

**Presentation by Secretary for Housing
at the Special Meeting of the Finance Committee
on Thursday, 22 March 2001**

Mr Chairman,

TEAM

Introduce other members of my team –

Director of Housing	Mr. J. A. Miller
Director of Lands	Mr. R. D. Pope
Director of Planning	Mr. Bosco C. K. Fung
Commissioner of Rating & Valuation	Mr. Kenneth T. W. Pang

HOUSING EXPENDITURE

(A) Total public expenditure (recurrent + capital)

Total public expenditure on housing in 2001-02:

- represents **13.1% of total public expenditure in 2001-02.**

(B) Recurrent public expenditure

Recurrent public expenditure on housing in 2001-02:

- represents **6.4% of total recurrent public expenditure in 2001-02.**
- is **\$13,900 million**, an increase of 3.1% over 2000-01.
- Comprises:
 - ✧ **94.8%** for the **Housing Authority**
 - ✧ **5.2%** for **Government departments**, an increase of \$60 million or 9.1% over 2000-01

(C) Capital public expenditure

Capital public expenditure on housing in 2001-02:

- represents **33.8% of total public capital expenditure in 2001-02.**
- Comprises:
 - ✧ **84.9%** for the **Housing Authority**
 - ✧ **15.1%** for **Government departments**, an increase of 15.1% over 2000-01, owing mainly to an increase in estimated cashflow requirements under the **Home Starter Loan Scheme.**

MATTERS OF INTEREST: HOUSING BUREAU MANPOWER

- The **total number of staff** in the Housing Bureau in 2001-02 (establishment) will be **59**, a net **increase of one** from 2000-01.
- There will be **no change** in the number or composition of **directorate posts**.
- For **non-directorate posts** in 2001-02:
 - ✧ One post of **Data Processor** will be **deleted**.
 - ✧ One post of **Senior Town Planner** and one post of **Town Planner** will be **created** to strengthen the ability of the Housing Bureau to participate in **housing-related planning studies and research**.

MATTERS OF INTEREST: SPECIAL TASKS

- **Highlight** some tasks requiring **special attention** in **2001-02**.
 - (A) **Survey of housing aspirations**
 - Estimated cost of the survey is **\$3.4 million**. Work involved in steering the consultancy will be absorbed by **existing resources** of the Planning Department.
 - The survey will cover **12,000 households** including **4,000 households with elderly persons**.
 - **Information** will be obtained on:
 - ✧ Aspirations to acquire **separate accommodation**
 - ✧ **Preferences for particular types of housing**
 - ✧ Housing **affordability** (rent-to-income ratio, mortgage-to-income ratio and downpayments)
 - ✧ Intention to take up **residence in the Mainland of China**.
 - The survey will be commissioned in **2001**. Assuming that a consultant is selected by the end of 2001, **interviews** will be carried out between **January and June 2002**. **Results** will be available by the **end of 2002**.
 - (B) **Home Starter Loan Scheme**
 - Since the commencement of the Scheme in April 1998, **\$10.2 billion** has been drawn down by the Housing Society. Another **\$3.5 billion** is expected to be drawn down in **2001-02**.
 - Over **18,000 loans** amounting to **\$9.2 billion** have been taken out by applicants. The remaining **\$4.5 billion** will be sufficient to fund an estimated **9,000 loans** (**6,000** and **3,000** loans from **family** and **singleton applicants** respectively) up to **March 2002**.
 - We will **review** the **effectiveness** of and **continuing demand** for the scheme in 2001, and consult the **Legislative Council Panel on Housing** on the way forward later this year.

(C) **Rental subsidy for the elderly**

- We are exploring the feasibility of **providing rental subsidies in lieu of public rental housing** to eligible elderly applicants on the Waiting List when their turn comes.
- Rental subsidies can provide an **additional choice** to **eligible elderly applicants** who prefer to live in districts where public rental housing flats are not available or in districts of their own choice.
- Details of a **pilot scheme** are being developed. We will discuss proposals with the **Legislative Council Panel on Housing** when ready.