

**Business Facilitation Advisory Committee
Pre-construction Task Force**

***Government's Response to the Final Report of the
Consultancy Study on a Review of the Processing of Lease Modification
and Land Exchange Applications***

Government welcomes the completion of the Consultancy Study and gives its response as follows:

Findings

2. The use of the lease as a vehicle to carry suitable Government requirements over land use and development has evolved from the early days of administration. It is a system that has been established for a long time and is well-understood. There is no intention to change this practice at this stage. Nonetheless, Lands Department is fully aware of the need not to encumber the lease unnecessarily where there are alternative means of control through legislation or administrative procedures. Efforts have been made in this direction and will be continued to standardize or simplify lease conditions in consultation with other departments.
3. Lands Department takes responsibility for the time required to carry out such part of the processing under its control. The department has achieved high compliance with its performance pledges in relation to lease modification and land exchange transactions.
4. Lands Department does see itself as a hub-manager responsible to bring relevant parties together for resolving matters. The department will continue its efforts to process cases proactively in conjunction with other departments and applicants.

Recommendations

(A) Confining the lease conditions to landlord and tenant issues

5. Lands Department, acting on behalf of Government, in the capacity as landlord is entitled as landlord to exercise its powers to impose such lease terms and conditions as Government sees fit. It is not agreed that some of the Government lease terms and conditions would go beyond a normal landlord's interests. Like every other landlord, Government is entitled to have its rights and interests duly protected and pursued. Government is exercising the same powers as an ordinary landlord in the regard. In including provisions for regulating land use, development control and, where necessary and appropriate, for other objectives relating to land use and development in order to safeguard the public interests and benefits, the Lands Department is acting as landlord in the usual sense. The current practice is appropriate for the purpose of the Lands Department, acting on behalf of Government, in the capacity as landlord and there is no intention to change the current practice at the present stage.

6. Government will not create a specific mechanism to review the current practice in the short-term.

(B) Setting up dedicated teams for processing land transactions

7. This calls for a re-organisation of the structure and staffing arrangements, which would impact on other land administration work, being just as important. There are significant resources implications in taking this proposal on board. Pilot schemes suggested in the Report would be a way to test the operation and effectiveness of the proposal. The Government would consider running 1 or 2 pilot schemes in the District Lands Office subject to the availability of the required staff resources and other considerations.

(C) Enhancing the monitoring and management of the progress of applications

8. Lands Department has taken steps to enhance monitoring and management of case progress.

(D) Centralization of premium assessment work at Lands Department headquarters

9. Lands Department will consider the feasibility of this approach. A pilot may be run to see the result and effectiveness of different options. The department needs to consult internal stakeholders and involve ICAC in the deliberation on the feasibility and mechanism.

(E) Improving inter-departmental coordination

10. Enhanced coordination and collaboration within Government will be solicited from relevant bureaux and departments with a view to shortening the time for processing.

(F) Other recommendations

11. Lands Department is prepared to issue guidelines and a checklist of the information and documents normally required to accompany an application for reference. It will help expedite the process if the necessary information/documents are duly provided and accurate so that the application can be processed at an earlier stage.

12. Pre-submission enquiries where necessary would be handled in conjunction with relevant departments.

13. One exercise of standardization and simplification of lease conditions was completed in 2006. Lands Department is conscious of the need to simplify the lease and remove those controls which can be exercised by the relevant authorities under legislation or other means and will continue to employ this objective in drawing up lease conditions.

(G) Addressing organizational skill and cultural issues

14. Lands Department will consult the staff and consider any need for training to enhance skills required in the process. Dialogues are maintained regularly with the trade on their concerns.

Implementation

15. To recap, the short-term recommendations that Lands Department is able to implement would include:

- (a) issue guidelines and Application Checklist on information/materials required for an application;
- (b) solicit greater collaboration from departments;
- (c) enhance case progress monitoring by Lands Department; and
- (d) inform the applicant after 4 months from validation of an application of the outstanding issues and cause if a case is not ready for discussion at District Lands Conference in 4-5 months.

15. Implementation of many other main recommendations will hinge upon resources availability. As and when a pilot scheme is launched, Lands Department would be able to assess more fully the effectiveness of the “dedicated teams” approach and resources level, which would assist its planning for implementing fully the other recommendations or otherwise. A fundamental premise in taking on board any new approaches is not to allow the efficiency in carrying out other land administration work being adversely affected.

17. Lands Department would duly consider implementation of other recommendations and maintain communications with the industry on improving the processes.