

**Fourth Meeting of the  
EEC Subgroup on Business Facilitation**

***Agenda Item 3 : Progress report on Pre-construction Task Force***

**Purpose**

This paper reports on the work progress of the regulatory review of the Pre-construction Task Force in relation to land matters.

**Overview**

2. The Pre-construction Task Force held three meetings in the past quarter. There was a general concern that when compared to the construction process, it took a much longer time to go from original conception of a development to actual starting of works. The attention of the Task Force was therefore focused on how to make the process more efficient and shorten the time required, as the process might often stretch for years. Members were in favour of reducing issues that the Government or departments individually might need to address so as to make the process more efficient. The Task Force had so far specifically deliberated on the following issues –

- (a) Simplification of lease conditions; and
- (b) Lease modification mechanism.

**Simplification of lease conditions**

3. To facilitate the review of this item, the special conditions (SC) under a typical lease are grouped into three broad categories, as follows –

- (a) SC relating solely to matters of the Lands Department (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 Joint Practice Note (JPN) instead may serve the purpose.

4. 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.

5. 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, and will report on the progress of its work and the recommendations to the Task Force. The Secretariat would follow up with departments on the possibility of replacing the respective SC with JPN or other simplification alternatives.

### **Lease modification mechanism**

6. At the meeting of December 2004, the Task Force proposed a list of recommendations for detailed examination with the Administration as follows –

#### ***Policy-related issues –***

- Elimination of the Design, Disposition and Height (DDH) clause.

#### ***Process improvement issues –***

- Simplification or minimization of lease conditions, hence eliminating overlapping roles of departments;
- 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 the landscaping approval process.

***Enhancing governance and transparency of the system –***

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

7. The list has been passed to the Director of Lands and the Housing, Planning and Lands Bureau for consideration. The Task Force will follow up with LandsD on the outcome of the latter's deliberations and its plan to take forward the "can-do" items.

**The Way Forward**

8. We anticipate that the work on simplification of lease conditions will be completed by March 2005.