

Head 91 — LANDS DEPARTMENT

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

Estimate 2006–07	\$1,606.1m
Establishment ceiling 2006–07 (notional annual mid-point salary value) representing an estimated 3 297 non-directorate posts as at 31 March 2006 rising by 400 posts to 3 697 posts as at 31 March 2007	\$1,059.6m
In addition, there will be an estimated 46 directorate posts as at 31 March 2006 rising by two posts to 48 posts as at 31 March 2007.	
Commitment balance	\$6.4m

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: Transport (Secretary for the Environment, Transport and Works), Policy Area 22: Buildings, Lands and Planning (Secretary for Housing, Planning and Lands) and Policy Area 31: Housing (Secretary for Housing, Planning and Lands).

Detail

Programme (1): Land Administration

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision (\$m)	1,004.2	1,009.7	985.7 (-2.4%)	1,178.4 (+19.5%)
				(or +16.7% on 2005–06 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 Administration; renewing and modifying leases; and maintaining man-made slopes on unallocated and unleased government land.

Brief Description

3 The Lands 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 Administration; renewing government leases; modifying conditions in existing leases; and maintaining man-made slopes on unallocated and unleased government land.

4 On 4 March 2005, Government announced the new Land Sale Application List for the sale of government land. 35 sites (29 residential and six commercial/business) were offered and some measures to enhance the operation of the Application List System were introduced. These measures reduced the processing time by 30%, simplified the deposit arrangements and made available information on a monthly basis regarding unsuccessful applications. On 21 June 2005, these measures were supplemented by an enhancement of the triggering mechanism whereby a bid equivalent to at least 80% of the assessed open market value would be accepted as a trigger to initiate an auction or tender. During the year, four lots, one from 2004–05 Application List and three from 2005–06 Application List, were triggered for sale by auction as a result of successful applications from interested parties. In addition, four sites for petrol filling station purpose were successfully disposed of by a single batch tender. Other disposals such as those by private treaty, exchange, modification, extension and short-term tenancy proceeded along the established practice. Processing of land leases to facilitate Housing Authority's Divestment of Commercial Properties Initiative continued in 2005.

5 In 2005, the total area resumed was in response to requirements for land for public works and other projects. In order to eliminate the breeding grounds of mosquitoes to prevent the spread of dengue fever and Japanese encephalitis, the Department also cleaned up 858 sites under its charge.

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

Targets

	Target	2004 (Actual)	2005 (Actual)	2006 (Plan)
<i>Land disposal</i>				
small houses (cases processed)	2 300	2 178	2 310	2 300
<i>Lease modifications (non small house cases)</i>				
issue letter of reply to application within three weeks	100%	99%	96%	100%
issue letter of offer of provisional basic terms (without premium)/rejection/indicating in-principle agreement within 24 weeks from receipt of application	100%	96%	96%	100%
issue legal document for execution within 12 weeks from receipt of a binding acceptance of the final basic terms and premium offer	100%	99%	99%	100%
<i>Land acquisition</i>				
offers of compensation based on ex-gratia rates made within four weeks from the date of gazette notice of resumption of agricultural land in 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%
offers of compensation or invitation to claims made within three weeks from land reversion.....	100%	100%	100%	100%

Indicators

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
<i>Land disposal</i>			
land disposed (ha).....	32.32	250.93	—Δ
land sale programme			
land sold (auction and tender) (ha)	7.25	3.77	—Δ
no. of flats	5 367	2 220	—Δ
private treaty grants			
land granted (ha).....	20.91	242.12	32.00
no. of flats	2 552	4 624	13 824
land let by short-term tenancy (ha)	54.75	77.80	60.00
<i>Lease variations</i>			
lease modifications, exchanges and extensions			
no. of cases	123	90	100
no. of flats	7 626	6 152	8 000
processing of applications from indigenous villagers for rent concession (no. of lots/tenements)	7 699	5 362	7 500
<i>Land acquisition</i>			
Public Works Programme projects (ha).....	7.44	2.59	17.00
railway development projects (ha).....	—	1.14	0.05
urban renewal projects (no. of property interests).....	161	937	360
Rural Planning and Improvement Strategy/Village Improvement (ha).....	0.98	—	2.00
total acquisition/clearance costs (\$m).....	620	423	706

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	2004 (Actual)	2005 (Actual)	2006 (Estimate)
<i>Land management</i>			
lease enforcement cases.....	810	885	1 080
rebuilding of temporary domestic structures	71	70	70
government sites cleared and guarded.....	3 411	4 565	5 100
maintenance of slopes on unallocated and unleased government land			
man-made slopes to be inspected	9 100	9 000	9 100
man-made slopes to be maintained or improved ...	5 250	6 700	6 500
demolition of structures under non-development clearance (no. of structures)β.....	139	100	120
<i>Property management</i>			
properties/units managed.....	307	295	285
repair orders issued for government properties	102	103	103
disposal of government properties.....	15	15	15
<i>Squatter Control & Clearance@</i>			
unauthorised structures demolished.....	602 [^]	489 [^]	500#
surveyed structures inspected	180 528 [^]	197 494 [^]	200 000#
cases under freezing action for demolition of surveyed structures occupied by squatters who have applied for public rental housing	1 381 [^]	1 221 [^]	1 220#
structures cleared in programmed squatter clearances or emergency clearances	470 [^]	1 100 [^]	2 800#

Δ Not possible to estimate because sale of government land is mainly effected through the market-driven Application List System.

β The description of the indicator has been changed from “demolition of structures under non-development clearance in the N.T. (no. of structures)” to “demolition of structures under non-development clearance (no. of structures)” so as to reflect the total number of structures demolished under non-development clearance in the whole territory.

@ New indicators as from 2006 to reflect the squatter control and clearance duties taken over from the Housing Department.

[^] For comparison purpose, the figure includes relevant performance statistic attributable to Head 62—Housing Department for the years 2004 and 2005, prior to the transfer of the squatter control and clearance duties for the whole territory from the Housing Department with effect from 1 April 2006.

For comparison purpose, the figure includes relevant performance statistic attributable to Head 62—Housing Department during January 2006 to March 2006, prior to the transfer of the squatter control and clearance duties for the whole territory from the Housing Department with effect from 1 April 2006.

Matters Requiring Special Attention in 2006–07

7 During 2006–07, the Department will:

- set up a new Central Action Team to strengthen territory-wide land control work including the squatter control and clearance duties taken over from the Housing Department;
- continue land sales under the Application List System and co-ordinate the timetables for tendering property development projects with the Urban Renewal Authority and the two railway corporations;
- continue to process land resumption to make land available for urban renewal and other infrastructure and public projects;
- undertake preparatory work on resumption and clearance of land required for the North Lantau Highway Connection connecting Hong Kong - Zhuhai - Macao Bridge to the local transport network;
- continue with the handling of residual compensation claims in respect of the completed railway projects and projects under construction whilst initiating work to provide land administration inputs for the proposed new railway projects, such as the Northern Link, Express Rail Link and West Island Line;
- continue to process land leases for rental estates to facilitate Housing Authority’s Divestment of Commercial Properties Initiative;
- continue to explore measures to speed up the processing of small house applications; and
- continue to explore measures to further streamline and expedite the processing of land transactions and premium assessment.

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Programme (2): Survey and Mapping

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision (\$m)	365.1	352.8	360.6 (+2.2%)	376.9 (+4.5%)
				(or +6.8% on 2005–06 Original)

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 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, lease modification and enforcement, and small house development. It operates a Computerised Land Information System for maintaining updated digital maps and cadastral databases. Apart from government departments, private organisations and the public can purchase the data for their own uses under a permit or licence. It also provides photogrammetric and aerial survey services for specific purposes in addition to general mapping. It is responsible for the establishment and maintenance of the territory-wide geodetic network. Under the Land Survey Authority, it administers the Land Survey Ordinance which governs the conduct, practices and standard of Authorised Land Surveyors in land boundary survey. SMO is also delegated with the authority to name roads and streets under the Public Health and Municipal Services Ordinance.

10 In 2005, a Data Centre was established for the dissemination of Global Positioning System data collected from the 12 Satellite Positioning Reference Stations in Hong Kong. The system provides the local geographical framework together with positioning services with high accuracy for land and engineering developments. SMO also published the Pearl River Delta Satellite Image Map prepared from satellite images.

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

Targets

	Target	2004 (Actual)	2005 (Actual)	2006 (Plan)
set out land boundaries within 12 weeks from receipt of request.....	100%	99%	98%	100%
provide mapping and geodetic information within three working days from receipt of request.....	100%	100%	100%	100%
update large scale plans within 12 weeks on completion of major infrastructural projects.....	100%	98%	100%	100%

Indicators

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
<i>Geodetic survey</i>			
precise horizontal and vertical control points fixed.....	735	1 205	900
survey monuments and marks built and maintained.....	4 815	4 124	4 150
<i>Topographical survey and map production</i>			
continuous revision, area surveyed and inspected (ha) ..	79 792	81 321	82 000
maps and charts produced.....	4 480	6 398	6 870
reprographic services provided (no. of copies)	493 538	459 757	460 000
<i>Cadastral survey</i>			
lots defined or set out	2 110	2 387	2 150
cadastral plans prepared.....	26 587	30 320	30 500

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	2004 (Actual)	2005 (Actual)	2006 (Estimate)
<i>Aerial survey</i>			
photographs taken for measurement and record.....	8 573	10 837	8 710
total area of photogrammetric survey conducted (ha)	30 225	30 751	31 000
<i>Land Survey Ordinance</i>			
total number of lot sub-division plans examined.....	669	777	690

Matters Requiring Special Attention in 2006–07

12 During 2006–07, the Department will:

- implement the Second Generation of Computerised Land Information System for maintaining the territory-wide digital map database;
- continue to implement the Data Alignment Measures project for improvement of the efficiency and effectiveness in data exchange among government departments;
- continue to develop the Digital Map and Land Record Data Dissemination System for efficient dissemination of digital maps and land record data;
- continue to provide survey and mapping services for the planning, land resumption and clearance, and land disposals in order to make land available for the construction of various new railway projects; and
- implement ISO 14001 Environmental Management System to enhance the environmental performance of survey and mapping services.

Programme (3): Legal Advice

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision (\$m)	48.1	46.9	44.7 (–4.7%)	50.8 (+13.6%)
				(or +8.3% on 2005–06 Original)

Aim

13 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

14 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, LACO is responsible for approving the legal title of the former private owners and the compensation documents before compensation is released. LACO is also responsible for checking the legal title of the owners of private land being surrendered to 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 to other government departments and policy bureaux in their property transactions.

15 Under the Lands Department Consent Scheme, LACO processes all applications for consent to sell units in uncompleted buildings prior to compliance with 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. As a pre-requisite of the consent requirement in respect of commercial and residential developments, Deeds of Mutual Covenant (DMC) setting out the respective rights and obligations of all the owners of the buildings will need to be approved by LACO before consent can be issued and sales of the units can begin.

16 In 2005, the performance of LACO's giving consent to sale and purchase was raised to 97% which represented an improvement of more than 20% as compared with 2004. The improvement was attributed primarily to the adoption of a number of revised consent measures including the introduction of additional standard documents following completion of the review of the Consent Scheme in 2004. For DMC approvals, LACO maintained more or less the same performance as in 2004 despite the complexity of the cases processed requiring longer consideration by the affected parties.

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

Targets

	Target	2004 (Actual)	2005 (Actual)	2006 (Plan)
<i>Consents</i>				
Sale and Purchase Agreements— approved within 13 weeks (excluding time for approval of DMC).....	100%	70%	97%	97%
DMCs—approved within 13 weeks...	100%	68%	70%	80%

Indicators

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
<i>Consents</i>			
Sale and Purchase Agreements approved			
—non-residential developments	6	11	8
—residential developments	30	26	30
sale of uncompleted residential units (no. of flats).....	19 274	10 102	15 000
DMCs approved			
—non-residential developments	6	3	5
—residential developments	41	34	50

Matters Requiring Special Attention in 2006–07

18 During 2006–07, the Department will:

- issue and implement the revised guidelines for DMCs including responsibilities of owners on building safety and preventive maintenance of new buildings;
- expedite the approval of legal title of former owners and compensation documents in respect of private land resumed under various railway projects;
- continue to 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;
- continue to explore further ways to streamline the existing procedures in relation to Programme (1) so as to improve efficiency;
- continue to monitor the implementation of the improvement measures for the sale of uncompleted units under the Consent Scheme; and
- continue to prepare and issue leases and approve DMCs to facilitate Housing Authority's Divestment of Commercial Properties Initiative.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2004–05 (Actual) (\$m)	2005–06 (Original) (\$m)	2005–06 (Revised) (\$m)	2006–07 (Estimate) (\$m)
(1) Land Administration	1,004.2	1,009.7	985.7	1,178.4
(2) Survey and Mapping	365.1	352.8	360.6	376.9
(3) Legal Advice	48.1	46.9	44.7	50.8
	1,417.4	1,409.4	1,391.0 (–1.3%)	1,606.1 (+15.5%)
				(or +14.0% on 2005–06 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2006–07 is \$192.7 million (19.5%) higher than the revised estimate for 2005–06. This is mainly due to salary increments for existing staff, the net creation of 400 posts and increased operating expenses primarily for supporting development of railway projects and setting up the Central Action Team to strengthen territory-wide land control work including the squatter control and clearance duties taken over from the Housing Department.

Programme (2)

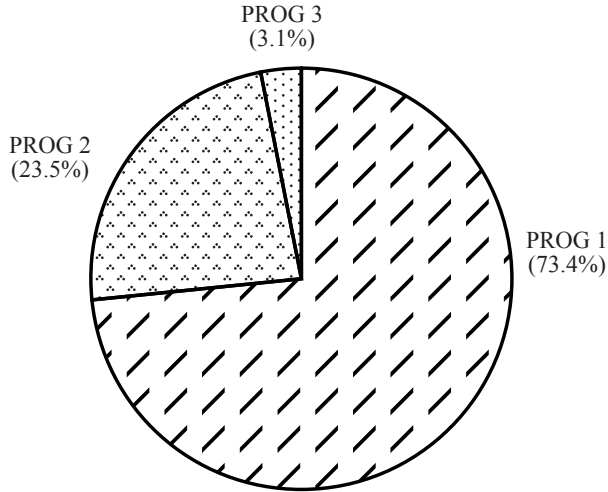
Provision for 2006–07 is \$16.3 million (4.5%) higher than the revised estimate for 2005–06. This is mainly due to salary increments for existing staff, full-year provision for vacancies filled in 2005–06 and increased operating expenses primarily for supporting development of railway projects and setting up the Central Action Team to strengthen territory-wide land control work including the squatter control and clearance duties taken over from the Housing Department. The increase is partly offset by a net deletion of one post in 2006–07.

Programme (3)

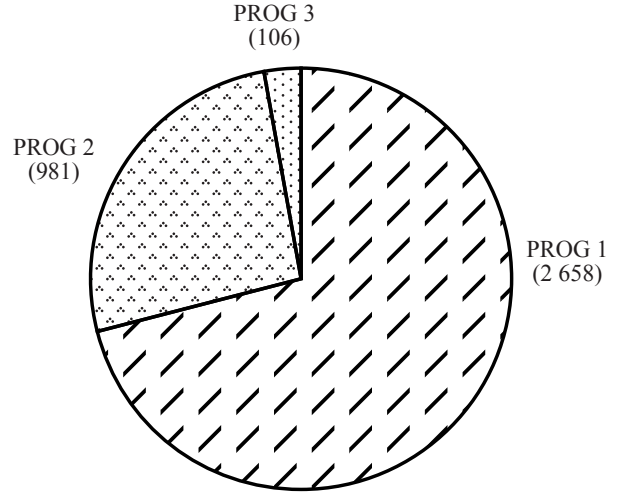
Provision for 2006–07 is \$6.1 million (13.6%) higher than the revised estimate for 2005–06. This is mainly due to salary increments for existing staff, full-year provision for vacancies filled in 2005–06, creation of three posts and increased operating expenses primarily for supporting development of railway projects and setting up the Central Action Team to strengthen territory-wide land control work including the squatter control and clearance duties taken over from the Housing Department.

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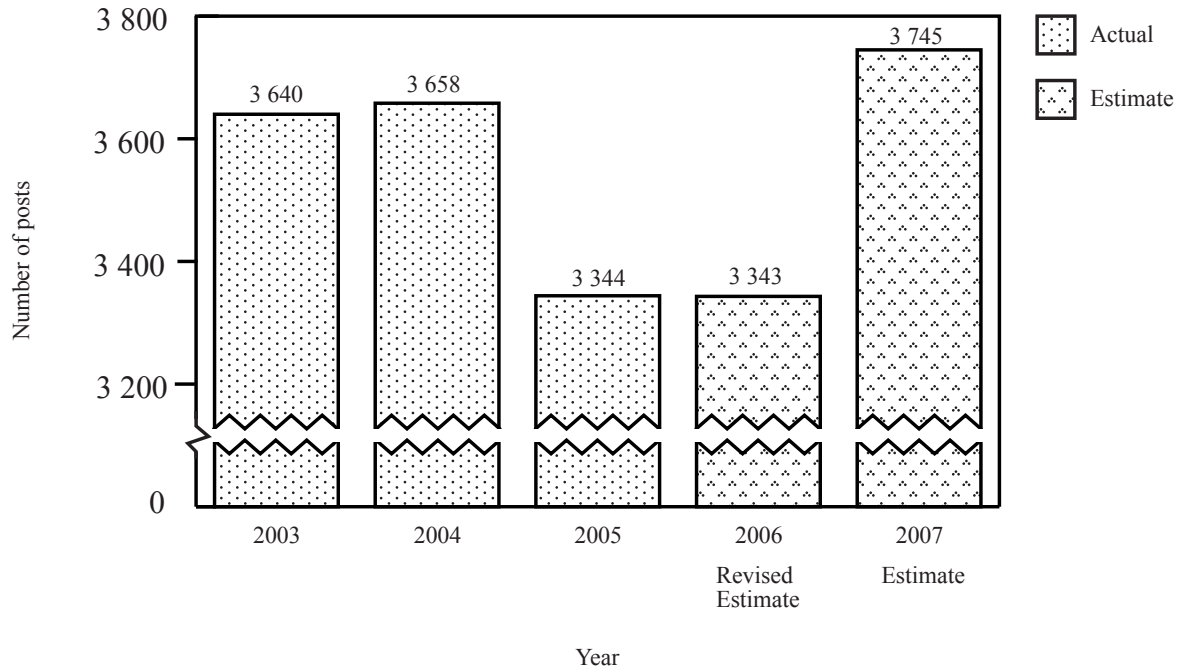
*Allocation of provision
to programmes
(2006-07)*



*Staff by programme
(as at 31 March 2007)*



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



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Sub-head (Code)		Actual expenditure 2004-05	Approved estimate 2005-06	Revised estimate 2005-06	Estimate 2006-07
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Account					
Recurrent					
000	Operational expenses	1,408,955	1,392,954	1,381,076	1,592,982
003	Recoverable salaries and allowances (General)			29,933	
	Deduct reimbursements	<i>Cr. 29,933</i>	—	—	—
221	Clearance of government land - ex-gratia allowances	788	10,395	5,847	6,200
	Total, Recurrent	<u>1,409,743</u>	<u>1,403,349</u>	<u>1,386,923</u>	<u>1,599,182</u>
Non-Recurrent					
700	General non-recurrent	5,272	4,700	2,300	5,095
	Cleaning up of black spots in N.T. (block vote)	65	—	—	—
	Total, Non-Recurrent	<u>5,337</u>	<u>4,700</u>	<u>2,300</u>	<u>5,095</u>
	Total, Operating Account	<u>1,415,080</u>	<u>1,408,049</u>	<u>1,389,223</u>	<u>1,604,277</u>
Capital Account					
Plant, Equipment and Works					
600	Works	1,379	830	717	900
661	Minor plant, vehicles and equipment (block vote)	895	545	1,095	885
	Total, Plant, Equipment and Works	<u>2,274</u>	<u>1,375</u>	<u>1,812</u>	<u>1,785</u>
	Total, Capital Account	<u>2,274</u>	<u>1,375</u>	<u>1,812</u>	<u>1,785</u>
	Total Expenditure	<u><u>1,417,354</u></u>	<u><u>1,409,424</u></u>	<u><u>1,391,035</u></u>	<u><u>1,606,062</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2006–07 for the salaries and expenses of the Lands Department is \$1,606,062,000. This represents an increase of \$215,027,000 over the revised estimate for 2005–06 and of \$188,708,000 over actual expenditure in 2004–05.

Operating Account

Recurrent

2 Provision of \$1,592,982,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Lands Department. The increase of \$211,906,000 (15.3%) over the revised estimate for 2005–06 is mainly due to the increased provision for supporting development of railway projects and strengthening territory-wide land control work including the squatter control and clearance duties taken over from the Housing Department.

3 The establishment as at 31 March 2006 will be 3 343 permanent posts. It is expected that there will be a net creation of 400 permanent posts and two supernumerary posts in 2006–07. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2006–07, but the notional annual mid-point salary value of all such posts must not exceed \$1,059,553,000.

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

	2004–05 (Actual) (\$'000)	2005–06 (Original) (\$'000)	2005–06 (Revised) (\$'000)	2006–07 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	1,185,605	1,153,766	1,127,317	1,277,795
- Allowances	9,974	10,851	9,100	10,589
- Job-related allowances	1,903	1,978	1,869	2,156
Personnel Related Expenses				
- Mandatory Provident Fund contribution	1,463	1,494	1,425	1,425
Departmental Expenses				
- Hire of services and professional fees	16,223	25,175	18,623	22,870
- Contract maintenance	112,461	124,567	123,922	125,872
- General departmental expenses	81,326	75,108	98,805	152,260
Other Charges				
- Financial Secretary Incorporated - suspense account adjustment	—	15	15	15
	1,408,955	1,392,954	1,381,076	1,592,982

5 Gross provision of \$29,933,000 under *Subhead 003 Recoverable salaries and allowances (General)* includes salaries and allowances for the urban renewal team to process 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 \$6,200,000 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.

Capital Account

Plant, Equipment and Works

7 Provision of \$885,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents a decrease of \$210,000 (19.2%) against the revised estimate for 2005–06. This is mainly due to reduced requirements for minor plant and equipment.

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2005	Revised estimated expenditure for 2005-06	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	519	Contracting-out of SIMAR studies to identify the responsible parties for maintenance of registered man-made slopes.....	7,500	105	2,300	5,095
			<u>7,500</u>	<u>105</u>	<u>2,300</u>	<u>5,095</u>
<i>Capital Account</i>						
600		<i>Works</i>				
	256	Demolition of So Kon Po Cottage Area	9,040	7,609	400	1,031
	257	Demolition of Mt. Davis Cottage Area..	6,750	6,181	317	252
			<u>15,790</u>	<u>13,790</u>	<u>717</u>	<u>1,283</u>
		Total	<u>23,290</u>	<u>13,895</u>	<u>3,017</u>	<u>6,378</u>