

**Legislative Council Panel on Housing**  
**Supplementary Information for the Meeting on 17 April 2012**

At the Legislative Council Panel on Housing meeting held on 17 April 2012, Members sought supplementary information on the establishment of the Development and Construction Division (DCD) of the Housing Department (HD) before and after the cessation of the Home Ownership Scheme (HOS), and how it compared with the proposed establishment to cope with the workload for implementation of the new HOS; and the progress of studies on redevelopment of the seven aged estates. The Hon Fred LI also submitted follow-up questions further to the discussion at the Panel Meeting. This paper provides the required supplementary information for Members' reference.

**Establishment change in DCD before and after the cessation of HOS**

2. Before cessation at 2003, the average annual production figures for HOS in a five-year period from 1998-99 to 2002-03 was around 10 000 units.

3. As at 1.4.2002, Housing Department (HD) had five Assistant Director of Housing (AD of H) (D2) posts and 19 chief professional (D1) posts responsible for public housing (including both public rental housing (PRH) and HOS) developments. The total average annual production in a five-year period from 1998-99 to 2002-03 was 40 000 PRH cum HOS units. At that time, all the projects adopted standard blocks for design and construction.

4. As a result of reduction in housing production (covering both PRH and HOS flats), the establishment of DCD was reduced by around 690 posts (including eight directorate and around 680 non-directorate posts) by end March 2007, with an annual staff cost of some \$370 million (present day value). However, we do not have a breakdown of the posts reduced solely due to the cessation of HOS. Out of these posts, 7 directorate posts were deleted, one directorate post was internally redeployed to the Independent Checking Unit, about two-third of the non-directorate posts were deleted and the remaining were gainfully redeployed to other divisions in the Department.

5. The current establishment of DCD, with three AD of H (D2) posts and 13 chief professional (D1) posts (one Chief Structural Engineer post is currently sharing the workload of the Independent Checking Unit of HD on a part-time basis), is responsible for an average annual production of about 15 000 new PRH units, and a total of about 75 000 units in a rolling five-year period. All the projects are adopting site-specific non-standard buildings for design and construction, which are far more complex and difficult than those in the period from 1998-99 to 2002-03.

6. Over the past years, the workload of DCD has significantly increased as the public housing planning and development work has become more and more complex, especially in the early stages. These complex tasks include the requirement to conduct extensive site potential studies and site specific designs given the scarcity of land supply, adoption of new initiatives to boost housing production on the available housing sites so as to maximise development potential of land resources; meeting more stringent statutory, planning and environment requirements; as well as conducting extensive public consultation and community engagement functions. While all these works call for more intensive manpower resources and have to be supervised by experienced senior officers at the directorate level, DCD's directorate establishment has remained unchanged since March 2007.

### **Need for creation of additional posts for the new HOS**

7. The development timeframe for individual projects will vary depending on various factors. Actual delivery timetable will depend on the complexity involved in individual sites. We have fast-tracked the production of the first six new HOS projects by compressing the feasibility study, consultation, planning & design development stages from three years' time to one year, with parallel actions on all fronts, in order to complete the first batch of 2 500 HOS flats in 2016-17. We are required to produce an initial total of 17 000 New HOS units over the next five years. We aim to complete the other new HOS projects from 2017-18 onwards, also under a very compressed and fast-tracked timetable. We will have to continue to search for more sites for new HOS developments so as to meet the yearly target of producing about 5 000 new HOS flats announced in the 2011 Policy Address going forward.

8. The current set-up of DCD is geared for an average annual production of 15 000 new PRH units. The proposed creation of six directorate posts (i.e. one AD of H (D2) post and five chief professional (D1) posts) in DCD is to cope with the upfront increase in workload for implementation of the new HOS, and thus has to be effected as soon as possible so that HD can deliver the production target under a very compressed and fast-tracked timetable. We will keep in view the staffing requirements having regard to the actual workload. Additional resources to cope with the increase in workload which comes at the later stages of development and construction will be sought in accordance with the established mechanism as and when necessary.

## **Progress of studies on redevelopment of aged estates**

9. Currently, DCD has completed a redevelopment study on one aged estate at Pak Tin, and launched the redevelopment proposal. Assessments on the redevelopment potential of the other six aged estates are still at a very preliminary stage. We have to consider each case thoroughly on an estate-by-estate basis, taking into account the wider planning and urban design context within the district, in consultation with relevant bureaux and departments. In view of the preliminary state of the studies, it is premature to make any announcement on other possible projects at the moment. Once the feasibility and programme of the redevelopment proposals are confirmed, we will announce the details in a timely manner. We will keep in view the manpower required for the redevelopment projects and additional resources required for the works will be sought in accordance with the established mechanism as and when necessary.

**Transport and Housing Bureau  
May 2012**