(Question Serial No. 3217)

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

Question:

In Matters Requiring Special Attention in 2020-21, the Administration states that it will “continue to implement and keep under review the extended Pilot Scheme for Arbitration on Land Premium to facilitate agreement on land premium”. Will the Administration inform this Committee the number of successful cases of land premium settled by arbitration under this Scheme and the number of cases that are still in process. Please also inform this Committee the manpower and resources that have been allocated for implementing this Pilot Scheme. Will the Administration consider to streamline its procedures and allow private sector to initiate arbitration for the setting of land premium so as to increase the number of successful cases? If yes, of the details; if no, of the reason. Will the Government consider introducing measures to enhance the efficiency of arbitration scheme and enhance its transparency? If yes, of the details; if no, of the reasons.

Asked by: Hon SHEK Lai-him, Abraham (LegCo internal reference no.: 52)

Reply:

The Pilot Scheme for Arbitration on Land Premium (Pilot Scheme) was launched in October 2014 and was last extended in October 2018 for two years up to October 2020.

Under the current arrangement as stipulated in the “Information Note relating to the Pilot Scheme for Arbitration on Land Premium” promulgated by the Lands Department (LandsD) on its website (https://www.landsd.gov.hk/en/images/doc/Arbitration_Doc3.pdf), either the applicant of lease modification/land exchange cases (Applicant) or LandsD may propose to resort to arbitration if the Applicant and the Government cannot agree on a land premium amount after at least two appeals lodged by the Applicant on premium. Every application for arbitration submitted to LandsD pursuant to the Pilot Scheme will be considered on its own merits and consent from both parties is necessary before arbitration can be used for adjudicating the premium payable.
As at the end of February 2020, LandsD has proactively issued a total of 33 counts of invitations to 16 lease modification/land exchange applicants to settle premium negotiations through arbitration under the Pilot Scheme. Among these 16 cases, one proceeded to arbitration which was concluded in December 2015. The remaining applicants chose to continue the premium negotiations with LandsD and so far, LandsD’s premium offers have been accepted by the applicants in 10 cases. There is no case currently in progress under the Pilot Scheme.

The implementation of the Pilot Scheme forms part of the duties of the Valuation Section of the LandsD comprising 72 staff. The expenditure allocated to the Valuation Section in 2019-20 was $42.7 million. There is no breakdown of manpower and resources allocated solely for the Pilot Scheme.

In order to encourage usage of the Pilot Scheme, the Government is exploring possible refinements to the implementation arrangements with the aim to introduce them later in the year.

- End -