LEGISLATIVE COUNCIL
PANEL ON DEVELOPMENT

Kwu Tung North and Fanling North
New Development Areas –
Funding Applications for Main Works, Detailed Design and Special Ex-gratia Cash Allowance

PURPOSE

This paper briefs Members on the following funding applications in relation to the Kwu Tung North (“KTN”) and Fanling North (“FLN”) New Development Areas (“NDAs”) development:

**Main Works for First Phase Development**
(a) upgrading of 7747CL and 7759CL to Category A for carrying out advance and first stage site formation and engineering infrastructure works to support the First Phase development of the KTN and FLN NDAs (“Advance Works” and “First Stage Works”) *(Enclosures 1 and 2)*;

**Detailed Design for Remaining Phase Development**
(b) upgrading of part of 7828CL to Category A for engaging consultants to undertake detailed design and site investigation for the Remaining Phase development of the KTN and FLN NDAs (“Detailed Design”) *(Enclosure 3)*;

**Co-location of Police Facilities at Kong Nga Po**
(c) upgrading of 7793CL to Category A for carrying out site formation and engineering infrastructure works for co-location of police facilities at Kong Nga Po so as to free up sites within the KTN and FLN NDAs for other uses (the “KNP Works”) *(Enclosure 4)*;
Shek Wu Hui Effluent Polishing Plant
(d) upgrading of 4388DS to Category A for redeveloping the existing Shek Wu Hui Sewage Treatment Works (“SWHSTW”) into an Effluent Polishing Plant to cope with additional sewage treatment demand arising from the KTN and FLN NDAs and other new developments and enhance its environmental performance (“SWHEPP”) (Enclosure 5); and

Funding allocation for Special Ex-gratia Cash Allowance Subhead
(e) allocation of funding to subhead 37CA under Head 701 – Land Acquisition for payment of the Special Ex-gratia Cash Allowance (“SEGCA”) to eligible domestic households affected by the land resumption and clearance of the KTN and FLN NDAs (Enclosure 6).

OVERVIEW

2. NDA projects in the New Territories, including the KTN and FLN NDAs, form a core part of our multi-pronged land supply strategy in the medium and long term. After more than 10 years of planning, consultation and preparation, the funding applications in paragraph 1 above, if approved by the Legislative Council (“LegCo”), will take the two NDA projects to another key stage - land resumption and clearance for the First Phase development will commence in the second half of 2019, and the projects are poised to enter the construction phase.

3. Upon full development, the KTN and FLN NDAs will yield a total of about 71 800 housing units (of which about 48 500 or nearly 70% are public housing), accommodating additional population of about 188 100; and provide about 868 000 square metres (m²) commercial floor areas which together with proposed community uses will generate some 40 100 job opportunities. Population intake is expected to start in 2023, and infrastructure works to complete in 2031.

4. The KTN and FLN NDAs will be implemented in two phases: First Phase and Remaining Phase. The entire development involves resumption of about 180 hectares (ha) of private land under Land Resumption Ordinance (Cap. 124) and other legislation, as well as clearance of about 230 ha of government land. The resumption and clearance exercise will affect about 4 200 people in 1 500 households, and 440 business undertakings (including brownfield operations).
5. For the First Phase of the NDAs development, we will resume about 68 ha of private land and clear about 100 ha of government land. The land resumption and clearance will affect about 445 households involving about 1 160 persons and some 3 482 domestic and ancillary structures. About 140 business and industrial undertakings and 18 graves and two urns have to be cleared. Apart from the provisions for statutory compensation under the relevant ordinances, we will offer various prevailing administrative ex-gratia allowances to affected eligible landowners and occupiers and, where eligible, rehousing arrangements to residents affected by clearances on an ex-gratia basis in accordance with the unified and enhanced ex-gratia compensation and rehousing (“C&R”) arrangement.

6. Key figures of the KTN and FLN NDAs are tabulated below -

<table>
<thead>
<tr>
<th></th>
<th>First Phase</th>
<th>Remaining Phase</th>
<th>Entire Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing yield (public housing)</td>
<td>21 000 units (18 000 units)</td>
<td>50 800 units (30 500 units)</td>
<td>71 800 units (48 500 units)</td>
</tr>
<tr>
<td>Commercial floor areas</td>
<td>102 500 m²</td>
<td>765 500 m²</td>
<td>868 000 m²</td>
</tr>
<tr>
<td>Private lots resumed</td>
<td>68 ha</td>
<td>114 ha</td>
<td>182 ha</td>
</tr>
<tr>
<td>Government land cleared</td>
<td>100 ha</td>
<td>133 ha</td>
<td>233 ha</td>
</tr>
<tr>
<td>Households affected</td>
<td>445</td>
<td>1 062</td>
<td>1 507</td>
</tr>
<tr>
<td>Business undertakings affected</td>
<td>141</td>
<td>302</td>
<td>443</td>
</tr>
<tr>
<td>Main works programme</td>
<td>2019-2026</td>
<td>2024-2031</td>
<td>2019-2031</td>
</tr>
</tbody>
</table>

**Main Works for First Phase Development and Detailed Design for Remaining Phase Development**

7. The First Phase development comprises the Advance Works under 7747CL and First Stage Works under 7759CL. Specifically, it covers site formation and engineering infrastructure works (including drainage, sewerage, waterworks, landscaping works and slope works); construction of the eastern section of the Fanling Bypass (FLBP) connecting the FLN NDA to Fanling Highway, junction improvements, local roads and cycle tracks; establishment of the Long Valley Nature Park and reprovisioning of egress sites as ecological mitigation measures; and reprovisioning of public facilities.

8. In tandem with the implementation of the First Phase development, we will commence the Detailed Design for Remaining Phase under 7828CL to expedite project delivery. The Remaining Phase covers the remaining site formation and engineering infrastructure works; construction of the western section of FLBP, Po Shek Wu Flyover, local roads and cycle tracks; and widening of Fanling Highway for connection to KTN NDA. Under this exercise we will also identify alternative uses for six sites within the two NDAs that are no longer required for their originally intended uses owing to changing circumstances,
including the four sites to be freed up upon co-location of police facilities in Kong Nga Po as discussed in the following paragraph.

Co-location of Police Facilities at Kong Nga Po

9. Two sites within the KTN NDA are currently occupied by Police’s firing range and helipad facilities, while another two sites within the FLN NDA have been reserved for reprovisioning existing police training facilities at Fan Garden near Fanling. There are merits consolidating all these police facilities in a single location. We propose to carry out site formation and engineering infrastructure as well as road improvement works under 7739CL for co-location of the above police facilities at Kong Nga Po in the New Territories North. The co-location can release four sites within the NDAs for other more beneficial uses. It can also enhance Police’s operational efficiency.

Shek Wu Hui Effluent Polishing Plant

10. The SHWSTW is currently a secondary sewage treatment plant with planned capacity expected to be fully utilised by 2022. To cope with projected additional sewage treatment demand arising from the KTN and FLN NDAs and other new developments, we propose to redevelop the existing SWHSTW into an Effluent Polishing Plant under 4388DC to expand its treatment capacity and upgrade the sewage treatment level to tertiary standard.

Funding Allocation for Special Ex-gratia Cash Allowance Subhead

11. In July 2018, while endorsing the unified and enhanced general ex-gratia C&R package for government development clearance exercises including the clearance for the KTN and FLN NDAs, the Finance Committee (“FC”) also agreed that the SEGCA arrangement should be retained as an additional option for eligible households affected by clearance for the two NDAs and accordingly approved the creation of a new subhead 37CA under Head 701 – Lands Acquisition. We propose to earmark an allocation for the new subhead to meet anticipated funding need.

12. Details of the above proposals and justifications are at Enclosures 1 to 6 respectively.

FINANCIAL IMPLICATIONS

13. We estimate that the total costs in money-of-the-day (MOD) prices of the proposed works/detailed design are as follows:
### First Phase Development

- **7747CL – Advance Works**
- **7759CL – First Stage Works**

### Remaining Phase Development

- **7828CL – Detailed Design**

### KNP Works

- **7793CL – KNP Works**

### SWHEPP

- **4388DS – SWHEPP**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) First Phase Development</td>
<td>$18,216.5</td>
</tr>
<tr>
<td>(b) Remaining Phase Development</td>
<td>764.5</td>
</tr>
<tr>
<td>(c) KNP Works</td>
<td>1,913.0</td>
</tr>
<tr>
<td>(d) SWHEPP</td>
<td>11,972.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$32,866.8</td>
</tr>
</tbody>
</table>

14. We estimate the total cost of SEGCA for eligible households affected by the KTN and FLN NDAs development to be **$732.6 million**.

15. Apart from the proposed SEGCA provision, we estimate that the cost of land acquisition and payment of other ex-gratia payment for the First Phase development is about **$13,335 million**, which will be charged to **Subhead 1100CA of Head 701 – Land Acquisition** under Capital Works Reserve Fund (CWRF) (Paper No. PWSC(2018-19)35). The funding approval for block allocations under CWRF for each financial year will be separately sought per established procedures. No land resumption or clearance is required for the KNP Works and the SWHEPP project.

### PUBLIC CONSULTATION

16. For the KTN and FLN NDAs development, in addition to the statutory procedures in respect of town planning and road/sewerage works, since the announcement of the unified and enhanced general ex-gratia C&R arrangement for government development clearance exercises in May 2018, we have been briefing the LegCo and local stakeholders (such as relevant District Councils and Rural Committees) as well as clearees (including residents’ groups and concern groups) affected by key development clearance exercises in the pipeline (including the KTN and FLN NDAs) on various occasions regarding the C&R arrangement. Separate meetings have also been held to meet specific groups to address their other concerns about the KTN and FLN NDA projects. In June 2018, while rendering support to the enhanced C&R package, the North District Council (NDC) also endorsed the implementation of the KTN and FLN
NDAs and SWHEPP. In addition, the District Minor Works and Environmental Improvement Committee of the NDC supported the works for co-locating police facilities in Kong Nga Po at its meeting in November 2016.

WAY FORWARD

17. Members are invited to consider the funding applications in relation to the KTN and FLN NDAs development as set out in paragraph 1 above. Subject to Members’ comments, we plan to consult the Public Works Subcommittee on the funding applications and seek the approval of the FC in the first quarter of 2019.

18. Meanwhile, we will continue to make preparations for land resumption and clearance for the First Phase development. A summary of progress with such preparation work is at Enclosure 7.

Development Bureau
January 2019
HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT

Civil Engineering – Land development

7747CL – Advance site formation and engineering infrastructure works at Kwu Tung North new development area and Fanling North new development area

PROJECT SCOPE AND NATURE

The proposed scope of works under 7747CL (the “Advance Works”) comprises –

(a) site formation of about 70 hectares (ha) of land (including soil treatment works) in the Kwu Tung North (“KTN”) and Fanling North (“FLN”) New Development Areas (“NDAs”);

(b) construction of the eastern section of Fanling Bypass (“FLBP(E)”) of about 4 kilometres (km) long, which is a dual two-lane carriageway connecting the FLN NDA to Fanling Highway, and about 10 km of local roads and about 4 km cycle tracks, and associated junction/road improvements;

(c) engineering infrastructure works including drainage, sewerage (including two sewage pumping stations), waterworks (including a fresh water service reservoir of about 27 500 cubic metres (m³) capacity and a flushing water service reservoir of about 11 500 m³ capacity in the KTN NDA), landscaping works and slopeworks;

(d) part expansion and upgrading of Shek Wu Hui Sewage Treatment Works (“SWHSTW”) to increase its capacity by 20 000 m³ per day;

(e) reprovisioning works; and

(f) implementation of environmental mitigation measures and environmental monitoring and audit (“EM&A”) programme for the works mentioned in paragraphs (a) to (e) above.
2. WLayout plans showing the proposed works are at Annex 1 to this Enclosure. Details of the proposed FLBP(E) connecting Fanling Highway, Lung Yeuk Tau Interchange of “FLBP(E)”, two sewage pumping stations, two service reservoirs and junction improvement at Pak Shek Au are at Annex 2 to Annex 6 to this Enclosure.

3. Subject to funding approval of the Finance Committee (“FC”) of the Legislative Council (“LegCo”), we plan to commence construction of the proposed works in the third quarter of 2019 for completion in end 2026. To meet the works programme, the Civil Engineering and Development Department (CEDD) will invite tenders for the works contracts from February 2019 progressively, but the works contracts will only be awarded upon obtaining funding approval from the FC.

JUSTIFICATION

4. We are determined to press ahead with the implementation of the KTN and FLN NDAs as a medium and long-term measure to increase land supply. Upon full development, the KTN and FLN NDAs will yield a total of about 71 800 housing units (of which about 48 500 or nearly 70% are public housing), accommodating a new population of about 188 100; and also about 868 000 square metres (m²) floor area for economic activities, generating some 40 100 employment opportunities.1

5. The KTN and FLN NDAs will be implemented in two phases: First Phase and Remaining Phase. As part of the First Phase development, we need to carry out the Advance Works to provide land for housing, community and other developments from 2022 onwards and more importantly to support housing development which aims for first population intake in 2023. The Advance Works will support -

(a) residential developments with about 21 000 flats, of which about 18 000 flats are public housing, for a new population of about 52 900; and

(b) commercial uses with about 102 500 m² floor area, creating about 4 100 employment opportunities.2

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1 The total employment opportunities of 40 100 include those to be generated from the planned “government, institution or community” uses.

2 The employment opportunities of 4 100 exclude those to be generated from the planned “government, institution or community” uses for which the breakdown by phases is not available.
6. To support the KTN and FLN NDAs development, it is necessary to improve the infrastructure in the vicinity, including the provision of FLBP(E) to carry the new traffic demand arising from the NDAs development as well as to divert existing traffic of Sha Tau Kok Road from entering Fanling/Sheung Shui Town Centre to upkeep the traffic conditions at acceptable level there, and other road improvement works to enhance the performance of junctions at the existing road network, and provision of drainage, sewerage and waterworks systems. As the existing sewerage system would not have sufficient coverage and capacity to cater for the additional sewage discharge from the developments in the NDAs, it is necessary to construct new sewage pumping stations with associated sewers as well as to partly expand and upgrade the existing SWHSTW. In order to minimise the interface problem, the Drainage Services Department will undertake the part expansion and upgrading works of SWHSTW under 7747CL, i.e. to increase its capacity by 20,000 m³ per day to cope with projected sewage treatment demand arising from the First Phase development, for parallel implementation of the remaining expansion and upgrading works for converting SWHSTW into an effluent polishing plant under the works contracts of 4388DS – Shek Wu Hui Effluent Polishing Plant in one go. Regarding waterworks, the existing water supply system is not sufficient to accommodate the need of the planned population and thus requires the provision of a new water supply system including watermain distribution networks and service reservoirs.

7. The soil in the KTN NDA contains naturally-occurring arsenic material. Notwithstanding the negligibly low risk associated with this natural material as concluded in the Environmental Impact Assessment (EIA) report for the North East New Territories NDAs Planning and Engineering Study (“NENT NDAs Study”)³, which was approved with conditions under the Environmental Impact Assessment Ordinance (EIAO) (Cap. 499) in October 2013, we will strictly comply with the recommendations and approval conditions of the EIA report in carrying out the soil treatment works for the hotspots with high levels of arsenic.

8. Some sites/facilities, such as the North District Temporary Wholesale Market for Agricultural Products, the On Lok Mun Street Playground and a bus-bus interchange at Fanling Highway will be affected by the NDAs development and its associated engineering infrastructure works. Relevant reprovisioning works will be included under the Advance Works.

³ The North East New Territories New Development Areas Planning and Engineering Study was a planning and engineering study to establish a planning and development framework for the KTN, FLN and Ping Che/Ta Kwu Ling NDAs.
9. To tie in with the NDAs development, timely completion of the engineering infrastructure works as well as the formation of the land parcels is necessary. Upon completion, the formed land will be handed over by phases to relevant parties for housing and other developments and the infrastructure works will be handed over to relevant government departments for management and maintenance.

FINANCIAL IMPLICATIONS

10. We estimate the capital cost of the Advance Works to be $17,320.1 million in money-of-the-day (MOD) prices.

PUBLIC CONSULTATION

11. The draft Outline Zoning Plans (“OZPs”) for the KTN and FLN NDAs were exhibited for public inspection under the Town Planning Ordinance (Cap. 131) from 20 December 2013 to 20 February 2014. During the statutory planning process, a total of more than 53,000 representations and comments were received. After giving consideration to the representations and comments in April 2015, the Town Planning Board decided not to propose any amendments to the draft OZPs to meet the representations. On 16 June 2015, the Chief Executive in Council approved the KTN and FLN OZPs, which were then exhibited for public inspection on 19 June 2015.

12. The proposed road scheme (the “Road Scheme”) under the Roads (Works, Use and Compensation) Ordinance (Cap. 370) and the proposed sewerage scheme (the “Sewerage Scheme”) under Cap. 370 as applied by the Water Pollution Control (Sewerage) Regulation (Cap. 358AL) under the Advance Works were gazetted on 31 December 2015 and 8 January 2016. A total of 5,932\(^4\) and 5,757\(^5\) objections to the Road Scheme and the Sewerage Scheme were received respectively during the statutory objection period. 35 out of 5,932 objections to the Road Scheme and 26 out of 5,757 objections to the Sewerage Scheme were subsequently withdrawn unconditionally and considered resolved. To ameliorate the effects of the proposed works in addressing the public concerns and to accommodate design development, amendments to the Road Scheme (the “Amendment Road Scheme”) and the Sewerage Scheme (the “Amendment Sewerage Scheme”) were respectively developed and gazetted on 18 and 25

\(^4\) Among them, 5,725 objections were received through standard letters.
\(^5\) Among them, 5,725 objections were received through standard letters.
November 2016. Another 5,501 and 5,048 objections to the Amendment Road Scheme and the Amendment Sewerage Scheme were received respectively. 24 out of 5,501 objections to the Amendment Road Scheme and 18 out of 5,048 objections to the Amendment Sewerage Scheme were subsequently withdrawn unconditionally and considered resolved. The unresolved objections were mainly related to the overall planning and development of the KTN and FLN NDAs, resumption of land affected by the proposed works, compensation and rehousing (C&R) arrangement for affected villagers, as well as health risks, environmental and traffic impacts arising from the proposed works.

13. In response to the public views on C&R arrangements, the Government announced on 10 May 2018 the unified and enhanced general ex-gratia C&R arrangement for government development clearance exercises (the “unified and enhanced ex-gratia C&R arrangement”). The unified and enhanced ex-gratia C&R arrangement relating to various existing and new ex-gratia allowances (EGAs) was approved by FC on 18 July 2018. We have provided the relevant information of the unified and enhanced ex-gratia C&R arrangement to the objectors who expressed concerns on the C&R arrangement during the statutory objection period for the Road Scheme, the Amendment Road Scheme, the Sewerage Scheme and the Amendment Sewerage Scheme as mentioned in paragraph 12 above. Subsequent to the further comments submitted by the objectors and the announcement of the unified and enhanced ex-gratia C&R arrangement, 52 out of 5,932 objections to the Road Scheme and 43 out of 5,757 objections to the Sewerage Scheme were eventually withdrawn unconditionally and considered resolved. 34 out of 5,501 objections to the Amendment Road Scheme and 28 out of 5,048 objections to the Amendment Sewerage Scheme were eventually withdrawn unconditionally and considered resolved. The remaining objections were considered unresolved.

14. Having considered the unresolved objections and the proposed road and sewerage works as described in the Road and Sewerage Schemes as amended by the Amendment Road and Sewerage Schemes as well as the associated modification, the Chief Executive in Council authorised the works. The notices of authorisation were gazetted on 14 December 2018.

15. Following the announcement of the unified and enhanced ex-gratia C&R arrangement on 10 May 2018, we briefed the LegCo and local stakeholders (such as relevant District Councils and Rural Committees) as well as the clearees (including residents’ groups and concern groups) affected by key development

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6 Among them, 4,363 objections were received through standard letters.
7 Among them, 4,363 objections were received through standard letters.
8 The modification involves the reduction of the works area of about 44 m² and deletion of land resumption area of about 1921.2 m² in FLN NDA.
clearance exercises in the pipeline (including the KTN and FLN NDAs) on various occasions regarding the C&R arrangement as well as major concerns in relation to the NDAs from May 2018 to January 2019. On 14 June 2018, the North District Council (NDC) was consulted on and supported the unified and enhanced ex-gratia C&R arrangement and the implementation of the KTN and FLN NDAs, including the proposed Advance Works.

16. Further to the support of the Traffic and Transport Committee of the Tai Po District Council (TPDC T&TC) to the Advance Works given at their meeting on 11 September 2015, we updated the TPDC T&TC on 9 November 2018 regarding the proposed works on the connection of the FLBP(E) to Fanling Highway under the Advance Works and received no objection.

17. We will maintain close dialogues with local stakeholders, including the affectees, residents’ groups as well as the NDC Members, TPDC Members, the Fanling District Rural Committee, the Sheung Shui District Rural Committee and the Tai Po Rural Committee throughout the implementation of the Advance Works.

18. We consulted the Advisory Committee on the Appearance of Bridges and Associated Structures on the proposed aesthetic design of the major highway structures of the Advance Works. The Committee accepted the proposed aesthetic design.

ENVIRONMENTAL IMPLICATIONS

19. The NENT NDAs Study is a Designated Project (DP) under Schedule 3 of the EIAO (Cap. 499). Some of the proposed works under the NENT NDAs are DPs under Schedule 2 of the EIAO and Environment Permits (EPs) are required for their construction and operation.

20. In October 2013, the EIA report for the NENT NDAs was approved with conditions under the EIAO. The relevant EPs for construction and operation were issued in November 2013. The EIA report concluded that the environmental impacts of the NENT NDAs can be controlled to within the criteria under the EIAO and the Technical Memorandum on EIA Process. We will

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9 The Advisory Committee on the Appearance of Bridges and Associated Structures, comprising representatives of the Hong Kong Institute of Architects, the Hong Kong Institution of Engineers, the Hong Kong Institute of Planners, the Architectural Services Department, the Highways Department, the Housing Department, the CEDD, and architectural or relevant faculties from local institutions, is responsible for vetting the design of bridges and other structures associated with the highway system, including noise barriers and enclosures, from the aesthetic and visual impact points of view.
implement the measures recommended in the approved EIA report, and comply with the relevant conditions under the EPs. The key measures include soil treatment works for hotspots identified with high level of arsenic, noise barriers on the FLBP(E) and other road sections, and odour control measures for SWHSTW. We have included the cost of implementing the environmental mitigation measures as well as the EM&A programme in the overall project estimate.

21. For controlling the short-term environmental impacts caused by the proposed works during construction, we will incorporate the recommended mitigation measures and implementation of EM&A programme into the relevant works contracts to control environmental impacts arising from the construction works to comply with established standard and guidelines. These measures include regular watering of exposed site area to reduce emission of fugitive dust, the use of movable noise barriers and of quiet plant to reduce noise generation, and the use of trucks with cover or enclosed containers for waste transportation.

22. At the planning and design stages, we have considered all the proposed works and construction sequences to reduce generation of construction waste where possible. In addition, we will require the contractors to reuse insert 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 at public fill reception facilities (“PFRF”)\(^\text{10}\). We will encourage the contractors to maximise the use of recycled or recyclable inert construction waste, and the use of non-timber formwork to further reduce the generation of construction waste.

23. At the construction stage, we will require the contractors 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 contractors to separate the inert portion from non-inert construction waste on site for disposal at appropriate facilities. We will control the disposal of construction waste through a trip-ticket system.

24. We estimate that the Advance Works will generate in total about 6,976,600 tonnes\(^\text{11}\) of construction waste. Of these, we will reuse about 6,153

\(^{10}\) Public fill reception facilities (PFRF) are specified in Schedule 4 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap 354N). Disposal of inert construction waste in PFRF requires a licence issued by the Director of Civil Engineering and Development.

\(^{11}\) The figure is approximate only and could only be confirmed after land resumption/clearance.
300 tonnes (about 88%) of inert construction waste on the sites under the Advance Works and temporarily stockpile about 671 600 tonnes (about 10%) of inert construction waste for subsequent reuse mainly in the Remaining Phase of the KTN and FLN NDAs development. We will dispose of the remaining 151 700 tonnes (about 2%) of non-inert construction waste at landfills. The total cost for disposal of the construction waste at landfill is estimated to be about $30.3 million for the Advance Works (based on a unit charge rate of $200 per tonne for disposal at landfills as stipulated in the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N)).

TRAFFIC IMPLICATIONS

25. We completed a traffic impact assessment, which revealed that the traffic impact due to planned population intake of the First Phase of the NDAs development would be reasonably mitigated with commissioning of FLBP(E) and local junction improvement works.

26. The traffic impact of the First Phase of the NDAs development during the construction stage will be manageable. Temporary traffic arrangements (TTAs) will be implemented to facilitate the construction works. We will establish a Traffic Management Liaison Group (TMLG) comprising representatives of the CEDD, the Transport Department, the Hong Kong Police Force and other stakeholders to discuss, scrutinise and review the TTAs proposed by the contractors with a view to minimising traffic impact arising from the Advance Works. We will maintain close contact with the TMLG members as well as District Offices, the relevant District Councils, various public transport operators and utility undertakers. We will also consult relevant District Councils prior to the implementation of major TTAs under the Advance Works. In addition, we will set up a telephone hotline to respond to public enquiries or complaints.

HERITAGE IMPLICATIONS

27. We have completed a cultural heritage assessment under the EIA for the NENT NDAs. It concluded that the proposed works would not affect any heritage site, i.e. all declared monuments, proposed monuments, graded historic sites/buildings and Government historic sites identified by the Antiquities and Monuments Office (AMO).

28. However, part of the Site of Archaeological Interest identified by the AMO at Sheung Shui Wa Shan would be affected by the Advance Works. When
the construction details for the proposed works in the concerned site are formulated, we will require the contractors to conduct an Archaeological Impact Assessment to determine the need for archaeological follow up actions in the impacted area before commencement of any construction works according to the EIA report. For areas with medium archaeological potential identified during the EIA study which would be affected by the Advance Works, but surveys could not be conducted before land resumption, we will also conduct the assessment before commencement of any construction works, and recommend mitigation measures if necessary, according to the EIA report.

29. We will also comply with the recommendations of the EIA report to carry out a baseline condition survey and baseline vibration impact assessment for identified built heritage adjacent to the works sites before commencement of the works and to evaluate if construction vibration monitoring and structural strengthening measures are required during construction to safeguard compliance with the vibration standard stated in the EIA report.

BACKGROUND INFORMATION

30. We upgraded 7747CL to Category B in September 2010.

31. On 27 June 2014, the FC approved upgrading of part of 7747CL to Category A as 7772CL as “Advance site formation and engineering infrastructure works at Kwu Tung North new development area and Fanling North new development area – detailed design and site investigation” at an approved project estimate of $340.8 million in MOD prices for engaging consultants to undertake the detailed design and site investigation for the Advance Works. We have substantially completed the detailed design of the Advance Works.

32. Of the 8 647 trees within the boundary of the Advance Works, 1 838 trees will be preserved, whereas 6 809 trees will be affected, including 6 644 trees to be felled and 165 trees to be transplanted. Among the above, 10 important trees12 will be affected and the proposed treatments to these important trees are at

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12 “Important trees” refers to trees in the Register of Old and Valuable Trees, or any other trees that meet one or more of the following criteria –

(a) trees of 100 years old or above;
(b) trees of cultural, historical or memorable significance e.g. Fung Shui tree, tree as landmark of monastery or heritage monument, and trees in memory of an important person or event;
(c) trees of precious or rare species;
(d) trees of outstanding form (taking account of overall tree sizes, shape and any special features) e.g. trees with curtain like aerial roots, trees growing in unusual habitat; or
(e) trees with trunk diameter equal to or exceeding 1.0 meter (m) (measured at 1.3 m above ground level), or with height/canopy spread equal to or exceeding 25 m.
Annex 7 to this Enclosure. We will incorporate planting proposals as part of the Advance Works, including about 1,452 trees, 5,470 whips and 140,200 shrubs as compensatory planting\textsuperscript{13}.

Development Bureau  
Civil Engineering and Development Department  
January 2019

\textsuperscript{13} The figures are approximate only and could only be confirmed after land resumption/clearance.
LEGEND:
- **BOUNDARY OF FANLING NORTH NEW DEVELOPMENT AREA**
- **PROPOSED WORKS BOUNDARY**
- **PROPOSED ROAD WORKS (WITH APPROPRIATE NOISE MITIGATION MEASURES AND INFRASTRUCTURE WORKS)**
- **PROPOSED SITE FORMATION (WITH APPROPRIATE INFRASTRUCTURE WORKS)**
- **PROPOSED REPROVISIONING OF NORTH DISTRICT TEMPORARY WHOLESALE MARKET FOR AGRICULTURAL PRODUCTS**
- **PROPOSED FANLING NORTH SEWAGE PUMPING STATION**
- **PROPOSED REPROVISIONING OF ON LOK MUN STREET PLAYGROUND**
- **PROPOSED EXPANSION AND UPGRADE OF SHEK WU HUI SEWAGE TREATMENT WORKS**

**Proposed Fanling Bypass Eastern Section**

**Proposed Reprovisioning of On Lok Mun Street Playground**

**Proposed Reprovisioning of North District Temporary Wholesale Market for Agricultural Products**

**Proposed facilities**

-粉嶺
-龍躍頭
-上水
-石湖墟
-上水站
-粉嶺站
-粉嶺公路

**Position**

**Location Plan**

**Proposed Fanling North New Development Area**

**Proposed Sewage Treatment Works**

**Proposed Reprovisioning of North District Temporary Wholesale Market for Agricultural Products**

**Proposed Site Formation and Infrastructure Works**

**Proposed Expansion and Upgrade of Shek Wu Hui Sewage Treatment Works**
ANNEX 2 TO ENCLOSURE 1

PROPOSED FANLING BYPASS EASTERN SECTION

PROPOSED REALIGN TAI WO SERVICE ROAD WEST

PROPOSED REALIGN TAI WO SERVICE ROAD EAST

PROPOSED MODIFICATION OF HO KA YUEN FOOTBRIDGE

PROPOSED REPROVISION OF BUS-BUS INTERCHANGE

LAYOUT PLAN AND ARTISTIC IMPRESSION OF THE PROPOSED FANLING BYPASS EASTERN SECTION CONNECTING FANLING HIGHWAY

PWP ITEM NO. 747CL
ADVANCED SITE FORMATION AND INFRASTRUCTURE WORKS FOR KWU TUNG NORTH NEW DEVELOPMENT AREA AND FANLING NORTH NEW DEVELOPMENT AREA—LAYOUT PLAN AND ARTISTIC IMPRESSION OF THE PROPOSED FANLING BYPASS EASTERN SECTION CONNECTING FANLING HIGHWAY
LEGEND:

- 擬議工程項目範圍
  PROPOSED WORKS BOUNDARY
- 擬議道路工程
  (包括合適的噪音緩減設施及基礎設施)
  PROPOSED ROAD WORKS
  (WITH APPROPRIATE NOISE MITIGATION MEASURES AND INFRASTRUCTURE WORKS)
- 擬議原址重置現有北區臨時農產品批發市場
  PROPOSED INSITU REPROVISIONING OF NORTH DISTRICT TEMPORARY WHOLESALE MARKET FOR AGRICULTURAL PRODUCTS
- 擬議原址重置現有北區臨時農產品批發市場
  PROPOSED INSITU REPROVISIONING OF NORTH DISTRICT TEMPORARY WHOLESALE MARKET FOR AGRICULTURAL PRODUCTS
- 擬議原址重置現有北區臨時農產品批發市場
  PROPOSED INSITU REPROVISIONING OF NORTH DISTRICT TEMPORARY WHOLESALE MARKET FOR AGRICULTURAL PRODUCTS
- 滙議重置安樂門街遊樂場
  PROPOSED REPROVISIONING OF ON LOK MUN STREET PLAYGROUND
- 滙議重置安樂門街遊樂場
  PROPOSED REPROVISIONING OF ON LOK MUN STREET PLAYGROUND

現有安樂門街遊樂場將拆除
EXISTING ON LOK MUN STREET PLAYGROUND WILL BE DEMOLISHED
工務計劃項目第747CL號
古龍北新發展區及粉嶺北新發展區前期地盤平整和基礎設施工程-擬議的古龍北污水泵房及粉嶺北污水泵房的構思圖
PWP ITEM NO. 747CL
ADVANCED SITE FORMATION AND INFRASTRUCTURE WORKS FOR KWU TUNG NORTH NEW DEVELOPMENT AREA AND FANLING NORTH NEW DEVELOPMENT AREA-
ARTISTIC IMPRESSION OF PROPOSED KWU TUNG NORTH SEWAGE PUMPING STATION AND FANLING NORTH SEWAGE PUMPING STATION
<table>
<thead>
<tr>
<th>Tree/Tree Group No.</th>
<th>Scientific name</th>
<th>Chinese name</th>
<th>Height (m)</th>
<th>DBH (mm)</th>
<th>Crown Spread (m)</th>
<th>Health Condition</th>
<th>Structural Condition</th>
<th>Suitability for transplanting</th>
<th>Conservation status</th>
<th>Recommendations</th>
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<tr>
<td>T1219</td>
<td>Aquilaria sinensis</td>
<td>土沉香</td>
<td>7</td>
<td>170</td>
<td>4</td>
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<td>Fair</td>
<td>Yes</td>
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<td>Eucalyptus urophylla</td>
<td>尾葉桉</td>
<td>15</td>
<td>1120</td>
<td>10</td>
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<td>Poor</td>
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<td>1369</td>
<td>13</td>
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<td>細葉榕</td>
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<td>1180</td>
<td>12</td>
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<td>Poor</td>
<td>No</td>
<td>Fell</td>
<td>Agriculture, Fisheries and Conservation Department</td>
</tr>
</tbody>
</table>
| 树木编号 | 品种 | 树高 (m) | 胸径 (mm) | 高度 (dBH) (mm) | 树冠面积 (m²) | 观赏价值 (Good/Fair/Poor) | 形状 (Fair/Poor) | 健康状况 (一般) | 结构状况 (一般) | 移植适宜度 (Suitability for transplanting) | 保留/移植/砍伐 | 建议处置方法 | 提供专家意见予渔农业自然保护署的部门
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| T6002 | Ficus microcarpa | 12 | 1953 | 10 | 一般 | Fair | Poor | Fair | 一般 | Low | No | 否 | 不建议移植 | 渔农业自然保护署
 |
| T6010 | Ficus microcarpa | 12 | 1866 | 10 | 一般 | Fair | Poor | Fair | 一般 | Low | No | 否 | 不建议移植 | 渔农业自然保护署
 |
| T6016 | Ficus microcarpa | 14 | 1306 | 10 | 一般 | Fair | Poor | Fair | 一般 | Low | No | 否 | 不建议移植 | 渔农业自然保护署
 |
| T4354 | Cinnamomum camphora | 檜 | 8 | 1000 | 8 | 一般 | Fair | Fair | 一般 | Low | No | 否 | 不建议移植 | 渔农业自然保护署
 |
| KT-09 5 | Aquilaria sinensis | 灰木香 | 3-5 | 100 - 120 | 2-4 | 一般 | Fair | Fair | 一般 | Medium | Yes | 移植 | 移植 

注：
（1）这10棵树并非《古树名木册》内的树木。
（2）树木胸径是指测量人员在其胸部高度位置量度的树木直径（高度是离地1.3米）。
（3）评估树木的观赏价值是基于它的遮荫、避风雨、屏障、减低污染及消减噪音功能方面的效用，以及「风水」方面的重要性：分级如下——
良好：属重要树木，应予保留，亦应相应调整设计布局。
一般：属适宜保留的树木，以缔造优美环境，包括稍逊于「良好」级的健康树木。
差劣：属枯死、萎死或有潜在危险的树木，应予移除。
(4) Assessment has taken into account conditions of individual trees at the time of survey (including health, structure, age and root conditions), site conditions (including topography and accessibility), and intrinsic characters of tree species (survival rate after transplanting).

(5) Tree Nos. T1219 and two trees located at Tree Group No. KT-G9_5 (three trees in total) are *Aquilaria sinensis*, which are precious or rare species. They are protected under the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586).

(6) Tree Nos. T1617, T6149, T2638, T6006, T6010, T6016 and T4354 (seven trees in total) with trunk diameter equal to or exceeding 1.0 meter (m) (measured at 1.3 m above ground level). They are regarded as important trees.

(7) The information in these two trees in Tree Group No. KT-G9_5 could only be confirmed after land resumption/clearance.

Notes:
(1) The eleven trees are not listed on the Register of Old and Valuable Trees.
(2) DBH of a tree refers to its Diameter at Breast Height (i.e. measurement at 1.3 m above ground level).
(3) Amenity value of the tree is assessed by its functional values for shade, shelter, screening, reduction of pollution and noise and also its “fung shui” significance, and classified into the following categories.
   Good: important trees which should be retained by adjusting the design layout accordingly.
   Fair: trees that are desirable to be retained in order to create a pleasant environment, which includes healthy specimens of lesser importance than “Good” trees.
   Poor: trees that are dead, dying or potentially hazardous and should be removed.
(4) Assessment has taken into account conditions of individual trees at the time of survey (including health, structure, age and root conditions), site conditions (including topography and accessibility), and intrinsic characters of tree species (survival rate after transplanting).
(5) Tree Nos. T1219 and two trees located at Tree Group No. KT-G9_5 (three trees in total) are *Aquilaria sinensis*, which are precious or rare species. They are protected under the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586).
(6) Tree Nos. T1617, T6149, T2638, T6006, T6010, T6016 and T4354 (seven trees in total) with trunk diameter equal to or exceeding 1.0 meter (m) (measured at 1.3 m above ground level). They are regarded as important trees.
(7) The information in these two trees in Tree Group No. KT-G9_5 could only be confirmed after land resumption/clearance.
HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT

Civil Engineering – Land development

7759CL – First stage of site formation and engineering infrastructure at Kwu Tung North new development area and Fanling North new development area

PROJECT SCOPE AND NATURE

The proposed scope of works under 7759CL (the “First Stage Works”) comprises –

(a) development of a nature park at Long Valley of about 37 hectares (ha) including provision of a visitor centre\(^1\) and a footbridge of about 50-metre (m) long spanning across Sheung Yue River for connection between these two facilities;

(b) reprovisioning of two egretry sites in the Fanling North (“FLN”) New Development Area (“NDA”) and enhancement works to an existing egretry site in the Kwu Tung North (“KTN”) NDA;

(c) site formation of about 2.3 ha of land (including soil treatment works) for a village resite area and a district police station in the KTN NDA;

(d) engineering infrastructure works including roads, drainage, sewerage, waterworks, and landscaping works; and

(e) implementation of environmental mitigation measures and environmental monitoring and audit (“EM&A”) programme for the works mentioned in items (a) to (d) above.

2. Layout plans showing the proposed works are at Annex 1 to this Enclosure. The general layout plan of the Long Valley Nature Park (“LVNP”) and the artistic impression of the proposed visitor centre and footbridge are at Annex 2 and Annex 3 to this Enclosure respectively.

\(^1\) The site area of the visitor centre is about 1,000 square metres (m\(^2\)).
3. Subject to funding approval of the Finance Committee (“FC”) of the Legislative Council (“LegCo”), we plan to commence construction of the proposed works in the fourth quarter of 2019 for completion in end 2026. To meet the works programme, the Civil Engineering and Development Department (“CEDD”) will invite tenders for the works contracts from March 2019 progressively, but the works contracts will only be awarded upon obtaining funding approval from the FC.

JUSTIFICATION

4. We are determined to press ahead with the implementation of the KTN and FLN NDAs as a medium and long-term measure to increase land supply. Upon full development, the KTN and FLN NDAs will yield a total of about 71,800 housing units (of which about 48,500 or nearly 70% are public housing), accommodating a new population of about 188,100; and also about 868,000 square metres ($m^2$) floor area for economic activities, generating some 40,100 employment opportunities.

5. The KTN and FLN NDAs will be implemented in two phases: First Phase and Remaining Phase. The First Stage Works is part of the First Phase development. Under the First Stage Works, we will carry out proposed works to conserve and enhance the ecologically important environment of the core area of the Long Valley as well as other ecological mitigation/ enhancement works in parallel with the NDAs development. These works were identified in the Environmental Impact Assessment (EIA) report for the North East New Territories NDAs Planning and Engineering Study (“NENT NDAs Study”)\footnote{The North East New Territories New Development Areas Planning and Engineering Study was a planning and engineering study to establish a planning and development framework for the KTN, FLN and Ping Che/Ta Kwu Ling NDAs.}, which was approved with conditions under the Environmental Impact Assessment Ordinance (EIAO) (Cap. 499) in October 2013.

6. Long Valley is the largest contiguous freshwater wetland in Hong Kong widely recognised for its high ecological value and environmental significance. As part and parcel of the NDAs project, we will develop some 37 ha of land at the core area of Long Valley into a nature park for conserving and enhancing the ecologically important environment as well as for compensation of

\footnote{The total employment opportunities of 40,100 include those to be generated from the planned “government, institution or community” uses.}
the wetland loss due to the NDAs development. We will provide essential infrastructure works, including provision of a visitor centre, a footbridge and other supporting infrastructure and ancillary facilities.

7. Opportunities are also taken to develop a visitor zone at LVNP, to demonstrate the diversity of wetland ecosystem and promote public awareness on nature conservation. The approximately 4.8 ha outdoor visitor zone, comprising boardwalks, bird hide and different landscape features and facilities, is designed to enrich visitors’ experience through exploring wetlands, crops and wildlife in a natural setting.

8. We will re-provide/enhance egressy sites as replacement of the existing egressy at Man Kam To Road which will be affected by the NDAs development. Compensatory planting and habitat enhancement works will be carried out at the egressy reprovisioning/enhancement sites under the First Stage Works.

9. The First Stage Works also includes site formation works for the sites reserved for village resite area and future district police station in the KTN NDA. The village resite area in the KTN NDA is for the re-provisioning of affected village houses/building lots in the KTN under the Village Removal Terms. We will strictly comply with the recommendations and approval conditions of the EIA report in carrying out the soil treatment works for the hotspots with high levels of arsenic.

10. To tie in with the NDAs development, timely completion of the engineering infrastructure works as well as the environmental mitigation/enhancement works is necessary. Upon completion, the formed land will be handed over by phases to relevant parties for development. The LVNP and infrastructure works will be handed over to relevant government departments for management and maintenance.

FINANCIAL IMPLICATIONS

11. We estimate the capital cost of the First Stage Works to be $896.4 million in money-of-the-day (MOD) prices.

PUBLIC CONSULTATION

12. The draft Outline Zoning Plans (“OZPs”) for the KTN and FLN NDAs were exhibited for public inspection under the Town Planning Ordinance (Cap. 131) from 20 December 2013 to 20 February 2014. During the statutory planning process, a total of more than 53 000 representations and comments were
received. After giving consideration to the representations and comments in April 2015, the Town Planning Board decided not to propose any amendments to the draft OZPs to meet the representations. On 16 June 2015, the Chief Executive in Council approved the KTN and FLN OZPs, which were then exhibited for public inspection on 19 June 2015.

13. The proposed road scheme (the “Road Scheme”) under the Roads (Works, Use and Compensation) Ordinance (Cap 370) for the First Stage Works was gazetted on 31 December 2015 and 8 January 2016. A total of 5 760 objections to the Road Scheme were received during the statutory objection period. 26 out of 5 760 objections to the Road Scheme were subsequently withdrawn unconditionally and considered resolved. To ameliorate the effects of the proposed works in addressing the public concerns and to accommodate design development, amendments to the Road Scheme (the “Amendment Road Scheme”) were developed and gazetted on 18 and 25 November 2016. Another 4 536 objections to the Amendment Road Scheme were received. 18 out of 4 536 objections to the Amendment Road Scheme were subsequently withdrawn unconditionally and considered resolved. The unresolved objections were mainly related to the overall planning and development of the KTN and FLN NDAs, resumption of land affected by the proposed works, compensation and rehousing (C&R) arrangement for affected villagers, health risks, as well as environmental and traffic impacts arising from the proposed works.

14. In response to the public views on C&R arrangements, the Government announced on 10 May 2018 the unified and enhanced general ex-gratia C&R arrangement for government development clearance exercises (the “unified and enhanced ex-gratia C&R arrangement”). The unified and enhanced ex-gratia C&R arrangement relating to various existing and new ex-gratia allowances (EGAs) was approved by FC on 18 July 2018. We have provided the relevant information of the unified and enhanced ex-gratia C&R arrangement to the objectors who expressed concerns on the C&R arrangement during the statutory objection period for the Road Scheme and the Amendment Road Scheme as mentioned in paragraph 13 above. Subsequent to the further comments submitted by the objectors and the announcement of the unified and enhanced ex-gratia C&R arrangement, 43 out of 5 760 objections to the Road Scheme were eventually withdrawn unconditionally and considered resolved. 28 out of 4 536 objections to the Amendment Road Scheme were eventually withdrawn unconditionally and considered resolved. The remaining objections were considered unresolved.

4 Among them, 5 725 objections were received through standard letters.
5 Among them, 4 363 objections were received through standard letters.
15. Having considered the unresolved objections and the proposed road works as described in the Road Scheme as amended by the Amendment Road Scheme, the Chief Executive in Council authorised the proposed works. The notices of authorisation were gazetted on 14 December 2018.

16. Following the announcement of the unified and enhanced ex-gratia C&R arrangement on 10 May 2018, we briefed the LegCo and local stakeholders (such as relevant District Councils, Rural Committees) as well as the clearers (including residents’ groups and concern groups) affected by key development clearance exercises in the pipeline (including the KTN and FLN NDAs) on various occasions regarding the C&R arrangement as well as major concerns in relation to the NDAs from May 2018 to January 2019. On 14 June 2018, the North District Council (NDC) was consulted on and supported the unified and enhanced ex-gratia C&R arrangement and the implementation of the KTN and FLN NDAs, including the proposed First Stage Works.

17. We will maintain close dialogues with local stakeholders, including the affectees, residents’ groups as well as the NDC Members, the Fanling District Rural Committee and the Sheung Shui District Rural Committee throughout the implementation of the First Stage Works.

18. Regarding the development of LVNP, we held two consultation forums on 26 January 2017 and 26 September 2018 respectively with green groups including the Conservancy Association, the Environmental Association, the Green Power, the Hong Kong Bird Watching Society, the Kadoorie Farm and Botanic Garden, the World Wide Fund for Nature, Hong Kong to solicit their views on the proposed works. They generally welcomed the proposal.

19. We consulted the Advisory Committee on the Appearance of Bridges and Associated Structures on the proposed aesthetic design of the footbridge for connection between the visitor centre and LVNP. The Committee accepted the proposed aesthetic design.

**ENVIRONMENTAL IMPLICATIONS**

6 The Advisory Committee on the Appearance of Bridges and Associated Structures, comprising representatives of the Hong Kong Institute of Architects, the Hong Kong Institution of Engineers, the Hong Kong Institute of Planners, the Architectural Services Department, the Highways Department, the Housing Department, the CEDD, and architectural or relevant faculties from local institutions, is responsible for vetting the design of bridges and other structures associated with the highway system, including noise barriers and enclosures, from the aesthetic and visual impact points of view.
20. The NENT NDAs Study is a Designated Project (DP) under Schedule 3 of the Environmental Impact Assessment Ordinance (Cap 499). Some of the proposed works under the NENT NDAs are DPs under Schedule 2 of the EIAO and Environmental Permits (EPs) are required for their construction and operation.

21. In October 2013, the EIA report for the NENT NDAs was approved with conditions under the EIAO. The relevant EPs for construction and operation were issued in November 2013. The EIA report concluded that the environmental impacts of the NENT NDAs can be controlled to within the criteria under EIAO and the Technical Memorandum on EIA Process. We shall implement the measures recommended in the approved EIA report, and comply with the relevant conditions under the EPs. The key measures include ecological mitigation measures to develop an approximately 37 ha nature park at Long Valley to compensate for wetland loss in the KTN and FLN NDAs; and enhancement of egretry sites. We have included the cost of implementing the environmental mitigation measures as well as the EM&A programme in the overall project estimate.

22. For controlling the short-term environmental impacts caused by the proposed works during construction, we will incorporate the recommended mitigation measures and implementation of EM&A programme into the relevant works contracts to control environmental impacts arising from the construction works to comply with established standard and guidelines. These measures include regular watering of exposed site area to reduce emission of fugitive dust, the use of movable noise barriers and of quiet plant to reduce noise generation, and the use of trucks with cover or enclosed containers for waste transportation.

23. At the planning and design stages, we have considered all the proposed works and construction sequences to reduce generation of construction waste where possible. In addition, we will require the contractors to reuse insert 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 insert construction waste at public fill reception facilities (PFRF)\(^7\). We will encourage the contractors to maximise the use of recycled or recyclable inert construction waste, and the use of non-timber formwork to further reduce the generation of construction waste.

\(^7\) Public fill reception facilities (PFRF) are specified in Schedule 4 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap 354N). Disposal of inert construction waste in PFRF requires a license issued by the Director of Civil Engineering and Development.
24. At the construction stage, we will require the contractors to submit for approval a plan setting out the waste management means, which will include appropriate mitigation measures 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 contractors to separate the inert portion from non-inert construction waste on site to for disposal at appropriate facilities. We will control the disposal of construction waste through a trip-ticket system.

25. We estimate that the First Stage Works will generate in total about 49 200 tonnes of construction waste. Of these, we will reuse about 42 300 tonnes (about 86%) of inert construction waste on the sites under the First Stage Works and temporarily stockpile about 6 000 tonnes (about 12%) of inert construction waste for subsequent reuse in the Remaining Phase of the KTN and FLN NDAs development. We will dispose of the remaining 900 tonnes (about 2%) of non-inert construction waste at landfills. The total cost for disposal of the construction waste at landfill is estimated to be about $180 000 for the First Stage Works (based on a unit charge rate of $200 per tonne for disposal at landfills as stipulated in the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N)).

TRAFFIC IMPLICATIONS

26. We completed a traffic impact assessment, which revealed that there will not be significant traffic impact due to the First Phase of the NDAs development, including the First Stage Works, during the operation and construction stages. Temporary traffic arrangements (TTAs) will be implemented to facilitate the construction works. We will establish a Traffic Management Liaison Group (TMLG) comprising representatives of the CEDD, the Transport Department, the Hong Kong Police Force and other stakeholders to discuss, scrutinise and review the TTAs proposed by the contractors with a view to minimising traffic impact arising from the First Stage Works. In addition, we will set up a telephone hotline to respond to public enquiries or complaints.

HERITAGE IMPLICATIONS

27. We have completed a cultural heritage assessment under the EIA for the NENT NDAs. It concluded that the proposed works would not affect any heritage site, i.e. all declared monuments, proposed monuments, graded historic sites/buildings and Government historic sites identified by the Antiquities and Monuments Office.
28. We will also comply with the recommendations of the EIA report to carry out a baseline condition survey and baseline vibration impact assessment for identified built heritage adjacent to the works sites before commencement of the works and to evaluate if construction vibration monitoring and structural strengthening measures are required during construction to safeguard compliance with the vibration standard stated in the EIA report.

BACKGROUND INFORMATION

29. We upgraded 7759CL to Category B in September 2012.

30. We engaged consultants to carry out detailed design and site investigation for 7759CL in November 2014. The consultancy fees and site investigation works for the First Stage Works were charged to block allocation Subhead 7100CX “New towns and urban area works, studies and investigation for items in Category D of Public Works Programme” at a total cost of about $28.96 million in MOD prices. We have substantially completed the detailed design of the proposed works under the First Stage Works.

31. Of the 696 trees within the boundary of the First Stage Works, 656 trees will be preserved, whereas the remaining 40 trees will have to be felled. All trees to be felled are not important trees. We will incorporate planting proposals as part of the Advance Works as compensatory planting.

Development Bureau
Civil Engineering and Development Department
January 2019

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8 “Important trees” refers to trees in the Register of Old and Valuable Trees, or any other trees that meet one or more of the following criteria –
(a) trees of 100 years old or above;
(b) trees of cultural, historical or memorable significance e.g. Fung Shui tree, tree as landmark of monastery or heritage monument, and trees in memory of an important person or event;
(c) trees of precious or rare species;
(d) trees of outstanding form (taking account of overall tree sizes, shape and any special features) e.g. trees with curtain like aerial roots, trees growing in unusual habitat; or
(e) trees with trunk diameter equal to or exceeding 1.0 m (measured at 1.3 m above ground level), or with height/canopy spread equal to or exceeding 25m.
工務計劃項目第759CL號
古洞北新發展區及粉嶺北新發展區第一期地盤平整和基礎設施工程—平面圖

PWP ITEM NO. 759CL
FIRST STAGE OF SITE FORMATION AND INFRASTRUCTURE AT KWU TUNG NORTH NEW DEVELOPMENT AREA AND FANLING NORTH NEW DEVELOPMENT AREA—LAYOUT PLAN (KWU TUNG NORTH NEW DEVELOPMENT AREA)
LEGEND

- BOUNDARY OF PROPOSED LONG VALLEY NATURE PARK
- BIODIVERSITY ZONE (ABOUT 20.9HA)
- AGRICULTURE ZONE (ABOUT 11.0HA)
- VISITOR ZONE (ABOUT 4.8HA)

BOUNDARY OF PROPOSED LONG VALLEY NATURE PARK

AGRICULTURE ZONE (ABOUT 11.0HA)

VISITOR ZONE (ABOUT 4.8HA)

LAYOUT PLAN OF PROPOSED LONG VALLEY NATURE PARK

FIRST STAGE OF SITE FORMATION AND INFRASTRUCTURE AT KWU TUNG NORTH NEW DEVELOPMENT AREA AND FANLING NORTH NEW DEVELOPMENT AREA—LAYOUT PLAN OF PROPOSED LONG VALLEY NATURE PARK

FUNCTIONS

1. BIRDHIDE (SEE INSET)
   FOR BIRD-WATCHING

2. TREATMENT WETLAND
   FOR IRRIGATION USE

3. FARMERS’ FORUM
   FOR BIRD-WATCHING

4. LODGING FACILITIES
   156 UNITS IN TOTAL
   FOR BIRD-WATCHING

.Key Features in Visitor Zone

BIRDHIDE (SEE INSET)

TREATMENT WETLAND

FARMERS’ FORUM

LODGING FACILITIES

156 UNITS IN TOTAL

FUNCTIONS

FOR BIRD-WATCHING

FOR IRRIGATION USE

FOR BIRD-WATCHING

FOR BIRD-WATCHING
ARTISTIC IMPRESSION OF PROPOSED VISITOR CENTRE FOR LONG VALLEY NATURE PARK

FIRST STAGE OF SITE FORMATION AND INFRASTRUCTURE AT KWU TUNG NORTH NEW DEVELOPMENT AREA AND FANLING NORTH NEW DEVELOPMENT AREA—ARTISTIC IMPRESSION OF PROPOSED VISITOR CENTRE FOR LONG VALLEY NATURE PARK
HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT

Civil Engineering – Land development

7828CL – Remaining phase of site formation and engineering infrastructure works at Kwu Tung North new development area and Fanling North new development area

PROJECT SCOPE AND NATURE

The part of 7828CL (the “Detailed Design”), which we propose to upgrade to Category A, comprises –

(a) detailed design of the works described in paragraph 4 (a) to (c) below;

(b) studies including the land use review of six sites in Kwu Tung North (“KTN”) New Development Area (“NDA”) and Fanling North (“FLN”) NDA with land use changes due to the latest development, as shown on the layout plans at Annex 1 to this Enclosure;

(c) associated site investigation works as well as supervision; and

(d) preparation of tender documents and assessment of tenders for the works described in paragraph 4 (a) to (c) below.

2. Layout plans showing the proposed study area and preliminary scope of works are at Annex 1 to this Enclosure.

3. Subject to funding approval of the Finance Committee (“FC”) of the Legislative Council (“LegCo”), we plan to commence the Detailed Design in the second half of 2019, targeting to enable the proposed works under the remainder of 7828CL (the “Remaining Phase Works”) to be ready for commencement in 2024 so as to expedite land and housing supply.

4. We will retain the remainder of 7828CL for the construction of the Remaining Phase Works in Category B. Funding for the remainder of 7828CL will be sought to dovetail with the implementation programme of the Remaining Phase of the KTN and FLN NDAs. The scope of the Remaining Phase Works mainly covers –
(a) site formation of about 247 hectares of land (including soil treatment works) in the KTN and FLN NDAs for housing, community, commercial and other developments as well as engineering infrastructure;

(b) engineering infrastructure works including Fanling Bypass (Western Section), Po Shek Wu Road Flyover, new interchanges together with widening of Fanling Highway for connection with KTN NDA, local roads, drainage, sewerage, waterworks, pumping stations, fresh water and flushing water service reservoirs, and landscaping works; and

(c) implementing the environmental mitigation measures for the works mentioned in (a) to (b) above.

JUSTIFICATION

5. We are determined to press ahead with the implementation of the KTN and FLN NDAs as a medium and long-term measure to increase land supply. Upon full development, the KTN and FLN NDAs will yield a total of about 71 800 housing units (of which about 48 500 or nearly 70% are public housing), accommodating a new population of about 188 100; and also about 868 000 square metres (m²) floor area for economic activities, generating some 40 100 employment opportunities.

6. The KTN and FLN NDAs will be implemented in two phases: First Phase and Remaining Phase. The First Phase of the NDAs development comprise the Advance Works (i.e. 7747CL) and the First Stage Works (i.e. 7759CL), for which we are seeking funding approval with a view to commencing construction of the First Phase of the NDAs development in the second half of 2019 for first population intake in 2023. The Detailed Design will cover the design and associated site investigation for the Remaining Phase Works. The Remaining Phase Works will support -

(a) residential developments with about 50 800 flats, of which about 30 500 flats are public housing, for a new population of about 135 200; and

1 The total employment opportunities of 40 100 include those to be generated from the planned “government, institution or community” uses.
(b) commercial uses, business and technology park, and research and development uses with about 765 500 m² floor area, creating about 29 600 employment opportunities².

7. While we are taking forward the First Phase development, we should, in parallel, undertake the Detailed Design for the Remaining Phase so as to confirm, amongst others, the scope of works and land resumption limits, as well as to complete the required statutory and administrative procedures as early as possible to advance land production for housing, community and other developments under the Remaining Phase. There are also strong calls from the stakeholders for expediting land resumption and clearance for the remaining phases of KTN and FLN NDAs development during the public engagement activities for the unified and enhanced general ex-gratia compensation and rehousing (C&R) arrangement for government development clearance exercises (the “unified and enhanced ex-gratia C&R arrangement”). Speeding up the implementation of the Remaining Phase Works could help addressing such demand.

8. There are six sites in the two NDAs which are subject to land use review resulting from the latest development. They include four sites to be freed up upon relocation of existing/planned police facilities to Kong Nga Po and other two sites which are no longer required for the originally planned use³. We need to identify at early stage the possible use of these sites so as to optimise their development potential and start early the design of the respective supporting infrastructure works under the Detailed Design.

FINANCIAL IMPLICATIONS

9. We estimate the capital cost of the Detailed Design and associated site investigation works to be $764.5 million in money-of-the-day (MOD) prices.

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² The employment opportunities of 29 600 exclude those to be generated from the planned “government, institution or community” uses for which the breakdown by phases is not available.

³ With the co-location of the police facilities at a site in Kong Nga Po (the KNP Site), two “Government, Institution or Community” sites originally reserved in FLN Planning Area 3 for reprovisioning the police facilities at Fan Garden and two sites in KTN Planning Areas 2 and 3 currently occupied by the firing range and helipad facilities could be released for other uses. The land use of a site adjoining the existing firing ranges and helipad in KTN originally reserved for “research and development” uses is proposed to be reviewed in connection with the relocation of the firing ranges and helipad. A site in FLN Planning Area 5 originally reserved for the facilities of environmental friendly transport system is also proposed to be reviewed.
PUBLIC CONSULTATION

10. The draft Outline Zoning Plans (“OZPs”) for the KTN and FLN NDAs were exhibited for public inspection under the Town Planning Ordinance (Cap. 131) from 20 December 2013 to 20 February 2014. During the statutory planning process, a total of more than 53,000 representations and comments were received. After giving consideration to the representations and comments in April 2015, the Town Planning Board decided not to propose any amendments to the draft OZPs to meet the representations. On 16 June 2015, the Chief Executive in Council approved the KTN and FLN OZPs, which were then exhibited for public inspection on 19 June 2015.

11. Following the announcement of the unified and enhanced ex-gratia C&R arrangement on 10 May 2018, we briefed the LegCo and local stakeholders (such as relevant District Councils, Rural Committees) as well as the clearees (including residents’ groups and concern groups) affected by key development clearance exercises in the pipeline (including the KTN and FLN NDAs) on various occasions regarding the C&R arrangement as well as major concerns in relation to the NDAs from May 2018 to January 2019. On 14 June 2018, the North District Council (NDC) was consulted on and supported the unified and enhanced ex-gratia C&R arrangement and the implementation of the KTN and FLN NDAs, including the proposed Detailed Design for Remaining Phase.

ENVIRONMENTAL IMPLICATIONS

12. The Detailed Design is not a designated project under the Environmental Impact Assessment Ordinance (EIAO) (Cap. 499) and will not generate adverse environmental impacts. An Environmental Impact Assessment (EIA) conducted under the North East New Territories NDAs Planning and Engineering Study (“NENT NDAs Study”) was approved with conditions under the EIAO in October 2013 and the relevant Environmental Permits for construction and operation were issued in November 2013. We will take into account the relevant approval conditions and relevant recommendations in the EIA report during the Detailed Design.

13. The proposed site investigation works will only generate very little construction waste. We will require the consultant to fully consider measures to

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4 The North East New Territories New Development Areas Planning and Engineering Study was a planning and engineering study to establish a planning and development framework for the KTN, FLN and Ping Che/Ta Kwu Ling NDAs.
minimise the generation of construction waste and to reuse/recycle construction waste as much as possible during construction stage.

LAND ACQUISITION

14. The Detailed Design will not require any land acquisition. The details and scope of land acquisition for the Remaining Phase of the NDAs development will be ascertained in the Detailed Design.

HERITAGE IMPLICATIONS

15. We have completed a cultural heritage assessment under the EIA for the NENT NDAs. It concluded that the proposed works would not affect any heritage site, i.e. all declared monuments, proposed monuments, graded historic sites/buildings and Government historic sites identified by the Antiquities and Monuments Office (AMO). However, the site investigation works may affect the Site of Archaeological Interest identified by the AMO at Sheung Shui Wa Shan. When the details for the proposed site investigation works in the concerned site are formulated, we will require the contractors to conduct an Archaeological Impact Assessment to determine the need for archaeological follow up actions in the impacted area before commencement of any site investigation works according to the EIA report. For areas with medium archaeological potential identified during the EIA study which may be affected by the site investigation works, we will also conduct the assessment before commencement of any site investigation works, and recommend mitigation measures if necessary, according to the EIA report.

BACKGROUND INFORMATION

16. We upgraded 7828CL to Category B in September 2018.

17. The Detailed Design will not involve any tree removal or planting proposals. We will take into consideration the need for tree preservation, and formulate tree preservation, removal, compensatory and new planting proposals in the Detailed Design. Such proposals, if required, will be implemented under the Remaining Phase Works.

Development Bureau
Civil Engineering and Development Department
January 2019
AREA OF PROPOSED RELATED STUDIES FOR SITES ASSOCIATED INFRASTRUCTURE WORKS

TENTATIVE SITE FORMATION SCHEME AND TENTATIVE ROAD SCHEME AND ASSOCIATED WORKS
BOUNDARY OF KWU TUNG NORTH

PWP ITEM NO. 828CL

REMAINING PHASE OF SITE FORMATION AND INFRASTRUCTURE WORKS AT KWU TUNG NORTH NEW DEVELOPMENT AREA AND FANLING NORTH NEW DEVELOPMENT AREA—LAYOUT PLAN (KWU TUNG NORTH NEW DEVELOPMENT AREA)
HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT

Civil Engineering – Land development

7793CL – Site formation and infrastructure works for Police facilities in Kong Nga Po

PROJECT SCOPE AND NATURE

The proposed scope of works under 7793CL (the “KNP Works”) comprises –

(a) formation of site at Kong Nga Po (the KNP site) with an area of about 19 hectares for the proposed police facilities;

(b) widening of existing Kong Nga Po Road of about 1.7 kilometres long to a 7.3 metres (m) wide single two-lane carriageway and construction of a new vehicular bridge of about 100m long; and

(c) associated infrastructure works, including road works, waterworks, drainage and sewerage works, geotechnical works, landscaping works, environmental mitigation measures, and other ancillary works.

2. Layout plans showing the proposed works are at Annexes 1 to 4 to this Enclosure.

3. Subject to funding approval of the Finance Committee (“FC”) of the Legislative Council (“LegCo”), we plan to commence construction of the proposed works in the second quarter of 2019 for completion in phases from end 2021 to end 2022. To meet the works programme, the Civil Engineering and Development Department (“CEDD”) will invite tenders for the works contract in February 2019, but the works contract will only be awarded upon obtaining funding approval from the FC.

JUSTIFICATION

1 Due to the need for preserving individuals of Keteleeria fortunei and other species of conservation interest along existing Kong Nga Po Road as required under the Environmental Permit, a section of about 80 m long of existing Kong Nga Po Road would only be widened to 6.75 m wide.
4. Various police facilities are currently accommodated in different locations in the North District - the existing Weapons Training Division and Police Driving and Traffic Training Centre are located at Fan Garden near Sheung Shui, while the Ma Tso Lung Firing Range and Lo Wu Firing Range together with a helipad are standing on sites within the Kwu Tung North (“KTN”) New Development Area (“NDA”) area. We propose co-locating these police facilities at the KNP site near Sheung Shui so as to optimise the land uses and development potential of KTN and Fanling North (“FLN”) NDAs. With the co-location of the police facilities at the KNP site, two “Government, Institution or Community” sites (Site A and Site B at Annex 4) originally reserved in FLN NDA for reprovisioning the police facilities at Fan Garden and two sites (Site C and Site D at Annex 4) in KTN NDA currently occupied by the firing range and helipad facilities could be released for other uses. The KNP site will also accommodate a new Specialist Operation Training Facility. In addition, putting together the various police facilities at one location in the KNP site will also enhance operational efficiency. Before proceeding with the construction of various facilities\(^2\) mentioned above at the KNP site, it is necessary to carry out the site formation and infrastructure works.

5. The existing Kong Nga Po Road\(^3\) between Man Kam To Road and the KNP site will also be upgraded to a 7.3m wide single two-lane carriageway with footpaths to cater for the additional traffic generated from the proposed police facilities at the KNP site and the proposed development of Organic Resources Recovery Centre Phase 2 at Sha Ling, North District.

FINANCIAL IMPLICATIONS

6. We estimate the capital cost of the KNP Works to be $1,913.0 million in money-of-the-day (MOD) prices.

PUBLIC CONSULTATION

7. We consulted the District Minor Works and Environmental Improvement Committee of the North District Council on 21 November 2016 on

\(^2\) The police facilities will be constructed by the Architectural Services Department under a separate PWP Item.

\(^3\) The existing Kong Nga Po Road is a single two-lane carriageway with a typical road width of 6.0m to 6.5m without footpath.
the proposed site formation and infrastructure works for the police facilities at the KNP site. Members supported the proposed works.

8. The proposed road works (the “Road Scheme”) under the Roads (Works, Use and Compensation) Ordinance (Cap. 370) and the proposed sewerage works (the “Sewerage Scheme”) under Cap. 370 as applied by section 26 of the Water Pollution Control (Sewerage) Regulation (Cap. 358 AL) were gazetted on 29 September 2017 and 6 October 2017. During the statutory objection period, no objections were received and the Road and Sewerage Schemes were thus authorised accordingly. The notices of authorisation of the Road Scheme and the Sewerage Scheme were gazetted on 12 and 19 January 2018 respectively.

9. We consulted the Advisory Committee on the Appearance of Bridges and Associated Structures on the aesthetic design of the retaining structures and vehicular bridge proposed in the KNP Works. The Committee accepted the proposed aesthetic design at its meeting on 17 April 2018.

ENVIRONMENTAL IMPLICATIONS

10. The KNP Works is a designated project under Schedule 2 of the Environmental Impact Assessment Ordinance (“EIAO”) (Cap. 499) and an environmental permit (EP) is required for construction and operation. The Environmental Impact Assessment (EIA) Report for the KNP Works was approved under the EIAO on 20 October 2016. The EP for the construction and operation of the KNP Works was issued on 1 November 2016. The EIA report concluded that the environmental impacts of the KNP Works can be controlled to within the criteria under the EIAO and the Technical Memorandum on the EIA Process.

11. We shall implement the measures recommended in the approved EIA report, and comply with the relevant conditions under the EP. The key measures include provision of perimeter wall / boundary wall at the KNP site, provision of side walls at firing ranges and re-establishment of new grassland area at the KNP

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4 The Advisory Committee on the Appearance of Bridges and Associated Structures, comprising representatives of the Hong Kong Institute of Architects, the Hong Kong Institution of Engineers, the Hong Kong Institute of Planners, the ArchSD, the Highways Department, the Housing Department, the CEDD, and architectural or relevant faculties from local institutions, is responsible for vetting the design of bridges and other structures associated with the highway system, including noise barriers and enclosures, from the aesthetic and visual impact points of view.
site. We have included the cost of implementing the environmental mitigation measures under the KNP Works in the project estimate.

12. At the planning and design stages, we have considered all the proposed works and construction sequences to reduce generation of construction waste where possible. In addition, we will require the contractor to reuse inert construction waste (e.g. materials excavated within area for backfilling use) on site under the KNP Works or in other suitable construction sites as far as possible, in order to minimise the disposal of inert construction waste to public fill reception facilities (PFRF). We will also require the contractor to maximise the use of recycled or recyclable inert construction waste, and encourage the use of non-timber formwork to further reduce the generation of construction waste.

13. 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 and reduce the generation of inert construction wastes, and to reuse and recycle such wastes. We will ensure that the day-to-day operations on site comply with the approved plan and require the contractor to separate the inert portion from non-inert construction waste on site to facilitate their transportation to appropriate facilities for disposal. We will control the disposal of inert construction waste and non-inert construction waste at PFRF and landfills respectively for disposal through a trip-ticket system.

14. We estimate that the KNP Works will generate in total about 1 148 000 tonnes of construction waste. Of these, we will reuse about 390 000 tonnes (34.0%) of inert construction waste on site and deliver 752 000 tonnes (65.5%) of inert construction waste to other construction sites for reuse or to PFRF for subsequent reuse. We will dispose of the remaining 6 000 tonnes (0.5%) of non-inert construction waste at landfills. The total cost for accommodating construction waste at PFRF and landfill sites is estimated to be $54.6 million for the proposed works (based on a unit charge rate of $71 per tonne for disposal at PFRF and $200 per tonne for disposal at landfills as stipulated in the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N)).

TRAFFIC IMPLICATIONS

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5 These key environmental mitigation measures will be implemented by the Architectural Services Department under a separate PWP Item to be created for construction of police facilities at the KNP site.

6 Public fill reception facilities (PFRF) are specified in Schedule 4 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N). Disposal of inert construction waste at PFRF requires a license issued by the Director of Civil Engineering and Development.
15. The KNP Works will have no insurmountable traffic impact during the construction stage. Temporary traffic arrangements (TTAs) will be implemented to facilitate the construction works. We will establish a Traffic Management Liaison Group (TMLG) to discuss, scrutinise and review the TTAs proposed by the contractors with a view to minimising traffic impact arising from the KNP Works. We will maintain close contact with relevant District Councils, and will conduct local consultation prior to the implementation of major TTAs under the KNP Works. In addition, we will set up a telephone hotline to respond to public enquiries or complaints.

LAND ACQUISITION


HERITAGE IMPLICATIONS

17. The KNP Works will not affect any heritage sites, 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.

BACKGROUND INFORMATION

18. We upgraded 7793CL to Category B in September 2015.

19. We engaged consultants to carry out an engineering feasibility study for the co-location of police facilities at the KNP site at an estimated cost of $16.4 million in MOD prices in December 2014. The cost was charged to the block allocation Subhead 7100CX “New towns and urban area works, studies and investigations for items in Category D of the Public Works Programme”. The relevant engineering feasibility study has been completed.

20. We engaged consultants to carry out detailed design and site investigation for the KNP Works at an estimated cost of $16.3 million in MOD prices in January 2017. The cost was charged to the block allocation Subhead 7100CX “New towns and urban area works, studies and investigations for items in Category D of the Public Works Programme”. The detailed design and site investigation have been largely completed.
21. Of the 6 856 trees within the boundary of the KNP Works, 2 418 trees will be preserved whereas 4 438 trees will be affected, including 4 435 trees to be felled and 3 trees to be transplanted within the proposed works site. All the trees to be removed are not important trees\textsuperscript{7}. We will incorporate planting proposals as part of the KNP Works, including about 1 594 trees and 66 370 shrubs\textsuperscript{8}.

\textbf{Development Bureau}

\textbf{Civil Engineering and Development Department}

\textbf{January 2019}

\textsuperscript{7} “Important trees” refer to trees in the Register of Old and Valuable Trees, or any other trees that meet one or more of the following criteria –
(a) trees of 100 years old or above;
(b) trees of cultural, historical or memorable significance, e.g. Fung Shui trees, trees as landmark of monastery or heritage monument, and trees in memory of an impartment person or event;
(c) trees of precious or rare species;
(d) trees of outstanding form (taking account of the overall tree sizes, shape and any special features), e.g. trees with curtain like aerial roots, trees growing in unusual habitat; or
(e) trees with a trunk diameter equal to or exceeding 1.0 m (measured at 1.3 m above ground level), or with a height/canopy spread equal to or exceeding 25m.

\textsuperscript{8} In the planting proposals, about 6 862 trees and 113 820 shrubs will be carried out by the Architectural Services Department under a separate PWP Item.
ANNEX 1 TO ENCLOSURE 4

PROPOSED RETAINING WALL
PROPOSED KONG NGA PO ROAD IMPROVEMENT WORKS
PROPOSED INTERNAL ROAD AT POLICE FACILITIES IN KONG NGA PO SITE
PROPOSED POLICE FACILITIES IN KONG NGA PO SITE

KEY PLAN

PWP ITEM NO. 793CL - SITE FORMATION AND INFRASTRUCTURE WORKS FOR POLICE FACILITIES IN KONG NGA PO
工程計劃第793CL號 - 紅瓦莆警察設施土地平整及基礎建設工程 - 剖面圖

PWP ITEM NO. 793CL - SITE FORMATION AND INFRASTRUCTURE WORKS FOR POLICE FACILITIES IN KONG NGA PO - SECTIONS
工程計劃第793CL號 - 紅瓦甫警察設施土地平整及基礎建設工程 - 剖面圖
PWP ITEM NO. 793CL - SITE FORMATION AND INFRASTRUCTURE WORKS FOR POLICE FACILITIES IN KONG NGA PO - SECTIONS
工程計劃第793CL號 - 四幅位於古洞北和粉嶺北新發展區的位置圖
PWP ITEM NO. 793CL - LOCATION PLAN OF FOUR SITES IN KTN/FLN NDAS
HEAD 704 – DRAINAGE

Environmental Protection – Sewerage and sewage treatment

4388DS – Shek Wu Hui Effluent Polishing Plant

PROJECT SCOPE

The scope of works under 4388DS that we propose to upgrade to Category A comprises -

(a) the reconstruction of the existing Shek Wu Hui Sewage Treatment Works (“SWHSTW”) to increase the treatment capacity by 65 000 cubic metres (m³) to 170 000 m³ per day, and to upgrade the sewage treatment level to tertiary standard for conversion into a “Shek Wu Hui Effluent Polishing Plant (SWHEPP)”;

(b) the demolition and reconstruction of all sludge treatment facilities for the entire SWHEPP;

(c) the demolition and reconstruction of administration building, workshops, storage building and control building; and

(d) ancillary works¹ and environmental mitigation measures².

2. Drawings showing the location and the photomontage of the proposed works are at Annexes 1 and 2 to this Enclosure.

3. Subject to funding approval of the Finance Committee (FC) of the Legislative Council, we aim to commence the construction of the proposed works mentioned in paragraph 1 above (the “proposed works”) in the third quarter of 2019 for anticipated completion in 2034, to meet the future development needs of the region.

JUSTIFICATION

¹ Ancillary works include the utilities diversion, provision of manholes, temporary closure and reinstatement of carriageways/footpaths/open space, necessary building services and landscaping works that are required to complete the proposed works and local improvement works for the community such as provision of river-side walkway, etc.

² Environmental mitigation measures include comprehensive odour control/mitigation measures such as fully-enclosing all treatment units and provision of ventilation and deodourisation system.
4. The existing SWHSTW is a secondary sewage treatment plant that serves Fanling, Sheung Shui and neighboring areas with a design capacity of 93,000 m$^3$ per day. It is now undergoing partial upgrading under **4406DS** (Shek Wu Hui sewage treatment works – further expansion phase 1A – advance works, consultants’ fees and investigation) to increase its sewage treatment capacity to 105,000 m$^3$ per day. However, this increased capacity is expected to be fully utilized by 2022$^3$ and further phases of expansion works are required to meet the future development needs of the region. Based on the latest planning data$^4$, the population within the SWHSTW catchment is projected to increase from the existing 300,000 to around 600,000 in 20 years and generate 190,000 m$^3$ per day of sewage as a result of the further housing developments and village sewerage programme in Fanling and Sheung Shui as well as the Kwu Tung North (KTN) and Fanling North (FLN) New Development Areas (NDAs). It is proposed to increase the treatment capacity of SWHSTW to 190,000 m$^3$ per day under two projects, namely 4388DS and 7747CL, through a combined scheme of expansion works$^5$. Throughout the course of the proposed expansion works, there is a need to maintain the pre-existing level of sewage treatment service and to timely commission additional treatment capacity to catch up with the flow build-up from Fanling, Sheung Shui and neighboring areas. Hence, it is necessary to execute the proposed expansion works immediately after completion of the ongoing partial upgrading works in three successive phases spanning a period of 15 years without break between the phases as follows:

<table>
<thead>
<tr>
<th>Phase</th>
<th>Treatment capacity to be attained (m$^3$ per day)</th>
<th>Tentative year of completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>140,000</td>
<td>2025</td>
</tr>
<tr>
<td>Phase 2</td>
<td>160,000</td>
<td>2029</td>
</tr>
<tr>
<td>Phase 3</td>
<td>190,000</td>
<td>2034</td>
</tr>
</tbody>
</table>

If the proposed expansion works are not timely implemented, some villages and new housing developments would not be served by sewer connection, or there

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$^3$ We have upgraded part of **4388DS** as **4406DS** to Category A in 2015 to increase the SWHSTW’s sewage treatment capacity to 105,000 m$^3$ per day (without any corresponding upgrading of sludge treatment facilities) and to engage consultants to carry out the detailed design and associated site investigation works for upgrading the entire SWHSTW. The construction works commenced in July 2015 and will be completed in 2019.

$^4$ 2014-based Territorial Planning and Employment Database matrix.

$^5$ Part of the increased capacity of 20,000 m$^3$ per day is proposed to cater for the needs of the First Phase development of KTN and FLN NDAs and funded under **7747CL** - Advance site formation and engineering infrastructure works at Kwu Tung North new development area and Fanling North new development area.
could be a risk of raw or partially treated sewage overflowing into the nearby watercourse and resulting in serious environmental and health consequences.

5. The existing SWHSTW is located within a very congested site of only 9.4 hectares (ha) in area next to a cluster of villages. It has been operating for over 30 years and most of its facilities are of outdated design and reaching the end of their design life. We will take this opportunity to upgrade the environmental facilities of the plant and improve the adjoining environment. Hence more construction time and cost will be spent on the proposed full expansion works for SWHSTW on the following:

(a) redesigning and replacing all existing secondary sewage treatment facilities that have not already been upgraded under 4406DS and all sludge treatment facilities with more costly yet compact and efficient units so that their capacities can be ramped up without the need to acquire significantly more land;

(b) relocating the sludge treatment facilities away from a nearby cluster of villages to a piece of government land of around 2.5 ha in area to the north of the existing site;

(c) upgrading its treatment level to tertiary standard to reduce the residual organic content of the effluent by 50% (i.e. reduce the Biological Oxygen Demand concentration from 20 milligrams per litre (mg/L) to 10 mg/L) with an additional nutrients removal process, so as to ensure that the water quality of the nearby Ng Tung River and the Deep Bay further downstream would not be affected owing to higher volume of effluent discharged into it;

(d) adopting fully enclosed design to reduce potential odour and noise nuisance to the neighbourhood; and

(e) incorporating extensive greening features and provision of public co-use facilities for the benefit of the local community.

FINANCIAL IMPLICATIONS

6. We estimate that the total capital cost of the proposed works as detailed in paragraph 1 above to be **$11,972.8 million** in money-of-the-day prices.

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6 The existing SWHSTW is located on a 9.4 hectares site in Sheung Shui. This site is not sufficient to fully accommodate all the upgraded facilities of the SWHEPP. An additional 2.5 hectares of government land to the north of the existing SWHSTW will be used to build the future sludge treatment facilities.
PUBLIC CONSULTATION

7. We have engaged the public on the proposed works since 2013. We conducted community liaison group meetings and carried out a series of local consultation and engagement activities on the project from 2015 to 2018. In particular, we consulted the Sheung Shui District Rural Committee (SSDRC) on 28 May 2018 and the North District Council (NDC) on 14 June 2018. The SSDRC did not object to the project and the NDC supported it.

ENVIRONMENTAL IMPLICATIONS

8. The project is a designated project under Schedule 2 of the Environmental Impact Assessment Ordinance (EIAO) (Cap. 499) and an environmental permit (EP) is required for the construction and operation of the project. The Environmental Impact Assessment (EIA) Report for the project was approved with conditions in October 2013 under the EIAO. The EIA Report concluded that the environmental impact of upgrading the SWHSTW can be controlled to within the criteria under the EIAO and the Technical Memorandum on the EIA Process. An EP for the project was issued in November 2013. We shall implement the measures recommended in the approved EIA Report. The key measures include the installation of deodourization units for odour control and the provision of standby unit with dual power supply to prevent any emergency discharge during operation stage. We have included in the project estimate of the proposed works the cost for implementation of the necessary environmental mitigation measures.

9. At the planning and design stages, we have considered ways to reduce the generation of construction waste where possible. In addition, we will require the contractors 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 the public fill reception facilities (PFRF)\(^7\). We will encourage the contractors 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.

10. At the construction stage, we will require the contractors 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

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\(^7\) PFRF are specified in Schedule 4 of the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N). Disposal of inert construction waste in PFRF requires a licence issued by the Director of Civil Engineering and Development.
with the approved plan. We will require the contractors to separate the inert portion from non-inert construction waste on site for disposal at appropriate facilities. We will control the disposal of inert and non-inert construction waste at PFRF and landfills respectively through a trip-ticket system.

11. We estimate that the proposed works will generate in total about 926 770 tonnes of construction waste. Of these, we will reuse about 235 620 tonnes (25%) on site, and deliver 689 350 tonnes (74%) of inert construction waste to PFRF for subsequent reuse. We will dispose of the remaining 1 800 tonnes (1%) of non-inert construction waste at landfills. The total cost for disposal of construction waste at PFRF and landfill sites is estimated to be $49.3 million for the proposed works (based on a unit charge rate of $71 per tonne for disposal at PFRF and $200 per tonne at landfills as stipulated in the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N)).

HERITAGE IMPLICATIONS

12. The 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

13. The implementation of the proposed works will only involve government land. No land resumption is required.

Environment Bureau
Drainage Services Department
January 2019
HEAD 701 – LAND ACQUISITION

Civil Engineering – Land Acquisition

37CA – Special Ex-gratia Cash Allowance for the Kwu Tung North and Fanling North New Development Areas Project

SCOPE OF PROPOSAL

We propose to seek approval for a maximum project estimate of $732.6 million in respect of subhead 37CA under Head 701 – Lands Acquisition to meet anticipated payment of Special Ex-gratia Cash Allowance (“SEGCA”) to eligible households arising from the clearance for the Kwu Tung North (“KTN”) and Fanling North (“FLN”) New Development Areas (“NDAs”) Project (“the NDAs Project”).

JUSTIFICATION

The NDAs Project

2. We are determined to press ahead with the implementation of the KTN and FLN NDAs as an extension to the Fanling/Sheung Shui New Town, as a medium to long-term measure to increase land supply.

3. The KTN and FLN NDAs will be implemented in two phases: First Phase (comprising Advance Works under 7747CL and First Stage Works under 7759CL) and Remaining Phase. The entire NDAs development aims at providing a total of about 71 800 housing units (of which about 48 500 are public housing), accommodating a new population of about 188 100; and about 868 000 square metres (m²) of floor area for economic activities which will generate about 40 100 employment opportunities¹.

4. The entire NDAs Project will involve clearance of a total of 182 ha of private and 233 ha of Government land, on which there are about 1 500

¹ The total employment opportunities of 40 100 include those to be generated from the planned “government, institution or community” uses.
households (about 4 200 persons) and about 440 business and industrial undertakings.

SEGCA Proposal

5. The Government announced in July 2013 that, given the large scale and overriding strategic significance of the KTN/FLN NDAs, SEGCA should be offered to eligible households affected by the NDAs Project which would not opt for rehousing. Each ‘Qualified Household’, regardless of the area occupied by the relevant structure, may receive either a full SEGCA pitched at $600,000, or a reduced SEGCA pitched at $500,000 if the household is purchasing a subsidised sale flat unit at a Dedicated Rehousing Estate. Such a special ex-gratia offer of a one-off nature was meant to be an additional option available to eligible households of the KTN/FLN NDAs Project who might still opt for the prevailing general ex-gratia compensation and rehousing (“C&R”) arrangements back then in lieu if they so wished.

6. On 10 May 2018, the Government announced a unified as well as enhanced general ex-gratia C&R package for, amongst others, eligible domestic occupants in squatters affected by government development clearance exercises. On 18 July 2018, the Finance Committee (“FC”) approved the package relating to various existing and new ex-gratia allowances (“EGAs”). Amongst others, FC approved that notwithstanding the enhanced general ex-gratia C&R package which should be able to address the needs of those affected by the upcoming NDA projects (including the KTN/FLN NDAs), the SEGCA arrangement which had already been announced well before 2018 should be retained, as it would be possible that the SEGCA/reduced SEGCA amount to which individual households are entitled may be higher than the enhanced EGAs. Accordingly, FC gave approval for the creation of Subhead 37CA under Head 701 – Land Acquisition to provide SEGCA to eligible households affected by land resumption and clearance required under the KTN/FLN NDAs, at an estimated total cost to be determined nearer the time of the actual clearance. Details of the eligibility

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2 The proposed works for co-locating police facilities to Kong Nga Po site and the Shek Wu Hui Sewage Treatment Works upgrading project do not involve any resumption of private land or clearance of households/business operators.

3 A ‘Qualified Household’ eligible for SEGCA should meet the following conditions –
(a) the household should reside in an affected structure at the date of the freezing survey;
(b) the affected structure should be a surveyed/licensed domestic structure not built on 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; and
(d) the household should fulfil the “no-domestic-property” requirement and related requirements applicable to Ex-gratia Allowance for Permitted Occupiers of Licensed Domestic Structures and Surveyed Domestic Squatters Affected by Clearance (“EGAPO”).
criteria for SEGCA and the Secretary for Development’s discretion in offering SEGCA (mainly for households residing in surveyed/licensed domestic structures for less than the requisite duration but for at least ten years immediately preceding the date of the freezing survey or those occupying a surveyed/licensed non-domestic structure for domestic use for at least ten years immediately preceding the date of the freezing survey) were set out at paragraphs 10 to 14 of Enclosure 1 as well as Annex II to Enclosure 1 of FCR(2018-19)48 which FC considered on 18 July 2018, reproduced as Annex I and Annex II to this Enclosure.

7. Following FC’s approval in July 2018, we have estimated the provision required for the NDAs Project covering all possible eligible households to be affected, including those affected by clearances in the Remaining Phase of the NDAs Project which may voluntarily apply for early surrender of and departure from their squatter structures under the flexible implementation arrangement which we informed FC in July 2018.

FINANCIAL IMPLICATIONS

8. By making reference to 1982 Squatter Structure Survey record and the freezing survey undertaken for the NDAs Project, the number of surveyed/licenced domestic and non-domestic structures affected by the NDAs Project is about 1,221 in total. For planning purpose, we estimate that the maximum provision that may be required for SEGCA for the NDAs Project would be $732.6 million.

9. The proposed injection of funding into a SEGCA subhead carries no recurrent implications.

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4 This flexible implementation arrangement takes into account the concerns expressed by households to be affected by the Remaining Phase development about their having to stay in the vicinity of works areas when the First Phase of construction has commenced, and about the breaking up of a coherent community. For practical considerations, whether and if yes how the applications would be entertained will be subject to capacity (e.g. whether rehousing units are available ahead of the original due date) and prioritisation of claims (e.g. those closer to the First Phase should be given priority).

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

6 For planning purpose, we assume that all ‘Qualified Households’ would opt for SEGCA and get the maximum amount of SEGCA (i.e. $600,000).
10. The draft Outline Zoning Plans (“OZPs”) for the KTN and FLN NDAs were exhibited for public inspection under the Town Planning Ordinance (Cap. 131) from 20 December 2013 to 20 February 2014. During the statutory planning process, a total of more than 53,000 representations and comments were received. On 16 June 2015, the Chief Executive in Council approved the KTN and FLN OZPs, which were then exhibited for public inspection on 19 June 2015.

11. Since the announcement of the SEGCA offer for eligible households affected by the NDAs Project in July 2013, we have arranged briefings, meetings and engagement sessions for various stakeholders (such as Legislative Council (“LegCo”) Members, relevant District Councils, Rural Committees, resident groups and concern groups) to listen to and understand affectees’ views on the C&R arrangement. Following the announcement of the unified and enhanced general ex-gratia C&R package on 10 May 2018, we briefed LegCo, local stakeholders (such as the relevant District Councils, Rural Committees) as well as clearees (including residents’ groups and concern groups) affected by key development clearance exercises in the pipeline (including the KTN and FLN NDAs Project) on various occasions from May to July 2018. Furthermore, we listened to deputations’ views at the joint meetings of LegCo Panel on Development and Panel on Housing held on 26 and 29 June 2018. The package relating to EGAs (including SEGCA) was approved by FC on 18 July 2018.

12. The proposed injection of funding into a SEGCA subhead approved by FC in itself carries no environmental implications.

13. To make way for implementation of the NDAs Project, we will resume a total of about 180 ha of private land and clear about 230 ha of government land. The land resumption and clearance for the NDAs Project will affect about 2,374 lots, about 1,500 households (about 4,200 persons) and about 440 business and industrial undertakings. Apart from the proposed estimate of $732.6 million for SEGCA provision, another $13,335 million is required under Subhead 1100CA of Head 701 – Land Acquisition under the Capital Works Reserve Fund for the cost of land acquisition and other ex-gratia allowances (including payment of compensation and ex-gratia allowances to affected eligible landowners, occupiers and business undertakings in accordance with the general C&R arrangement) for
the First Phase development of the NDAs Project. The land resumption and clearance cost for the Remaining Phase of the NDAs Project will be assessed when the scope of works and resumption limits can be ascertained upon substantial completion of the detailed design for the Remaining Phase.

HERITAGE IMPLICATIONS

14. The proposed injection of funding into a SEGCA subhead approved by FC in itself carries no heritage implications.

BACKGROUND

15. In line with the ‘people-oriented’ philosophy of the current-term Government, we announced on 10 May 2018 enhancements to the existing ex-gratia C&R arrangements for eligible households in squatters and for business undertakings affected by government development clearance exercises. In so doing, we hope to address the concerns of those affected, and to facilitate land resumption and clearance with a view to securing timely delivery of land for housing, commercial and other community needs. We are also mindful of the need for striking a reasonable balance between meeting the expectations of those being affected and a prudent use of public money and public housing resources.

16. Our enhanced ex-gratia C&R proposal comprises the following key features:

(a) replacing “project-specific” packages with a unified as well as enhanced general ex-gratia C&R package applicable to all future government development clearance exercises;

(b) offering to eligible households non-means tested rehousing in Dedicated Estates to be built and operated by the Hong Kong Housing Society;

(c) relaxing the eligibility criteria and increasing the amount of cash EGAs for eligible households residing in surveyed/licenced structures;

(d) suitably extending the arrangements on non-means tested rehousing and enhanced cash EGAs to eligible households currently residing in surveyed/licenced non-domestic structures; and
(e) relaxing the eligibility criteria of applicable EGAs for business undertakings on brownfields and in squatters.

17. When introducing a unified as well as enhanced general ex-gratia C&R package for all clearance projects, Government has reviewed the need for the special ex-gratia C&R arrangements for the KTN/FLN NDAs and Hung Shui Kiu NDA projects that had been announced, and proposed to retain the SEGCA arrangements. In other words, eligible households may opt for either SEGCA or enhanced Ex-gratia Allowance for Permitted Occupiers of Licenced Structures and Surveyed Squatters Affected by Clearance.

Development Bureau
Lands Department
January 2019
10. We recommend that ‘Qualified Households’ affected by government clearance exercises for the KTN/FLN NDAs and HSK NDA Projects be offered SEGCA, subject to their satisfying the eligibility criteria set out in Annex II to Enclosure 1. In gist, a ‘Qualified Household’ eligible for SEGCA should meet the following conditions –

(a) the household should reside in an affected structure at the date of the Pre-clearance Survey (PCS);

(b) the affected structure should be a surveyed/licensed domestic structure not built on 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; and

(d) the household should fulfil the same ‘no-domestic-property’ requirement and related requirements applicable to Ex-gratia Allowance for Permitted Occupiers of Licensed Structures and Surveyed Squatters affected by Clearance (EGAPO)\(^1\).

11. A ‘Qualified Household’ will be offered one of the following SEGCA options in the form of a lump-sum cash allowance regardless of the area occupied by the relevant structure –

(a) a full SEGCA pitched at $600,000; or

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\(^1\) Under the prevailing ‘no-domestic-property’ requirement applicable to the payment of EGAPO, during the period from the date of PCS applicable to the affected structure up to the date of granting EGAPO, the applicant and his/her family member(s) listed in the application form should not own or co-own or have an interest in any domestic property in Hong Kong; or have entered into an agreement (including provisional agreement) to purchase any domestic property in Hong Kong; or hold more than 50% of shares in a company which owns, directly or through its subsidiaries, any domestic property in Hong Kong. Moreover, the applicant and his/her family member(s) listed in the application form should not be enjoying any form of subsidised housing or related benefits, or subject to debarment as a result of previous enjoyment of subsidised housing or related benefits.
(b) a reduced SEGCA pitched at $500,000 if the household is purchasing a subsidised sale flat unit at Dedicated Estates.

The SEGCA offered will be on a structure or household basis, whichever is smaller. That is, if a household occupies more than one structure, the SEGCA will only be paid once for the household; if more than one household occupies one structure, the SEGCA will only be paid once for the structure, and the households will have to agree amongst themselves on the sharing arrangement.

12. To address the special needs of households that do not fully comply with the eligibility criteria listed in paragraph 10 above, it is proposed that the Secretary for Development (SDEV) be authorised to determine whether such households may still be offered SEGCA, at his discretion upon receipt of an application and on a case-by-case basis. Specifically, he will decide –

(a) whether the household should be eligible to receive SEGCA 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 SEGCA to be offered to the household should be adjusted.

13. We will set up an Inter-departmental Advisory Panel to advise the SDEV on exercising the above discretion. The households will be given the opportunity to make written representations. The decision of the SDEV shall be final. Details of the discretion of the SDEV and mechanism for him to exercise the discretion are set out in Annex II to Enclosure 1. In exercising the discretion, the SDEV may consider, but is not bound by, such factors.

14. Recipients of SEGCA would have to give up their entitlement to other forms of rehousing (either means-tested or non-means tested) and receipt of other forms of ex-gratia allowances except Domestic Removal Allowance under the prevailing ex-gratia compensation and rehousing policies. They will be barred from applying for any form of subsidised housing or related benefits for three years from the date of receipt of SEGCA.
SEGCA is offered exclusively to eligible households affected by government clearance exercises of the KTN/FLN NDAs and HSK NDA Projects. This is a special arrangement to assist such households in meeting their rehousing needs and facilitate clearance of sites required for the two projects as soon as possible for the timely implementation of the projects.

Eligibility Criteria and Basic Rates for SEGCA

2. The basic eligibility criteria for SEGCA are modelled largely on those for Ex-gratia Allowance for Permitted Occupiers of Licensed Structures and Surveyed Squatters affected by Clearance (EGAPO), viz. a household must be covered in the Pre-clearance Survey (PCS) and fulfill the prevailing ‘no-domestic-property’ requirement and related requirements\(^\text{Note}\). In terms of the status of squatter structure and length of continuous residence immediately preceding the date of PCS, a household is regarded as a ‘Qualified Household’ to receive SEGCA if the affected structure, in which the household is residing, is a surveyed/licensed domestic structure and the household is 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 continuously immediately preceding to the date of PCS.

3. Each ‘Qualified Household’ may receive one of the following SEGCA options in the form of a lump-sum cash allowance regardless of the area occupied by the relevant structure –

(a) a full SEGCA pitched at $600,000; or

\(/(b)\) …..

\(^\text{Note}\) The prevailing ‘no-domestic-property’ requirement and related requirements for SEGCA are modelled on those for EGAPO such that from the date of PCS applicable to the affected structure up to the date of granting of SEGCA, the applicant and his/her family member(s) listed in the application form should not own or co-own or have an interest in any domestic property in Hong Kong; or have entered into an agreement (including provisional agreement) to purchase any domestic property in Hong Kong; or hold more than 50% of shares in a company which owns, directly or through its subsidiaries, any domestic property in Hong Kong. Moreover, the applicant and his/her family member(s) listed in the application form should not be enjoying any form of subsidised housing or related benefits, or subject to debarment as a result of previous enjoyment of subsidised housing or related benefits.
(b) a reduced SEGCA pitched at $500,000 if the household is purchasing a subsidised sale flat unit at Dedicated Estates.

4. The SEGCA offered will be on a structure or household basis, whichever is smaller. That is, if a household occupies more than one structure, the SEGCA will only be paid once for the household; if more than one household occupies one structure, the SEGCA will only be paid once for the structure, and the households will have to agree amongst themselves on the sharing arrangement.

**Discretionary Arrangements**

5. Where a household does not meet the prescribed criteria about the status of squatter structure and length of continuous residence immediately preceding the date of PCS referred to in paragraph 2 above, it may still apply to the Secretary for Development (SDEV) for the latter to decide at his discretion whether it may be eligible for SEGCA. As a guiding reference, a household continuously occupying a surveyed/licensed non-domestic structure, or residing in eligible surveyed/licensed structures for less than the requisite duration but for ten years or more immediately preceding the date of PCS, may be eligible for this discretionary arrangement.

6. Where the SDEV exercises his discretion to favourably consider the case of a household which does not meet the requirements of a ‘Qualified Household’ in paragraph 2 above, he will decide the extent to which the amount of SEGCA to be offered to the household should be adjusted, taking into account factors including but not necessarily limited to those set out below. The SDEV’s decision shall be final. As a broad brush indication, depending on the circumstances of the households concerned, the amount of SEGCA granted to households would range from $300,000 to $600,000 while the amount of reduced SEGCA would range from $250,000 to $500,000.

7. Each application received shall be considered by the SDEV taking into account the supporting materials provided by the household and the advice given by an Inter-departmental Advisory Panel comprising officers of appropriate rank from the Development Bureau and other concerned departments. The SDEV and the Inter-departmental Advisory Panel may take into consideration the following factors –

   /(a) .....
(a) the duration for which the household has been living in the eligible structure – 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, the case of a household residing in a structure converted from a surveyed/licensed non-domestic structure may be exceptionally considered, but its claim will be smaller than that of a household residing in a surveyed/licensed domestic structure. Applications from households residing in non-surveyed/non-licensed structures will not be considered;

(c) the size of the household – while the basic rate of SEGCA is a lump-sum regardless of the area occupied by the relevant structure, in general, the adjustment of SEGCA amount for a household whose case is to be favourably considered under the discretionary arrangement may have regard to the household size;

(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 SDEV and the Inter-departmental Advisory Panel may consider relevant.

Restrictions of SEGCA

8. A household granted SEGCA must give up its entitlement to other forms of rehousing (either means-tested or non-means tested) and receipt of other forms of ex-gratia allowances except Domestic Removal Allowance (DRA) under the prevailing ex-gratia C&R policies. It is also barred from applying for any form of subsidised housing or related benefits, including but not limited to public rental housing, for a period of three years counting from the date of receipt of SEGCA.
Summary of Preparatory Work for Land Resumption and Clearance for the First Phase Development of Kwu Tung North and Fanling North New Development Areas

For domestic households

- Out of the 1,500 households to be affected by the entire Kwu Tung North and Fanling North New Development Areas (KTN and FLN NDAs), about 445 households involving about 1,160 persons will be affected by the First Phase development.

- We have issued letters to the First Phase households informing them of a unified as well as enhanced general compensation and rehousing (“C&R”) arrangement and the commencement of the detailed screening on 27.7.2018. Detailed screening for eligibility of the C&R arrangement commenced in July 2018 and is ongoing.

For business undertakers

- Out of the total of 443 business undertakings to be affected by the entire KTN and FLN NDAs, 141 will be affected by the First Phase development. The known business undertakings to be affected by the First Phase development are mainly timber yards, open storage, workshop, food processing, godown, office and canteen, logistic, etc.

- We are assessing their eligibility for claiming of ex-gratia (“EGA”) allowances. We have also been meeting with the stakeholders to explain the EGA packages.

For residents in the Residential Care Homes for the Elderly (RCHE) in Dills Corner Garden (DCG)

- As a special compassionate arrangement, we will build in the vicinity of DCG (Area 29 in KTN NDA) a new Multi-welfare Services Complex (the Complex) for the provision of elderly and rehabilitation services, including a total of 1,750 residential care places for the elderly, which will be able to accommodate all eligible RCHE residents affected by the clearance programme. Site formation for the Complex in Area 29 of KTN NDA is completed. We will arrange funding under Lotteries Fund for the construction of the Complex for commencement of construction in end 2019.
The existing RCHEs will be cleared in two phases. Before the commencement of operation of the Complex in 2023, about 160 DCG residents will be affected by the first phase clearance targeted to commence in the first half of 2020. We will make suitable arrangements to minimise the disturbance caused to this group of residents, including the options that they can move within DCG during the transition period, and discussions on these arrangements are ongoing.

The second phase clearance will take place after the commissioning of the Complex. The DCG residents will remain in their existing RCHEs until the new Complex is ready for intake in 2023.

The Government, through an inter-departmental working group led by Social Welfare Department, has been maintaining dialogue with the RCHE operators to discuss the relocation of the RCHE residents to the Complex and the interim arrangement for the RCHE residents affected by the first phase clearance.

For farmers

A Farm Operation Survey (FOS) has been conducted and recently completed to record the farmers to be affected by the First Phase development. Around 30 crop farms covering a total area of about 4 hectares (ha) will be affected by the First Phase development.

If the affected farmers intend to re-farm elsewhere, they are eligible to be relocated to the future Agricultural Park. Furthermore, under the Special Agricultural Land Rehabilitation Scheme, we have identified about 4 ha of government land in the North District for re-farming purpose. We will also continue to liaise with the land owners of private land in the region to facilitate match-making for rehabilitation.

For Long Valley Nature Park (LVNP), around 50 farms covering a total area of about 31 ha are recorded in the FOS. The affected farmers will have priority in applying for farming in the future LVNP. They will be accommodated within the future LVNP as far as possible.

We met the affected farmers in June 2018 to listen to their views and are arranging further engagement sessions with them on the re-farming arrangement before land resumption and clearance for the First Phase development.
For pet animals

- Eligible affected households to be rehoused at the public housing estates of Hong Kong Housing Authority or Hong Kong Housing Society have to follow their respective established pet keeping policies, including any compassionate arrangement.

- While the tenancy agreements stipulate that tenants cannot keep any animal, bird or livestock in their premises without prior consent, there is a general permission for the keeping of small household pets (such as include cats, birds, hamsters, rabbits, aquatic life, etc.) as long as they do not cause nuisance or health hazard. Under special circumstances, discretion could be exercised to allow the keeping of dogs for physically impaired tenants and tenants who need to keep companion dogs for mental support.

- The Government will continue to work with the animal welfare organisations to promote animal welfare and appeal to the public for animal adoption.

For land owners

- We have issued letters to the land owners to be affected by the First Phase development progressively starting from 15.1.2019 to inform them of the latest programme of the First Phase development

- Subject to approval of funding by LegCo in the first half of 2019, we will commence land resumption and clearance in the second half.

- Zonal A ex-gratia compensation will be offered to the land owners for private land to be resumed within the KTN/FLN NDAs in accordance with the established practice.