

**Meeting between LegCo Members and
Councillors of Heung Yee Kuk on 29 October 2002**

Review of the ex-gratia zonal compensation system

- (a) Concerns raised by Councillors of HYK at the above meeting—
- (i) HYK noted the Administration's response made at the meeting of Panel on Planning, Lands and Works on 6 June 2002 when the subject matter was discussed. According to the Administration, the zonal compensation system provided for the affected land owners an alternative arrangement to settle compensation matters with the Government quickly. If the land owners did not accept the ex-gratia land compensation offer, they could refer the claim to the Lands Tribunal (LT) for a final determination. However, Councillors of HYK held the view that referring claims to LT for determination contradicted the purpose of introducing the zonal compensation system. They pointed out that the crux of the matter was that the existing four ex-gratia compensation zones, which had been in operation since 1985, could no longer cope with the development in NT. HYK considered that the existing zoning of land and the compensation rates should be reviewed.
 - (ii) HYK noted that the Government was currently involved in two court cases concerning the interpretation of section 12(c) of the Lands Resumption Ordinance (Cap. 124). The cases were expected to be heard by the Court of Final Appeal (CFA) in December 2002. The Administration therefore considered that any review of the zonal compensation system before a CFA ruling would be inappropriate. Councillors of HYK pointed out that the review of the system was independent of the impending CFA ruling. This was because for those persons who were dissatisfied with the ex-gratia compensation offered, they could make a statutory claim for compensation, regardless of the zoning of land and compensation rates.
- (b) Information provided by LegCo Members at the above meeting—
- (i) The Administration had made clear at the meeting of the Panel on Planning, Lands and Works on 6 June 2002 that it had no plan to review the zonal compensation system at the moment.

- (ii) HYK could put forward further views, if any, on the matter after the CFA ruling was available.

(c) Issues for comments by the Administration

The Administration has been requested to comment on the concerns raised by Councillors of HYK in item (a) above. In particular, the Administration has been requested to advise whether CFA has made rulings on the two court cases mentioned in item (a)(ii) above.