

Legislative Council Panel on Development

**The Administration's Response to the Motion passed under Agenda Item VI
"Proposed Enhancements to the General Ex-gratia Compensation
and Rehousing Arrangements for
Government's Development Clearance Exercises"
at the Meeting on 29 May 2018**

The Legislative Council (LegCo) Panel on Development passed the motion moved by Hon CHU Hoi-dick at the meeting on 29 May 2018:

"This Panel requests the authorities to concurrently review the compensation mechanism for the agricultural sector in reviewing the compensation and rehousing mechanisms for squatters, so as to enable the affected farmers to have sufficient resources to relocate their farms."

The Administration's response to the motion is as follows:

2. Under the existing mechanism, farmers affected by government development clearance exercises may, upon assessment and verification of their eligibility, be offered relevant ex-gratia allowances (EGAs), which include EGA for crops; disturbance allowance for cultivators; allowance for pig and poultry farmers; EGA for pond fish farmers rearing edible fish and fish fry; allowance for qualified farm structures on private land; allowance for miscellaneous permanent improvements to farms; and rehabilitation allowance, etc..

3. Generally, the amounts of various EGAs payable are assessed taking into account the market value at the time of assessment less necessary depreciation (if applicable). For the EGA rates for crops, the market value so reflected is calculated based on price data collected from wholesale markets, territory-wide farms and market surveys. We also have an established mechanism to review the various EGA rates timely.

**Development Bureau
Food and Health Bureau
Lands Department
Agriculture, Fisheries and Conservation Department
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