

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

Provisional compensation for land resumption in NT

- (a) Concerns raised by Councillors of HYK at the above meeting—
- (i) According to Councillors of HYK, under the present arrangement for land resumption, if the affected persons were dissatisfied with the ex-gratia compensation offered and applied to LT for determination, the compensation would be withheld immediately. In practice, the affected land owners might not be able make a decision on whether to accept the compensation offer immediately after receiving notice of land resumption, as they might need to seek professional assessment on the land value.
 - (ii) To allow time for the affected land owners to decide whether the compensation offer should be accepted, HYK considered it more appropriate to offer provisional compensation which should be fixed at a certain percentage of the amount of compensation offered. The provisional payment of compensation was provided for under section 16A of the Lands Resumption Ordinance (Cap. 124). At present, provisional payment of compensation would only be offered to those cases where statutory compensation had been assessed on an open market value basis. Provisional payment of compensation was not applicable to zonal compensation system, as no assessment on the land value had been carried out.
 - (iii) According to Councillors of HYK, they had raised the matter with the Administration before, and the Administration had expressed concern that if the award made by LT was less than the provisional payment, Government would suffer financial loss. Councillors of HYK considered that the Administration was over worried as it was spelt out clearly in the Lands Resumption Ordinance that once an award was made by LT, irrespective of whether it was higher or lower than the compensation offer, it was the maximum compensation payable. Moreover, where the amount of provisional payment exceeded the amount of compensation determined by LT, the amount of the excess should be recoverable as a civil debt.

(b) 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 consider HYK's view that land owners affected by land resumption in NT should be offered provisional compensation, which should be fixed at a certain percentage of the amount of compensation offered.