

2 December, 2013

Professor Anthony Cheung, GBS, JP
Chairman
Long Term Housing Strategy Steering Committee
22/F, East Wing, Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

Dear Anthony,

Consultation on the Long Term Housing Strategy:
Building Consensus, Building Homes

1. The Hong Kong General Chamber of Commerce welcomes the setting up of the Long Term Housing Strategy Steering Committee (“LTHSSC”) by the Government to conduct a holistic review on the housing needs of Hong Kong and to map out priorities and strategies to address future needs.

2. LTHSSC points out that the current housing problem lies in its imbalance between supply and demand and limited land available for development, which essentially implies that more comprehensive and longer-term planning is warranted. We agree that a more steady stream of land should be supplied for housing development to stabilize the market. We appreciate that the Government has already adopted a multi-pronged approach to increase land supply, such as rezoning land, redevelopment, land resumption, increasing plot ratio, reclamation, cavern development and re-use of ex-quarry sites, to meet the various needs of the community. Nonetheless, it seems that **a comprehensive development roadmap which systematically sets out how the short, medium and long-term allocation will be met in a rationalized and coordinated manner is lacking.**

3. **The Government should make it a priority to consider land rezoning and relocation of existing facilities to release land resources, before embarking on scalable new land reclamation and artificial island development projects,** thus allowing more time for conducting comprehensive feasibility studies, economic analyses and environment impact assessments on such projects.

4. There is no reason why we should face land shortage for future development when those poorly managed, damaged or mis-used land in the New Territories could be put into more productive and efficient uses. We understand that the Government has no plan to develop country parks for housing purposes. However, other than the “green belt” sites protected under the Country Parks Ordinance, **the Government should consider developing the existing “brownfield” sites such as long-abandoned quarries, idle government, rural land and industrial sites, mis-used storage areas, as well as possibly low-value “green belt” sites on the fringe of urban areas and new development areas, for housing purposes.**

5. LTHSSC has proposed a new split between public and private housing at 60:40, with necessary adjustments made according to changes in demand structure as a result of prevailing social and economic circumstances. This is a significant deviation from the previous practice since public housing used to account for about 50% of the total housing stock in Hong Kong. **The economic impacts caused by the proposed increase in the proportion of public housing should be carefully assessed before such a major change in policy.**

6. Labour issues should not dictate or impede future housing development. We understand that LTHSSC has proposed a housing supply of 470,000 units for the next 10 years (2013/14 to 2022/23) and suggested various strategies on prioritizing the housing needs. Nevertheless, the prevailing acute labour shortage plus the rising number of ongoing and planned major infrastructure projects would stretch the manpower capacity to its limit. Even when we have the additional land, the labour shortage situation if unaddressed will mean that we simply push the bottleneck from one end of the problem to another. We propose that **the Government should take a more proactive stance on importation of low-skilled labour by conducting a comprehensive review of the existing Supplementary Labour Scheme and explore the feasibility of importing labour for the construction sector which is suffering from acute shortages.** While we agree that it is imperative that local workers be given priority in hiring, the Government should take the lead by importing workers on a project-defined basis, such as the public housing and infrastructure projects. This will free up workers to take up employment in the private sector.

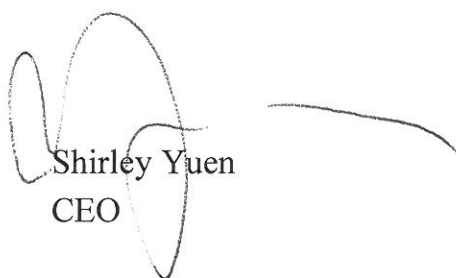
7. To help expedite land and housing development, **the Government should revamp the entire planning process to streamline overly lengthy studies, preparation of concept plans, consultations, Outline Zoning Plans, Town Planning Board approvals, ExCo and LegCo approvals and financial commitments.** While all the elements of the process need to be reviewed as to their necessity, some parts of the process can be undertaken in parallel to reduce time and cost, and consideration should be given to applying technology to save manpower and reduce unnecessary paperwork.

8. The Government should impose a “performance pledge” for the Lands Department and Planning Department to respond within a certain time frame to all submissions/applications to the two Departments for land, development or buildings approvals. Other government departments operate on such performance pledges, and we see no reason for the Lands and Planning Departments to be treated differently. The Government also needs to compliment these efforts with sufficient manpower in the Departments to quickly approve the applications and conduct inspections.

9. Given the market mechanism being the pillar of Hong Kong’s economy and the generally less efficient public sector, the private sector should be given a more active role in the process of supplying public housing. Private sector participation would also ensure the cost effectiveness of public housing.

10. We would also like to see more collaborative work between the committees of the Long Term Housing Strategy, Urban Renewal Strategy and Railway Development Strategy to align their visions, plans and strategies in developing a better Hong Kong.

Yours sincerely,



Shirley Yuen
CEO