

For information

**LEGISLATIVE COUNCIL
PANEL ON DEVELOPMENT**

**North East New Territories New Development Areas
Planning and Engineering Study**

Purpose

This paper provides supplementary information to address the concerns raised by Members at the Panel meeting on 30 October 2012 when considering the Administration's paper [LC Paper No. CB(1)61/12-13(05)] reporting on the public comments received during Stage Three Public Engagement (PE3) of the North East New Territories New Development Areas Planning and Engineering Study (the NENT NDAs Study).

The Administration's Response

Farmers Affected

2. Some Members raised concern on whether the farmers currently undertaking agricultural activities in the areas covered by the proposed NENT NDAs could continue farming.
3. Under the Recommended Outline Development Plans (RODPs) for the proposed NENT NDAs, the core area of Long Valley within the Kwu Tung North NDA, which has a size of about 37 hectares, is designated as a Nature Park where agricultural activities, in particular wet agriculture, could continue under Government's management. In addition, two pieces of land to the north and south of the Nature Park totaling about 45 hectares and a piece of land in Fu Tei Au in the Fanling North NDA of about 9 hectares will be maintained as "Agriculture" zones, in which farming activities could continue to be practised.
4. With the implementation of the NENT NDAs projects, it is inevitable that some farmers will be affected and will not be able to continue their agricultural practices in-situ. To cater for their requirements, under the prevailing agricultural

resite policy, affected genuine farmers could purchase or rent farmland elsewhere to continue farming. They can apply for a short term waiver for building on the land that they have secured a temporary domestic structure up to two storeys and 17 feet in height, and a roofed-over area of 400 square feet. The Agriculture, Fisheries and Conservation Department (AFCD) will assist them by connecting them with farmland owners who are interested in selling or leasing their land to them. Moreover, we are working closely with the Food and Health Bureau and AFCD with a view to providing further assistance to the affected farmers, including identifying land suitable for agricultural rehabilitation mainly within the “Agriculture” and “Green Belt” zones in the vicinity of the NDAs.

Local Relhousing for Affected Residents and Farmers

5. Some Members asked whether the affected residents and farmers in the areas other than those who are indigenous villagers would be offered local rehousing.

6. As with the development of new towns in the past, land resumption and clearance are unavoidable when developing the NDAs and some residents in the areas including farmers will be affected. We have reserved a site of about 3.2 hectares in the Kwu Tung North NDA to provide local rehousing for eligible affected households. Moreover, we are reviewing the existing compensation and rehousing arrangements, having regard to the past experiences in major public works projects, with the objective of working out better arrangements that can take better care of residents affected by the Government’s land resumption and clearance exercises.

Implementation Approach

7. Some Members asked about the proposed “Conventional New Town Approach” (CNTA)¹. They asked about the difference between the CNTA and the approach adopted in the past for developing new towns under which there was public-private partnership and land exchange entitlements were offered to affected landowners. They also asked for the justification for pursuing the CNTA and whether that approach would achieve the objective of delivering the supply of housing units in a more efficient and effective manner.

¹ Under the CNTA, the Government will resume and clear all the private land planned for public works projects, public housing and private developments, carry out site formation works and provide infrastructure before allocating land for various purposes including disposal of the land planned for private developments in the market.

Past New Town Development

8. Hong Kong has developed nine new towns since the initiation of the New Town Development Programme in 1973 to cope with the increase in population and improve the living environment. The nine new towns could be divided into three generations, comprising the first generation (Tsuen Wan, Sha Tin and Tuen Mun) in the early 1970s; the second generation (Tai Po, Fanling/Sheung Shui and Yuen Long) in the late 1970s; and the third generation (Tseung Kwan O, Tin Shui Wai and Tung Chung) in the 1980s and 1990s. New Territories land exchange entitlements, commonly known as Letters A/B, were issued between 1960 and 1983 to landowners in the New Territories whose land parcels were required for development, including those in the first and second generation new towns.²

9. New towns in the past were implemented by phases. The initial phases, often comprising mainly public housing, Home Ownership Scheme (HOS) developments, roads and other infrastructure and community facilities, together with some private housing, were carried out by the Government through land resumption and reclamation (where possible). Some of the private land resumed as part and parcel of the new town development was eventually sold for private developments. This was the major implementation approach adopted in developing new towns in the past³. There were individual cases in which owners of private lots at the fringe of new towns or within old market town areas applied for land exchange to realize the planned uses of the sites.

CNTA vs Private Sector Participation (PSP)

10. On the implementation mechanism for the NENT NDAs, we included this issue as one of the discussion items in the Stage One PE (PE1) and Stage Two PE (PE2) exercises. We set out different implementation approaches including the CNTA and possible types of private sector participation (PSP) approach in form of a Technical Note in PE1 [Enclosure 2 of LC Paper No. CB(1)232/08-09(12)].

² Letters A/B holders were entitled to exchange, as an alternative to cash compensation, for building land at a fixed ratio. The issue of Letters A/B ceased in 1983 because of increasing difficulties in meeting the commitment of equivalent building land. After commencement of the New Territories Land Exchange Entitlements (Redemption) Ordinance in 1997, the right against the Government for land exchange by Letters A/B holders have been extinguished but redemption money will be payable to the holders.

³ Except Tin Shui Wai which was developed through a joint venture agreement by acquiring land assembled by a private developer.

Upon careful consideration of the public comments received from PE1 and PE2, and after balancing the relevant considerations, we mentioned in the PE3 Digest that the CNTA will ensure orderly implementation of the NDAs and timely provision of various public facilities and housing units.

11. A comprehensive and well-coordinated implementation programme over which the Government has firm control is vital to the timely development of the NDAs to meet Hong Kong's development needs, especially our dire need for housing land. The CNTA will enable synchronization of various public and private developments with the provision of supporting infrastructure and community facilities. Through wholesale land resumption, to be followed by site formation and disposal of land for various developments by the Government in a well-coordinated manner, we could have greater certainty and ensure timeliness in implementation.

12. On the other hand, very often a developer may not be able to amalgamate 100% of the private land within a development site designated on the RODPs for various reasons⁴. As the Administration pointed out at the Panel meeting on 28 June 2012, it would not be appropriate for the Administration to exercise land resumption power to assemble land for individual developers for pursuing their own private development projects. Public acceptance is an important factor in considering the appropriate implementation approach.

Estimated Expense on Land Resumption and Clearance under CNTA

13. According to the NENT NDAs Study Consultants' preliminary estimate, the land resumption and clearance cost under the CNTA for developing the NENT NDAs is about HK\$ 40 billion⁵. The actual cost can only be ascertained at the implementation stage. There will also be revenue generated from sales of land for private developments under the CNTA.

14. As we advised the Panel when responding to Members' comments on 28 June 2012, whether a certain degree of flexibility could be built in for PSP for implementing the NDAs projects would depend on whether the need for the timely delivery of housing supply (including new HOS units) could be achieved and the

⁴ For example, developers may have difficulties in acquiring land held by 'Tso/Tong' or land with absentee/deceased landowners or defective titles.

⁵ The estimated cost includes ex-gratia zonal land compensation, compensation under Village Removal Terms, site clearance cost and ex-gratia allowances.

public perception of such an approach. The Administration would duly consider the comments received in the PE3 before deciding on the final implementation approach and arrangements for the NDAs project.

Development Bureau

Civil Engineering and Development Department

Planning Department

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