

香港特別行政區政府
政務司司長辦公室



CHIEF SECRETARY
FOR ADMINISTRATION'S OFFICE
Government of the Hong Kong
Special Administrative Region

7 June 2007

Dr the Hon Philip WONG Yu-hong, GBS
Chairman, Public Accounts Committee
Legislative Council
Legislative Council Building
8 Jackson Road
Central

Dear Philip,

Follow-up to Public Accounts Committee Report No. 39

Small house grants in the New Territories

Thank you for your letter of 31 May 2007 on the above subject.

The Small House Policy was introduced in 1972 which was the time when about 60% of the buildings in the rural New Territories were temporary or unlawful houses, clearly manifesting an urgent need for a policy to practically improve the rural housing environment. The Small House Policy was designed to provide the catalyst to improve rural housing standard by encouraging the construction of better village houses, and to preserve the cohesion of indigenous communities.

With change of time, we have witnessed a facelift of the rural setting. Keeping pace with the speed of urbanization and the tide of new town developments, the differences between the rural New Territories and other parts of Hong Kong have increasingly narrowed. The application of the Small House Policy in the context of changing land-use planning and against the objective of optimization of land resources has given rise to new issues. The decision made by the Secretary for the Housing, Planning and Lands (SHPL) in 2002-03 to review the Small House Policy and related issues in a comprehensive manner was timely, and his aspiration to resolve the associated problems once and for all during the tenure of his office was laudable.

To take forward this comprehensive review, an Inter-departmental Steering Committee has been set up under the Housing, Planning and Lands Bureau (HPLB) to critically and carefully examine a wide range of issues relating to the Policy. These issues include legal and human rights implications, the sustainability issue, land-use problems, environmental impacts and other practical and resources considerations. All these are complex issues with far-reaching implications, and none of them lend themselves to simple and easy solutions.

We note that SHPL and his colleagues in HPLB have regularly provided progress reports on the Small House Policy review to the Public Accounts Committee (PAC) and also to the Panel on Planning, Lands and Works. Close liaison in furtherance of shared objectives of improving rural housing standard, and without prejudicing the interest of the community at large, was pursued with the Heung Yee Kuk (HYK). A number of proposals have been formulated and, after consultation with the HYK, been put into implementation. Some examples are promulgation of a new set of procedures to streamline the processing of Small House applications thereby expediting the processing of the applications by the Lands Department; stipulation in the lease conditions of a Small House grant that no prior arrangement for transfer or disposal of the applicant's beneficial interest is allowed; and implementation of a set of new fire safety requirements under which fire safety alternatives would be accepted for Small House applications with practical constraints meeting the original Emergency Vehicular Access requirements.

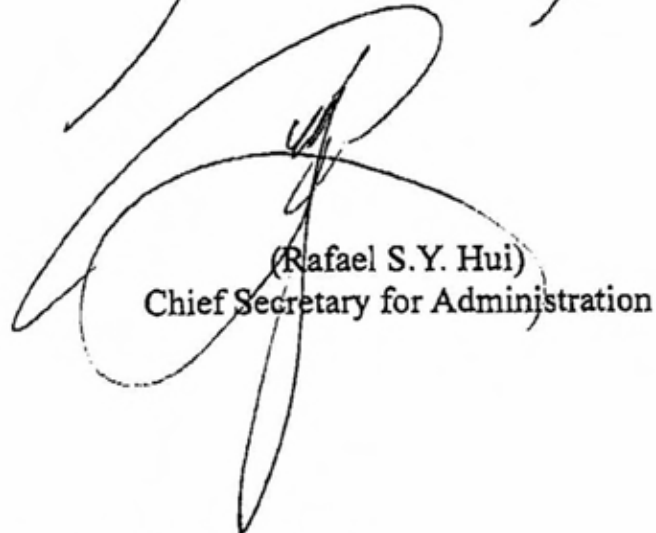
The PAC has also been kept abreast of the progress of the other initiatives taken by the Inter-departmental Steering Committee. Two projects are currently under discussion with the HYK, namely, formulation of a set of procedures to expedite and standardize the process of resolving objections to Small House applications; and the introduction of a rationalisation scheme of Unauthorised Building Works in the New Territories Exempted Houses which include, among others, Small Houses. The PAC is also aware that the Inter-departmental Steering Committee has been devoting considerable effort to explore whether the development intensity of the Village Expansion Areas could be increased by allowing for multi-storey development, albeit that this remains an internal desk-top exercise at this stage.

It is clear that SHPL has pursued his review of the Small House Policy and related issues over the past four years with vigour and tact. The agenda for the review has been comprehensive and the scope extensive. This comprehensive review has also been marked by its transparent process. Due weightings have been given to equitable treatment of the stakeholders, delicately balancing against the interest of the community at large. A number of improvement measures have been implemented, and considerable progress has been made on some new fronts.

We note that SHPL has set for himself a bold target to resolve the associated problems within the tenure of his current office. However, the complexity of the remaining issues surrounding the comprehensive review and the wide range of considerations that have to be weighed in the deliberation process are such that the exercise is necessarily time-consuming. We have to accept that realistically the review of the Small House Policy will have to continue beyond SHPL's current tenure. In other words, work on this very important and complex issue will not cease with the end of his tenure.

I wish to take the opportunity to thank you and Members of the PAC for your interest and comments on this subject.

Yours sincerely

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long vertical stroke at the bottom.

(Rafael S.Y. Hui)
Chief Secretary for Administration

c.c. Secretary for Housing, Planning and Lands
Secretary for Financial Services and the Treasury
Director of Audit