

Legislative Council Meeting of 12 May 2021
Motion Debate on
“Driving the development of New Territories North with port economy”

Progress Report

Background

At the sitting of the Legislative Council (LegCo) of 12 May 2021, the motion on “Driving the development of New Territories North with port economy” moved by Hon LAU Kwok-fan as amended by Hon YIU Si-wing was passed (full text of the passed motion at **Annex**). This report sets out the follow-up actions taken by the Administration in respect of the motion.

Latest Progress

Development of New Territories North

2. We have obtained funding approval from the Finance Committee (FC) of the LegCo on 16 July 2021 for commencing the investigation and detailed engineering design for the San Tin/Lok Ma Chau Development Node (STLMC DN) and the planning and engineering study for the New Territories North (NTN) New Town and Man Kam To (MKT) Logistics Corridor.

3. In carrying out the relevant studies/detailed design work, we will give full consideration to Members’ proposal in the motion and take appropriate follow-up actions. In response to Members’ request for expediting implementation of the relevant projects, we will study the feasibility for streamlining the project planning and design process and phased commencement of works/detailed design work.

4. As regard to better utilizing the green belt areas, agricultural lands and brownfield sites in northern New Territories, the NTN New Development Areas cover over 1,400 hectares of land, including about 250 hectares of brownfield sites, about 370 hectares of agricultural lands and about 380 hectares of land currently zoned “Green Belt”. Through appropriate land use planning as well as provision of adequate infrastructure, the development potential of the area could be released to meet the housing, economic and social needs and to improve the environment.

5. Regarding the Member’s proposal on setting up a dedicated organisation for the planning and development for NTN, currently the work of pressing ahead land planning and development is spearheaded by the Development Bureau (DEVB). Other departments involved mainly include the Planning Department and the Civil Engineering and Development

Department. The DEVB will co-ordinate and maintain liaison with relevant government bureaux/departments during the process. At present, we have no plan to establish a dedicated organisation to handle the related matters.

6. Besides, the Chief Executive has appointed the Strategic Planning Advisor for Hong Kong/Shenzhen Co-operation to put forth proposals on enhancing the development of cross-boundary co-operation including development of port economy. These strategic proposals will likely involve the direction of overall spatial layout, land use and industries' development in NTN, which will provide strategic inputs to the upcoming studies/detailed design work mentioned above.

7. Regarding industries' development, the motion highlights the development of innovation and technology in the NTN. In this respect, the Government is taking forward the development of the Hong Kong-Shenzhen Innovation and Technology Park (HSITP) in the Lok Ma Chau Loop (the Loop) in full swing, with a view to establishing a key base for co-operation in scientific research through connecting with top-tier enterprises, research and development (R&D) institutions and higher education institutions all over the world. It also supports the synergistic development with the Shenzhen Innovation and Technology Zone (SZ I&T Zone) adjacent to the Loop in promoting and facilitating the cross-boundary exchange of R&D elements, and establishing a cohesive and synergistic Shenzhen/Hong Kong Innovation and Technology Co-operation Zone (Co-operation Zone) as an important platform in supporting the development of an international I&T hub in the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area). The FC of the LegCo approved the relevant funding in February this year. The HSITP Limited is now conducting detailed design, and will commence relevant works in early 2022 once the formation for the first batch of land is completed, with a view to completing the Batch 1 development with eight buildings in phases from 2024 to 2027.

8. The HSITP and the SZ I&T Zone will establish “one zone, two parks” in the Co-operation Zone, leveraging on the complementary advantages of both sides and supporting the development of an international I&T hub in the Greater Bay Area. Good progress has been made:

- Before the completion of the first batch of buildings in the HSITP, the Hong Kong Science and Technology Parks Corporation (HKSTPC) will lease and manage certain areas of the SZ I&T Zone as a branch of the Hong Kong Science Park, so that the institutes and enterprises that are interested in starting their business in the Greater Bay Area can first establish a presence in the SZ I&T Zone. Moreover, the HKSTPC is planning to provide comprehensive services to talent of both sides, covering three important functions of resources, training and exchange, as

well as providing support to I&T enterprises for business development in the SZ I&T Zone of the Co-operation Zone. This will assist Hong Kong's I&T enterprises to develop in the Mainland and at the same time, provide services for Mainland enterprises that are interested in tapping into overseas markets, giving full play to Hong Kong's role in going global and attracting foreign investment.

- The governments on both sides will promulgate joint policy for the Co-operation Zone and explore to provide facilitation and supportive measures in the aspects of R&D resources, capital and people flow.
- Both sides are formulating relevant co-operation arrangement for the above work.

9. Apart from developing the HSITP in the Loop, the Government has also reserved land for I&T related development in STLMC and Liantang/Heung Yuen Wai, with the detailed land planning and uses subject to further study.

Railway planning

10. Regarding implementation of the Northern Link (NOL), the Government invited the Mass Transit Railway Corporation Limited (MTRCL) to proceed with detailed planning and design of the NOL in December last year. The Government will continue to follow up with the MTRCL to ensure that it will closely monitor the works progress, with a view to completing the project for providing services as soon as possible. Considering that the optimisation of the Huanggang Port may drive cross-boundary transport demand, the Government has requested the MTRCL to investigate the feasibility and benefits of constructing the NOL bifurcation, so that the Government can consider the way forward of the project in due course. Railway projects involve huge capital investment, and the Government has to plan in a prudent manner. The Government will review the need for constructing the NOL bifurcation and its technical and financial feasibility, and will make adjustment to the railway implementation timetable in accordance with the detailed studies, latest demand assessment and availability of resources.

11. Besides, the Highways Department and the Transport Department commenced the "Strategic Studies on Railways and Major Roads beyond 2030" (the Studies) in December 2020. With reference to the DEVB's "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" (HK2030+), the Studies will explore the layout of railway and major road infrastructure and conduct preliminary engineering and technical assessments

for their alignments and supporting facilities, so as to ensure that the planning of large-scale transport infrastructure will complement or even reserve capacity to meet the overall long-term development needs of Hong Kong. One of the focuses of the Studies is to enhance the connectivity of the new development areas in NTN with the urban areas.

12. As for other cross-boundary railway projects, having regard to the improvements to the land boundary control points between Hong Kong and Shenzhen, the Government will further explore with Shenzhen suggestions on enhancing the transport connections to the redeveloped Luohu Port, and continue to maintain close liaison with the MTRCL in this regard. On the other hand, having regard to the long-term cross-boundary transport needs in view of the development of the Greater Bay Area, the Government will study in due course the need for improving connectivity between Hong Kong and the western part of Shenzhen, thereby facilitating the flow of personnel between both places.

Compensation and rehousing arrangement

13. The Government has been offering compensation and arranging rehousing to those affected by government development projects in accordance with the relevant legislations and applicable ex-gratia compensation and rehousing policy. Among these, the Government announced in May 2018 a unified and enhanced ex-gratia compensation and rehousing arrangement applicable to squatter occupants and business undertakings affected by all future government development clearance exercises in order to address the concern of affected persons.

14. Under the enhanced rehousing measures, in addition to the prevailing means-tested rehousing option offered by the Hong Kong Housing Authority (HKHA), the Government has introduced a non-means tested rehousing option for eligible affected squatter households for rehousing in Dedicated Rehousing Estates (DREs) developed and managed by the Hong Kong Housing Society (HKHS). Currently, three DREs in the New Territories and one in the urban area are under planning. These DREs are located in Hung Shui Kiu, Pak Wo Road in Fanling, Kwu Tung North Area 24 and Concord Road/Muk Chun Street in Kai Tak. They are expected to be completed for population intake progressively from 2024. Before then, the HKHS and HKHA will make use of the vacant units in their existing rental housing estates to provide transitional accommodations for eligible households. The households concerned would be given the option (not mandatory) to relocate to the DREs when the latter are ready for population intake. The HKHS and HKHA will endeavour to allocate suitable transitional rehousing units in the same district to applicants, subject to the availability of refurbished public rental units and the construction progress of new housing estates. As for the eligible households who apply for means-tested rehousing, the HKHA will also endeavour to allocate suitable

rehousing units in the same district to the applicants, subject to the availability of refurbished public rental units and the construction progress of new housing estates.

15. Eligible households may also opt for the “Ex-gratia Allowance for Permitted Occupiers of Licensed Structures and Surveyed Squatters affected by Clearance” (EGAPO) as an alternative to the rehousing arrangement. The Government has also suitably relaxed the eligibility criteria and increased the amount of ex-gratia allowances, whereby the minimum continuous residence requirement immediately preceding the date of the pre-clearance survey (PCS) has been reduced from 10 years to 2 years, and apart from households residing in surveyed/licensed domestic structures, those residing in surveyed/licensed non-domestic structures are also covered (households concerned have to be registered under the Lands Department’s One-off Squatter Occupants Voluntary Registration Scheme). Moreover, a reduced amount of the EGAPO (i.e. five-sixths, or about 83%) is offered to households eligible for non-means tested rehousing arrangement if they opt for subsidized sale flat units in DREs in order to assist them to purchase these flat units.

16. The Government has also enhanced the calculation method of the Domestic Removal Allowance (DRA), and relaxed the eligibility criteria for DRA to cover all households recorded by the PCS.

17. With regard to the framers affected by government development projects, they could be granted ex-gratia allowance in accordance with existing mechanism if they are assessed and confirmed to meet the eligibility criteria. Generally speaking, the estimation of ex-gratia allowance is based on the loss in revenue arising from land resumption as well as the relevant costs. Affected farmers could apply for the Kadoorie Agricultural Aid Loan Fund from the Agriculture, Fisheries and Conservation Department (AFCD) if they need financial assistance for resumption of business. The Fund would provide low-interest loan to farmers for development and general operation purposes. Under on the existing Agricultural Land Rehabilitation Scheme, if the farmers wish to re-farm, he could identify suitable private farm land and AFCD will provide appropriate assistance to them and serve as a middleman by matching landowners with prospective tenants in order to help facilitate agreements on tenancy. In addition, AFCD is setting up an Agricultural Park (Agri-Park) in Kwu Tung South to help develop crop farming technology and modern production methods. The Agri-Park will be developed in two phases, with the first phase providing some 7 hectares of farmland. The construction works is now underway, and is expected to be completed in phase from end 2021 to 2023. Crop farmers affected by government development projects within the same timeframe will be accorded priority to apply for renting farmland in the Agri-Park. In addition, the Government has also provided the option of the Special Agricultural Land Rehabilitation Scheme to help eligible farmers, who

are affected by the New Development Area projects and interested to re-farm. The Government will base on the assessment of relevant professional departments to make available government land for re-farming, and to provide basic infrastructure and supporting facilities including preparation of land, irrigation, electricity supply, sewerage, etc. Besides, to meet other farming need, we will provide farm structures such as for lodging and storage of farm tools and crops on these government farmlands; and lease the land to applicant farmers at an affordable rent level. We are also willing to explore with relevant stakeholders any other measures to further enhance the assistance to the affected farmers on re-farming.

18. As for brownfield operators affected by government development projects, brownfield operations are business undertakings, Government's policy, as in the case for other business undertakings affected by development projects, is to provide eligible business operators with monetary compensation, so as to assist their relocation. They may receive a statutory compensation, or an ex-gratia allowance alternatively. The substantially-improved arrangement for ex-gratia allowances was approved by the FC in July 2018. While the Government does not make re-provisioning arrangements for affected brownfield operators, DEVB and relevant departments are offering them advice on planning and land issues in relation to relocation sites they have identified. Separately, the Lands Department is making available suitable vacant government sites with a view to letting them to eligible business operators affected by the land resumption and clearance exercises under new development area or other relevant government development projects, by way of short-term tenancy through tender. We have also reserved in the Hung Shui Kiu/Ha Tsuen New Development Area and Yuen Long South Development Area a total of 72 hectares of land (some of which for development of multi-storey buildings) to provide planned and concentrated accommodation to consolidate brownfield operations in a manner achieving better land use efficiency. We would continue to reserve land at suitable locations, including exploring feasible locations in other major development projects, for consolidating brownfield operations. The Government is now engaging a consultancy firm to ascertain the market interest in developing and operating multi-storey buildings, and expects the consultant's report to be completed within this year. This would enable us to make concrete proposals for the development models of the first batch of multi-storey building sites next year, to meet the completion of the site formation works for such sites as early as in 2023.

Promoting boundary/rural tourism

19. Regarding Members' proposal to gradually open up the closed area of Sha Tau Kok Town to develop boundary tourism, the Government must reiterate that in view of security needs, it is necessary to establish the Frontier Closed Area (FCA) to assist law enforcement agencies in maintaining the

integrity of the boundary between the Hong Kong Special Administrative Region (HKSAR) and the Mainland, and combating illegal immigration, smuggling and other cross-boundary criminal activities. It is expected that the proposed opening up of the closed area of Sha Tau Kok Town will lead to greater flows of people and goods into the FCA. However, there is currently no regular customs clearance facility at Chung Ying Street. The increase in people and goods flows will pose greater security risks. A serious case involving \$80 million of smuggled goods was detected in the area recently. As such, there is a genuine need for us to curb cross-boundary crimes through the existing FCA arrangement. Apart from the above, local villagers have expressed concerns that opening up the FCA will cause disturbance to their daily life, bring traffic problems and overload the roads. Therefore, any proposal involving the relaxation of the FCA arrangement must be handled and considered carefully. Residents who may be affected will also need to be consulted. It is necessary for the HKSAR Government to carefully consider the situation.

20. In order to support eco-tourism, better serve visitors and help revitalise desolate villages, the Countryside Conservation Office is working with the relevant bureaux/departments to jointly review the current licensing requirements and procedures for guesthouses and catering businesses in countryside areas in light of the characteristics of rural environments and traditional village houses.

Development Bureau
Transport and Housing Bureau
Environment Bureau
Innovation and Technology Bureau
Food and Health Bureau
Security Bureau

Council meeting of 12 May 2021

**Hon LAU Kwok-fan's motion on
“Driving the development of New Territories North with port economy”**

Motion as amended by Hon YIU Si-wing

That there are seven land control points along the boundary between Hong Kong and Shenzhen, most of which are located in New Territories North; but at present, these control points in New Territories North merely serve as a cross-boundary transport infrastructure facility for residents commuting between the two places, and their surrounding areas have remained barren and undeveloped; the vast area of land in the northern New Territories can become a major source of land supply for Hong Kong in the future, offering a long-term solution to Hong Kong's problem of land shortage and serious supply-demand imbalance in lands for residential, economic and community uses; at the same time, with its advantageous location, New Territories North serves as a major hub for the convergence of people and goods flows between Hong Kong and Shenzhen and even the Guangdong-Hong Kong-Macao Greater Bay Area, thus New Territories North possesses the potential to become a new core development region in the Guangdong-Hong Kong-Macao Greater Bay Area; in this connection, this Council urges the authorities to:

- (1) set up a dedicated organization to expedite the planning and development for New Territories North; by capitalizing on its geographical advantage accorded by its location at the convergence of the ‘port economy belt’ and ‘Eastern Knowledge and Technology Corridor’, develop New Territories North into a new core development region with the convergence of talents and capital from Hong Kong and Shenzhen and the dominance of innovative technology and high-end education; and develop new towns radiating from such control points;
- (2) conduct studies on the setting up of government departments, public organizations and higher education institutions in New Territories North or their relocation to the region, so as to inject economic impetus into new development areas in New Territories North and dovetail with industries’ development;
- (3) expedite the construction of the Northern Link and extend it to various control points, such as Heung Yuen Wai Boundary Control Point and Huanggang Port, and conduct studies on connecting Hong Kong’s railways to Shenzhen Bay Port; and, at the same time, under the principle of according priority to building transport infrastructure, draw up planning for the construction of another north-south railway connecting new

development areas in New Territories North to the urban centres of Hong Kong, so as to provide a prerequisite for development of New Territories North;

- (4) while balancing conservation needs, through a fresh consolidation of green belt areas, agricultural lands and brownfield sites in northern New Territories and expediting the land rezoning and development processes, expeditiously proceed with land rezoning in port areas as a means to release lands for economic and residential uses, and the reprovisioning of agricultural and brownfield operations;
- (5) improve the existing rehousing and compensation policy to provide affected households with in-situ rehousing, and offer assistance to brownfield operators and fisheries and agricultural practitioners for resuming operation and production or upgrading and restructuring; and
- (6) partially open up the closed area of Sha Tau Kok Town, and make use of the Sha Tau Kok Public Pier to develop marine tourism and Chung Ying Street to develop boundary tourism, so as to promote economic development in New Territories North.