

Legislative Council Public Accounts Committee

Public Hearing on 12 June 2020

Director of Audit's Report No. 74

Chapter 7: Management of Short Term Tenancies by the Lands Department

Opening Remarks by the Acting Director of Lands

Chairman,

As mentioned by the Secretary, the Lands Department ("LandsD") is taking proactive steps to follow up on the recommendations raised in the Audit Report.

2. Having reviewed the current instructions, guidelines and mechanisms, the Headquarters issued additional guidelines to all District Lands Offices ("DLOs") in January and May, in order to address the inadequacies in various areas, including:

- (a) On the processing of short term tenancy ("STT") applications, the new guidelines require DLOs to verify as early as possible an applicant's legal status or capacity (e.g. whether the applicant is a registered company) to sign a tenancy agreement. In doing so, LandsD hopes to avoid delays in processing caused by the applicant's incapacity to sign a tenancy agreement (e.g. the applicant is in the process of registration as a company), and to forestall unnecessary idleness of land resources. For applications without policy support, DLOs are required to advise the applicants as soon as possible and to provide applicants with information for their direct contact with the relevant policy bureaux/departments for further information on the reasons for not granting policy support. These measures serve to prevent unnecessary delays in application handling and to improve efficiency in processing, so that land resources can be put to good use in a timely manner.

- (b) Regarding the monitoring of tenancy conditions, the new guidelines have tightened the enforcement arrangement for compliance with conditions related to public safety. Specifically, where the tenancy agreement requires that the tenant submit any necessary proof of safety (such as scheme of security, Fire Safety Certificate, etc.) to the relevant departments within a specified period for approval, the tenancy agreement should be terminated if the tenant fails to comply with the conditions in time. A District Lands Officer would consider exercising discretion to extend the deadline for compliance, only when there are reasonable justifications and support from relevant departments (say, the submission is pending comment or approval by the relevant department). While the current guidelines require DLOs to inspect STT sites for private garden purposes once every 5 years and all other STT sites once every 3 years, the additional guidelines request DLOs to review the implementation of regular inspections, and to formulate inspection programmes for uninspected STT sites to be implemented and completed timely.
- (c) On the management of vacant government sites (“VGSs”), LandsD has already revised and enhanced the existing guidelines on the overall management of VGSs, and has further provided the assessment criteria for identifying sites suitable for STT use. DLOs have been reminded to properly review on a regular basis whether these sites are suitable for STT use. In processing STT applications, DLOs are required to consult the policy bureaux/departments responsible for implementing the long-term development plans of these sites, so as to ensure accurate information in hand for considering the gainful use of these sites pending implementation of their long-term uses. This is to avoid any missed opportunity due to outdated information or failure to take into account their long-term development schedules. As for the list of VGSs available for application for community, institutional, or non-profit-making uses, our GeoInfo Map webpage sets out key site information, including site location, site area, available period, site condition and application status. The Audit Commission has pointed out the inconsistencies in the existing presentation of information on various VGSs. For instance, the information on site

topography and available of access is not provided in some cases. Noting the significance of these details to parties interested in applying for VGSs, LandsD will soon improve the disclosure of information in this regard by requiring that more comprehensive information on site conditions (e.g. topography, existence of vegetation and availability of vehicular/pedestrian access) should be provided for all VGSs, to facilitate the consideration by interested parties.

3. In addition, LandsD has set up an internal working group to follow up on each and every case mentioned in the Audit Report. The headquarters has requested District Lands Officers to continue monitoring the progress of these cases and to report on their follow-up status in the next few months until the cases are completed. Having conducted an in-depth review of the STT management system, the internal working group preliminarily consider that the following improvement measures should be implemented:

- (a) set a time target for processing STT applications, and request the escalation of outstanding cases beyond the time target to the directorate staff for review;
- (b) standardise the policy of waiving deposits from non-profit-making or charitable organisations, as opposed to the past practice of requesting deposits to cover the cost of removing structures upon termination of individual STTs; and
- (c) for STTs by direct grant with policy support from policy bureaux/departments, require DLOs to consult the relevant policy bureaux/departments on their need to regularly obtain operation information of the tenants or organisations. This measure would facilitate policy bureaux/departments' review of the operation of the tenants or organisations to decide whether to give support for continuation of tenancy.

The internal working group is expected to complete the review within 6 months for implementation.

4. Meanwhile, we will proceed to upgrade our Tenancy Information System to provide more comprehensive data storage, workflow management, as well as analytic and reporting functions, so as to make optimal use of information technology to strengthen our management of STTs and VGSs. Our initial direction is to incorporate more comprehensive data in the upgraded system as far as possible, especially in respect of enforcement, covering accurate records of inspection dates, breach records, nature of breaches and corresponding enforcement actions, together with more monitoring functions. We hope this measure will equip our colleagues with more comprehensive information for setting enforcement priorities, and improve the monitoring and management systems. The system upgrade is expected to complete within 3 years after securing relevant resources.

5. I would like to thank the Audit Commission once again for the invaluable recommendations for our management of STTs. Our colleagues will continue to take proactive steps to follow up on the recommended improvement measures for their proper implementation. Thank you, Chairman.
