



26 November 2012

By Fax (2840 0569) & Post

Financial Secretary's Office
Government of the Hong Kong Special Administrative Region
of the People's Republic of China
25/F, Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

Dear Sirs,

Re: HKIS Views to 2013 Policy Address and 2013-14 Budget

The Hong Kong Institute of Surveyors (HKIS) is the only professional organization representing the surveying profession in Hong Kong. Our members contribute immensely in the real estate and construction industry, of which is highly related to everyone in Hong Kong from public/ private housing, employment opportunities to competitiveness of Hong Kong etc.

We trust that the new administration has attended to a number of the issues and has started to address them by formulating feasible policies. On behalf of the HKIS, I hereby present our surveyors' views and expectations as below for your consideration.

A. Housing

We trust that your administration is fully aware of the high property price of private housing and the short of supply in public housing, and how they closely connect to each other. By addressing the housing issue, we would like to bring our following concerns to your attention.

1. Housing for the needy

The role of the government is to allocate limited resources properly and to provide support to its citizens who are in need of. HKIS believes that a comprehensive review on the demography of Hong Kong could help to identify the need as well as the priority of resources allocation. In order to avoid resources misallocation, the government may also consider conducting a study about the effectiveness of various means which give out these resources.

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Public housing is not just shelters for eligible applicants, but also a living place for people. Apart from the provision of housing units, complementing facilities and amenities, such as the community network and the social environment, should be taken into account in the blueprint of future development. In view of scarce land resources in the developed urban areas, especially in Hong Kong Island and in Kowloon, newly developed areas in the New Territories will probably be a more desirable option to settle new public housings in relatively large scale to meet the current demand for public housing. New areas should be opened up and developed alongside with comprehensive and affordable transportation for working adults and home caring services for the elderly and young children. Besides, the built environment should be able to achieve the communion of different age groups.

HKIS noted that Hong Kong Housing Authority has spent considerable effort to provide suitable living environment for infant and elderly. As the change of the living patterns of the younger generations is observed, the government may have a plan for the housing of young single occupants. Despite HKIS has reservation on the urgency to the increase in allocation of public housing resources to young single occupants, we would propose the government to formulate a medium to long term plan and solution by launching a study on young people's living patterns and their requirements to the living environment, with the ultimate goal to encourage our young people's participation in and contribution to the community and society.

All statistics confirm to us that we are facing the challenge of aging population. There will be substantial increase in demand of elderly housing, and special housing designs and amenities are required to be complemented along with buildings so as to cater for the needs of the elderly. Expenses for elderly housing will be so huge that cannot be solely afforded by the government. It is utmost important to have supports from public, quasi-governmental and private sectors to develop a sustainable elderly housing market. To induce support from the society, members of the HKIS are going to form a working group to study some possible directions for the government's consideration, such as provision of incentive in land premium, building and facilities design and installation, and/or on-going property and facilities maintenance etc.

2. Building safety

Nowadays, the general public has higher concerns over home safety. We noted the enforcement of regulations to identify and clear the unauthorized building works (UBWs) and setting up owners' corporations (OCs) to deal with the issues of the common areas of the building in the past years. We appreciate that the government's effort in educating the



OCs and property owners on the responsibility of on-going maintenance and repairs of their own properties as well as the common areas, and stipulating mandatory maintenance and repairs exercises on buildings and structures. Our building surveying division in the HKIS is willing and prepared to play a part and engage in the public education through different kinds of activities.

Building maintenance and repairs require extensive professional knowledge in surveying practice. The Home Affairs Department, as an effective communications channel to encourage the public to form OCs, should consider to strengthen the co-operation with other relevant bureaux and/ or departments, which are responsible to formulate and implement of the Buildings Ordinance, to jointly deliver the knowledge about maintenance and repairs work in technical aspects to the general public. HKIS is pleased to offer opinions and discuss with the concerned parties if required.

3. Land sale and housing supply

Hong Kong property market has become more attractive to non-residents since 2007 probably due to the United States' first Quantitative Easing Monetary Policy. Despite uncertain market situations in Asia, foreign (mainland and overseas) investment still lingers around the local property market, and it seems that there is no tendency for the foreign capitals to withdraw in short run. Under such environment, we believe that penalty to speculative activities and measures to restrict foreign investment to the local property market in order to maintain the short term stability of the property market alone may not be an all-round and effective solution to suppress the escalating property price; meanwhile, we all agree that a steady and consistent increase in land supply is the proper way to address the long-term housing need.

The current measures, such as minimum number of units and flats with limited floor areas specified in the conditions of sales, will definitely increase the availability of flats for small households, but they may also limit the supply of larger flats in the market as the private developers would direct their resources to smaller flats under this policy. As such, it has come to our attention that there has been a lack of supply in larger flats to provide for both local home buyers and non-local investors.

4. Revamp of Development Control Mechanism

The current development control mechanism of Hong Kong basically comprises of three distinct areas of land, planning and building under the jurisdiction of three independent authorities namely the Lands Department, Planning Department and Buildings Department. Over the

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years, the bureaucracy due to over-lapping of controlling power and uncoordinated administration among the three departments has caused undesirable delay and obstruction to many development projects in Hong Kong. There is urgent need to revamp the existing development control mechanism and policy with a view to enhancing efficiency in administering of building and development works in Hong Kong. Relevant legislations such as the Buildings Ordinance may need a thorough review to keep pace with the society changes and needs.

In view of the market situation and past experiences, we consider it is appropriate to keep reviewing the current disposal method of land e.g. the Application List System, by auction/ tender. Besides, we concur that careful consideration should be made on whether residential sale sites on the Application List can be removed for Home Ownership Scheme/ Public Housing purposes.

B. Land, Management and Planning

Considering housing is one of the major social issues, we identify with the government's initiative in enhancing land supply strategy. Besides, we support the proposals to restructure the government by combining and overseeing housing, planning and land functions into one single bureau - Housing, Planning and Land Bureau. Land management and planning is the basis to ensure a smooth implementation of the land supply strategy. We wish to express our concerns as follows.

5. Establishment of cadastre system and development of spatial data infrastructure

Further to the de-link of proposal to include a clause on determination of land boundaries into the Land Survey Ordinance (Cap 473) in December 2010, the momentum for taking forward the exercise would not be sustained. We consider that the provision is vital to land owners, potential buyers and any person who has interests on land. Without the provision, the development of land parcels without determined land boundaries would be hindered. We urge the government to take up the exercise with full momentum and implement to lay down the amendment Land Survey Bill within current term of the Legislative Council.

We also consider that a set of transparent, accurate and accessible land boundary and related information can provide public clear pictures in case of doubt on the land management matter. We believe it will effectively clear doubts as well as possible conflicts and disputes arising from undetermined land boundary and will help the government to enforce the land management.

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We consider there is an urgent need to establish a cadastre system, which is a legal record of land right supplementing the current land registration system in Hong Kong. It must be supported by the utilization of advanced technologies such as the Geographic Information System (GIS) with up-to-date aerial photos, land boundaries and usage restrictions to assist monitoring land uses with the least amount of manpower. In addition, the Spatial Data Infrastructure (SDI) should be developed, of which land information can be shared amongst government departments under different bureaus to improve land use management and facilitate inter-departmental actions.

6. Resumption and compensation

We observed that resumption works has become a difficult task for the respective governmental departments. Officers who are trying to enforce the regulations may probably face challenges or resistances from the affected dwellers. Despite the adversarial forces, we anticipate that there will be an increase in resumption works, especially in the New Territories. In addition, it is expected that the affected parties will ask for more on their compensation and settlement packages than the packages that are supposed to be provided based on assessment under relevant Ordinances. We consider Urban Renewal Strategy launched a couple of years ago was a good reference. The government should consider to run a similar programme to engage public participation in the resumption and compensation policy for the rural districts in the New Territories, or other alternative such as resettlement. In parallel, staffing should be increased to cope with such work.

7. City planning

Quality living environment is usually interpreted by the public as lower development density, extensive open spaces and absence of offensive facilities. Today, we are facing the dilemma of such quality living environment or property supply. It is seen that the existing planning approval mechanism is unfavourable to development or redevelopment, either in the city or in the rural areas. To address the issue of housing shortage, in short run, we suggest the government to review the plot ratio on public projects. For medium to long term, the government should lead a discussion or consultation on rezoning of land and environmental conservation.

8. Transport Planning and Management

High efficiency transport planning and management is essential to long-term growth and economic development of Hong Kong. Apart from the



mass transit transportation system, the road network planning in Hong Kong should be compatible with the urban and/ or city developments and planning. Traffic congestion in the Kowloon East is one of the examples of the lack of co-ordination and forward planning between the transport network and the city development. Daily congestion at the conjunction of the main trunk roads between the New Territories East and Kowloon hinders the new town development in New Territories East and New Territories West. The government should strengthen the co-ordination between transports planning and town planning at policy level.

C. Public Project Developments and Management

9. Investment in local projects

We welcome the government to allocate resource in development of major infrastructure projects in recent years. However, we also noted that some local projects are delayed due to the implementation of these substantial projects. Although major infrastructure projects do benefit the overall industry, the government should also invest in local projects which provide a unique and sustainable platform for the growth and development of the local professional firms and contractors.

10. Independent surveying professionals

The role of surveyor in any construction projects is indispensable and able to safeguard the public interest. Nowadays, the general public is of more concerns over the discrepancy between civil project budget and the actual expense. With the well proven track record of quantity surveyors on contract and cost administration, we would recommend the government to appoint independent quantity surveyors to carry out contract and cost administration in some identified pilot civil engineering projects. We would be pleased to work together with the government to identify suitable civil engineering projects to be included in the list of pilot projects.

In addition, in order to ensure all the structures and elements in the government's infrastructure projects are in place and in order, independent checking and supervision by the government's representatives on site, i.e. Consultant's Resident Site Staff (RSS), are essential. We urge the government to review the current staff establishment mechanism, and in particular, to form a Land Surveying Section within the RSS to assure the spatial quality of works.

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D. Professional Development

11. Professionals in the government departments

In the past decades, the government has tried its every effort to balance the need of the society and the expectation of civil servants. One of the achievements was to appoint professionals to lead some professional departments. It is particularly important when the department comes across issues where technical knowledge and impartial professional advice are required. One of the examples is the works by Lands Department. The works of this department is specialized in nature and required in-depth professional knowledge, the leader of this department should, on one hand, possess professional knowledge to guide the internal works, and should also be able to communicate with the public.

The government should also take the staffing of professional and technical grade into account in order to maintain the service efficiency under the increasing workloads arising from the society's growing demand. We would like to suggest the government to review the existing staffing at every level of all departments so as to identify any possible deficiencies among hierarchies, age generations and working experience, and to rectify them through external hiring and internal promotion of professionals as appropriate. This will create a more balancing staffing and ensure healthy transitions between generations. We believe that the above initiatives from the government will set a good example for the market, which in turn will attract and retain more professional and technical talents to serve the society through joining the surveying profession.

12. Recognition of HKIS qualification

Being the only professional organization representing the surveying profession in Hong Kong, HKIS has established code of practice for urban development and construction through a very stringent professional and technical assessment standard for the election of members. Compared with the RPS qualifications, HKIS membership is a more widely recognized qualification by public and private sectors locally and internationally, especially in the areas of quantity surveying and general practice. However, it is disappointed that the government, as the largest employer in Hong Kong, does not identify with the qualification and accepts non-HKIS membership as recruitment requirements. We urge the government to consider the HKIS membership as the only professional qualification required for surveying positions.

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13. Promotion of business and professional services

Under the CEPA framework, HKIS relied on the government with its continuous efforts to facilitate our professional services to gain access to the Mainland market and to encourage mutual recognition of professional qualifications. Yet, HKIS members still encounter difficulties and limitations concerning registration procedures in the Mainland which prevent us from practice in the Mainland, even though our members do possess professional qualifications which are mutually recognized.

In respect of this, the government, apart from maintaining contacts and dialogues with the relevant parties in the Mainland for comprehensive solutions, should extend the service of the HKSARG Beijing office and/ or setting up representative offices in major cities in China to facilitate discussions and foster collaborations with local officials in China.

Considering such a specialized nature of this issue, HKIS would suggest setting up a task force led by the Secretary for Development in order to engage into a higher level discussion with the Chinese officials. This may help to address and/ or tackle the fundamental problems of the current situation.

The above gives only a broad outline of those issues that we, as property and building professionals consider as important and urgent for a better society, and that we surveyors are in the best position to offer assistance. We sincerely hope that these ideas and proposals will be further explored with your Policy Secretaries. We are more than pleased to share our views with you, please contact Ms Natalie Yu on 2526 3679 if you require more information or would like to set up a brief discussion meeting on the above proposals.

Thank you for your attention.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Serena Lau', is written over a large, stylized circular flourish.

Sr Serena Lau
President

cc Sr Tony Tse, Legislative Councillor (Fax no.: 2880 5128)
Secretary for Development (Fax no.: 2845 3489)
Secretary for Transport and Housing (Fax no.: 2523 9187)
Secretary for Commerce and Economic Development (Fax no.: 2810 3801)
Secretary for Civil Service (Fax no.: 2810 2342)