | Name of VEA | No. of Small House Sites to be Developed |
|-----------------|--|---|
| North | Ling Hill Phase I | 79 |
| North | Ng Uk Tsuen Phase II | 12 |
| Sai Kung | Mang Kung Uk | 64 |
| Sha Tin | Pai Tau & Sheung Wo Che | 41 |
| Sha Tin | Siu Lek Yuen | 53 |
| Sha Tin | Wo Liu Hang | 20 |
| Sha Tin | Sheung/Ha Keng Hau & Hin Tin (Remaining Areas) | 24 |
| Tsuen Wan | Wo Yi Hop | 27 |
| Tsuen Wan | Chuen Lung | 50 |
| Yuen Long | Ha Mei San Tsuen | 72 |
| Yuen Long | Yuen Long Kau Hui Development | 107 |
| Total | | 549 |