Legislative Council Panel on Food Safety and Environmental Hygiene

Establishment of an Agricultural Park (Phase 1) in Kwu Tung South

PURPOSE

This paper seeks Members' support for the proposal to upgrade part of PWP Item **471RO**, entitled "The Establishment of an Agricultural Park (Agri-Park) (Phase 1) in Kwu Tung South" to Category A in the Public Works Programme.

JUSTIFICATION

2. Setting up the Agri-Park is one of the major initiatives underpinning the New Agriculture Policy (NAP). To be managed by the Agriculture, Fisheries and Conservation Department (AFCD), the Agri-Park aims to help nurture agro-technology and knowledge on modern farm management through leasing farmland and providing associated agricultural facilities for farmers to conduct commerical farming. The Agri-Park seeks to accommodate the following groups of the farming sector –

- (a) existing farmers operating within the area of the Agri-Park prior to its establishment;
- (b) farmers displaced by government development projects implemented within the same timeframe of the Agri-Park and who accept the Agri-Park's tenancy terms and conditions; and
- (c) farmers that could meet the Agri-Park's admission criteria.

3. A cluster of about 80 hectares (ha) of farmland in Kwu Tung South in the New Territories has been identified as the potential site for the Agri-Park. The site is a traditional vegetable growing zone with active crop farming activities. In the Agri-Park, currently active farmland in the site will be preserved for farming purpose as far as practicable and some 50 ha of fallow farmland will be rehabilitated. 4. The area of the Agri-Park covers both government land and privately-owned land. The privately-owned land will be resumed for farming and the associated road works under the Lands Resumption Ordinance (Cap. 124) and the Roads (Works, Use and Compensation) Ordinance (Cap. 370) respectively. Most of the Agri-Park area will be for agricultural activities, while the remaining part will be used for building infrastructural facilities and roads for supporting the Agri-Park. Taking into account its proposed scale, the Agri-Park is planned to be implemented in two phases. Phase 1 will be developed in a relatively small-scale (with an area of about 11 ha), with a view to enabling commissioning for use as early as possible.

PROJECT SCOPE AND NATURE

5. The part of 471RO, which we propose to upgrade to Category A (the proposed works) for the establishment of the Agri-Park Phase 1, comprises –

- (a) formation works for about 7.5 ha of land;
- (b) related infrastructures including drainage, sewerage, irrigation, water supply, utilities and street lighting;
- (c) associated park facilities including basic lodging¹ and storage units; and
- (d) construction of about 900 metres (m) long access road and footpaths (including a culvert bridge of about 5 m wide; and two vehicular bridges with associated footpaths of about 20 m and 40 m long respectively) connecting the existing Tsiu Keng Road.
- 6. The location of the proposed works is at <u>Annex 1</u>.

7. Subject to funding approval of the Finance Committee (FC), we plan to commence construction works around the third quarter of 2019, for completion in stages from the fourth quarter of 2020. To meet this schedule, the Civil Engineering and Development Department (CEDD) plans to invite tenders for the proposed works in the first quarter of 2019.

8. We will retain the remainder of 471RO in Category B, which mainly comprises the construction of related infrastructure (such as irrigation,

¹ The basic lodging units aim to provide a resting place for farmers to carry out duties of managing the farm and produce, but are not meant for residential purpose. About 40 temporary lodging units of about 15 square metres (m²) is size will be provided in Phase 1. Permanent lodging units would be constructed in Phase 2.

permanent basic lodging and storage facilities) and roads; establishment of a visitor centre; and land formation works under the remaining phase (i.e. Phase 2) of the Agri-Park. A plan showing the tentative boundary of the whole Agri-Park (covering both phases) is at <u>Annex 2</u>. The timetable for Phase 2 will be subject to the progress of, and the operating experience gained in, Phase 1.

FINANCIAL IMPLICATIONS

9. We estimate the cost of the proposed works to be \$176.6 million in money-of-the-day (MOD) prices.

PUBLIC CONSULTATION

10. The public expressed support in the public consultation in 2015 to adopting a more proactive approach towards the modernisation and sustainable development of the local agriculture, including the establishment of the Agri-The North District Council (NDC) was consulted on 27 July 2017 on the Park. implementation of the Agri-Park project. NDC members supported the project and requested the Government to provide more details on land resumption and compensation as well as the management and operation of the Agri-Park. Subsequently, the relevant departments consulted the local stakeholders between July and October 2017, including the Sheung Shui District Rural Committee, local villagers and village representatives, landowners, farmers, representatives from the vegetables marketing industry, relevant business operators and concerned groups and explained to the aforesaid parties the specific details of the Agri-Park and issues relating to the proposed road works. The Government reported the outcome of the consultations to NDC at its meeting on 12 October 2017. NDC expressed support to the proposed works. In addition, AFCD and CEDD consulted the Crop Subcommittee of the Advisory Committee on Agriculture and Fisheries and invited representatives from the agricultural sector, farming organisations, green groups and concerned groups to express views on the overall design and infrastructure support of the Agri-Park in August and The agriculture sector in general support the objectives and December 2018. design of the Agri-Park. A deputation meeting on the Agri-Park was held by this Panel on 5 October 2018.

11. The road scheme for the proposed works under the Roads (Works, Use and Compensation) Ordinance (Cap. 370) was gazetted on 3 and 10 November 2017. During the statutory objection period, a total of 57^{2} objections were received. The objectors were concerned about the

² Three objections are identical to another 3 objections in content, but are counted as separate ones.

necessity and the alignment of the proposed road³, the impact of the construction works on existing farmers, farmland and environment, as well as the planning of the entire Agri-Park. After we arranged objection resolving meetings and provided written responses to objectors, two objections were withdrawn while 55 objections remain unresolved. On 27 November 2018, the Chief Executive in Council authorised the proposed road scheme and approved the resumption of land for the establishment of Phase 1. The authorisation notice of the proposed road scheme was gazetted on 21 and 28 December 2018.

12. The Advisory Committee on the Appearance of Bridges and Associated Structures⁴ was consulted by CEDD and accepted the aesthetic design of the proposed vehicular bridges under the project.

TRAFFIC IMPLICATIONS

13. The Traffic Impact Assessment concluded that the proposed works will not cause any significant traffic impact to the surrounding area.

ENVIRONMENTAL IMPLICATIONS

14. The project is not a designated project under the Environmental Impact Assessment Ordinance (Cap. 499). An Environmental Review Report (ERR) for Phase 1 has been carried out, including impacts on the air quality, water quality, ecology, landscape, noise and waste management etc. The ERR concluded that long term environmental impacts could be controlled to within the established criteria. Key environmental mitigation measures include off-site treatment of sewage, compensatory planting by seed collection of affected plant species of conservation importance, and translocation of eggs/larvae of a rare butterfly if found on the identified patch, before commencement of construction works. During construction, we will control noise, dust and site

³ During the objection resolving period, we explained the necessity of construction of the proposed road (a single two-lane carriageway) connecting the Agri-Park with Tsiu Keng Road and Fan Kam Road, in order to meet the long-term operational needs and overall objectives of the Agri-Park. The proposed road would facilitate farmers to transport produce and equipment (such as farming machinery and farm tools). The proposed road would be opened to the public and visitors for farming-related activities such as educational, interactive and experiential activities. To fulfill the need of traffic demand and safety requirement, the proposed road would be designed to a "Rural Road" type standard of 7.3 m wide single two-lane carriageway in accordance with the Transport Planning and Design Manual (TPDM) issued by the Transport Department.

⁴ Comprising representatives of the Hong Kong Institute of Architects, the Hong Kong Institution of Engineers, the Hong Kong Institute of Planners, the Hong Kong Institute of Landscape Architects, academic institutions, the Architectural Services Department, the Highways Department, the Housing Department and CEDD, the Committee is responsible for vetting the design of bridges and other structures associated with the public highway system, including noise barriers and enclosures, from the aesthetic and visual impact points of view.

run-off nuisances to within established standards and guidelines through implementation of mitigation measures in the relevant contract(s). The estimates already include the cost of implementing these mitigation measures.

HERITAGE IMPLICATIONS

15. The proposed works will not affect any heritage sites, i.e. all declared monuments, proposed monuments, graded historic sites and buildings, sites of archaeological interest and government historic sites identified by the Antiquities and Monuments Office.

LAND ACQUISITION

16. The project requires the resumption of about 79 950 m^2 of private land.

BACKGROUND INFORMATION

17. After the public consultation in 2015, the Government announced in the 2016 Policy Address the implementation of the NAP, including the establishment of the Agri-Park. We reiterated this policy commitment in the 2018 Policy Address.

18. We upgraded **471RO** to Category B in September 2016.

19. CEDD engaged a consultant to carry out an engineering feasibility study for the Agri-Park project at an estimated cost of \$1.29 million in MOD prices. 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 feasibility study has been completed.

20. On 20 March 2017, CEDD engaged another consultant to carry out the detailed design and site investigation for the Agri-Park project at an estimated cost of \$10.8 million in MOD prices. The consultancy fees and site investigation works were charged to 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 for the Agri-Park Phase 1 has been completed.

WAY FORWARD

21. We plan to submit the proposal for upgrading the works of **471RO** as detailed in paragraph 2 above to Category A to the Public Works Subcommittee to seek its support, and to seek funding approval from the FC.

ADVICE SOUGHT

22. Members are invited to support the proposed project.

Food and Health Bureau Agriculture, Fisheries and Conservation Department Civil Engineering and Development Department December 2018



