

**For discussion
on 24 April 2012**

Legislative Council Panel on Development

**Liantang/Heung Yuen Wai
Boundary Control Point and associated works –
Site formation and infrastructure works**

PURPOSE

This paper seeks Members' support for the following funding applications -

- (a) to part-upgrade PWP Item **13GB** "Liantang/Heung Yuen Wai Boundary Control Point and associated works" to carry out site formation and infrastructure works for the development of the new Boundary Control Point (BCP) at an estimated cost of \$16,253.2 million in money-of-the-day prices; and
- (b) to grant a special ex-gratia allowance, comprising special ex-gratia cash allowance and domestic removal allowance, at an estimated total cost of \$211 million to households affected by land resumption and clearance required to make way for the implementation of the BCP Project¹.

**STRATEGIC IMPORTANCE OF THE LIANTANG/HEUNG
YUEN WAI BCP**

2. The Hong Kong Special Administrative Region (HKSAR) Government and the Shenzhen Municipal Government jointly announced at the second meeting of the Hong Kong-Shenzhen Joint Task Force on Boundary District Development on 18 September 2008 the implementation of the Liantang/Heung Yuen Wai (LT/HYW) BCP for operation in 2018. It is featured in the Framework Agreement of Hong Kong/Guangdong Cooperation signed in

¹ The BCP Project comprises the BCP proper, which includes the passenger terminal building, immigration kiosks, transport interchange and other ancillary facilities, and the connecting road between the BCP proper and Fanling Highway.

April 2010 and included as one of the seven major cooperation projects² in the National 12th Five-Year Plan.

3. The proposed BCP has strategic significance: it is intended to meet the growing needs of cross boundary travel in a timely and qualitative way and enhance the economic integration between Hong Kong (HK) and the Mainland in the long run. The new BCP will serve mainly cross boundary goods transport and long distance passengers³ travelling between Hong Kong and Shenzhen (SZ) East, Huizhou, eastern Guangdong, Jiangxi and Fujian Provinces.

4. The new BCP will connect with the Shenzhen Eastern Corridor in SZ and will provide an access to eastern Guangdong via the Shenzhen-Huizhou and Shenzhen-Shantou Expressways (**Annex 1**). This will significantly shorten the travelling time between HK/SZ and eastern Guangdong, and southern Fujian and Jiangxi, and greatly facilitate the future regional cooperation and development. The new BCP will help further extend the economic hinterland of HK and SZ, enhance the connection with eastern Guangdong, promote regional development of HK/SZ and eastern Guangdong, and foster closer ties.

5. From the local perspective, the proposed new BCP will help re-distribute the cross-boundary traffic amongst the crossings in the east. This will alleviate the frequent traffic congestion at Man Kam To (MKT) Control Point and provide room for improvement at MKT and Sha Tau Kok Control Points. As a result, the overall handling capacity and the quality of service of the existing BCPs at the eastern side of HK will also be enhanced.

6. Since the announcement to press ahead with this BCP Project in late 2008, we have kept LegCo and the public informed of the progress made. Several highlights of the project were updated to the Panel on Development on 22 November 2011 (Panel Paper No. CB(1)346/11012(04)). To meet public aspiration and enhance user convenience, the new BCP will be designed for direct access by both pedestrians through a pedestrian subway of 120 metres linking the BCP and the adjacent Lin Ma Hang Road and private vehicles through a public carpark with no less than 400 car parking spaces as well as pick-up/drop-off points for private cars. Separately, to facilitate the daily travelling of cross-boundary students, a public transport interchange with pick-up/drop-off points for school buses will be provided at the new passenger terminal building (PTB). Furthermore, in order to inject creativity and enhance public participation, an

² The other major cooperation projects are Development of Qianhai, Shenzhen, Development of Nansha, Hong Kong-Zhuhai-Macao Bridge, Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, Hong Kong-Shenzhen Western Express Line and Development of Hengqin, Zhuhai.

³ The LT/HYW BCP is designed to handle 30,000 passengers and 17,850 vehicles trips daily.

International Design Ideas Competition for LT/HYW BCP PTB was jointly organised by the Governments of the HKSAR and SZ. The results were announced in a prize award ceremony on 1 September 2011. Both Governments have agreed that the design of the PTB should be people-oriented and make reference to ideas of the winning design with a view to meeting the functional requirements while unifying the outlook style. These developments were generally welcomed by LegCo members.

SITE FORMATION AND INFRASTRUCTURE WORKS FOR THE NEW BCP

7. To commission the new BCP in 2018, we have engaged consultants in March 2011 to undertake the detailed design of the site formation and the infrastructure works including the connecting road (CR), the perimeter patrol road, sewage treatment facilities etc for the LT/HYW BCP. The detailed design has been substantially completed. Subject to approval of the Finance Committee, we plan to commence construction in phases starting from December 2012 for completion in 2018. Details of the funding proposal for the proposed works are at **Annex 2**.

SPECIAL EX-GRATIA ALLOWANCE FOR THE RESUMPTION AND CLEARANCE OF THE NEW BCP

8. To facilitate the construction of the BCP and the CR, it is necessary to clear Chuk Yuen Village and the domestic squatter structures located along the alignment of the CR. We have also reported to the Panel on Development on 22 November 2011 that we would make special arrangements for the clearance exercise, including: (a) the 15 Small House applications submitted by indigenous villagers (IVs) of Chuk Yuen Village before the announcement of the BCP Project be dealt with by reserving sites in the Chuk Yuen Resite Area for construction of Small Houses; and (b) eligible non-IVs residing within the village environs (VE) of Chuk Yuen Village be offered a “Cottage House Option” as an alternative to the existing rehousing arrangement. While welcoming those special arrangements, a Member expressed concern on behalf of the non-IVs that they would not have the financial means to realise the “Cottage House Option” and requested Government to provide them with some financial assistance. On another front, villagers of domestic squatter structures outside Chuk Yuen Village which have to be cleared to make way for the construction of the CR have also raised objection under the road gazetting procedure for the CR and demanded that financial assistance be provided to them to help meet their rehousing needs.

9. Smooth land resumption and clearance is crucial to the timely completion of the BCP in 2018. In view of the need for early implementation of

this strategically important project, we consider that, in addition to the special arrangements that we have previously agreed to provide as mentioned in paragraph 8 above, a special ex-gratia allowance as detailed at **Annex 3** should be offered to eligible households affected by the BCP Project. The proposed special ex-gratia allowance comprises a special ex-gratia cash allowance of \$600,000 for “Qualified Households” and a Domestic Removal Allowance ranging approximately from \$3,000 to \$12,000, depending mainly on the household size, for all households affected by the BCP Project. The proposed special ex-gratia allowance is justifiable on the overriding strategic importance of the BCP Project which will bring benefits to Hong Kong at both the macro and the strategic levels. It should be emphasized that the intention of the special arrangements is not to compensate for the land on which the squatter structures currently stand, but rather to provide ex-gratia assistance for long-term residence having regard to the circumstances surrounding the residents at the areas affected by the BCP Project.

ADVICE SOUGHT

10. Members are invited to support our funding proposals mentioned in paragraph 7 and 9 above. We plan to submit the funding applications to the Public Works Subcommittee and the Finance Committee in May 2012 and June 2012 respectively.

Development Bureau
April 2012



蓮塘 / 香園圍口岸及深圳東部過境通道
Liantang / Heung Yuen Wai
Boundary Control Point and
Shenzhen Eastern Corridor

SCALE
km 0 2 4 6 8 10 12 km

PLANNING DEPARTMENT 規劃署



Plan No. 圖則編號: M/CID/12/100

圖 PLAN

Date 日期: 16-04-2012

**13GB – Liantang/Heung Yuen Wai Boundary Control Point
and associated works**

PROJECT SCOPE AND NATURE

The part of **13GB** that we propose to upgrade to Category A comprises –

- (a) site formation of about 23 hectares of land for the development of the BCP;
- (b) provision of a 1.8 kilometre (km) long perimeter patrol road at the BCP together with the associated gates and fencing;
- (c) construction of a pedestrian subway linking the BCP to Lin Ma Hang Road;
- (d) construction of an approximately 11 km long dual two-lane Connecting Road (CR) (with about 1.0 km of at-grade road, 4.3 km of viaduct and 5.7 km of tunnels) connecting the BCP with Fanling Highway and the associated administration building, ventilation adit and buildings, electrical and mechanical (E&M) works and traffic control and surveillance system;
- (e) associated diversion/modification works at existing local roads and junctions including Lin Ma Hang Road, access road to the resite of Chuk Yuen Village, Tai Wo Services Road East and West, Sha Tau Kok Road, and Wo Keng Shan Road, etc.;
- (f) provision of sewage collection, treatment and disposal facilities for the BCP and the resited Chuk Yuen Village;
- (g) reprovisioning of the affected facilities including Wo Keng Shan Road garden and public toilet, the Architectural Services Department's depot at Lin Ma Hang Road, footbridges crossing Ng Tung River;

- (h) design and construction of four vehicular bridges and one pedestrian bridge¹ crossing Shenzhen River (cross boundary bridges)² ;
- (i) provision of resite area(s) with supporting infrastructure for reprovisioning of the affected village houses³;
- (j) ancillary works such as the associated footpath, slopes, retaining structures, drainage, sewerage, waterworks, landscaping works etc; and
- (k) associated environmental mitigation measures, and Environmental Monitoring and Audit (EM&A) programme for the works.

We plan to entrust the works in item (h) above to the Shenzhen Municipal Government (SZMG) for implementation. Details of the entrustment arrangements are outlined in paragraph 7 below.

2. Layout plans showing the proposed works in paragraph 1 above is at **Enclosure 1 (four sheets)**.

3. Subject to approval of the Finance Committee (FC), we plan to commence construction in phases starting from December 2012 for completion in 2018.

4. The remaining parts of **13GB** mainly comprise –

- (a) the related Shenzhen River improvement works;
- (b) BCP building works and the associated facilities such as provision of passenger clearance and cargo processing facilities, accommodation and facilities for Government departments providing services at the BCP, a public carpark and pick-up/drop-off points for

¹ The project scope does not include interior fitting works for the pedestrian bridge (Hong Kong portion), which will be carried out separately under the BCP building works of the remaining parts of 13GB.

² The design and construction costs for provision of the cross boundary bridges will be funded jointly by the HKSAR Government and the SZMG.

³ The affected village houses involve building lots affected by the Connecting Road outside Chuk Yuen Village. The provision of resite area for Chuk Yuen Village has already been approved by FC on 30 April 2010.

private cars, transport and miscellaneous facilities; and the interior fitting works of the pedestrian bridge (Hong Kong portion) crossing Shenzhen River.

Funding for the above works will be sought separately at a later time when they are ready for upgrading to Category A.

JUSTIFICATION

5. The strategic importance of the BCP is detailed in paragraphs 2 to 5 of the covering paper. In conjunction with the development of the BCP, a site of about 23 hectares together with the perimeter patrol road is required to be formed to accommodate the BCP buildings and associated facilities. It is also necessary to build an 11-kilometre long CR to provide direct access from Fanling Highway. Four interchanges are proposed along the CR at the junctions with the existing Fanling Highway, Sha Tau Kok Road, Ping Yuen Road and Lin Ma Hang Road. With the proposed CR and interchanges to be constructed for the BCP, the existing road network in the North East New Territories (NENT) as a whole will be improved, which facilitate the future developments of the area.

6. To further enhance the convenience and benefits for the public, a pedestrian subway of 120 metres linking the BCP and the adjacent Lin Ma Hang Road will be constructed to provide a convenient access for nearby villagers and visitors walking to the BCP. Apart from the main works, we have to carry out the basic infrastructure and ancillary works including the sewage treatment facilities, drainage, sewerage and waterworks to serve the BCP, and reprovisioning of the facilities affected by the BCP and CR etc.

7. Four vehicular bridges and one pedestrian bridge over the Shenzhen River (mentioned in paragraph 1(h)) are required under this project to provide convenient accesses for cross-boundary vehicles and travellers. It is neither practicable nor cost-effective for each side to implement separately the portion of the bridges falling within its own territory. Taking into account the problems associated with access to the site, the effectiveness of contract administration, and the different standards and statutory requirements of the two sides, we plan to entrust the design and construction works for the proposed cross boundary bridges to the SZMG in order to maintain consistency in the design and construction of them. The entrusted works will be subject to overall control and monitoring by a Joint Working Group formed by the Government of HKSAR and SZMG.

FINANCIAL IMPLICATIONS

8. We estimate the cost of the proposed works to be \$16,253.2 million in MOD prices, broken down as follows:

		\$ million
(a)	Site formation and construction of perimeter patrol road with associated fencing and pedestrian subway linking the BCP to Lin Ma Hang Road	217.9
(b)	Dual two-lane connecting road	9,302.5
	(i) about 1 km at-grade road	856.8
	(ii) about 4.3 km viaduct	2,828.2
	(iii) about 5.7 km tunnels	3,935.1
	(iv) administration buildings for tunnels	332.5
	(v) ventilation adit and buildings for tunnels	622.5
	(vi) traffic control and surveillance system	226.6
	(vii) E&M works	500.8
(c)	Diversion/modifications at existing local roads	110.6
(d)	Sewage collection, treatment and disposal	208.5
(e)	Reprovision of affected facilities	48.6
(f)	Design and construction of cross boundary bridges (Hong Kong portion) (to be entrusted to SZMG)	268.0
(g)	Provision of resite area(s) and ancillary works	98.0
(h)	Environmental mitigation measures and EM&A programme	150.8
(i)	Consultants' fees	77.0
	(i) contract administration	40.3
	(ii) management of resident site staff	31.7

(iii) independent environmental checker service ⁴	5.0	
(j) Remuneration of resident site staff	792.5	
(k) On-cost payable to SZMG ⁵	11.0	
(l) Electrical and Mechanical Services Trading Fund (EMSTF) charges ⁶	16.7	
(m) Contingencies	1,130.0	
Sub-total	12,432.1	(in September 2011 prices)
(n) Provision for price adjustment	3,821.1	
Total	16,253.2	(in MOD prices)

PUBLIC CONSULTATION

9. We consulted the North District Council (NDC) and Tai Po District Council (TPDC) on 9 February 2012 and 6 March 2012 respectively. Members of NDC and TPDC raised no objection to the proposed project. During the NDC meeting, members of the NDC expressed their concerns about the compensation arrangement for squatter clearances, the progress of the various requests made by villagers of Loi Tung and Tai Tong Wu regarding loss of permitted burial grounds and fung shui related issues and the traffic impact on road networks during construction of BCP especially the junction between Sha Tau Kok Road (Lung Yeuk Tau) and Ma Sik Road. We have established an interdepartmental working group to discuss directly with the related stakeholders in order to resolve the concerned issues as soon as practicable. We will carry out the junction improvement for Sha Tau Kok Road/Ma Sik Road junction under this project before construction of the main works to alleviate the traffic problems.

⁴ As part of the EM&A programme for the proposed works, we will engage a consultant to perform independent environmental checker service to review and audit the environmental monitoring works and results.

⁵ Subject to further negotiation with SZMG, an on-cost estimated at 4% of the project base cost (i.e. item(f) of paragraph 8) will be payable to the SZMG for project management and construction supervision of the entrusted works.

⁶ Since the establishment on 1 August 1996 under the Trading Fund Ordinance, the EMSTF charges government departments for design and technical consultancy services provided by Electrical and Mechanical Services Department. The services rendered for this project include checking consultants' submissions on all electrical and mechanical (E&M) installations and providing technical advice to Government on all E&M works and their impact on the project.

10. We consulted the Rural Committees of Ta Kwu Ling, Sha Tau Kok, Sheung Shui, Tai Po and Fanling on 5 January, 16 January, 8 February, 14 February and 7 March 2012 respectively. All the concerned Rural Committees raised no objection to the proposed project. Nonetheless, the Rural Committees of Ta Kwu Ling and Sha Tau Kok were particularly concerned about the compensation arrangement for squatter clearances and the progress of the various requests made by Loi Tung and Tai Tong Wu as mentioned in paragraph 9.

11. We gazetted the proposed road scheme (the Scheme) of the project under the Roads (Works, Use and Compensation) Ordinance (Cap. 370) (R(WU&C)O) on 12 and 19 November 2010. During the statutory objection period, we received 158 objections. To accommodate design development and to ameliorate the effect of the proposed works on the public upon receipt of their objections, amendments to the Scheme (the Amendment Scheme) were made. We gazetted the Amendment Scheme under the R(WU&C)O on 9 and 16 September 2011 and received 32 objections.

12. We received total 190 objections to the Scheme and the Amendment Scheme. More detailed descriptions of the objections and Administration responses are in **Enclosure 2**.

13. We explained to the objectors details of the alignment, the prevailing land resumption and re-housing policy, and their statutory rights. Despite our effort in resolving the objections, only 24 objections were unconditionally withdrawn and 166 objections to the road scheme still remain unresolved. The Chief Executive in Council overruled the unresolved objections and authorised the proposed roadworks without modification on 27 March 2012.

14. On 12 and 19 November 2010, we gazetted the proposed sewerage works of the project under the R(WU&C)O as applied by section 26 of the Water Pollution Control (Sewerage) Regulation and received no objection. The works and use of the sewerage works were authorised and the authorisation notice was gazetted on 18 and 25 February 2011.

ENVIRONMENTAL IMPLICATIONS

15. The project is a designated project under Schedule 2 of the Environmental Impact Assessment (EIA) Ordinance (Cap. 499) and an environmental permit is required for the construction and operation of the project. On 24 March 2011, the EIA report for the project was approved with conditions under EIA Ordinance and an environmental permit was issued on the same day.

The EIA report concluded that the environmental impact of the project can be controlled to within the criteria under EIA Ordinance and the Technical Memorandum on EIA Process.

16. We shall implement the mitigation measures recommended in the approved EIA report. The key mitigation measures under the proposed works include installation of noise barriers at various heights, low noise road surfacing, re-provisioning of woodland compensation areas, wetland compensation areas and compensatory plantings.

17. We also implement EM&A programme during the construction period. As stipulated in the Environment Permit (EP), an Environmental Team will be established and responsible for the implementation of the approved EM&A programme. We have included \$150.8 million in the project estimate for provision of necessary environmental mitigation measures and implementation of an EM&A programme.

18. At the planning and design stages, we have considered the design of the proposed works and construction sequence to reduce generation of construction waste where possible. In addition, we will require the contractor to reuse inert construction waste (e.g. excavated soil) on site or in other suitable construction sites as far as possible, in order to minimise the disposal of inert construction waste to public fill reception facilities⁷. We will encourage the contractor to maximise the use of recycled/recyclable inert construction waste, and the use of non-timber formwork to further reduce the generation of construction waste.

19. At the construction stage, we will require the contractor to submit for approval a plan setting out the waste management measures, which will include appropriate mitigation means to avoid, reduce, reuse and recycle inert construction waste. We will ensure that the day-to-day operations on site comply with the approved plan. We will require the contractor to separate the inert portion from non-inert construction waste on site for disposal at appropriate facilities. We will control the disposal of inert construction waste and non-inert construction waste at public fill reception facilities and landfills respectively through a trip-ticket system.

⁷ Public fill reception facilities are specified in Schedule 4 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation. Disposal of inert construction waste in public fill reception facilities requires a licence issued by the Director of Civil Engineering and Development.

20. We estimate that the proposed works will generate in total about 7.07 million tonnes of construction waste. Of these, we will reuse about 1.94 million tonnes (27%) of inert construction waste on site and deliver 5.01 million tonnes (71%) of inert construction waste to public fill reception facilities for subsequent reuse. We will dispose of the remaining 117 520 tonnes (2%) of non-inert construction waste at landfills. The total cost for accommodating construction waste at public fill reception facilities and landfill sites is estimated to be \$150 million for this project (based on a unit cost of \$27 per tonne for disposal at public fill reception facilities and \$125 per tonne⁸ at landfills).

TRAFFIC IMPLICATIONS

21. According to the traffic impact assessment (TIA) for the BCP project, with the CR the traffic impact on the existing road networks arising from the operation of the BCP in 2018 is insignificant. Furthermore, the result of the TIA also indicated that the CR as well as the major road links in the NENT connecting to the CR will be able to cope with the future traffic including those generated from the BCP and the future developments in the area.

HERITAGE IMPLICATIONS

22. This project will not affect any heritage site, i.e. all declared monuments, proposed monuments, graded historic sites/buildings, sites of archaeological interest and Government historic sites identified by the Antiquities and Monuments Office.

LAND ACQUISITION

23. We have reviewed the design of the project to minimize the extent of land acquisition required for the proposed works. We have to resume about 417 681 square metres (m²) of private land and cleared 513 500 m² of government land for the proposed site formation and infrastructure works. The cost of land resumption and clearance estimated at \$4,062.37 million will be charged to **Head 701 – Land Acquisition**. The land resumption and clearance will affect 772 lots

8 This estimate has taken into account the cost for developing, operating and restoring the landfills after they are filled and the aftercare required. It does not include the land opportunity cost for existing landfill sites (which is estimated at \$90 per m³), nor the cost to provide new landfills (which is likely to be more expensive), when the existing ones are filled.

(including 723 agricultural lots and 49 building lots) involving 585 persons, and 19 commercial/industrial undertakings. The land owners of 772 lots, eligible households and commercial/industrial undertakings would be offered ex-gratia allowances and/or accommodation in public housing in accordance with the established rehousing policy. A breakdown of the land resumption and clearance costs is at **Enclosure 3**.

24. In view of the unique circumstances of Chuk Yuen Village⁹, we reported to the Development Panel on 22 November 2011 (Panel Paper No.CB(1)346/11-12(04)) that the special arrangement of “Cottage House Option”¹⁰ would be offered to non-indigenous villagers (non-IVs) residing within the village environs (VE) of Chuk Yuen Village as an alternative to taking care of their rehousing needs under the prevailing policy¹¹. Taking account of the villagers’ response after the announcement of the “Cottage House Option”, we have decided to extend the “Cottage House Option” to eligible non-IVs residing in Chuk Yuen South¹², subject to the determination by the Secretary for Development (SDEV) at her discretion on a case-by-case basis, provided that their claim of strong social ties with residents within the VE of Chuk Yuen Village could be established and recognised by the Chuk Yuen Village community. Their eligibility criteria for the “Cottage House Option” are the same as their fellow non-IVs residing within the VE of Chuk Yuen Village and SDEV’s discretion on whether a non-IV, who does not fully meet the eligibility criteria, should be granted the “Cottage House Option” is also applicable to them. We have also decided to relax the maximum building height of the cottage house from 17 feet to 19 feet in response to the villagers’ request for taking into account the requirement for installation of ceiling fans, which are commonly used in low-rise domestic

⁹ The unique circumstances comprise (i) Chuk Yuen Village being a pre-1898 recognised village located within the FCA with entry restrictions; (ii) the need to clear the whole Chuk Yuen Village for construction of the BCP; (iii) the IVs and non-IVs who have been living there together in a close-knitted community for a long time have expressed a strong wish to continue living together after relocation of the village; and (iv) the availability of suitable agricultural land adjoining the Village Resite Area for village type development.

¹⁰ Under the original “Cottage House Option”, the non-IVs within the VE of Chuk Yuen Village may purchase suitable agricultural land in the Extended Village Area adjoining the Village Resite Area and apply to LandsD for building a 2-storey domestic structure of 17 feet high with a maximum roofed-over area of 500 square feet per floor on their purchased private agricultural land by way of an in-situ land exchange, subject to their paying full market value premium for the land exchange. A non-alienation clause for a period of three years after the issuance of Certificate of Compliance under the lease conditions upon completion of the building will be included in the land exchange conditions.

¹¹ Under the prevailing policy, the non-IVs who do not own any building land, are not entitled to the New Territories Village Removal Policy and are only eligible for rehousing to public rental housing upon meeting the comprehensive means test, or interim housing (IH), or an Ex-gratia Allowance for Permitted Occupiers in lieu of IH, or in the case of genuine farmers, the agricultural resite arrangement.

¹² Chuk Yuen South is an existing cluster of domestic structures in Ta Kwu Ling which lies outside the VE of Chuk Yuen Village but within the village representative election boundary of Chuk Yuen Village (as at the pre-clearance survey date on 12 November 2010) and is affected by the BCP Project. Non-IVs residing in Chuk Yuen South claim that they have strong social ties with their fellow villagers residing in the VE of Chuk Yuen Village.

dwellings in the New Territories.

25. Smooth land resumption and clearance is crucial to the timely completion of the BCP in 2018. In view of the need for early implementation of this strategically important project, we propose that a special ex-gratia allowance for qualified households affected by land resumption and clearance required for the proposed works be provided. Details of the special ex-gratia allowance which is estimated to cost about \$211 million are set out in **Annex 3**.

BACKGROUND

26. We upgraded **13GB** to Category B in July 2008.

27. On 9 January 2009, the FC approved the upgrading of part of **13GB** to Category A as **14GB** “Liantang/Heung Yuen Wai Boundary Control Point and associated works – investigation and preliminary design” at an estimated cost of \$89.0 million in MOD prices for carrying out the investigation and preliminary design for the development of the BCP. The preliminary design was completed in December 2010.

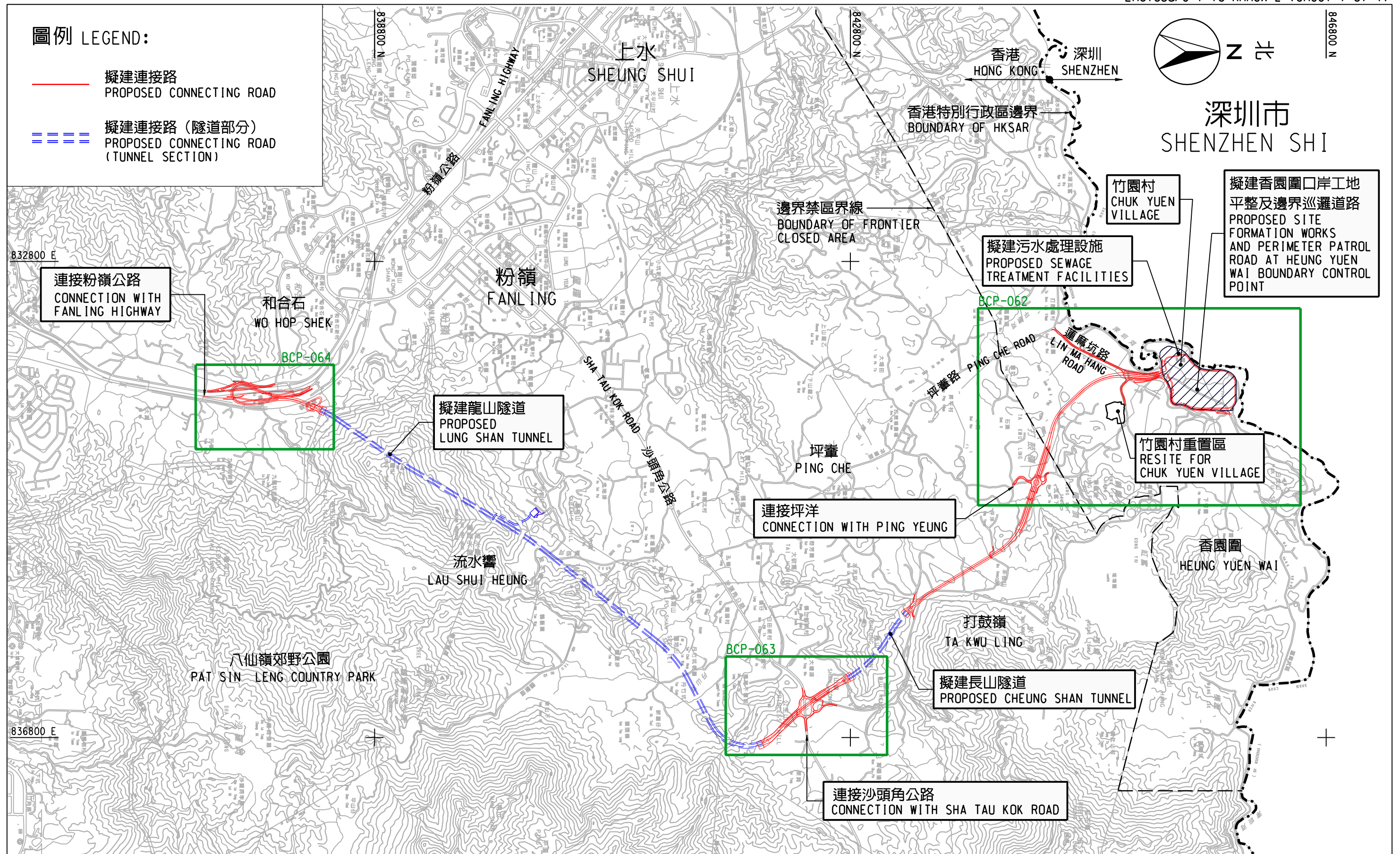
28. On 30 April 2010, the FC approved the upgrading of another part of **13GB** to Category A as **16GB** “Liantang/Heung Yuen Wai Boundary Control Point and associated works – village reprovisioning works” at an estimated cost of \$51.3 million in MOD prices for the reprovisioning of the existing Chuk Yuen Village to make way for the construction of the BCP. Construction was completed in early 2012.

29. On 18 February 2011, the FC approved the upgrading of another part of **13GB** to Category A as **17GB** “Liantang/Heung Yuen Wai Boundary Control Point and associated works – detailed design and ground investigation” at an estimated cost of \$265.8 million in MOD prices for carrying out the detailed design and ground investigation for the development of the BCP and the associated Shenzhen River improvement works. We engaged consultants in March 2011 to undertake the detailed design of the BCP site formation and the connecting road for completion by mid 2012, and engaged consultants jointly with the Shenzhen Municipal Government in July 2011 to undertake the detailed design of the Shenzhen River improvement works for completion by July 2013.

30. On 6 January 2012, the FC approved the upgrading of another part of **13GB** to Category A as **18GB** “Liantang/Heung Yuen Wai Boundary Control

Point and associated works – reprovisioning of boundary patrol road and associated security facilities” at an estimated cost of \$393.5 million in MOD prices for the reprovisioning of a section of boundary patrol road and the associated security facilities for the development of the new BCP. Construction commence in March 2012 for completion in early 2015.

31. We estimate that the proposed works will create about 2 864 jobs (2 323 for labourers and another 541 for professional/technical staff), providing a total employment of 141 461 man-months.



drawing title 圖則名稱

蓮塘/香園圍口岸與相關工程 - 擬建口岸及連接路之平面圖

LIANTANG/HEUNG YUEN WAI BOUNDARY CONTROL POINT AND ASSOCIATED WORKS
- LAYOUT OF THE PROPOSED BOUNDARY CONTROL POINT AND CONNECTING ROAD

drawing no. 圖則編號

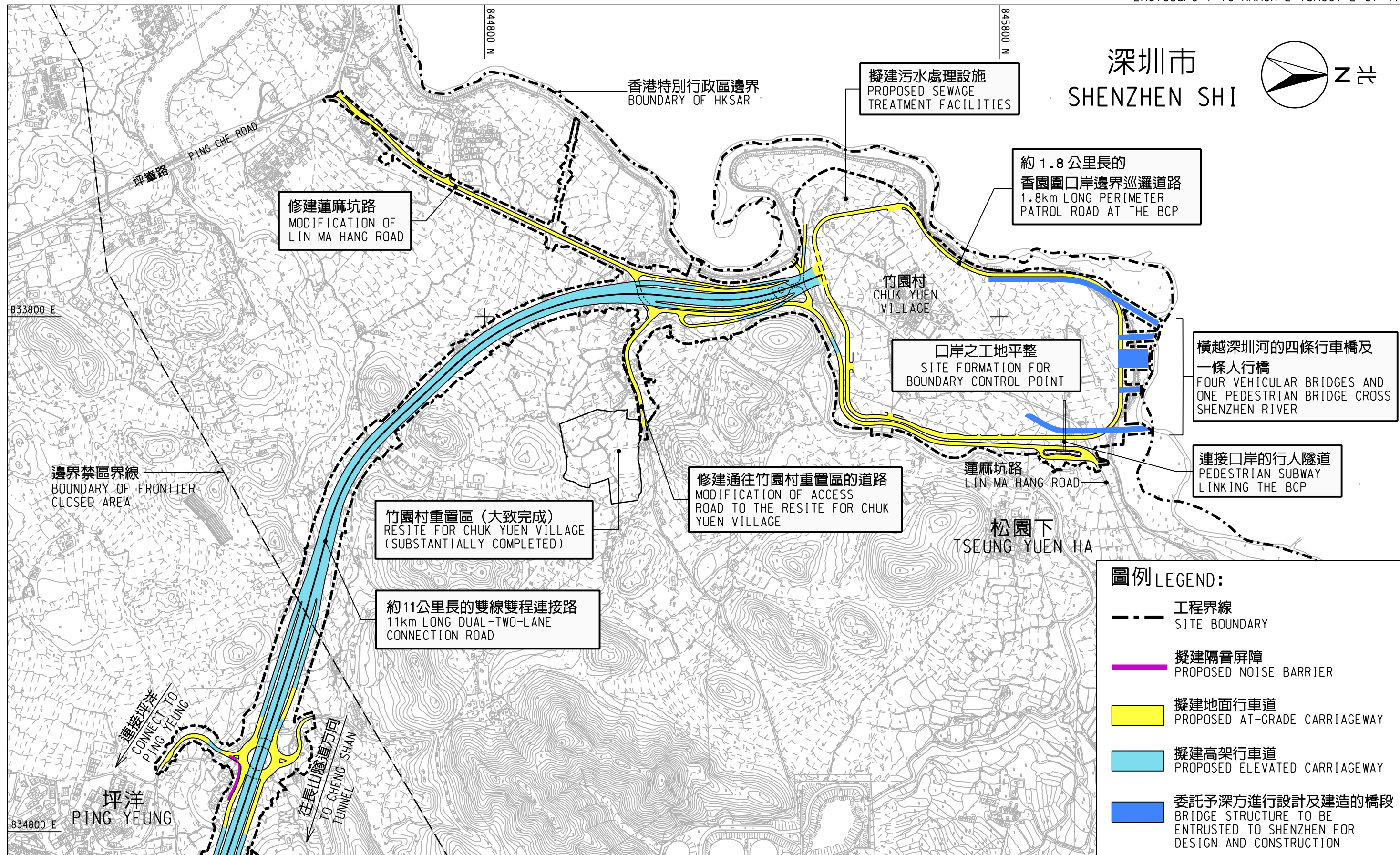
BCP - 061

scale

比例
1 : 30 000



CIVIL ENGINEERING
AND DEVELOPMENT
DEPARTMENT
HONG KONG



drawing title 圖則名稱

擬建香園圍口岸工地平整及相關連接路

PROPOSED SITE FORMATION FOR HEUNG YUEN WAI BOUNDARY CONTROL POINT
AND ASSOCIATED CONNECTING ROAD

drawing no. 圖則編號

BCP - 062

scale
比例

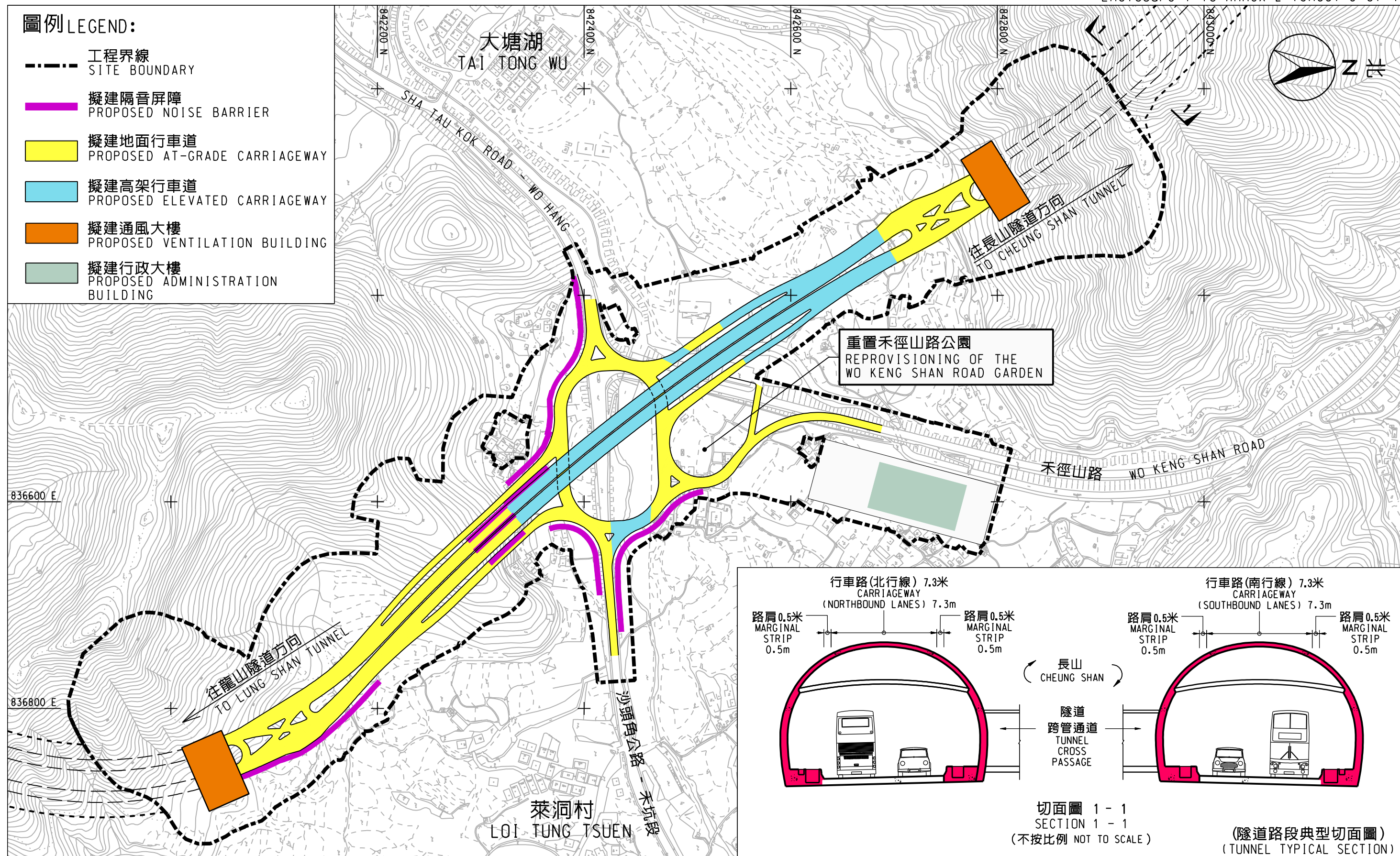
1 : 7 000



CIVIL ENGINEERING
AND DEVELOPMENT
DEPARTMENT
HONG KONG

圖例 LEGEND:

- 工程界線
SITE BOUNDARY
- 擬建隔音屏障
PROPOSED NOISE BARRIER
- 擬建地面行車道
PROPOSED AT-GRADE CARRIAGEWAY
- 擬建高架行車道
PROPOSED ELEVATED CARRIAGEWAY
- 擬建通風大樓
PROPOSED VENTILATION BUILDING
- 擬建行政大樓
PROPOSED ADMINISTRATION BUILDING



drawing title 圖則名稱

擬建沙頭角公路交匯處

PROPOSED SHA TAU KOK ROAD INTERCHANGE

drawing no. 圖則編號

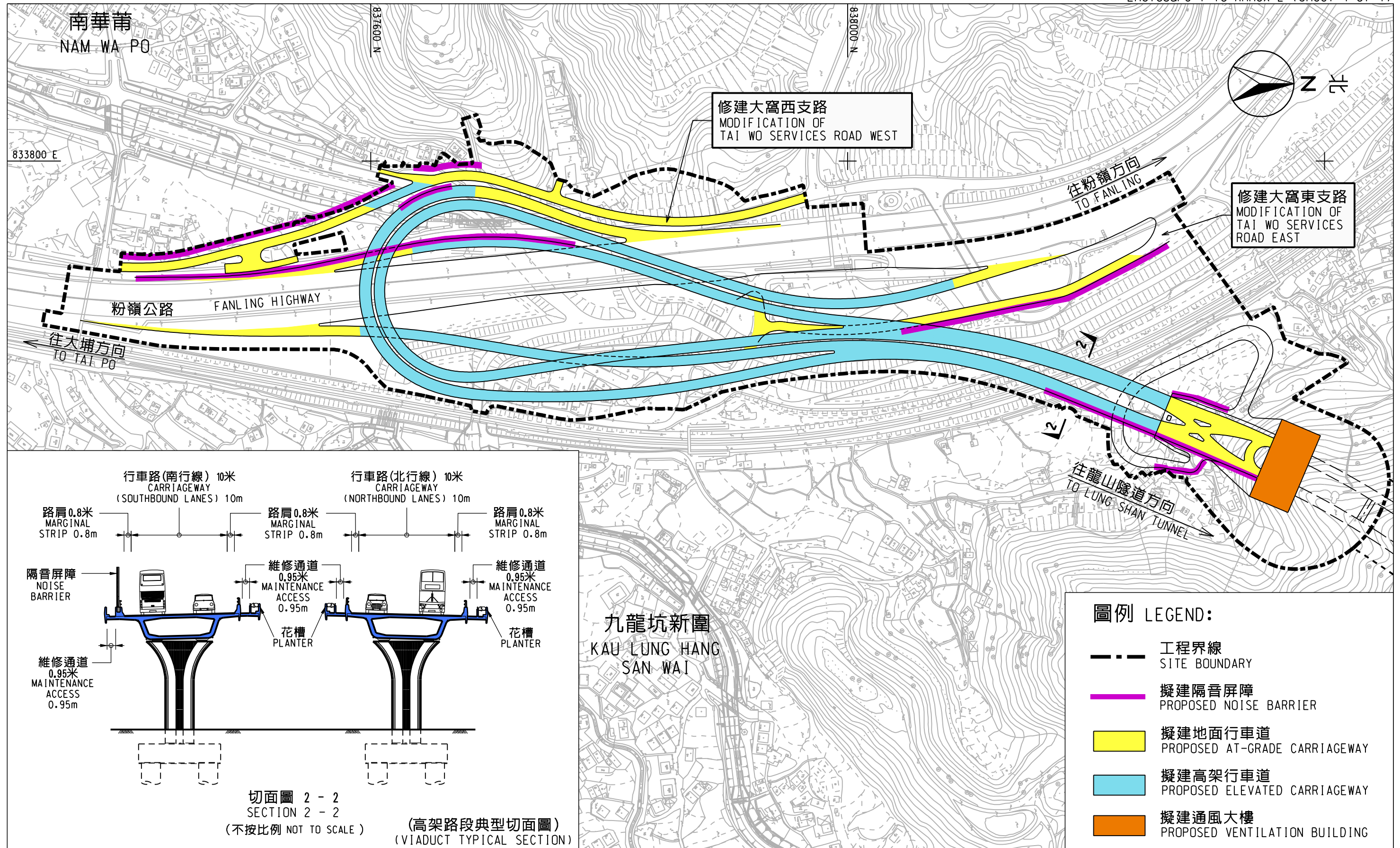
BCP - 063

scale

比例
1 : 3 500



CIVIL ENGINEERING
AND DEVELOPMENT
DEPARTMENT
HONG KONG



drawing title 圖則名稱

擬建粉嶺公路交匯處 PROPOSED FANLING HIGHWAY INTERCHANGE

drawing no. 圖則編號

BCP - 064

scale

比例
1 : 3 000



CIVIL ENGINEERING
AND DEVELOPMENT
DEPARTMENT
HONG KONG

Details of Objections to the Scheme and the Amendment Scheme of the project under the Roads (Works, Use and Compensation) Ordinance (Cap 370) Gazetted on 12 & 19 November 2010 and 9 & 16 September 2011 respectively.

During the statutory period for objection to the Scheme and the Amendment Scheme, 190 objections were received. The details of the objections are described as follows.

Group A: Clearance of Dwellings (138 cases)

The objectors are mainly concerned about the clearance of their dwellings. They requested the Government to review and amend the road alignment to avoid clearance of their structures. Upon receipt of the objections, the Administration has critically reviewed the design, including the road alignment and the design of the concerned interchanges and the project boundary. Wherever possible, amendments to the proposed road scheme have been made to avoid affecting some of the objectors' dwellings. The proposed amendments were gazetted on 9 and 16 September 2011. In response to the remaining objections, the Administration explained that the current design of the connecting road had minimised the land to be resumed and avoided affecting surrounding structures as far as possible. The design of the connecting road has to comply with road safety standard, as well as take into account land requirement and safety and environmental issues etc. during construction. Therefore, clearance of the objectors' structures is unavoidable.

Group B: Land Compensation Issues (31 cases)

This group of objectors requested the Government to upgrade the ex-gratia compensation rates for resumption of their agricultural land and resume the whole piece instead of part of their land concerned. In response, the Administration explained that under the prevailing policy, the Government will offer ex-gratia compensation to owners of agricultural land to be resumed according to the zonal compensation rate and the area of the land to be resumed. In addition, under the prevailing policy, the Government will only resume land essential for a project and avoid resumption of any unnecessary private land in order to minimise the impact on the public.

Group C: Compensation for Building Lots (4 cases)

The objectors requested the Government to provide land for construction of their resite houses. In response, the Administration explained to the objectors that under the prevailing policy, the villagers would be compensated with either resettlement sites with resite houses (to be built by the Government or by the landowners) or rehousing allowance in lieu. The Administration will

continue to discuss with the objectors on the details of the compensation arrangement according to the prevailing policy.

Group D: Loss of Permitted Burial Grounds and Fung Shui Related Issues (2 cases)

This group of objectors are mainly concerned about the compensation for the area of burial grounds affected by the proposed works and the potential “Fung Shui” issues on their villages and requested the Government to implement mitigation measures, including “Tun Fu”, Buddhist Taoist ceremony, provision of village office and pai-lau, etc. In response, the Administration explained to the objectors that it would continue to study and discuss with them the compensation proposals concerning the burial grounds and their proposed mitigation measures.

Group E: Clearance of Graves (6 cases)

This group of objectors are mainly concerned about the clearance of their ancestral graves within the limit of works area of the proposed road scheme. In response, the Administration explained that the Government will offer ex-gratia allowance (EGA) to eligible persons according to the prevailing policy. The EGA will be determined in accordance with the type, size and construction materials of the affected graves.

Group F: Loss of Local Accesses and/or Minor Structures (5 cases)

This group of objectors are mainly concerned about the loss of local accesses to their dwellings and the loss of minor structures such as gates, hoardings and boundary fences of their dwellings. In response, the Administration explained to the objectors that the Government would maintain the accesses to their dwellings during and after completion of the construction works, and would assist in reinstating their affected minor structures.

Group G: Environmental Issues (2 cases)

This group of objectors are mainly concerned about the environmental impact, including the visual impact and ecological impact arising from the connecting road, including the proposed Sha Tau Kok Road Roundabout and Lin Ma Hang Road Roundabout. In response, the Administration explained to the objectors that the potential environmental impact had been fully identified and evaluated in the Environmental Impact Assessment (EIA) of the project. Where deemed necessary, suitable mitigation measures have been proposed. The EIA report was approved by the Director of Environmental Protection on 24 March 2011.

Group H: Loss of Future Development Potential (1 case)

The objectors are mainly concerned about the proposed connecting road, which would pass through their lots and impose a major adverse impact on the development potential of the lots. They requested the Government to examine the feasibility of shifting the alignment of the connecting road to the east and/or constructing the connecting road in the form of a tunnel. In response, the Administration explained that in the design of the connecting road, the Government would take into account the impact on the existing land uses and the future committed/approved land uses. The current gazetted alignment is a result of thorough consideration and assessment of various options and is in compliance with the environmental legislation and standards. The concerned objectors' alternative proposals will unnecessarily increase the impact on the surroundings.

Group I: Loss of Employment (1 case)

The objectors of this objection requested detouring of the alignment of the road and reducing the area of the land required so as to ameliorate the impact on a workshop in which they are working. In response, the Administration explained that the current design of the alignment of the connecting road had minimised its impact on the surroundings and the area currently occupied mainly by a ventilation building was considered to be an optimal option.

PWP Item 13 GB – Liantang / Heung Yuen Wai Boundary Control Point and Associated Works

Breakdown of the land resumption and clearance costs

	\$ million
(I) Estimated resumption cost	3,589.69
a) Building Land compensation ¹ (see Notes 1 and 2 below)	82.75
b) Agricultural land ex-gratia compensation (see Notes 1 & 2 below)	3,506.94
723 agricultural lots (with a total area of 414 510.62 square metres (m ²)) will be resumed (agricultural land for “Zone A” is \$8,460.43 per m ²)	
(II) Estimated clearance cost	103.34
a) Ex-gratia allowance for crop compensation	50.90
b) Ex-gratia allowance for farm structures and miscellaneous permanent improvements to farms	21.00
c) Ex-gratia allowances for miscellaneous indigenous villager matters	8.46
e.g. removal of graves/urns and shrines and “Tun Fu” ceremonies	
d) Ex-gratia allowance for domestic occupiers and business undertakings	22.98
III) Interest and Contingency Payment	369.34
a) The interest payment on various ex-gratia compensations for private land	0.04
b) Contingency on the above costs	369.30
Total	4,062.37

¹ The building land compensation includes compensation costs under the NT Village Removal Policy and building land ex-gratia compensation excluding professional valuation.

Notes

1. There are four ex-gratia compensation zones, namely Zones A, B, C and D, for land resumption in the New Territories as approved by ExCo in 1985 and 1996. The boundaries of these zones are shown on the Zonal Plan for Calculation of Compensation Rates. The land to be resumed under the project: “PWP Item 13 GB – Liantang / Heung Yuen Wai Boundary Control Point and Associated Works” has been upgraded to “Zone A”.
2. In accordance with G.N. 2128 dated 16 March 2012 on the revised ex-gratia compensation rates for resumed land, the ex-gratia compensation rate of agricultural land for “Zone A” is \$786 per square foot (or \$8,460.43 per m²). The ex-gratia compensation rate for building land for “Zone A” is \$1,557 per square foot (or \$16,759.41 per m²) plus professional valuation.

**Special Ex-gratia Allowance in relation to
Resumption and Clearance Required
to make way for Implementation of
Liantang/Heung Yuen Wai Boundary Control Point Project**

PROBLEM

To make way for the implementation of the Liantang/Heung Yuen Wai BCP and its connecting road (“the BCP Project”¹) for commissioning by 2018, we need to clear Chuk Yuen Village in Ta Kwu Ling and other structures located along the alignment of the BCP connecting road (CR) in the Ta Kwu Ling/Ping Yeung area, Loi Tung North and the Kau Lung Hang/Kiu Tau area in a timely manner.

PROPOSAL

2. The Secretary for Development proposes to provide special ex-gratia allowance, comprising ex-gratia cash allowance and domestic removal allowance, exclusively for eligible households affected by the BCP Project. The total cost of the proposed special ex-gratia allowance is estimated at \$211 million.

JUSTIFICATION

3. The Liantang/Heung Yuen Wai BCP will be the seventh land crossing between Shenzhen and Hong Kong. It will bring significant benefits to Hong Kong. It will connect the Shenzhen Eastern Corridor² in Shenzhen and provide an efficient access to eastern Guangdong and the adjacent provinces via the Shenzhen-Huizhou and Shenzhen-Shantou Expressways. This will significantly shorten the travelling time between Hong Kong/Shenzhen and eastern Guangdong, and southern Fujian and Jiangxi Provinces, and greatly facilitate future regional cooperation and development. The BCP has strategic significance for a closer integration of Hong Kong and Shenzhen, which is in

¹ The BCP Project comprises the BCP proper, which includes the passenger terminal building, immigration kiosks, transport interchange and other ancillary facilities, and the connecting road between the BCP proper and Fanling Highway.

² The Shenzhen Eastern Corridor aims to realise the Shenzhen Municipal Government’s transport planning principle of “East in East out” for goods vehicles. It is a dual three-lane expressway linking up the BCP at Liantang with the existing Shenzhen-Huizhou Expressway to Huizhou and Shenzhen-Shantou Expressway to Shantou.

line with the policy to consolidate Hong Kong's status in the Pearl River Delta regional development. From the local perspective, the BCP would help redistribute the cross-boundary vehicular traffic amongst the crossings in the east. This would alleviate the frequent traffic congestion at Man Kam To Control Point and provide room for improvement at Man Kam To and Sha Tau Kok Control Points. The resultant overall handling capacity and the quality of service of these boundary crossing points would be greatly enhanced. This significant infrastructure project has strategic significance for Hong Kong's future development. It is featured in the Framework Agreement on Hong Kong/Guangdong Cooperation signed in April 2010 and included as one of the major cooperation projects in the National 12th Five-Year Plan.

4. The new BCP is scheduled for commissioning no later than 2018. To meet this timetable, works for the BCP Project would have to start by December 2012 at the latest. It is therefore critical to clear Chuk Yuen Village to make way for the BCP proper as well as the domestic squatter structures located along the alignment of the BCP CR without which the BCP Project would not be functional. To ensure the smooth clearance of land for the timely completion of the BCP Project, as we have reported to the Panel on Development on 22 November 2011 (Panel Paper No. CB(1)346/11012(04)), we have previously decided to offer the following special arrangements, in addition to the compensation and rehousing arrangement available under existing policy as outlined at **Enclosure 1**, for the resumption and clearance of Chuk Yuen Village-

- (a) the 15 Small House applications submitted by indigenous villagers (IVs) of Chuk Yuen Village before the announcement of the BCP Project be dealt with under a special arrangement by reserving a site for each of them in the Resite Village and requiring them to pay the concessionary land premium without inclusion of the resumption, clearance, site formation and engineering costs associated with the Resite Area; and
- (b) eligible non-IVs residing within the village environs (VE) of Chuk Yuen Village be offered a "Cottage House Option"³ as an alternative to the existing rehousing arrangement.

The "Cottage House Option" is justified to provide an alternative to the non-IVs residing within the VE of Chuk Yuen Village in satisfying their rehousing needs such that the special circumstances of a closely-knitted village community located in the remote Frontier Closed Area can be preserved.

³ Under the "Cottage House Option", the non-IV may be allowed to build in the adjoining area to the Chuk Yuen Resite Area a two-storey domestic structure with a maximum roofed-over area of 500 ft² on a "structure-for-structure" basis, subject to the condition that he/she is to purchase a suitable piece of agriculture land within the Extended Village Area for an in-situ land exchange to be executed by the Government.

5. When we informed the affected villagers of Chuk Yuen Village of the special arrangements, they generally welcomed them but representatives of the non-IVs indicated that they would not have the financial means to realise the “Cottage House Option” for which they have to buy a piece of agricultural land for building the Cottage House through a land exchange and pay for the premium for the land exchange, in addition to paying for the construction cost of the Cottage House. They requested Government to provide them with a special cash allowance of \$600,000. Some of them further requested that Government provide them with low interest loan. Some of the villagers residing outside the VE of Chuk Yuen Village, in Chuk Yuen South, requested for the same “Cottage House Option” and claimed that they also have close ties with their fellow villagers residing within the VE of Chuk Yuen Village. On another front, villagers outside Chuk Yuen Village whose domestic squatter structures would have to be cleared to make way for the construction of the CR had also raised objection under the road gazetting procedure for the CR and demanded that a special cash allowance be provided to them to help meet their rehousing needs.

6. As pointed out in paragraph 3 above, the BCP Project is an essential project of strategic significance. We consider that, in addition to the special arrangements that we have previously agreed to provide as mentioned in paragraph 4 above, we should provide a special ex-gratia allowance which is justifiable on the overriding strategic importance of the BCP Project which will bring benefits to Hong Kong at both the macro and the strategic levels.

Proposed Special Ex-gratia Allowance for households affected by the BCP Project

7. The proposed Special Ex-gratia Allowance comprises the following two components, and is detailed at **Enclosure 2** -

- (a) Special ex-gratia cash allowance (EGCA) for Qualified Households
To meet the special rehousing needs, “Qualified Households” affected by the clearance exercise for the BCP Project will be offered a special EGCA at a maximum amount of \$600,000, subject to their satisfying the eligibility criteria described in paragraph 9 below.
- (b) Domestic Removal Allowance (DRA) for all affected households
Under the current policy, occupiers of domestic structures surveyed for dwelling purpose in the 1982 Squatter Structure Survey are eligible for a DRA ranging approximately from \$3,000 to \$12,000, depending mainly on the size of the family, to help them to meet the initial cost of moving. We propose that all households affected by the BCP Project and covered by the pre-clearance surveys may be

eligible for DRA in view of the disturbance caused to them as a result of the clearance.

8. The proposed special ex-gratia allowance exclusively for households affected by land resumption and clearance of sites required for the BCP Project would go beyond the present compensation and rehousing arrangements under the existing policy as described in **Enclosure 1**. Recipients of the EGCA would have to give up their entitlement to other forms of rehousing under the prevailing policy including rehousing to public rental housing (PRH) or interim housing (IH), receipt of ex-gratia allowance for permitted occupiers (in lieu of IH) and rehabilitation allowance. They will be barred from applying for any form of subsidized housing or related benefits for three years from the date of receipt of the special EGCA. It should be emphasized that the intention of the special EGCA is not to compensate for the land on which the squatter structures currently stand, but rather to provide ex-gratia assistance for long-term residence having regard to the circumstances surrounding the residents at the areas affected by the BCP Project.

Eligibility Criteria for EGCA

9. The two cornerstone requirements of the squatter control policy (i.e. “the 1982 domestic structure requirement” and “the 1984/85 occupancy requirement”) are adhered to in determining the eligibility for the special EGCA.⁴ Details of the eligibility criteria for being a “Qualified Household” to receive the EGCA are at **Enclosure 2**. In gist, a Qualified Household eligible for the EGCA should meet the following conditions –

- (a) the household should reside in an affected structure at the date of the pre-clearance survey;
- (b) the affected structure should be either a 1982 surveyed domestic squatter or a structure licensed for domestic usage which is not built on a piece of building land;
- (c) the household should be covered by the 1984/85 Squatter Occupancy Survey or can produce evidence proving that it has resided in the affected structure for at least the same duration;

⁴ To contain the squatter problem, the Government conducted territory-wide surveys on squatter structures in 1982 and their occupiers in 1984/85. The occupation of these squatter structures is tolerated until they are subject to clearance because of a public project, safety or environmental concerns. As a matter of principle, tolerated squatter structures for residential purpose should be domestic structures covered by the 1982 Squatter Structure Survey (“the 1982 domestic structure requirement”). Domestic squatter structures occupiers should be covered by the 1984/85 Squatter Occupancy Survey (“the 1984/85 occupancy requirement”). The two requirements are the cornerstones of the prevailing squatter control policy. At present, there are over 300,000 surveyed non-domestic squatter structures and over 85,000 surveyed domestic squatter structures all over the territory.

- (d) no household member should own or co-own any domestic properties in Hong Kong, or own more than 50% share in any company that owns domestic property in Hong Kong, or have entered into any agreement to purchase domestic property from the date of the pre-clearance survey up to the date of receipt of the EGCA;
- (e) no household member should be granted any other form of ex-gratia allowance in respect of the same structure upon receipt of the EGCA, except for the DRA as referred to in paragraph 7(b) above;
- (f) no household member should at present be enjoying any form of subsidized housing or related benefits, or be subject to debarment as a result of previous enjoyment of any form of subsidized housing or related benefits;
- (g) all members of the household choosing the EGCA should undertake not to apply for any form of subsidized housing and related benefits for a period of three years counting from the date of receipt of the EGCA; and
- (h) households should apply for the EGCA and move out of the clearance site before specified deadlines.

10. If more than one household reside in one licensed domestic structure or 1982 surveyed domestic squatter, they will be collectively considered as one “Qualified Household”. On the other hand, a nucleus family, comprising parents and their dependent children, will be considered as one household even if it occupies more than one licensed domestic structure or one 1982 surveyed domestic squatter, unless the Director of Lands considers otherwise based on the circumstances of the household(s) involved.

Discretion of Secretary for Development

11. To provide flexibility in this clearance exercise to address the special rehousing needs of households that do not fully comply with the eligibility criteria, the Secretary for Development is authorised to determine whether such households may be offered a reduced EGCA based on a sliding scale. The amount of EGCA granted to these households would range from \$300,000 to \$600,000. To this end, the Secretary for Development will decide, at her discretion on a case-by-case basis, in respect of an application of a household on –

- (a) whether it should be eligible to receive the EGCA notwithstanding that it does not fully meet the requirements to be a “Qualified Household”; and
- (b) if such a household is so eligible, whether and to what extent the amount of EGCA to be offered to the household should be reduced.

12. We will set up an Inter-departmental Advisory Panel to advise the Secretary for Development on exercising the above discretion. The households will be given the opportunity to make written representation to the Secretary for Development for consideration. The decision of the Secretary for Development shall be final. Paragraph 24 of **Enclosure 2** also gives a list of factors that the Secretary for Development and the Inter-departmental Advisory Panel may take into consideration before the Secretary for Development exercises her discretion. In exercising the discretion, the Secretary for Development may consider, but is not bound by, such factors.

Adequacy of Assistance to be Provided to Affected Clearees

13. We believe that the special ex-gratia allowance, together with the existing compensation and rehousing arrangement under the existing policy, should provide suitable, flexible and adequate assistance to all the clearees affected by the BCP Project in meeting their rehousing needs. Depending on whether they meet the relevant eligibility criteria, the clearees affected by the BCP Project may have various choices to meet their special rehousing needs –

- (a) clearees who are owners of agricultural/building land – the applicable ex-gratia zonal compensation rate would be upgraded from Zone C and Zone D rate to Zone A rate;
- (b) clearees who are indigenous villagers eligible for village removal terms – they may be rehoused in resite houses and/or receive cash compensation under the New Territories Village Removal Policy;
- (c) clearees who are genuine farmers – they may apply for a short term waiver to build a two-storey domestic structure not exceeding a height of 5.18 metres (17 feet) with 37.1 sq.m. (400 sq. ft.) on agricultural land purchased on their own under the prevailing agricultural resite policy and may also receive Rehabilitation Allowance under the existing compensation arrangement;
- (d) clearees who prefer to live in PRH – if they meet the Comprehensive Means Test, the 1982 domestic structure and 1984/85 requirements and other PRH criteria, they would have priority in rehousing to PRH;

- (e) clearees who prefer private accommodation in a rural environment – if they are Qualified Households for the EGCA, the allowance will assist them in renting/buying such an accommodation in the private market;
- (f) clearees who are eligible for “Cottage House Option” – if they are also Qualified Households for the EGCA, the allowance will assist them to meet the cost for building the cottage house; and
- (g) clearees who do not fully meet the eligibility criteria of Qualified Household for the EGCA – the Secretary for Development may exercise discretion to consider whether they should be granted the EGCA.

14. We consider that the special ex-gratia allowance will be conducive to achieving a smooth clearance and resumption of the land required for the BCP Project. In particular, the discretion of the Secretary for Development will provide sufficient flexibility to handle households with special circumstances. We will emphasize to the affected households that the terms and conditions in the special assistance are non-negotiable and it is strictly offered on an ex-gratia basis.

FINANCIAL IMPLICATIONS

15. By making reference to 1982 Squatter Structure Survey record and the pre-clearance surveys undertaken on 18 September 2008, 12 November 2010 and 9 September 2011, the number of households affected by the BCP Project is estimated at 344⁵. We estimate that the total cost of the Special Ex-gratia Allowance (comprising both the EGCA and DRA) to be \$211 million, made up as follows -

	\$ million
(a) DRA ⁶	4.13
(b) EGCA ⁷	206.4

⁵ It is assumed that there would be one Qualified Household in each of the affected structures.

⁶ Assuming that all affected households would get the maximum amount of domestic removal allowance (i.e. \$12,000) without netting off those who are already eligible under the existing package.

⁷ Assuming that all qualified households would get the maximum amount of EGCA (i.e. \$600,000).

	Sub-total	210.53
(c)	Provision for contingency	0.47
	Total	211.0

16. The proposed provision of EGCA and DRA carries no recurrent implications.

PUBLIC CONSULTATION

17. Since the announcement of the BCP Project in 2008, we have been engaging the affected villagers of Chuk Yuen Residents Village Removal Committee (RVRC) with the participation and assistance of Heung Yee Kuk. When we briefed the RVRC on the proposed special ex-gratia allowance, for which we would seek funding approval from the Legislative Council, and the enhancement to the Cottage House Option on 2 April 2012, the RVRC strongly supported them.

BACKGROUND

Cooperation between Hong Kong and the Mainland

18. At the first meeting of the Hong Kong-Shenzhen Joint Task Force on Boundary District Development (the Joint Task Force) on 10 March 2008, both sides agreed to set up the “Working Group on Preliminary Planning of Control Point at Liantang/Heung Yuen Wai” to expedite the related work. At the second Joint Task Force meeting on 18 September 2008, both sides agreed to proceed with the new BCP project. At the third Joint Task Force meeting on 27 April 2009, both sides agreed on the work schedule to commence the engineering works in 2013. At the fourth meeting of the Joint Task Force on 23 November 2009, the work schedule and the mode of co-operation of works projects linking Hong Kong and Shenzhen were reviewed, and it was agreed that both sides would work towards opening the new BCP by 2018. This target was also included in the 2010 Work Plan of the Framework Agreement on Hong Kong/Guangdong Co-operation signed by Guangdong and Hong Kong on 7 April 2010.

Cottage House Option

19. Chuk Yuen Village, which is a pre-1898 recognised village located within the Frontier Closed Area (FCA) with entry restrictions, will be cleared for construction of the BCP. The IVs and non-IVs of the village have been living there together for a long time and have expressed a strong wish to continue living together after relocation of the village. In view of these unique circumstances, we have decided to offer a special arrangement of “Cottage House Option” to non-IVs residing within the VE of Chuk Yuen Village as an alternative to satisfying their rehousing needs under the prevailing policy⁸ such that the special circumstances of a closely knitted community located in the remote FCA can be preserved. Under the original “Cottage House Option”, the non-IV may purchase suitable agricultural land in the Extended Village Area adjoining the Village Resite Area and apply to Lands Department for building a 2-storey domestic structure of 17 feet high with a maximum roofed-over area of 500 square feet per floor on their purchased private agricultural land by way of an in-situ land exchange, subject to their paying full market value premium for the land exchange.

20. Taking account of the villagers’ responses to the “Cottage House Option”, we have decided to enhance the Option by extending it to eligible non-IVs residing in Chuk Yuen South⁹, subject to the determination by the Secretary for Development at her discretion on a case-by-case basis, provided that their claim of strong social ties could be established and recognised by the Chuk Yuen Village community. Their eligibility criteria for the “Cottage House Option” are the same as their fellow non-IVs residing within the VE of Chuk Yuen Village and the Secretary for Development’s discretion on whether a non-IV, who does not fully meet the eligibility criteria, should be granted the “Cottage House Option” is also applicable to them. We have agreed to relax the maximum building height of the Cottage House from 17 feet to 19 feet in response to the villagers’ request for taking into account the requirement for installation of ceiling fans. In addition, we have also agreed to offer choices of payment of the land premium for the land exchange relating to the “Cottage House Option”: the non-IV household can (a) pay the land premium in full upfront upon the land exchange; (b) to pay 20% of the land premium upfront upon the land exchange and pay the remaining 80% of the land premium by

⁸ Under the prevailing policy, the non-IVs who do not own any building land, are not entitled to the New Territories Village Removal Policy and are only eligible for rehousing to public rental housing upon meeting the comprehensive means test, or interim housing (IH) or an ex-gratia allowance for permitted occupiers (EGAPO) in lieu of IH, or in the case of genuine farmers, the agriculture resite arrangement.

⁹ Chuk Yuen South is an existing cluster of domestic structures in Ta Kwu Ling which lies outside the VE of Chuk Yuen Village but within the village representative election boundary of Chuk Yuen Village (as at the pre-clearance survey date on 12 November 2010) and is affected by the BCP Project. Non-IVs residing in Chuk Yuen South claim that they have strong social ties with their fellow villagers residing in the VE of Chuk Yuen Village.

annual instalments up to three years at the prevailing No-Gain-No-Loss interest rate; or (c) pay a nominal premium at \$1,000 upon execution of the land exchange and then the land premium in full when they apply for removal of the non-assignment clause in the conditions of exchange for selling their cottage houses while such applications may only be approved after three years from the issuance of the Certificate of Compliance under the conditions of exchange.

**PRESENT COMPENSATION AND REHOUSING
ARRANGEMENTS UNDER EXISTING POLICY
FOR LAND RESUMPTION AND SITE CLEARANCE
IN THE NEW TERRITORIES**

This note summarizes the present compensation and rehousing arrangements under existing policy for land resumption and site clearance in the New Territories.

Village Removal

2. Under the existing New Territories Village Removal Policy, village removal exercises are carried out by negotiations wherever possible. Where land resumption is required to facilitate implementation of public works, the affected indigenous villagers (IVs) who own building lots or non-IVs who have owned building lots pre-war (prior to 25 December 1941) or by succession may be provided with village resites when their building lots are resumed. The resite house entitlements, taking into account the site area involved, would either be in the form of resite houses built by Government or a site (without a house on it) plus a building allowance equivalent to the building costs of a Government-built resite house, or in cash, known as house allowance which is equivalent to the full market value of a resite house. When post-war New Grant building lots including Small Houses granted under Small House Policy are resumed, eligible IV owners would be compensated by the grant of resite houses in the Resite Area provided that the building development has been completed. Where the building development has not been completed, the IV owner would be given a building site only in the Resite Area.

Ex-gratia Allowances for Farmers/Agricultural Resite

3. Ex-gratia allowances (EGA) are payable to genuine farmers in the New Territories affected by resumption or clearance. These include, amongst others, crop compensation, assessed on the basis of the market value of the crops under cultivation; disturbance allowance to assist them to re-establish elsewhere; EGA for qualified farm structures on private land, assessed at standard rates with reference to the type and floor area less depreciation value which makes references to the condition of the affected farm structures; and EGA for miscellaneous permanent improvements to farms relating to farm installations and fixtures such as water ponds, wells, fences, irrigation pipes/ditches, boundary walls, gates, bunds and other minor annexures to agricultural land, assessed at standard rates which are based on the standard replacement rates of the items less their depreciated value.

4. If a genuine farmer, certified by Agricultural, Fisheries and Conservation Department (AFCD), chooses to continue farming elsewhere, he would be eligible for agricultural resite, i.e. to rent (or purchase) private agricultural land to continue farming and as such may apply for a short term waiver to permit erection of a 2-storey domestic structure of a height of 5.18 metres (m)/17 feet (ft) and a maximum roofed-over area of 37.16 m²/400 ft² on their purchased private agricultural land at a rate of \$52 per m² per annum. An EGA in the form of Rehabilitation Allowance may also be payable to eligible farmers based on a standard rate

calculated with reference to removal expenses and construction cost of a replacement temporary building.

Land compensation

5. Owners of private land, either building land or agricultural land, affected by resumption in the New Territories are eligible for the ex-gratia zonal land compensation as an alternative to statutory claims under the relevant resumption ordinance. The New Territories is divided into 4 compensation zones (i.e. A, B, C and D) which are shown on the Zonal Plan for Calculation of Compensation Rates. The compensation rates for different zones are expressed in terms of varying percentages of the basic rates for agricultural and building land. For owners of building land, compensation offers may be made based on professional valuation plus an ex-gratia compensation at the relevant zonal rate. For owners of agricultural land, compensation may be offered on the relevant ex-gratia compensation rates. If owners are dissatisfied with the ex-gratia compensation offered by Government, they may opt for statutory compensation.

Structures

6. The following structures are not eligible for compensation or EGA:

- (a) temporary licensed structures on unleased Government land or on private agricultural land, which were built or have existed in compliance with a licence, modification of tenancy, or other similar form of Government permission issued by the Lands Department; or
- (b) tolerated unauthorized squatters covered by 1982 Squatter Structure Survey; or
- (c) simply unauthorized structures.

Occupiers

Rehousing to Public Rental Housing (PRH) or Interim Housing (IH)

7. To meet genuine housing needs, the following types of occupiers may be eligible for rehousing to PRH or IH:

- (a) occupiers of legal/permitted domestic properties resumed by Government if they satisfy the eligibility criteria for PRH or IH and can produce evidence that they have been living in the area since and before the date of the pre-clearance survey;
- (b) permitted occupiers of a licensed domestic structure on unleased Government land or on private agricultural land if they satisfy the eligibility criteria for PRH or IH; and
- (c) permitted occupiers of a surveyed domestic structure on private agricultural land or unleased Government land (i.e. the structure was covered by the 1982 Squatter

Structure Survey and the occupiers were registered in the 1984/85 Squatter Occupancy Survey) if they satisfy the eligibility criteria for PRH or IH.

Domestic Removal Allowance

8. Occupiers of squatter structures surveyed for domestic purpose in the 1982 Squatter Structure Survey are eligible for a Domestic Removal Allowance to help them meet the initial cost of moving. The amount payable to each household depends mainly on the size of the family.

Ex-gratia allowance for permitted occupiers (EGAPO)

9. For permitted occupiers of a licensed domestic structure or a surveyed domestic structure, if they are not eligible for PRH but offered IH, they may opt for EGAPO in lieu of IH. Clearees receiving EGAPO will not be eligible for any other EGAs (including Domestic Removal Allowance) in respect of the same structure and they will be ineligible to apply for any form of public housing or related benefits for the next two years. For example, for a one-storey domestic structure with an area of 400 ft², the EGAPO will be about \$140,000.

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**SPECIAL EX-GRATIA ALLOWANCE
EXCLUSIVELY FOR HOUSEHOLDS AFFECTED BY LAND
RESUMPTION AND SITE CLEARANCE REQUIRED UNDER
THE LIANTANG/HEUNG YUEN WAI
BOUNDARY CONTROL POINT PROJECT**

BACKGROUND

The new Boundary Control Point (BCP) at Liantang /Heung Yuen Wai and its associated connecting road in the North-eastern New Territories (“the BCP Project”¹) is a major infrastructure project with strategic territory-wide significance for Hong Kong’s future development. Timely and smooth clearance of sites affected by the BCP Project is essential to enable the commencement of construction in order to meet the target commissioning the BCP in 2018.

2. The special ex-gratia allowance is offered exclusively to households residing at the sites to be resumed and cleared under the BCP project (“affected households”). This is a special arrangement to assist them to meet their rehousing needs, so that the sites required for the BCP project can be cleared as soon as possible for the timely implementation of the BCP project.
3. For the avoidance of doubt, this special ex-gratia allowance is not intended to be applicable to squatters or other residents of temporary structures who may be affected by any other resumption and clearance exercises.
4. The terms and conditions of the special ex-gratia allowance set out in the paragraphs below are non-negotiable.

INTERPRETATION

5. Unless the context suggests otherwise -
 - a. “licensed domestic structure” means a domestic structure on unleased Government land or on private agricultural land, which was built or has existed in compliance with a licence, modification of tenancy, or other similar form of Government permission issued by the Lands Department (LandsD);
 - b. “1982 surveyed squatter” means a domestic structure covered by the 1982 Squatter Structure Survey;
 - c. “registered occupier” means an occupier of a 1982 surveyed squatter who was registered in the 1984/85 Squatter Occupancy Survey;

¹ The BCP Project comprises the BCP proper, which includes the passenger hall building, immigration kiosks, transport interchange and other ancillary facilities, and the connecting road between the BCP proper and Fanling Highway.

- d. “date of pre-clearance survey” means, as the case may be applicable, 18 September 2008 for structures affected by the BCP proper, and 12 November 2010 for structures affected by the Connecting Road;
- e. “Secretary” means Secretary for Development;
- f. “Director” means Director of Lands.

SPECIAL EX-GRATIA ALLOWANCE

- 6. This special ex-gratia allowance consists of -
 - a. Special ex-gratia cash allowance (EGCA) for “Qualified Households”; and
 - b. Domestic Removal Allowance (DRA) for all affected households.

(A) Special Ex-gratia Cash Allowance for Qualified Household

Eligibility Criteria for the EGCA

- 7. A household is regarded as a Qualified Household to receive EGCA (as described in paragraph 11 below) if –
 - a. it was residing in one of the clearance sites under the BCP project and was covered by the pre-clearance survey conducted by LandsD;
 - b. the affected structure, in which the household is residing, is either a 1982 surveyed squatter or a licensed domestic structure;
 - c. the affected structure is not built on building land; and
 - d. the household is a registered occupier or can produce evidence showing that it has resided in the affected structure mentioned in sub-paragraph (b) above for at least the same duration prior to the date of pre-clearance survey applicable to the affected structure.
- 8. A household cannot be a Qualified Household for the EGCA if any members of the household, from the date of pre-clearance survey applicable to the affected structure up to the date of granting of the EGCA –
 - a. own or co-own any domestic property in Hong Kong;
 - b. own more than 50% share in any company that owns domestic property in Hong Kong;
 - c. has entered into any agreement to purchase domestic property; or

- d. is enjoying any form of subsidized housing or related benefits, or subject to debarment as a result of previous enjoyment of subsidized housing or related benefits.
9. If more than one Qualified Household reside in a licensed domestic structure or 1982 surveyed squatter, they will be considered as one Qualified Household for the purpose of the EGCA.
10. A nucleus family, comprising parents and their dependent children, is considered as one household even if it occupies more than one licensed domestic structure or 1982 surveyed squatter, unless the Director considers otherwise.

Details of the Special Ex-gratia Cash Allowance

11. Each Qualified Household may receive an EGCA of \$600,000 as a special assistance to help meet its special rehousing needs.

Avoidance of Double Benefits

12. A Qualified Household for the EGCA must give up its eligibility for Public Rental Housing (PRH) (including Singleton and Doubleton Allowances in lieu of rehousing), Interim Housing (IH) and Ex-gratia Allowance for Permitted Occupiers (EGAPO) and Rehabilitation Allowance (RA) for genuine farmers under the existing compensation and rehousing policy.
13. A Qualified Household for the EGCA is also barred from applying for any form of subsidized housing or related benefits, including but not limited to PRH, for a period of three years counting from the date of receipt of the EGCA.

(B) Domestic Removal Allowance for All Affected Households

14. All affected households covered by the pre-clearance survey, irrespective of whether they are qualified for the EGCA in paragraph 11 above, are eligible for the Domestic Removal Allowance. Notwithstanding there were pre-clearance surveys carried out on different dates, the highest DRA rate prevailing as at the concerned pre-clearance survey would be adopted.

The Secretary's Discretion

15. Solely for the purpose of implementing the special ex-gratia allowance approved by the Chief Executive in Council, the Secretary shall, on application of a household, decide at her discretion –
 - a. whether a household which does not meet the requirements to be a Qualified Household in paragraphs 7 to 10 above should be eligible for the EGCA; and

- b. if such a household is so eligible, whether and to what extent the amount of ex-gratia cash allowance to be offered to the household should be reduced.
16. The Secretary's decision shall be final.

Limits of the Secretary's Discretion

17. The Secretary shall not offer an EGCA to a Qualified Household in excess of the amount prescribed in paragraph 11 above.
18. The Secretary's discretion set out in paragraph 15 above shall only be exercised in respect of the households affected by the land resumption and clearance under the BCP project.
19. For the avoidance of doubt, the Secretary has no discretion in respect of households affected by land resumption and site clearance arising from other public projects.

Inter-departmental Advisory Panel

20. In the exercise of the discretion in paragraph 15 above, the Secretary shall consult an Inter-departmental Advisory Panel comprising of officers of appropriate rank from the Development Bureau and other concerned departments.
21. The Inter-departmental Advisory Panel shall give advice to the Secretary as regards her decision on matters in paragraph 15.
22. The Inter-departmental Advisory Panel does not have any role to play in respect of other public projects.

Considerations to be taken into account by the Secretary and the Inter-departmental Advisory Panel

23. Each application made to the Secretary under paragraph 15 above shall be considered by the Secretary taking into account the supporting materials provided by the household and the advice given by the Inter-departmental Advisory Panel.
24. The Secretary and the Inter-departmental Advisory Panel may also take into consideration the following factors before a decision in paragraph 15 above is made by the Secretary –
- a. the duration for which the household has been living in the clearance site – in general, a longer duration may suggest that the household has stronger connection or attachment to the site. More favourable consideration should be given;
 - b. status of the structure in which the household is residing – in general, less favourable consideration will be given to a household occupying a structure converted from a non-domestic structure. Applications from households occupying

structures erected after 1982 for the EGCA should not be approved by the Secretary unless under very exceptional circumstances;

- c. the size of the household – in general, a large household size may require a larger accommodation and a smaller household may require a smaller one;
- d. the age profile of the household members – in general, elderly members may find it more difficult to adapt to a new environment. More favourable consideration should be given to such household;
- e. the household's existing living conditions;
- f. the circumstances that may deserve compassion (if any); and
- g. any other factors that the Secretary and the Interdepartmental Advisory Panel may consider relevant.

Mode of Operation and Procedures

25. Notice of the resumption will be served on the affected households after the making of the resumption order.

26. A household should, not later than two weeks from the date of the notice of resumption order mentioned above, complete an application form prescribed by LandsD together with all supporting materials to substantiate its claim as a Qualified Household for the special ex-gratia cash allowance to the Director.

27. The household will be given the opportunity on the application form to indicate whether it wishes to have its application referred to the Secretary for consideration of substantiating its eligibility for the EGCA if it fails to meet the criteria of a Qualified Household under paragraphs 7 to 10.

28. The Director shall inform a household in writing whether it meets the criteria of a Qualified Household for the EGCA within six weeks from receiving the last piece of supporting materials from the household.

29. If a household does not meet the criteria as a Qualified Household for the EGCA and has indicated its wish to have its application referred to the Secretary for further consideration under paragraph 15, the Director shall refer its application to the Secretary and the Inter-departmental Advisory Panel.

30. The Secretary would decide the eligibility of a household for the EGCA and, if affirmative, the amount of ex-gratia cash allowance to be granted in consultation with the Inter-departmental Advisory Panel within three weeks upon referral from the Director.

31. For the purpose above, the Inter-departmental Advisory Panel will convene meetings to consider the applications. The applicant households will not attend the relevant meetings.

32. The Development Bureau will inform the household of the Secretary's decision(s) within one week after the Secretary makes the decisions.

33. A household submitting the above application(s) may be required to give further materials to support its application at the request of the Director, the Inter-departmental Advisory Panel and/or the Secretary.

Forfeiture of Eligibility to the EGCA

34. A household must submit the application form to the Director by the deadline specified in paragraph 26. Otherwise the household will be considered as giving up its eligibility for the EGCA and the opportunity to apply for the Secretary to substantiate its eligibility as a Qualified Household for the EGCA.

35. A household receiving the EGCA must vacate from the clearance site by a date appointed by the Director ("the appointed date"). Any failure to vacate the clearance site by the appointed date will entitle the Government to recover from the household any amount of allowance already paid to the household.

36. Notwithstanding paragraphs 34 and 35, the household's entitlement(s) under the existing compensation and rehousing policy are not affected.

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