

Head 91 — LANDS DEPARTMENT

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

Estimate 2007–08	\$1,635.8m
Establishment ceiling 2007–08 (notional annual mid-point salary value) representing an estimated 3 699 non-directorate posts as at 31 March 2007 rising by 27 posts to 3 726 posts as at 31 March 2008.....	\$1,059.7m
In addition, there will be an estimated 46 directorate posts as at 31 March 2007 and as at 31 March 2008.	
Commitment balance	\$4.3m

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

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	2007–08 (Estimate)
Financial provision (\$m)	963.2	1,178.4	1,099.0 (–6.7%)	1,197.5 (+9.0%)
				(or +1.6% on 2006–07 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 17 March 2006, the Government announced the new list of sites for the sale of government land under the Application List System. Forty five sites (33 residential and 12 commercial/business) were offered. During the year, five lots were triggered for sale by auction as a result of successful applications. Other land disposals such as those by private treaty, land exchange, lease modification, land extension and short-term tenancy proceeded along the established practice.

5 In terms of land resumption, the total area resumed in 2006 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 898 sites under its charge.

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

Targets

	Target	2005 (Actual)	2006 (Actual)	2007 (Plan)
<i>Land disposal</i>				
small houses (cases processed)	2 300	2 310	2 614	2 300

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	Target	2005 (Actual)	2006 (Actual)	2007 (Plan)
<i>Lease modifications (non small house cases)</i>				
issue of letter of reply to application within three weeks (%).....	100	96	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 (%)Ω.....	100	96∇	89	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	99	99	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

Ω The target is revised upward from “within 24 weeks from receipt of application” to “within 22 weeks from receipt of application” as from 1 April 2006.

∇ The 96% in 2005 (Actual) was based on 24 weeks target.

Indicators

	2005 (Actual)	2006 (Actual)	2007 (Estimate)
<i>Land disposal</i>			
land disposed (ha)	250.93	64.79	—Δ
land sale programme			
land sold (auction and tender) (ha).....	3.77	3.42	—Δ
no. of flats.....	2 220	1 794	—Δ
private treaty grants			
land granted (ha).....	242.12	55.20	377.00
no. of flats.....	4 624	8 948	13 440
land let by short-term tenancy (ha)	77.8	90.9	80.0
<i>Lease variations</i>			
lease modifications, exchanges and extensions			
no. of cases	90	101	100
no. of flats.....	6 152	1 116	6 000
processing of applications from indigenous villagers for rent concession (no. of lots/tenements)	5 362	6 128	3 000
<i>Land acquisition</i>			
Public Works Programme projects (ha)	2.59	6.69	18.00
railway development projects (ha)	1.14	0.05	—
urban renewal projects (no. of property interests)	937	297	82
Rural Planning and Improvement Strategy/Village Improvement (ha)	—	1.56	0.52
total acquisition/clearance costs (\$m).....	423.0	151.4	1,061.8@
<i>Land management</i>			
lease enforcement cases.....	885	883	1 080
rebuilding of temporary domestic structures	70	70	70
government sites cleared and guarded.....	4 565	7 964	5 100

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	2005 (Actual)	2006 (Actual)	2007 (Estimate)
maintenance of slopes on unallocated and unleased government land			
man-made slopes to be inspected	9 000	10 200	9 300
man-made slopes to be maintained or improved ...	6 700	6 650	6 500
demolition of structures under non-development clearance (no. of structures).....	100	75	80
<i>Property management</i>			
properties/units managed.....	295	293	285
repair orders issued for government properties	103	103	105
disposal of government properties.....	15	15	10
<i>Squatter Control & Clearance</i> [§]			
unauthorised structures demolished.....	489 [^]	338 [#]	340
surveyed structures inspected	197 494 [^]	200 908 [#]	200 900
cases under freezing action for demolition of surveyed structures occupied by squatters who have applied for public rental housing	1 221 [^]	726 [#]	720
structures cleared in programmed squatter clearances or emergency clearances	1 100 [^]	635 [#]	1 200

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

@ The figure includes \$345 million for payment of redemption money for land exchange entitlements and interest under the New Territories Land Exchange Entitlements (Redemption) Ordinance.

§ New indicators as from 2006 to reflect the squatter control and clearance duties for the whole territory taken over from the Housing Department (HD) with effect from 1 April 2006.

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

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

Matters Requiring Special Attention in 2007–08

7 During 2007–08, the Department will:

- continue to strengthen land control and lease enforcement work;
- continue to explore measures to further streamline and expedite the processing of lease modifications, land exchanges and premium assessment;
- 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 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, the Hong Kong section of the Guangzhou - Shenzhen - Hong Kong Express Rail Link and the West Island Line;
- prepare the tender documents for the proposed development of the cruise terminal project, and dispose of the land at the former Kai Tak Airport site; and
- prepare the establishment of a new management services team to ensure compliance with performance standards for enhancement of service quality.

Programme (2): Survey and Mapping

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	2007–08 (Estimate)
Financial provision (\$m)	357.1	376.9	373.5 (–0.9%)	386.7 (+3.5%)
				(or +2.6% on 2006–07 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 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. The SMO is also delegated with the authority to name roads and streets under the Public Health and Municipal Services Ordinance.

10 In 2006, the SMO launched the online geodetic survey information system with the aim of providing the horizontal and vertical survey control data and other related information through Internet to the public.

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

Targets

	Target	2005 (Actual)	2006 (Actual)	2007 (Plan)
setting out land boundaries within 12 weeks from receipt of request (%).....	100	98	99	100
providing mapping and geodetic information within three working days 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

	2005 (Actual)	2006 (Actual)	2007 (Estimate)
<i>Geodetic survey</i>			
precise horizontal and vertical control points fixed.....	1 205	856	900
survey monuments and marks built and maintained	4 124	4 116	4 100
<i>Topographical survey and map production</i>			
continuous revision, area surveyed and inspected (ha)...	81 321	82 450	80 000
maps and charts produced	6 398	9 475	7 900
reprographic services provided (no. of copies)	459 757	460 526	450 000
<i>Cadastral survey</i>			
lots defined or set out	2 387	1 772	2 100
cadastral plans prepared	30 320	30 752	31 500
<i>Aerial survey</i>			
photographs taken for measurement and record	10 837	9 123	9 000
total area of photogrammetric survey conducted (ha) ...	30 751	30 975	31 000
<i>Land Survey Ordinance</i>			
total number of lot sub-division plans examined	777	1 283	850

Matters Requiring Special Attention in 2007–08

12 During 2007–08, the Department will continue to:

- implement the Second Generation of Computerised Land Information System for maintaining the territory-wide digital map database;
- implement the Data Alignment Measures project for improvement of the efficiency and effectiveness in data exchange among government departments;
- develop the Digital Map and Land Record Data Dissemination System for efficient dissemination of digital maps and land record data;

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- 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
- develop and implement ISO 14001 Environmental Management System to enhance the environmental performance of survey and mapping services.

Programme (3): Legal Advice

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	2007–08 (Estimate)
Financial provision (\$m)	42.9	50.8	45.2 (–11.0%)	51.6 (+14.2%)
				(or +1.6% on 2006–07 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, 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.

15 Under the Lands Department Consent Scheme, the 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 one of the terms imposed under the land grants 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.

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

Targets

	Target	2005 (Actual)	2006 (Actual)	2007 (Plan)
<i>Consents</i>				
Sale and Purchase Agreements— approved within 13 weeks (excluding time for approval of DMC) (%).....	100	97	100	100
DMCs—approved within 13 weeks (%).....	100	70	100 [†]	100

Indicators

	2005 (Actual)	2006 (Actual)	2007 (Estimate)
<i>Consents</i>			
Sale and Purchase Agreements approved			
—non-residential developments.....	11	7	8
—residential developments.....	26	15	20
sale of uncompleted residential units (no. of flats).....	10 102	10 024	12 000

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	2005 (Actual)	2006 (Actual)	2007 (Estimate)
DMCs approved			
—non-residential developments	3	12 ^Ψ	7
—residential developments	34	35 ^Ψ	50

^Ψ Although the number of DMCs approved had increased by 27% from 2005 to 2006, the LACO could still meet the target of giving approval within 13 weeks for all applications. This was mainly attributed to the implementation of a set of revised DMC guidelines and various improvement and internal monitoring measures to expedite the processing of DMCs in 2006.

Matters Requiring Special Attention in 2007–08

17 During 2007–08, 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 railway 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;
- explore further ways to streamline the existing procedures in relation to Programme (1) so as to improve efficiency; and
- consider further measures relating to sale of uncompleted units under the Lands Department Consent Scheme and review the DMC guidelines.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2005–06 (Actual) (\$m)	2006–07 (Original) (\$m)	2006–07 (Revised) (\$m)	2007–08 (Estimate) (\$m)
(1) Land Administration	963.2	1,178.4	1,099.0	1,197.5
(2) Survey and Mapping	357.1	376.9	373.5	386.7
(3) Legal Advice.....	42.9	50.8	45.2	51.6
	1,363.2	1,606.1	1,517.7 (–5.5%)	1,635.8 (+7.8%)
				(or +1.8% on 2006–07 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2007–08 is \$98.5 million (9.0%) higher than the revised estimate for 2006–07. This is mainly due to salary increments for existing staff, full-year effect of vacancies filled in 2006–07, creation of 21 posts for strengthening support for land administration work as well as maintenance of man-made slopes on unallocated and unleased government land, and increased operating expenses primarily for repair and maintenance works for the buildings or units in buildings held by the Administration and supporting development of railway projects.

Programme (2)

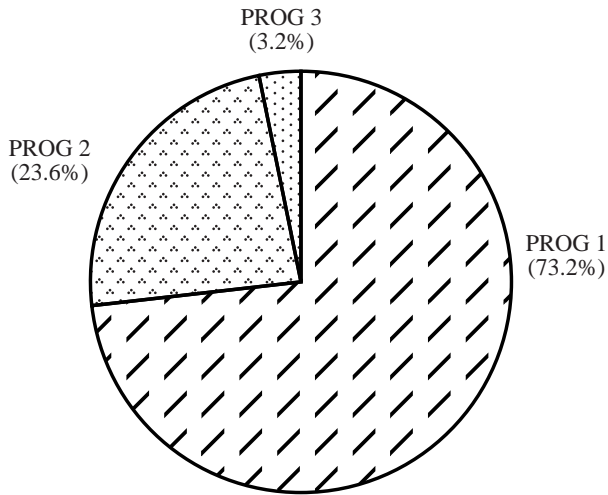
Provision for 2007–08 is \$13.2 million (3.5%) higher than the revised estimate for 2006–07. This is mainly due to salary increments for existing staff, creation of two posts for strengthening support for survey and mapping services, increased operating expenses primarily for implementing the Data Alignment Measures project and increased requirement for minor plant and equipment.

Programme (3)

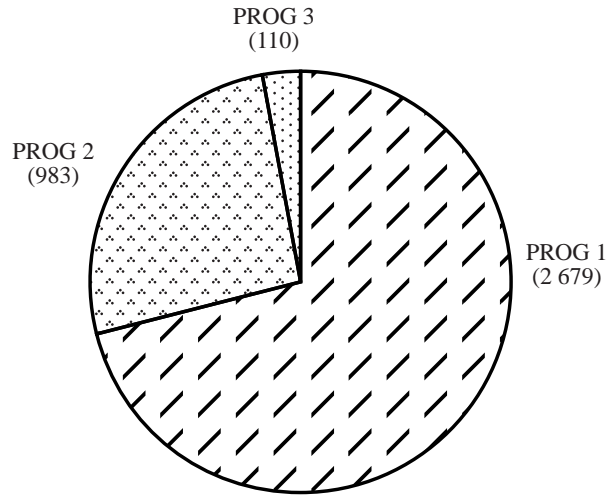
Provision for 2007–08 is \$6.4 million (14.2%) higher than the revised estimate for 2006–07. This is mainly due to salary increments for existing staff and creation of four posts primarily for strengthening support for the land administration work in relation to Programme (1).

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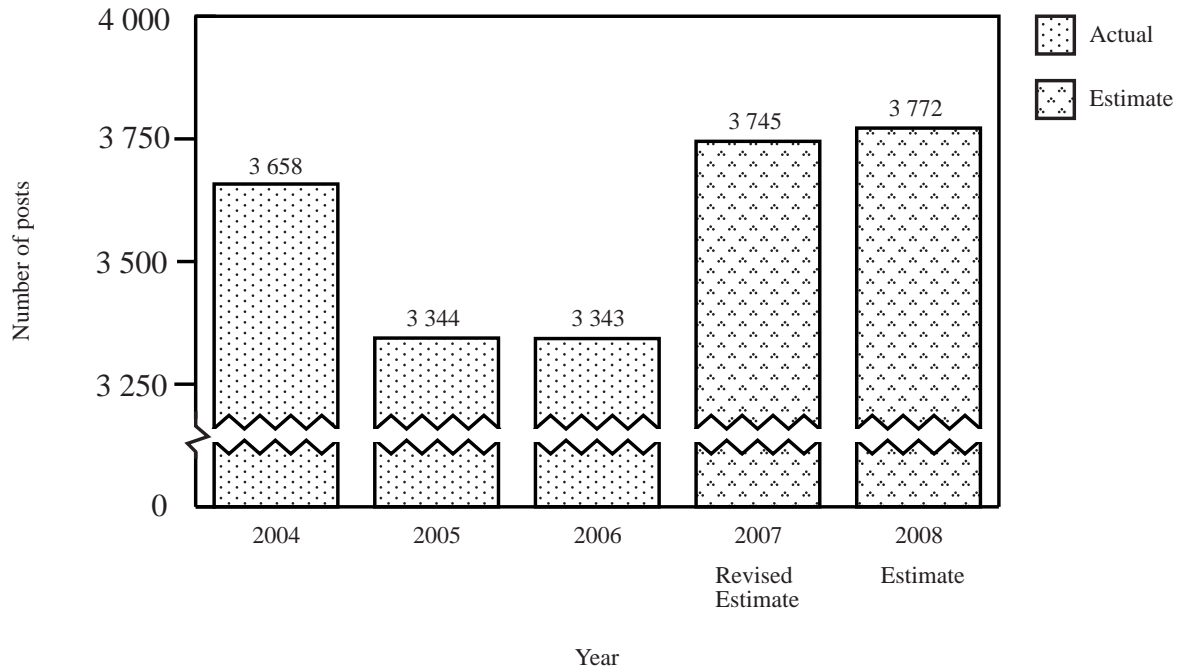
*Allocation of provision
to programmes
(2007-08)*



*Staff by programme
(as at 31 March 2008)*



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



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Sub-head (Code)		Actual expenditure 2005-06	Approved estimate 2006-07	Revised estimate 2006-07	Estimate 2007-08
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Account					
Recurrent					
000	Operational expenses.....	1,359,947	1,592,982	1,512,580	1,626,729
003	Recoverable salaries and allowances (General).....	29,663			
	<i>Deduct</i> reimbursements.....	<i>Cr.29,663</i>	<i>—</i>	<i>—</i>	<i>—</i>
221	Clearance of government land - ex-gratia allowances.....	550	6,200	1,500	1,545
	Total, Recurrent	<u>1,360,497</u>	<u>1,599,182</u>	<u>1,514,080</u>	<u>1,628,274</u>
Non-Recurrent					
700	General non-recurrent.....	1,943	5,095	2,318	3,133
	Total, Non-Recurrent	<u>1,943</u>	<u>5,095</u>	<u>2,318</u>	<u>3,133</u>
	Total, Operating Account.....	<u>1,362,440</u>	<u>1,604,277</u>	<u>1,516,398</u>	<u>1,631,407</u>
Capital Account					
Plant, Equipment and Works					
600	Works	232	900	231	1,200
661	Minor plant, vehicles and equipment (block vote).....	539	885	1,065	3,190
	Total, Plant, Equipment and Works	<u>771</u>	<u>1,785</u>	<u>1,296</u>	<u>4,390</u>
	Total, Capital Account	<u>771</u>	<u>1,785</u>	<u>1,296</u>	<u>4,390</u>
	Total Expenditure.....	<u><u>1,363,211</u></u>	<u><u>1,606,062</u></u>	<u><u>1,517,694</u></u>	<u><u>1,635,797</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2007–08 for the salaries and expenses of the Lands Department is \$1,635,797,000. This represents an increase of \$118,103,000 over the revised estimate for 2006–07 and of \$272,586,000 over actual expenditure in 2005–06.

Operating Account

Recurrent

2 Provision of \$1,626,729,000 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 2007 will be 3 745 permanent posts. It is expected that there will be a net creation of 27 permanent posts in 2007–08. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2007–08, but the notional annual mid-point salary value of all such posts must not exceed \$1,059,679,000.

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

	2005–06 (Actual) (\$'000)	2006–07 (Original) (\$'000)	2006–07 (Revised) (\$'000)	2007–08 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	1,124,266	1,277,795	1,207,556	1,257,462
- Allowances.....	10,108	10,589	12,687	12,594
- Job-related allowances	1,814	2,156	1,901	1,953
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	1,046	1,425	540	540
- Civil Service Provident Fund contribution.....	—	—	—	30
Departmental Expenses				
- Hire of services and professional fees.....	15,982	22,870	27,743	41,402
- Contract maintenance.....	113,301	125,872	117,573	149,646
- General departmental expenses.....	93,430	152,260	144,565	163,087
Other Charges				
- Financial Secretary Incorporated - suspense account adjustment	—	15	15	15
	1,359,947	1,592,982	1,512,580	1,626,729

5 Gross provision of \$29,663,000 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 \$1,545,000 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 \$3,190,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$2,125,000 (199.5%) over the revised estimate for 2006–07. This is mainly due to increased requirement for replacement of equipment.

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2006	Revised estimated expenditure for 2006-07	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	2,049	2,318	3,133
			<u>7,500</u>	<u>2,049</u>	<u>2,318</u>	<u>3,133</u>
<i>Capital Account</i>						
600		<i>Works</i>				
	256	Demolition of So Kon Po Cottage Area	9,040	7,609	231	1,200
			<u>9,040</u>	<u>7,609</u>	<u>231</u>	<u>1,200</u>
		Total.....	<u>16,540</u>	<u>9,658</u>	<u>2,549</u>	<u>4,333</u>