

**Speech by Secretary for Housing, Planning and Lands
at the Legislative Council Special Finance Committee Meeting
on 21 March 2007**

Madam Chairman,

Major Initiatives

On private property market, we will continue to maintain the policy of facilitating the free operation of the residential property market, in order to create a stable environment for home ownership and investment. To enhance market transparency and to make available accurate market information to property buyers, we will continue to release statistics on the supply of the private residential units in the primary market on a regular basis and closely monitor the operation of developers' self-regulatory regime for the sale of uncompleted flats. We have all along maintained dialogue with the Real Estate Developers Association of Hong Kong, the Consumer Council and the Estate Agents Authority to identify room for further improvement of the self-regulatory regime.

2. In the area of public rental housing, the Hong Kong Housing Authority will continue to maintain the average waiting time of public rental housing applicants at around three years, in line with the Government's policy.

3. We will also endeavour to proceed with the legislative process of the Housing (Amendment) Bill 2007. We hope to secure the Legislative Council's support for the passage of the bill so that the Housing Authority can put in place the new income-based rent adjustment mechanism as soon as possible to timely adjust domestic rents based on objective statutory criteria.

Public Expenditure on Housing

4. The public expenditure on housing in 2007-08 will be about \$15.86 billion, representing 5.9% of the total public expenditure. The Housing Authority accounts for \$15.68 billion or 98.9% of the expenditure, which will mainly be used for the construction and management of public rental housing. The remaining 1.1%, mainly the expenditure of the Housing Department, will be used for exercising building control over the Housing Authority's sold properties, work related to the private housing market, provision of administrative support to the Appeal Panel (Housing), rehousing of families affected by clearances and natural disasters, as well as provision of support services for housing-related matters and infrastructure projects.

5. To enhance efficiency, the Housing Department has been striving to tap new sources of revenue and cut down expenditures as well as to streamline its organisation structure. During the period between October 2002 and January 2007, a total of 3 286 posts were deleted, of which 2 474 were civil service posts and 812 were the Housing Authority's contract staff posts. The Housing Department plans to further delete about 200 posts by the end of March 2007, in order to meet the objective of downsizing the overall establishment by about 3 500 posts, which would far exceed the Government's overall target.

Conclusion

6. In conclusion, the Government will continue to implement a clear and comprehensive housing policy to foster the healthy development of the residential property market in a free, stable and highly transparent environment, and, through the work of the Housing Authority, to provide public housing to those needy families who cannot afford private rental accommodation, to ensure that the needs of the whole society are met.

7. My colleagues and I will be pleased to take questions from Members. Thank you.