

DEVELOPMENT FRAMEWORK FOR KWU TUNG NORTH AND FANLING NORTH

HKIP Public Affairs Committee (PAC)

The PAC has previously responded to the NENT NDA Planning and Engineering Study – Stage 3 Public Engagement.

The present response applies to the Information Digest of July 2013 covering the planning and development framework for Kwu Tung North (KTN), Fanling North (FLN) collectively forming the Fanling / Sheung Shui / Kwu Tung New Town (FL / SS / KT).

Overall

It is necessary to reiterate that while Hong Kong is in need of additional housing and therefore land supply, there has so far been no clear “Long Term Strategy” that projects actual housing need and requirements over a 30 year period. This should technically examine all aspects of existing need as well as the actual components of population growth and provide a clear development brief for meeting this need together with land banks for other types of development. With Hong Kong’s population estimated to increase by 1.37 million by 2039 according to Census and Statistics Department projections, this requires some realistic evaluation and debate on both actual need and capacity.

The issue of housing and the related issue of land supply is extremely important, and needs to be very carefully examined. There is a need to resolve the housing problem at all levels commencing with the need to secure decent housing for ‘grassroots’ households, but also to offer choice to all sectors including an aspiring middle class. This should be approached in a careful, thoughtful and strategic way. In conjunction with population projections and their careful and objective evaluation, this must form the basis of a strategic framework for both housing and other needs which balances these as far as possible with a number of other factors in the best public interest. We should not simply react in haste, or compare past levels of development from the mid 1970s with the situation today. We do however have to identify a suitable land reserve. An underlying objective must be the betterment of Hong Kong as a whole – physically, socially, environmentally and economically

At present it is certainly the case that there is a trend towards lower household sizes and therefore a projected increase in the number of households (although no estimated breakdown is given on the proportion of different household sizes); there is a need to house suitably qualified applicants already on the public housing waiting list; and a need to improve housing conditions for up to 200,000 persons living in poor and potentially dangerous conditions in sub-divided units. There is therefore a need to provide a clear definition and breakdown of ‘Shortfall’. However by far the greatest demand over the long-term is to accommodate population growth stemming from new arrivals from the Mainland that translates into an extremely large number of low-income households. We therefore appear to be planning to house around 1.3 million people of which the majority are to be housed within new communities in the NE and NW New Territories with no detailed breakdown or discussion of other scenarios. One such scenario although possibly a contentious one, is to re-examine the basis of the SAR’s evident commitment to large numbers of immigrants in relation to economic needs and development capacity, commensurate with the difficulties and investment involved. Similarly there is no strategy to address the issue of housing quality (in terms of space standards) as well as quantity in terms of numbers.

This is not of course to argue that NDAs are unnecessary, but that the need for such a massive number of new public and private housing units, which in terms of size will largely echo the very

high number of ‘shoebox’ units in the existing housing sectors, is not spelled out. Similarly the economic and social aspects for the SAR as a whole are not made clear.

The Northern New Territories have suffered from planning neglect for many years. The Town Planning Ordinance was only extended to the NT in 1991, but to all intents and purposes land use outside designated new town envelopes and country parks is poorly co-ordinated and despoiling – a combination of piecemeal development and relatively uncontrolled abuse of agricultural land, including land in close proximity to sensitive ecological areas such as Wetlands.

The large and indeterminate land banks assembled by developers have in recent years represented an intractable problem which on one hand has limited the coherent assembly of land to boost housing supply, while on the other it has often led to development where it is least desired. In addition the Small House Policy has for many years been both environmentally damaging and massively wasteful in terms of land resources, and there are at the present time approximately 933 ha of rural land still earmarked for this purpose.

The result of the above is that opportunities for the establishment of new large-scale development areas or “Conventional New Towns” are extremely limited, and subject to land resumption with accompanying impacts, compensation and re-housing issues.

While the basic principles and directions of HK2030 are still broadly valid, it has been 6 years since its completion in 2007, and several interrelated aspects need to be addressed in order to provide a strategic context for major new development areas. These are, inter alia:

- An outline strategy not merely in the light of imminent demands, but in terms of environment planning, landscape, ecological protection, and recreation, linked to a coherent and connected pattern of ‘greenways’, ‘blueways; and Country Parks;
- The potential to rationalise the current ad-hoc pattern of development and land-use to achieve more coherent and ordered planning, with commensurate opportunities for landscape and recreation planning;
- Employment generation commensurate with the potential for new and viable industries, which should in itself be subject to detailed economic study, including development trends and interfaces within the PRD; and
- A “betterment” agenda, that relates to the quality of overall environment and reflects the sustainable component of HK2030, rather than intensification of development on whatever sites are most easily available.

Specific

The Planning and Engineering Study is concerned solely with technical assessments, physical layouts, mode of implementation and compensation arrangements.

Notwithstanding the overall points set out above, our response is as follows:

A) Improving Environmental Quality and a Green Living Environment

There are simply broad objectives, most of which should apply to Hong Kong as a whole.

B) Enhancing Economic Vibrancy

The integration of “robust economic and employment clusters” is supported. However the background analysis and actual potential for this needs to be spelled out in more detail. To

state that 14 ha of sites 'have the potential to be developed' etc etc, while about 8 ha of land are proposed in addition for Research and Development to provide synergy with the broad proposals for Lok Ma Chau, is extremely vague, and unsubstantiated.

A projection 37,700 new jobs is very speculative, and highly dependent on many external factors. It would seem that the new FL/SS/KT population will be predominantly low income and would be unlikely to work in research and development, but the existing Fanling framework would provide same retail and service employment. Government projections are that the 3.85 million people in Hong Kong's labour force will shrink to 3.55 million in 2018. In fact there is a present shortage of almost 30,000 sales and service workers in Hong Kong, but vacancies mainly lie in the urban area. The entire issue of increasing economic interaction with the Mainland in terms of Hong Kongs existing and future skilled industrial requirements and employment needs to be subject to detailed study.

C) Respecting Nature

The proposal to designated Long Valley as a Nature Park is supported. As stated previously the notion of "green lungs" needs to be extended throughout the northern New Territories to establish a coherent and comprehensive framework for landscape, recreation and ecological protection.

D) Proposals to improve the transport network and overall accessibility are supported.

E) Proposals to provide assistance to affected farmers and facilitate agricultural rehabilitation are strongly supported.

F) In terms of the Revised ODPs and Key Changes it is noted that the public to private housing ratio has been adjusted to 60:40. From the Master Layout Plans the vast majority of public housing appears to be in the form of Trident Blocks which are a very basic form of public rental housing, albeit embodying an extremely high population density. This needs further substantiation and justification. While the Revised RODP shows an increase of 16.1 ha in "subsidised housing" and a commensurate 17.3 ha reduction in private housing, it is necessary to incorporate high standards of public housing, with a majority comprising HOS accommodation.

At an overall level, it is necessary to encourage Public Rental Housing (PRH) tenants who have the financial capability to purchase HOS or seek private accommodation. Notwithstanding the need for additional public rental housing, public housing should be constructed at a progressively higher space standard, and should cater for genuine "grassroots" need. The current Public Housing Policy needs to be monitored carefully, and include stringent means tests at certain intervals. There is a need for Government to strongly enforce this policy to expedite turnover of PRH flats and better manage demand, with better-off tenants encouraged to move towards home ownership as and when it is available.

G) It is noted that under the CNTA, Government will resume and clear private land planned for public works projects, public housing and private developments, and carry out site formation works, infrastructure etc before allocation of land while allowing applications for modification of lease including in-situ land exchange. It is also stated that special ex-gratia compensation packages have been devised to assist the removal of existing residents under the necessary land resumption process.

These are likely to be contentious aspects that will require much time and negotiation, with likely opposition from vested interests, and from residents who do not want to be relocated to high-rise public housing. It is necessary to devise a system of land exchange that takes the issue of developer ownership into consideration and sets a reasonable ratio of exchange and premium payment. It is likely that a Land Tribunal would have to be set up to ensure fairness to all sides, and to avoid problems of “collusion” with private interests.

In-situ land exchange related specifically to land planned for private development and to allow for comprehensive planning and urban design is supported. However site areas of not less than 4000 sq m to facilitate in-situ exchange is quite large evidently on the basis that in-situ exchange must allow for relatively co-ordinated private development packages. It is considered that every effort should be made to facilitate land exchange of smaller sites and their amalgamation into larger packages, in order to fully exploit the incorporation, wherever possible, of private land holdings. In addition, the pros and cons of utilising a “Letters A/B” solution should be investigated as a means of acquiring private land in this and other NDAs.