



6 October 2009

The Honourable Donald Tsang GBM
Chief Executive
The Hong Kong Special Administrative Region
Government House
Upper Albert Road
Central
Hong Kong

By Fax & Post
(2509 0580)

Dear Mr Tsang,

Chief Executive's Policy Address 2009

On behalf of the Hong Kong Institute of Surveyors (HKIS), I have pleasure in writing to submit the surveyors' views on those issues which are paramount to a healthy real estate and construction sector as well as political and economic development of the HKSAR.

First of all, we say with cautious relief, that despite all bad news from global markets, the outlook of the local economy is not as bad as it was anticipated when the Global Financial Crisis first hit this time last year. University graduates in surveying this summer, like those in other professions, still face tough challenges in job placement, but we hope a good number will manage to stay in the profession and be ready for better times. This should allow the Government to pay a fair share of its attention to the more long term aspects of policy formulation and development, instead of being distracted to short term *ad hoc* measures for political or economic concerns.

Long Term Policy Issues

• ***Balancing Preservation and Development***

We support the Government's declared policy of striking a balance between preservation and development. The greatest challenge, however, lies in the balancing act itself. A comprehensive and holistic approach must be adopted in:-

- devising clear and transparent yardsticks for preservation;
- identifying and classifying buildings and assets to be preserved;
- understanding and educating the public on heritage economics and valuation techniques;



- optimizing the value of heritage, as an integral part of or blended with new development or business opportunities; and
- adopting the right strategies at society level (e.g. heritage trust) and project level (e.g. partnership programme, plot ratio transfer), for implementing the preservation and development options.

- ***Sustainable Development***

Embracing the three important pillars of economic development, social development and environmental protection, the Council for Sustainable Development was established by the HKSAR Government in 2003. While acknowledging that sustainable development is a big topic in itself, and probably with inherent shortcomings of a lack of a universal definition and vagueness in scope and purpose, we would like to see a more co-ordinated effort by the Government in incorporating the sustainable development related objectives into public and private development projects.

Against this background, the HKIS welcome the recent public engagement exercise initiated by the Council for Sustainable Development in June 2009 on "Building Design to Foster a Quality and Sustainable Built Environment". We have collaborated with the Council on a number of activities in this public engagement exercise.

It is hoped that our members' expertise in planning, building control and facility management will help provide the necessary feedback information to the Council and the Government.

- ***Urban Renewal Strategy Review***

Urban renewal is an impetus for moving society's development forward. Yet, the current mode of delivery, in terms of overall planning, volume, timing and financial commitment, does not seem to meet society's expectations. We support the Government's initiative to subject the urban renewal process to review, from legislation, authority/ agency, land acquisition, premium, compensation, procurement, re-location, to project management.

In land acquisition, time is always of the essence. One single improvement we would like to see is that the lead time for determining premium for acquisition (voluntary and/or compulsory) and implementation of agreements be reduced to the absolute minimum.

Too much argument has been generated on adequacy and equity of compensation. There is a clear need to bridge the knowledge gap (and expectation gap) between small landlords (who collectively own the development rights) and the potential developer (who makes the re-development possible) on the ultimate share of enhanced value as a



result of a re-development. We surveyors will have an active role, in collaboration with the Government and other stakeholders, in streamlining, and more importantly, incentivizing the urban renewal process.

We would also like to see a more liberal approach being adopted in the review, without confining the scope to “urban” renewal, but also covering “rural” renewal and properties originally zoned for industrial or agricultural use.

On a separate but related subject, the HKIS has made a detailed submission to the Legislative Council for revising the threshold for Compulsory Sale for Redevelopment, under Hong Kong Law Chapter 545, from 90% to 80%.

- ***Attracting Young Talents to become Professionals and Upholding Professionalism***

Compared with 15 to 20 years ago, the young generation is less attracted to becoming a professional, in which we the current practitioners have taken so much pride. At university intake level, courses leading to industrial or R&D related professional qualifications are less competitive than those leading to employment in finance and leverage investment, where fresh graduates are guaranteed better employment prospects and compensation packages. If the trend is not reversed and it is “left to the market”, the quality of industrial and R&D professionals can only be on the decline, in stark contrary to the Government’s policy of encouraging innovation and technology and facilitating creative industries.

Professional institutions have a definite role to play in projecting a positive image of our professions. At the same time, we look to the Government, as policy maker in tertiary education and vocation training, and also as the primary client for professional services, to devise long term strategies to attract talented young people to become professionals, to uphold professionalism, and to instill a culture of competition for professional services based on quality rather than cost.

Medium / Short Term Issues

Emanating from the long term issues discussed above are the more medium to short term strategic issues. We would submit the following:

- ***Ten Infrastructure Projects; Building Projects under the Public Works Programme and Government Subvention; and Operation Building Bright***

The Government rightly responded to the Global Economic Crisis by speeding ahead with the Ten Infrastructure Projects. However, these projects, largely civil engineering works entailing mechanization and



pre-fabrication, do not contribute significantly to the local construction market and employment. We urge the Government to speed up the construction projects under the Public Works Programme and Government subvention. From past experience, at the end of a financial year, the actual expenditures on projects turn out to be significantly less than what the Government has pledged, because of “unexpected” delays in land acquisition or project programmes. We see no reason why “over-budgeting”, as a planning technique, cannot be built into the Government’s project portfolio, to buffer against these statistically “unexpected” delays.

The Government’s Operation Building Bright is fully supported, as an initiative to encourage attention by the public to building maintenance and renovation. Riding on this, we urge the Government to take the lead to educate the public and property owners on the need for caring about their properties and the benefits of planned preventive maintenance with a view to promoting and nurturing a building care culture, thereby beautifying the city and enhancing the living quality as a whole.

- ***Spatial Data Infrastructure***

For a city as modernized as the HKSAR, we are concerned that there is little effort working towards an integrated system containing key spatial data for lands, buildings and infrastructures. The technical and co-ordination issues involved, such as data availability, data standards, data accessibility and data manipulation, are enormous, but we feel obliged to advise that many of our neighbouring countries, and many many cities in the Mainland, are already far more advanced than us in the setting up and implementation of a standardized infrastructure that allows a diverse community (including utilities companies, private enterprises, government officials and citizens) to access and share spatial data and their attributes (location, installation, life cycle maintenance and replacement), thus facilitating decision making and reducing administration costs. Establishment of a policy and legal framework for Spatial Data Infrastructure promotes innovation and technology development in the HKSAR. It will also have the added benefit of synchronizing with the national development in the Mainland.

- ***Outdoor Advertising and Unauthorised Structures***

The proliferation of unauthorised structures and outdoor advertising signboards in the urban districts has led to many problems. Apart from posing safety hazards, unauthorised structures create nuisance, exacerbate health and hygiene problems and contribute to urban decay. The Government should step up its enforcement programme as well as public education. The enforcement policy against unauthorised structures should be kept under constant review to take into account public expectation. The



proposed mandatory building inspection scheme should be implemented without delay so that owners will proactively take up their responsibilities for maintaining their buildings. We also suggest that the Government revisit the feasibility of a signboard registration scheme.

- ***Our Future Generation***

The implementation of the new 3+3+4 regime of secondary and university education has brought in its wake the need to pay attention to the effect of the new system on the society and our industry, and re-examine the curriculum development and skills of students in preparation of their chosen career path. We must ensure that the curriculum at senior secondary level will match with university requirements and that graduates will correspond with the needs of the industry.

The HKIS has already taken the initiative to engage in discussions with the local universities on the requirements and change of curriculum of undergraduate degree programmes. We hope the Government in its role as policy maker on education will in parallel work with the education sector to keep abreast with the needs of the industry.

The above gives a broad outline of those issues that we as professionals consider as important and that we surveyors are in the best position to offer assistance. It is sincerely hoped that these ideas will be allowed to be further explored with your goodself and your Policy Secretaries.

As always, the HKIS and our members are committed to working with the Government and citizens of the HKSAR for a vibrant future.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Francis Leung'.

Francis Leung
President

cc The Hon Mrs Carrie Lam JP, Secretary for Development
The Hon Ms Eva Cheng JP, Secretary for Transport and Housing
The Hon Prof Patrick Lau, Legislative Councillor, Architectural, Planning and Surveying Constituency