

LCQ11: Assisting land stakeholders affected by government projects

Following is a question by the Hon Steven Ho and a written reply by the Secretary for Development, Ms Bernadette Linn, in the Legislative Council today (July 12):

Some members of the agriculture and fisheries industry have relayed that large-scale land planning and development projects undertaken by the Government in the New Territories in recent years have affected quite a number of land stakeholders, but the compensation offered by the Government to the affected business operators cannot reflect the actual situation, and such operators have found it difficult to resume their business with the amounts of compensation. In this connection, will the Government inform this Council:

(1) of the current amounts of compensation disbursed to the farmers affected by the Government's land resumption and/or clearance projects for the following hardware facilities on their agricultural land and brownfield sites: agricultural structures, water ponds, wells, fences, irrigation pipes/ditches, boundary walls, gates, bunds, warehouses and other minor annexures to land; whether the Government has studied if the relevant amounts of compensation are enough for such farmers to reconstruct the hardware facilities concerned when they resume farming;

(2) as there are views that currently the difference between the related amounts of compensation received by farmers affected by the Government's land resumption and/or clearance projects and the amounts of funding required for resuming their business is too large, making it difficult for such farmers to resume their business, whether the Government will formulate policy initiatives to allow those farmers planning to resume business to get additional financial assistance or interest-free loans, so that they can resume agricultural production, including the establishment of multi-layer farms and urban farms, as well as the development of environmentally-friendly pond fish culture, etc;

(3) as the Government has announced earlier on that the land in the vicinity of San Tin will be resumed for the development of San Tin Technopole in 2024 the earliest, but it is learnt that the land leases of some affected parties may yet to expire or the operating business has not yet entered the payback period, how the Government can resolve the problems arising from expediting the pace of land resumption for development and provide assistance to the affected parties; and

(4) as the Government indicated in reply to a question raised by a Member of this Council on May 17 this year that it would, having regard to the development progress of the New Development Areas projects, consider setting up dedicated community liaison service teams (service teams) in a timely manner to cater for the needs of affected parties, whether the Government

will consider setting up dedicated service teams in collaboration with groups familiar with farming practices on the lands concerned (instead of solely led by social workers), so as to put greater focus on the problems encountered by affected stakeholders during the development process, and make the development projects mutually beneficial?

Reply:

President,

When the Government exercises its statutory power to resume land for development projects, relevant law requires it to pay statutory compensation to affected persons with legal interests. The Government also has in place administrative ex-gratia compensation arrangement for various types of persons meeting specific eligibility criteria as an alternative arrangement to statutory compensation.

The Development Bureau (DEVB) fully understands the impact caused to existing owners and occupants due to resumption of land and clearances for development. In light of the intensified efforts to resume land for development in recent years, the DEVB has reviewed the rehousing and compensation arrangement for affected persons such as squatter households, business operators (including brownfield operators and farmers etc), land owners etc, and implemented the improvement measures.

In respect of farmers, the Government enhanced the Disturbance Allowance for Cultivators for meeting the cost of land preparation for re-establishment and the loss of income during the period in 2019, simplified the supervisory requirement of constructing agricultural structures in the past two years, and introduced the "one-stop" service since August last year to speed up the approval of applications for constructing agricultural structures, thereby reducing the cost incurred by farmer applicants.

The Government will continue to maintain communication with the trade, and strive to provide appropriate assistance to farmers.

Our reply to the question raised by the Hon Ho is as follows:

(1) Eligible farmers affected by government development clearances may receive one or more of the following ex-gratia allowances (EGAs) in respect of their hardware facilities:

(a) EGA for Qualifying Agricultural Buildings on Private Land: aims to mitigate the losses on agricultural structures. The standard EGA rate (depending on the type of agricultural structure, ranging from \$1,380 per square metre to \$3,020 per sq m) varies with the type of agricultural structure (e.g. pig shed, chicken shed, agricultural shed), reflecting the construction cost of the relevant structures, with the calculation of the EGA making reference to the existing condition and area of the structure;

(b) EGA for Miscellaneous Permanent Improvements to Farms: aims to mitigate the losses on farm installations and fixtures, including water ponds, wells, fences, irrigation pipes/ditches, boundary walls, gates, bunds

and other minor annexures to land which are used primarily for agricultural purposes. A standard rate is adopted for each installation according to its material and required construction works to reflect the cost of the construction material of the relevant installation and works, with the calculation of the EGA making reference to the existing condition and size of the respective item; and

(c) EGA for Farm Equipment and Implements: aims to mitigate the losses related to farm machineries, including rotary cultivators, sprayers, weeding machines, irrigation water pumps and irrigation water sprinklers, etc. A standard rate is adopted for each type of equipment/implement according to its function and type, reflecting the replacement cost of the relevant equipment/implement, with the calculation of the EGA making reference to the existing service condition and size of the item.

The above EGAs help farmers who wish to re-establish their business to meet the expenses on reprovisioning the facilities. They are eligible for the relevant EGAs regardless of whether they want to re-establish or reprovision their business. According to established mechanism, the regular adjustment of the EGAs (annually in general) takes into account the construction cost, market value and pricing trend of the relevant facilities, etc. In light of the concerns raised by the trade, the DEVB and the Agriculture, Fisheries and Conservation Department (AFCD) are reviewing the EGAs applicable to livestock farmers (including item (a) above) to ensure that they align with the current situation and are able to assist affected farmers effectively. The review is expected to be completed before the next regular adjustment.

(2) In addition to the EGAs mentioned in the first part, the Government also offers the following disturbance allowances to eligible farmers affected by development clearances, so as to help them meet the relevant expenses during re-establishment:

â€(a) Eligible farmers engaged in cultivation may claim the Disturbance Allowance for Cultivators to meet the cost of land preparation when re-establishing elsewhere and the loss of income during the period. The Government enhanced this EGA in 2019 to reflect the situation of agricultural activities more accurately. Thereafter, the EGA is continued to be reviewed and adjusted annually; and

(b) Eligible farmers engaged in livestock keeping may claim the EGA for Pig and Poultry Farmers to meet the expenses for replacing the fixtures required for production and the loss of income during the period for re-establishing their business. This EGA will be reviewed during the DEVB and the AFCD's ongoing review mentioned above.

To provide further support to livestock farms affected by government development projects, the DEVB, the Environment and Ecology Bureau, the AFCD and relevant departments have formed an interdepartmental working group to draw up plans to provide assistance across different aspects, including identifying sites to develop multi-storey livestock farms for reprovisioning, and consulting stakeholders in the trade. The Government will proceed with the feasibility studies on infrastructure engineering and formation works as

well as relevant planning applications. We will also consult local stakeholders and undertake the works. Upon completion of the works, the sites will be handed over to the AFCD for follow-up with the industry on the development of and relocation in the multi-storey livestock farms.

Besides, to help farmers apply for the construction of agricultural structures, the Government has reviewed the relevant procedures and requirements several times, and simplified the supervisory requirement of constructing agricultural structures in 2021 and 2022 respectively to allow applicants of cases not involving complicated structural design to employ only one building contractor and one Technically Competent Person of Grade T2 to be responsible for constructing the entire structure and confirming the structural safety, such that they are no longer required to further employ a Registered Professional Engineer to supervise the works. Moreover, the AFCD has implemented the enhanced "one-stop" arrangement to process the applications for constructing agricultural structures since August 2022, whereby the AFCD will co-ordinate among the relevant departments and strengthen the monitoring of the progress of the application, in order to reduce the necessary cost and shorten the time for approval as much as possible.

To provide financial assistance for farmers, the AFCD has set up various loan funds, including the Kadoorie Agricultural Aid Loan Fund, J.E. Joseph Trust Fund and Vegetable Marketing Organization Loan Fund, etc. Affected eligible farmers may apply for low-interest loans for business development, working capital and agricultural production.

(3) The Government is conducting a two-month public engagement exercise in respect of the land use proposal of San Tin Technopole. Works for the development area covered by the Recommended Outline Development Plan are planned to be implemented in two phases. Phase 1 mainly covers the innovation and technology land parcels to the north of San Tin Highway/Fanling Highway, some residential land to the south and the key infrastructure areas with road connections in San Tin Technopole. It is estimated that land will be resumed gradually beginning from end 2024. Phase 2 covers the remaining area and it is estimated that land will be resumed gradually beginning from 2026. The Lands Department will reach out to affected persons at the soonest possible juncture to brief them on the expected departure timeframe and the assistance to be provided by the Government so that affected business operators can plan ahead.

(4) Besides, the Government plans to appoint community liaison service teams (service teams) for the development of San Tin Technopole. The teams will act as a bridge between members of the local community and the Government, providing relevant information and assistance to parties affected by the development so that they can understand more about the development plans and the progress.

The Government will, in light of previous experience, review the terms of service contracts of service teams and qualification requirements for the operating organisation and personnel responsible for providing the services

to meet the service needs. We are thankful to Hon Ho for his opinions which we will take into consideration during the course of review.