

Welcoming Address

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Hong Kong

Professor Chen, distinguished guests, delegates, ladies and gentlemen,

It is my privilege and great pleasure to welcome you all to the Housing Conference 1999. With the success of the first Housing Conference held in 1996, we are proud to organize and host the second Conference again.

I am sure you have all come here with a view to sharing with other participants your vision of "Better Homes in the Next Millennium" and your ideas of meeting challenges ahead. Being the host, let me kick off the Conference by sharing with you the major challenges facing the Housing Authority.

Meeting Increasing Demand

This year marks the 45th anniversary of public housing development in Hong Kong. The Housing Authority has played a significant role in the exciting history of public housing which has become an integral part of Hong Kong history. Over the years, the Authority has made considerable contributions in providing affordable homes to the community. Today, about half of Hong Kong's population live in public housing. In the next five years from 1999/2000 to 2003/04, we will produce more than 300,000 units altogether. In monetary terms, our combined income and expenditure turnover in the last financial year amounted to \$86 billion.

The illustration of the sheer size of the Authority's operations bring out the first challenge. Despite the already huge production programme and the immense operation of the Authority, we are facing continuous demand for housing. With devoted efforts made over the past few years in increasing production, enhancing sitting tenants' mobility and focusing attention on those who are in need, we have shortened waiting time for public rental housing to six years. Though the number has been significantly reduced, there remain about 117,000 families queuing on our Waiting List for public rental housing.

The demand of housing is never static but is continuously growing. The provision of one unit does not mean that the total number in the queue can be deducted by one. Demand is always growing with production. Meeting demand of those already in the queue is already a big task. New demand arising from new immigrants and the Government's initiative to speed up urban renewal will pose an even greater challenge to the Authority.

Quality

Given the continued strong demand for public housing and the uneven land supply in the past, we have now entered into the production peak. The Authority will complete about 58,000 units this year and 90,000 units next year. This scale of production is unprecedented and has put pressure on all those in the housing production chain. Our immediate challenge is to deliver quality housing despite the bulk quantity involved.

We fully appreciate that the community has high expectation on the Authority to deliver quality homes. Here, I would like to make three messages clear. First, the Authority is committed to delivering quality housing. We will let projects slip rather than accepting shoddy work. Second, quality housing can only be achieved with inputs and commitments from all stakeholders in the housing production process. Third, the Authority is now conducting a comprehensive review on the housing production process to see how we could improve housing quality through partnering with all stakeholders.

A few recent incidents have aroused concern both in the Authority and among the public over the quality of our products. They have helped to focus all the stakeholders' minds on the quality issue. We should not be shy in facing the issue and we are indeed not alone in fighting this uphill battle. Other countries, like Singapore and the United Kingdom have recently completed reviews on their construction industry with a view to enhancing the quality and efficiency. The Authority and the Government are now working together in this important review and we aim to put up our preliminary recommendations for public consultation in early

2000.

Greater Customer Choice

Besides quantity and quality, the Authority is also faced with the challenge of exploring greater customer choice to satisfy the ever-growing housing demand of the community. Over the past few years, apart from the rental provision, the Authority has been devising innovative home ownership schemes to cater for customers with different preferences and financial capability. We have now got a wider range of products in place - sitting tenants in rental housing can now buy their own flats, waiting list applicants and tenants affected by redevelopment can either choose the rental route or directly go for self-owned flats, prospective home owners can opt for the Authority's home ownership flats or loans to buy in the private market.

In meeting customers' rising expectations, the Authority needs to continue to strive for improvement by giving more thought as to how customers' choices could be enhanced even further. The Government and the Authority will examine the split between loans and direct housing provision so as to ensure that housing demand will be met efficiently.

Partnership and Commitment

Looking ahead, we aim at producing better homes for people in need of our assistance. This cannot be possibly achieved without a partnership and commitment. That partnership and commitment must embrace all parties, not just the Authority, but also many of you here today - consultants, contractors, and the professionals.

The Housing Conference 1999 provides a golden opportunity for valuable international exchange among policy-makers, academics, interest groups and those in the housing and construction fields from different cultures. Together we will share experience and ideas on some of the most difficult issues facing us. I must thank you all for participating in the Conference. In particular, I would like to thank Professor Edward Chen and the Secretary for Housing, Mr Dominic Wong, for their support in making this occasion a success. I also thank all the sponsors for their generous contributions. Last but not least, my very special thanks to the Organizing Committee chaired by the Director of Housing, Mr. Tony Miller. Without the hard work of the Director and his colleagues, the Conference would not have been possible.

Now may I have the honour to invite Professor Edward Chen, President of Lingnan University, to speak to us.

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