

Laying of the Report Report No. 62 of the Director of Audit on the results of value for money audits was laid in the Legislative Council ("LegCo") on 16 April 2014. The Public Accounts Committee ("the Committee")'s Report (Report No. 62) was subsequently tabled on 9 July 2014, thereby meeting the requirement of Rule 72 of the Rules of Procedure of LegCo that the Report be tabled within three months of the Director of Audit's Report being laid.

2. **The Government Minute** The Government Minute in response to the Committee's Report No. 62 was laid in LegCo on 22 October 2014. A progress report on matters outstanding in the Government Minute was issued on 2 November 2015. The latest position and the Committee's further comments on these matters are set out in paragraphs 3 to 7 below.

Planning, construction and redevelopment of public rental housing flats
(Chapter 1 of Part 4 of P.A.C. Report No. 62)

3. Hon Alan LEONG Kah-kit, Hon Kenneth LEUNG and Hon NG Leung-sing declared that they were former members of the Hong Kong Housing Authority.

4. The Committee was informed that:

Management of public rental housing ("PRH") construction projects

- the Hong Kong Housing Authority would continue to conduct its annual rolling five-year Budget and Forecast exercise and assess its medium term financial projections. On the long-term financial arrangement, the Government would seek approval of the LegCo Finance Committee for funding to support public housing development when it reached agreement with the Hong Kong Housing Authority on the quantum and timing of funding injection;

Redevelopment of PRH estates

- the Housing Department had conducted a review in order to prepare an implementation plan and assess the resource requirements for the next Comprehensive Structural Investigation Programme which was expected to start in 2018; and

Public Housing Construction Programme 2015-2016 to 2019-2020

- based on the latest projection of the Long Term Housing Strategy on the housing demand, the Government had adopted the total housing supply target of 480 000 units for the coming 10-year period from 2015-2016 to 2024-2025, among which the public housing supply target was 290 000 units (comprising 200 000 PRH units and 90 000 subsidized sale flats). According to the Hong Kong Housing Authority Building Committee paper of June 2015, the total public housing production for the five-year period from 2015-2016 to 2019-2020 would be 95 800 units, which fell short of the level of 290 000 units required by the Long Term Housing Strategy target for the ten-year period from 2015-2016 to 2024-2025. The Administration would put in extra efforts to make up the difference in the second five-year period (from 2020-2021 to 2024-2025).

5. The Committee wishes to be kept informed of further development on the subject.

Promoting the development of social enterprises

(Chapter 4 of Part 4 of P.A.C. Report No. 62)

6. The Committee was informed that:

Pilot scheme for priority bidding of selected government contracts by social enterprises ("SEs")

- the pilot scheme for priority bidding of selected government contracts by SEs had been completed and had achieved its purposes. The Home Affairs Bureau ("HAB") would inform the relevant LegCo Panel of the review outcome of the scheme in early 2016; as part of the update of the overall SEs development strategy; and

Accountability and performance management

- HAB and the Home Affairs Department had introduced appropriate performance indicators in their 2015-2016 Controlling Officers' Reports to reflect the progress made on SE promotion, including the number of SEs in Hong Kong and those established under the Enhancing Self-reliance Through District Partnership Programme.

P.A.C. Report No. 65 – Part 3
Report of the Public Accounts Committee on Report No. 62 of the Director of Audit
on the Results of Value for Money Audits [P.A.C. Report No. 62]

7. The Committee recommends that the outstanding issues be referred to LegCo Panel on Welfare Services for follow up.