

HKIS Views on the 2016-2017 Budget

The Financial Secretary of the HKSAR, Mr John C Tsang delivers the 2016-2017 Budget (hereafter the Budget) today. The Hong Kong Institute of Surveyors (hereafter the HKIS) generally supports and welcomes the directions of the Government's residential land and commercial land measures.

Residential Land

The "Budget" mentioned that the Hong Kong Housing Authority (HKHA) requires substantial resources to implement the ten-year public housing construction programme. It is estimated that the HKHA's cash and investment balance will drop to \$16 billion by the end of March 2020. The Government has set aside the investment returns of \$45 billion in 2015 to inject into the Housing Reserve. This injection, together with the 2014 allocation and accumulated investment returns, should bring the balance of the Housing Reserve to \$74 billion. The HKIS supports Government's proposed Housing Reserve Fund arrangement to ensure that there is adequate resources for public housing supply; and suggests that the HKHA strengthen its cash flow management in the future.

Commercial / Business Sites

The HKIS supports the Government increases in the supply of commercial and business sites through the Land Sale Programme for the coming financial year. Eight commercial/business sites capable of providing 540,000 square metres of floor area, should be able to alleviate the huge demand for commercial buildings. For the three hotel sites, an additional 2,100 rooms should be able to sustain the tourism sector and increase its competitiveness. The HKIS is concered about the relocation plans for three government office buildings in Wan Chai and the re-provision of government facilities in the two action areas in Kwun Tong and Kowloon Bay, so we urges the Government to begin planning and setting out the timetables for these sites as soon as possible so as to achieve its targets and meet the community's needs.

Infrastructure Development and Professional Supervision

The HKIS welcomes the Government to establish a multi-disciplinary office to comprehensively review the guidelines on public works, reduce unnecessary designs and contractual requirements, and scrutinise closely the cost estimates of 300 major new projects over the next three years. Under the current Government contract for Civil Engineering Works, an engineering consultant handles design, contract administration, and cost control. But the engineering consultant may face a conflict of interest when trying to perform

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the roles of designer and cost controller. The HKIS suggests that the Government appoint independent cost consultants (engineering consultants, cost consultants, or quantity surveyors) to improve the cost control and contract management of these public works projects.

Application of Research and Development Results

The HKIS supports the Government's refinement of the Geographical Information System for turning Hong Kong into a "Smart City".

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About the Hong Kong Institute of Surveyors

Established in 1984, The Hong Kong Institute of Surveyors is the only professional organization representing the surveying profession in Hong Kong. As of 2 February 2016, the number of members reached 8,927, of which 6,049 were corporate members. The Institute's work includes setting standards for professional services and performance, establishing codes of ethics, determining requirements for admission as professional surveyors, access and award the professional qualification, and advance members' professional knowledge, technical and services standards through continuing professional development.

The Institute has an important consultative role in government policy making and on issues affecting the profession. We have advised the Government on issues such as unauthorized building works, building safety campaign, problems of property management, town planning and development strategies, construction quality and housing problems. We are working on amendments to standard forms of building contract and have issued guidance notes on floor area measurement methods.

For more details, please refer to HKIS website: <http://www.hkis.org.hk>.

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