

CONTROLLING OFFICER'S REPLY

DEVB(PL)099

(Question Serial No.0449)

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:

Under the Matters Requiring Special Attention in 2016-17, during 2016-17, the Branch says it will continue to oversee the implementation of the Pilot Scheme for Arbitration on Land Premium (the Pilot Scheme). In this connection, will the branch inform this Council:

- a) the number of cases the Government has selected and offered for arbitration to determine the amount of land premium payable since the introduction of the Pilot Scheme, and the details of these cases;
- b) the number of applications it has received for arbitration in respect of the Applicants' respective lease modification/land exchange applications under processing since the introduction of the Pilot Scheme, and the details of these cases;
- c) On 17 October 2015, Secretary for Development told the media after Land Supply Forum that so far the response of the Pilot Scheme had been lukewarm. Since the Administration said it would review the Pilot Scheme 2 years after its implementation (i.e. October 2016), what is the timetable and the scope of the review and the expenditure to be spent in 2016-17 in this respect?

Asked by: Hon Abraham SHEK Lai-him (Member Question No. 7)

Reply:

- a) 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 premium with Lands D.

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

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.

- End -