

(Translation)

LEGCO QUESTION NO. 16

(Written Reply)

Asked by the Hon Emily LAU

Date of meeting: 2 March 2005

Replied by: Secretary for Housing,
Planning and Lands

Question

Some pieces of land have been granted by the authorities by way of private treaty, and it is stipulated in the land leases concerned that the land may be used for the provision of community or communal facilities only. The Government has the right to resume those pieces of land if they have ceased to be used as permitted for a certain period of time, will the Executive Authorities inform this Council:

- (a) of the number of pieces of such land resumed by invoking the above lease conditions over the past three years;
- (b) of the number of applications the authorities received in the past three years from the owners of such land for modification of land leases, for putting the land concerned to other uses, and the number of such applications approved; in respect of the land involved in each approved application, the original permitted use and the use permitted upon land lease modification as well as the ultimate amount of the land premium received by the authorities; whether they have assessed the amount of public revenue that could have been generated if the pieces of land concerned had been sold by tender, and how this amount compares to the amount of land premiums; and
- (c) given that some members of the public suspect the Government of having secret dealings with the owners of the land concerned and transferring benefits to them in negotiations over the land premiums, of the measures the authorities have in place to address this suspicion?

Reply

President,

My reply to the three-part question is as follows:

- (a) In the past three years, there has not been any case of re-entering the land mentioned in the question by the Administration by invoking the cessation of user clause.
- (b) In the past three years, the Administration has received 2 applications for lease modification from lessees of the land mentioned in the question. Neither has been approved so far.

In the event that the modified uses (if approved) incorporate uses, which differ from the originally-permitted use and require a premium to be paid, the premium will be assessed as the difference between the open market value of the land of modified use and the value of the land of the original use. This would also be the assessment of premium for land permitting such premium-payable uses, had it been put to public tender or auction. In other words, the assessment methods of market value under both scenarios are consistent.

- (c) There are a stringent system and clear guidelines to govern how departments handle the disposal of land. The procedures for handling land premium are explicitly stipulated in a manual of practices. With the objectives of fairness and impartiality, the procedures are reviewed from time to time, with advice of both the ICAC and Audit Commission sought

and adopted.

All newly registered leases involving lease modification or land exchange transactions and the premium payable for each transaction are published on the website of the Lands Department monthly on a regular basis. The business community and the media can keep a watch on this.