

**CONTROLLING OFFICER'S REPLY**

**DEVB(PL)093**

**(Question Serial No. 0713)**

Head: (91) Lands Department  
Subhead (No. & title): (-) Not Specified  
Programme: (1) Land Administration  
Controlling Officer: Director of Lands (Ms Bernadette LINN)  
Director of Bureau: Secretary for Development

Question:

How is the Pilot Scheme for Arbitration on Land Premium implemented? How much government expenditure is involved? Has the Government received any views on the scheme after its implementation? If yes, what are the views? If no, what are the reasons?

Asked by: Hon James TO Kun-sun (Member Question No. 42)

Reply:

The Pilot Scheme for Arbitration on Land Premium (Pilot Scheme) was launched in October 2014. Up to the end of February 2016, the Lands Department (Lands D) had made a total of 14 invitations to lot owners to settle premium discussions through arbitration under the Pilot Scheme in respect of their lease modification/land exchange applications. Among the 14 invitations, one case had proceeded to arbitration and was concluded in December 2015, while the arbitration option for another case is being actively considered by the Government and the applicant. The lot owners in respect of the remaining 12 invitations have chosen to negotiate the premium with Lands D.

Separately, Lands D has declined one application for arbitration which did not meet the policy objective of increasing land supply.

To support implementation of the Pilot Scheme, Lands D has created four posts of one Senior Estate Surveyor, one Estate Surveyor and two Survey Officers (Estate) with an earmarked annual expenditure of about \$3 million. Lands D is allocated an annual provision of \$20 million for engaging outside experts to provide professional advice on specific issues in individual arbitration cases in 2016-17.

After the launch of the Pilot Scheme, the Government has received comments from some stakeholders on implementation details such as the detailed terms of the draft template of the Arbitration Agreement. We will fine-tune administrative arrangements along the way and conduct a general review of the Pilot Scheme as more experience becomes available.

- End -