

Head 91 — LANDS DEPARTMENT

Controlling officer: the Director of Lands will account for expenditure under this Head.

Estimate 2016–17 **\$2,357.0m**

Establishment ceiling 2016–17 (notional annual mid-point salary value) representing an estimated 4 046 non-directorate posts as at 31 March 2016 rising by 33 posts to 4 079 posts as at 31 March 2017 **\$1,695.9m**

In addition, there will be an estimated 46 directorate posts as at 31 March 2016 and as at 31 March 2017.

Controlling Officer's Report

Programmes

Programme (1) Land Administration
Programme (2) Survey and Mapping
Programme (3) Legal Advice

These programmes contribute to Policy Area 21: Land and Waterborne Transport (Secretary for Transport and Housing), Policy Area 22: Buildings, Lands, Planning, Heritage Conservation, Greening and Landscape (Secretary for Development) and Policy Area 31: Housing (Secretary for Transport and Housing).

Detail

Programme (1): Land Administration

	2014–15 (Actual)	2015–16 (Original)	2015–16 (Revised)	2016–17 (Estimate)
Financial provision (\$m)	1,622.5	1,671.5	1,728.9 (+3.4%)	1,731.3 (+0.1%)
				(or +3.6% on 2015–16 Original)

Aim

2 The aim is to administer land in Hong Kong by disposing of land; acquiring private land and clearing land required for the implementation of public works and other projects; managing government leases, unleased land and certain buildings held by the Government; renewing and modifying leases; and maintaining man-made slopes on unallocated and unleased government land.

Brief Description

3 The Department is responsible for the disposal of government land. It acquires private land and clears land required for public works projects or other approved schemes. It is also responsible for managing government leases to ensure compliance with the lease conditions; managing government land to ensure that it is not illegally occupied; managing certain buildings or units in buildings held by the Government; renewing government leases; modifying conditions in existing leases; and maintaining man-made slopes on unallocated and unleased government land.

4 On 26 February 2015, the Government announced the 2015–16 Land Sale Programme comprising 29 residential sites, four commercial/business sites and one hotel site. In the course of the year, two residential and two business sites were added to the 2015–16 Land Sale Programme. During 2015, 11 sites from the 2015–16 Land Sale Programme were sold by tender. In 2015, the Department completed 107 lease modification applications. Other land disposals such as those by private treaty, land exchange, land extension and short-term tenancy proceeded in accordance with the established practice.

5 In 2015, the Department helped to resume 0.78 hectares of land required for public works and other projects. In land management, the Department took land control actions leading to clearance of 7 131 government sites involving unlawful occupation of government land and handled 1 508 cases involving breaches of lease conditions.

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6 The key performance measures in respect of land administration are:

Targets

	Target	2014 (Actual)	2015 (Actual)	2016 (Plan)
<i>Land disposal</i>				
small houses (cases processed)	2 300	2 819	2 519	2 300
<i>Lease modifications (non small house cases)</i>				
issue of letter of reply to application within three weeks (%)	100	99	96	100
issue of letter of offer of provisional basic terms (without premium)/rejection/indicating in-principle agreement within 22 weeks from receipt of application (%)	100	100	100	100
issue of legal document for execution within 12 weeks from receipt of a binding acceptance of the final basic terms and premium offer (%)	100	100	100	100
<i>Land acquisition</i>				
offer of compensation based on ex-gratia rates made within four weeks from the date of gazette notice of resumption of agricultural land in the New Territories (N.T.) (%)	100	100	100	100
cheques for compensation made available for collection within four weeks from receipt of acceptance by the Department proof of legal title (for agricultural land cases in N.T.) (%)	100	100	100	100
offer of compensation or invitation to claims made within three weeks from land reversion (%)	100	100	100	100

Indicators

	2014 (Actual)	2015 (Actual)	2016 (Estimate)
<i>Land disposal</i>			
land disposed (ha)	45.93	39.27	—Δ
land sale programme			
land sold (auction and tender) (ha)	36.89	20.92	—Δ
no. of flats	12 179	7 585	—Δ
private treaty grants			
land granted (ha)	6.81	16.86	—Ψ
no. of flats	5 144	17 285	—Ψ
<i>Lease variations</i>			
lease modifications, exchanges and extensions			
no. of cases	126	123	—Ψ
no. of flats	1 770	1 434	—Ψ
processing of applications from indigenous villagers for rent concession (no. of lots/tenements)	1 594	1 523	840
<i>Land acquisition</i>			
Public Works Programme projects (ha)	10.47	0.78	11.70
railway development projects (ha)	1.10	0.08	0.17
urban renewal projects (no. of property interests)	225	450	524
Rural Planning and Improvement Strategy/Village Improvement (ha)	0.71	0	0
total acquisition/clearance costs (\$m)	682.9	450.0	3,184.5

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	2014 (Actual)	2015 (Actual)	2016 (Estimate)
<i>Land management</i>			
lease enforcement cases	1 138	1 508	1 435
rebuilding of temporary domestic structures.....	31	15	15
government sites cleared from unlawful occupation	7 936	7 131	7 500
cleaning up of sites under management	1 117	1 262	1 270
maintenance of slopes on unallocated and unleased government land			
man-made slopes to be inspected.....	12 201	12 211	12 200
man-made slopes to be maintained or improved	7 153	7 224	7 200
demolition of surveyed structures on grounds of slope safety (no. of structures).....	18	16	50
temporary use of government land			
temporary allocations issued to government departments (ha).....	66.93	89.61	70.00
short-term tenancies issued			
short-term tenancies let by tender (ha).....	37.42	19.58	29.00
short-term tenancies let by direct grant (ha)	26.58	18.33	40.10
<i>Property management</i>			
properties/units managed	157	157	153
repair orders issued for government properties.....	102	105	105
disposal of government properties	8	10	14
<i>Squatter control and clearance</i>			
unauthorised structures demolished	371	212	210
surveyed structures inspected.....	199 363	199 491	196 000
structures cleared in programmed development clearances and emergency clearances (excluding surveyed structures cleared on grounds of slope safety)	1 444	1 987	992

Δ Not possible to estimate because sale of government land is subject to market response.

Ψ Not possible to estimate as the transactions are subject to applicants' acceptance of the proposed terms which is influenced by the market.

Matters Requiring Special Attention in 2016–17

7 During 2016–17, the Department will:

- continue to strengthen land control and lease enforcement work, including enforcement against unauthorised structures on private agricultural land and lease breaches in industrial buildings;
- continue to implement the Pilot Scheme for Arbitration on Land Premium to facilitate agreement on land premium; and continue to streamline the processing of applications under the leases;
- continue land sales under the Land Sale Programme and facilitate the tenders of property development projects of the Urban Renewal Authority and the MTR Corporation Limited;
- continue with the work on resumption and clearance of land for approved public projects and undertake preparatory work on resumption and clearance of land required for proposed new projects; and
- continue with the handling of compensation claims in respect of railway projects; and undertake land administration work required for the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, the South Island Line (East), the Kwun Tong Line Extension and the Shatin to Central Link.

Programme (2): Survey and Mapping

	2014–15 (Actual)	2015–16 (Original)	2015–16 (Revised)	2016–17 (Estimate)
Financial provision (\$m)	520.5	526.3	539.4 (+2.5%)	549.7 (+1.9%)
				(or +4.4% on 2015–16 Original)

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Aim

8 The aim is to formulate and implement survey and mapping policies, standards, regulations and specifications; provide and maintain the basic mapping, geodetic and land boundary databases; carry out geodetic, mapping and land boundary surveys; and administer the Land Survey Ordinance (Cap. 473) (LSO) under the Land Survey Authority to cope with land and building developments in Hong Kong.

Brief Description

9 The Survey and Mapping Office (SMO) provides and maintains the 1:1 000 basic maps covering the whole territory. It also provides maps and plans at various scales and for various purposes. In particular, it provides survey and mapping services to the Lands Administration Office for land administration functions such as land acquisition and disposal, land control, lease modification and enforcement, and small house development. It operates a Land Information System for maintaining updated digital maps and cadastral databases and hence providing a foundation geospatial data framework in Hong Kong. Apart from government departments, private organisations and the public can purchase the data for their own uses under a permit or licence. SMO also provides web map services on the Internet to timely disseminate integrated government facilities information to the public as well as photogrammetric and aerial survey services for specific purposes in addition to general mapping. It is also responsible for the establishment and maintenance of the territory-wide geodetic network. Under the Land Survey Authority, it administers the LSO which governs the registration and discipline of Authorised Land Surveyors and the control of the standards of land boundary surveys. It is also responsible for street naming under the Public Health and Municipal Services Ordinance (Cap. 132).

10 The key performance measures in respect of survey and mapping are as follows:

Targets

	Target	2014 (Actual)	2015 (Actual)	2016 (Plan)
setting out land boundaries within 12 weeks from receipt of request (%).....	100	94	96	100
providing mapping and geodetic information within one working day from receipt of request (%).....	100	100	100	100
updating large-scale plans within 12 weeks on completion of major infrastructural projects (%).....	100	100	100	100

Indicators

	2014 (Actual)	2015 (Actual)	2016 (Estimate)
<i>Geodetic survey</i>			
precise horizontal and vertical control points fixed	918	1 255	900
survey monuments and marks built and maintained	4 366	4 547	4 500
<i>Topographical survey and map production</i>			
continuous revision, area surveyed and inspected (ha).....	57 616	57 151	58 000
maps and charts produced	8 469	8 093	8 000
reprographic services provided (no. of copies)	435 905	411 987	410 000
<i>Cadastral survey</i>			
lots defined or set out	2 242	2 073	2 200
cadastral plans prepared	62 721	66 276	63 500
<i>Aerial survey</i>			
photographs taken for measurement and record	13 937	13 911	13 000
total area of photogrammetric survey conducted (ha).....	29 765	32 295	31 000
<i>LSO</i>			
total no. of lot sub-division plans examined	1 947	1 512	1 580

Matters Requiring Special Attention in 2016–17

11 During 2016–17, the Department will continue to:

- enhance the Land Information System for maintaining the territory-wide digital map database;
- enhance the satellite positioning reference station system to facilitate high accuracy positioning for various location based applications;

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- develop a local precise geoid model for Hong Kong to facilitate effective height measurements by satellite positioning technology;
- provide survey and mapping services for the planning process, land resumption and clearance, and land disposals;
- improve the Hong Kong Special Administrative Region Geospatial Information Hub service to facilitate easy access to geospatial information within the Government;
- enhance the quality of the territory-wide 3D spatial data; and
- replace the film-based aerial camera with a large-format digital aerial camera system for providing high resolution digital aerial photographs.

Programme (3): Legal Advice

	2014–15 (Actual)	2015–16 (Original)	2015–16 (Revised)	2016–17 (Estimate)
Financial provision (\$m)	67.5	67.8	73.1 (+7.8%)	76.0 (+4.0%)
				(or +12.1% on 2015–16 Original)

Aim

12 The aim is to facilitate government land transactions by providing legal advice and conveyancing services to the departments and bureaux concerned, and to give consent to sales of units in uncompleted developments.

Brief Description

13 The Legal Advisory and Conveyancing Office (LACO) provides professional legal services within the Department in relation to Programme (1) for the issue, renewal and variation of government leases as well as the drafting and execution of conditions of sale (by auction or tender), grant and exchange. In compulsory acquisition cases, the LACO is responsible for approving the legal title of the former owners and preparing the compensation documents before compensation is released. The LACO is also responsible for checking the legal title of the former owners and preparing the surrender documents before their land is surrendered to the Government in exchange for a new grant of land for development. It also provides conveyancing services to The Financial Secretary Incorporated, The Secretary for Home Affairs Incorporated and other government departments and policy bureaux in their property transactions.

14 Under the Lands Department Consent Scheme, the LACO processes applications for consent to sell units in uncompleted buildings prior to compliance with the lease conditions. The Scheme's main objective is to ensure that developers have the financial and technical ability to complete the units to be sold to protect the interests of purchasers. When required under the leases for commercial and residential developments, Deeds of Mutual Covenant (DMCs) setting out the respective rights and obligations of all the owners of the buildings need to be approved by the LACO before consent is issued or sales of the units can begin.

15 The key performance measures in respect of legal advice are:

Targets

	Target	2014 (Actual)	2015 (Actual)	2016 (Plan)
<i>Consents</i>				
Sale and Purchase Agreements—approved within 13 weeks (excluding time for approval of DMC) (%)	100	97	98	100
DMCs—approved within 13 weeks (%)	100	98	98	100

Indicators

	2014 (Actual)	2015 (Actual)	2016 (Estimate)
<i>Consents</i>			
Sale and Purchase Agreements approved			
—non-residential developments	5	9	8
—residential developments	31	32	32
sale of uncompleted residential units (no. of flats)	12 836	11 540	13 000
DMCs approved			
—non-residential developments	8	2	11
—residential developments	46	41	42

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Matters Requiring Special Attention in 2016–17

16 During 2016–17, the Department will continue to:

- expedite the approval of legal title of former owners and preparation of compensation documents in respect of private land resumed under various infrastructure projects;
- contract out to private firms the processing of applications for approval of DMCs, title checking and related legal work for payment of compensation for land resumption; and
- explore further ways to streamline the existing procedures in relation to the Lands Department Consent Scheme and Programme (1).

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ANALYSIS OF FINANCIAL PROVISION

	2014–15 (Actual) (\$m)	2015–16 (Original) (\$m)	2015–16 (Revised) (\$m)	2016–17 (Estimate) (\$m)
Programme				
(1) Land Administration	1,622.5	1,671.5	1,728.9	1,731.3
(2) Survey and Mapping	520.5	526.3	539.4	549.7
(3) Legal Advice	67.5	67.8	73.1	76.0
	2,210.5	2,265.6	2,341.4 (+3.3%)	2,357.0 (+0.7%)
				(or +4.0% on 2015–16 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2016–17 is \$2.4 million (0.1%) higher than the revised estimate for 2015–16. This is mainly due to a net increase of 29 posts, salary increments for staff and filling of vacancies, offset by a decrease in other operating expenses.

Programme (2)

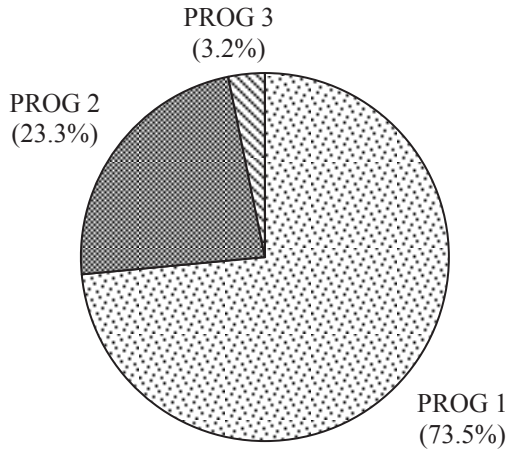
Provision for 2016–17 is \$10.3 million (1.9%) higher than the revised estimate for 2015–16. This is mainly due to a net increase of four posts, salary increments for staff and filling of vacancies.

Programme (3)

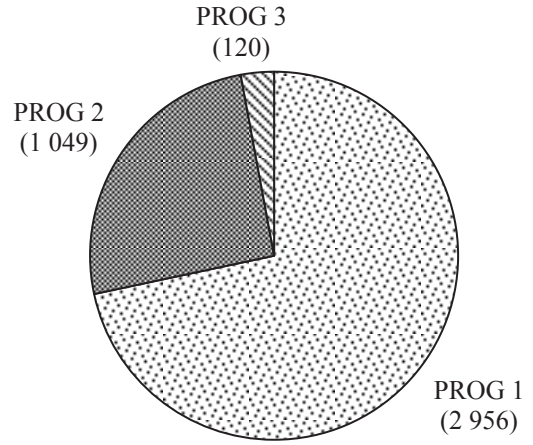
Provision for 2016–17 is \$2.9 million (4.0%) higher than the revised estimate for 2015–16. This is mainly due to salary increments for staff and filling of vacancies.

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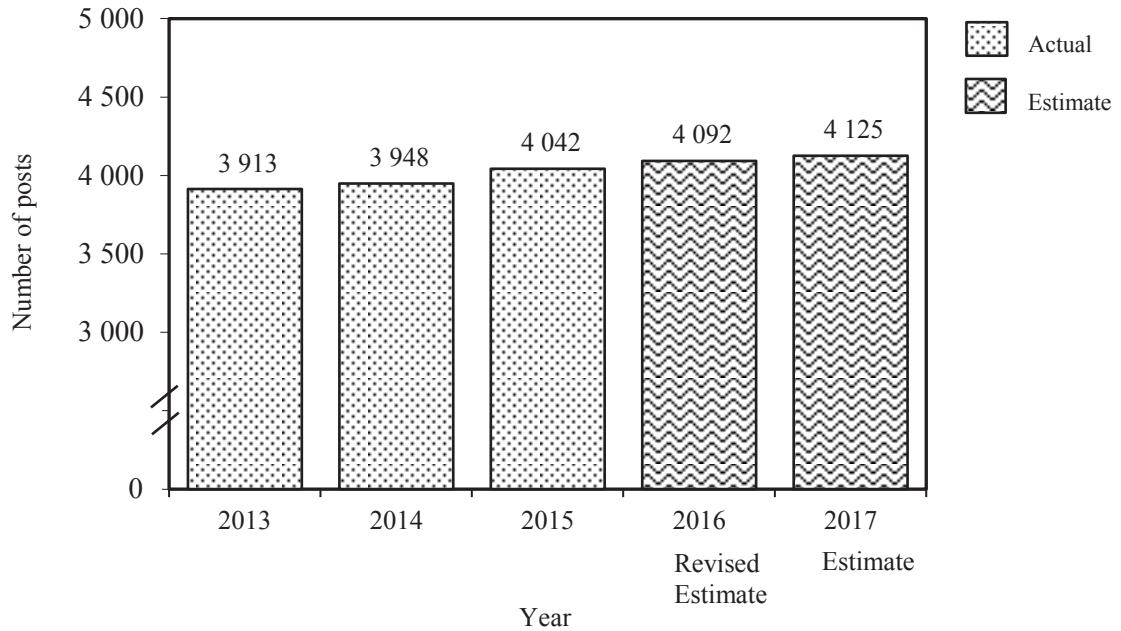
*Allocation of provision
to programmes
(2016-17)*



*Staff by programme
(as at 31 March 2017)*



*Changes in the size of the establishment
(as at 31 March)*



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Sub-head (Code)		Actual expenditure 2014-15	Approved estimate 2015-16	Revised estimate 2015-16	Estimate 2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Account					
Recurrent					
000	Operational expenses	2,204,952	2,264,423	2,339,898	2,346,942
003	Recoverable salaries and allowances (General)..... 36,756				
	<i>Deduct</i> reimbursements <i>Cr. 36,756</i>	—	—	—	—
221	Clearance of government land - ex-gratia allowances	264	1,168	1,030	1,690
	Total, Recurrent.....	<u>2,205,216</u>	<u>2,265,591</u>	<u>2,340,928</u>	<u>2,348,632</u>
Non-Recurrent					
	General non-recurrent	—	—	426	—
	Total, Non-Recurrent.....	<u>—</u>	<u>—</u>	<u>426</u>	<u>—</u>
	Total, Operating Account	<u>2,205,216</u>	<u>2,265,591</u>	<u>2,341,354</u>	<u>2,348,632</u>
Capital Account					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote).....	5,234	—	—	8,381
	Total, Plant, Equipment and Works.....	<u>5,234</u>	<u>—</u>	<u>—</u>	<u>8,381</u>
	Total, Capital Account.....	<u>5,234</u>	<u>—</u>	<u>—</u>	<u>8,381</u>
	Total Expenditure	<u><u>2,210,450</u></u>	<u><u>2,265,591</u></u>	<u><u>2,341,354</u></u>	<u><u>2,357,013</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2016–17 for the salaries and expenses of the Lands Department is \$2,357,013,000. This represents an increase of \$15,659,000 over the revised estimate for 2015–16 and \$146,563,000 over the actual expenditure in 2014–15.

Operating Account

Recurrent

2 Provision of \$2,346,942,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Lands Department.

3 The establishment as at 31 March 2016 will be 4 092 posts. It is expected that there will be a net increase of 33 posts in 2016–17. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2016–17, but the notional annual mid-point salary value of all such posts must not exceed \$1,695,885,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2014–15 (Actual) (\$'000)	2015–16 (Original) (\$'000)	2015–16 (Revised) (\$'000)	2016–17 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	1,702,222	1,732,104	1,798,219	1,834,885
- Allowances.....	15,958	15,517	21,667	17,919
- Job-related allowances.....	2,442	2,867	2,761	2,978
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	4,856	4,725	5,484	5,826
- Civil Service Provident Fund contribution.....	30,242	36,229	39,227	48,744
Departmental Expenses				
- Hire of services and professional fees	72,089	105,103	73,339	86,377
- Contract maintenance	204,658	201,042	222,478	192,135
- General departmental expenses	172,485	166,821	176,723	158,063
Other Charges				
- Financial Secretary Incorporated - suspense account adjustment.....	—	15	—	15
	2,204,952	2,264,423	2,339,898	2,346,942

5 Gross provision of \$36,756,000 under *Subhead 003 Recoverable salaries and allowances (General)* includes salaries and allowances for the urban renewal team which processes land resumption to make land available for the urban renewal projects. The cost will be fully recovered from the Urban Renewal Authority.

6 Provision of \$1,690,000 under *Subhead 221 Clearance of government land - ex-gratia allowances* is for allowances payable to persons cleared from government land other than in the course of clearances required for public works projects. The increase of \$660,000 (64.1%) over the revised estimate for 2015–16 is mainly due to new clearance projects and other clearance projects on government land rescheduled from 2015–16 to 2016–17.

Capital Account

Plant, Equipment and Works

7 Provision of \$8,381,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* in 2016–17 is the cash flow requirement for procurement and replacement of equipment.