

**Economic and Employment Council
Pre-construction Task Force**

First Work Report

Purpose

This paper reports on the work progress of the regulatory review on land matters.

Action Agenda

2. At the December meeting of the Pre-construction Task Force, Members agreed on a list of recommendations on land matters as follows –

Policy-related issues –

- Elimination of the DDH clause.

Process improvement issues –

- Simplification or minimization of lease conditions, hence eliminating overlapping roles of departments; i.e. minimize matters dealt with by Lands Department;
- Imposition of a fixed time limit for the lease modification process;
- Parallel processing of lease modifications and related actions of gazette notices, handling of objections;
- Simplification of landscaping approval process.

Enhancing governance and transparency of the system –

- Listing clear reasons for disapproval or rejection;
- Establishment of an arbitration system (*e.g. Lands Tribunal*) to facilitate reaching agreement on premium negotiation;
- Setting up an enquiry mechanism on land matters with time limits;
- Publication of Land Instructions.

The list has been passed to the Director of Lands and its Bureau for consideration. We shall arrange for the Lands Department to brief Members at the February meeting on the outcome of its deliberations and its plan to take forward the “can-do” items.

3. With regard to Para 5(a) of the notes of the last meeting, the Lands Department (LandsD) has provided the following statistics on lease modification and land exchanges cases between 1 January 2002 and 15 December 2004 –

	No of Cases	Remarks
Application received	542	-
Cases completed	202	-
Cases with premium agreed but land document yet to be executed	15	-
Cases rejected	7	Reasons for rejection include conflicts with public projects, title not in order, etc.
Cases withdrawn by applicants	55	-
Cases where premium offers had been rejected	26	Binding basic terms offered. Premium not acceptable by developers.

Simplification of lease conditions

4. To facilitate the review of this recommendation item, we have put the special conditions under a typical lease into three broad categories as follows –

- (a) SC relating solely to matters of the LandsD – e.g. land use, building covenant, premium implication items;

- (b) SC to empower the Director of Lands to enforce the requirements of other government departments; and
- (c) SC which require an alignment of interpretation by the Buildings Department (BD), LandsD and the Planning Department (PlanD), and the issue of a JPN instead may serve the purpose.

5. LandsD has been tasked to take on (a) to identify improvement opportunities. On (b), the Secretariat is discussing with individual departments to understand the policy intent, justification and the effectiveness of the present arrangement. Alternatives such as amendment to existing legislation will be considered.

6. With regards to (c), a working group comprising representatives of BD, LandsD and PlanD is working on the alignment of interpretation of common development control parameters. Progress of its work is reported in PCTF Paper 5. The Secretariat would follow up with departments on the possibility of replacing the respective SC with JPN or other simplification alternatives.

7. It is anticipated that the work on simplification of lease conditions will be completed before end February and recommendations will be made to the March meeting.

EEC Subgroup on Business Facilitation Secretariat
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