



14 September 2012

Dear Members-elect of the Fifth Term Legislative Council,

Further to my earlier congratulatory letter to you following your success in the election for the Fifth Term Legislative Council (LegCo), I would like to send my warmest regards again and wish you all the best in your coming endeavours. My colleagues and I look forward to working closely with all LegCo Members in the next four years for the well-being of the Hong Kong people.

The Chief Executive (CE) attaches great importance to the relationship between the executive and the legislature. As pledged in public, this is also one of my key work objectives.

As you are aware, the CE has earlier announced that he will deliver his first Policy Address on 16 January 2013. This is to allow sufficient time for a full-fledged consultation with Members of the new term LegCo. Upon the commencement of the new term LegCo, the CE also intends to address the Council at the first opportunity, on 17 October 2012, to elaborate on his concept of governance, review progress made in the first three months of the Fourth Term Government and outline his policy directions and work priorities in 2013.

The CE has also pledged that to better address the pressing needs of the community, measures which could improve people's livelihood will be announced as and when they are ready. In this connection, you are no doubt aware that the CE has since mid-July announced a series of policy initiatives to address livelihood issues, such as the introduction of the monthly old-age living allowance; substantial relaxation of the Work Incentive Transport Subsidy Scheme; and introduction of a package of short and medium term initiatives to address housing issues, etc with a view to enhancing support for the elderly and those who are in need. A summary of these policy initiatives, with our intended timetable, is set out at the **Annex**.

Despite public expectations for implementation of these improvement measures as early as possible, we accord importance to the needed LegCo scrutiny. I have therefore requested responsible bureaux to approach relevant Panels to arrange for meetings, with a view to providing more details of these initiatives to Members, prior to seeking the necessary approval from LegCo in some of the cases.

The new policy initiatives announced by the Government since mid July are all in response to the calls of the community and are targeted to improve our citizens' livelihood. I am sure we share the common objective to ensure their speedy and effective implementation.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Carrie Lam".

( Mrs Carrie Lam )  
Chief Secretary for Administration

c.c. SG, LegCo Secretariat

**Policy initiatives to address livelihood issues as announced  
by the Chief Executive since 16 July 2012**

**Support for the elderly and those who are in need**

1. To introduce a monthly old-age living allowance of \$2,200 to benefit over 400 000 senior citizens
  - we will consult the Legislative Council regarding arrangements to brief the Panel on Welfare Services on the details of the allowance in October 2012 before seeking funding approval of the Finance Committee (FC) in the same month
  - subject to FC's funding approval, our target is to roll out the scheme in early 2013, with the special arrangement to take the LegCo approval date as the effective payment day
2. To double the value of health-care vouchers for the elderly from \$500 to \$1,000 a year, benefitting about 700 000 senior citizens aged 70 or above
  - we aim at briefing the Panel on Health Services on the details in November 2012 and seeking FC's funding approval in December 2012.
  - subject to FC's funding approval, our target implementation date is 1 January 2013.
3. To substantially relax the Work Incentive Transport Subsidy Scheme by providing for the option of an individual-based means test as an alternative to the household-based means test
  - we aim at briefing the Panel on Manpower on the details and seeking FC's funding approval in November 2012. The enhancement measure will take effect after FC's approval.

**Housing and land planning initiatives**

4. To set an annual quota of 5 000 for eligible white-form applicants to purchase Home Ownership Scheme flats with premium unpaid on the secondary market

- we aim at briefing the Panel on Housing on the details as endorsed by the Housing Authority at its first regular meeting in October/November 2012
5. To implement a package of **ten** short and medium term initiatives to address the prolonged housing issues
- please see Appendix for details of the package of initiatives.
  - we aim at briefing the Panel on Housing and the Panel on Development jointly on the details of the initiatives in October/November 2012

### **Lift projects**

6. To launch the “making it easier to get around” lift installation programme at walkways to enhance universal access, particularly for elders and people with disabilities
- we aim at briefing the Panel on Transport on the details at its first regular meeting in October/November 2012 and seeking FC’s funding approval in January 2013.
  - subject to FC’s funding approval, we will kick-start our programme immediately, and commence construction of lift projects as soon as the consultation, design and pre-construction works are completed.

### **Support for social enterprises**

7. To create a Social Enterprise Development Fund to provide alternative financing sources for the social enterprise sector with a view to facilitating the start-up and growth of social enterprises
- we aim at briefing the Panel on Home Affairs on the proposed use of the Fund in November/December 2012. Our target is to launch initiatives financed by the Fund as early as possible in 2013.

### **Youth hostels**

8. To build youth hostels in collaboration with non-government organisations using the land they occupy to provide living space for young people who are working

- we aim at briefing the Panel on Home Affairs on the details in November/December 2012. We will seek funding approval as and when individual projects are ready.

### **Open bazaar in Tin Shui Wai**

9. To create a district open bazaar in Tin Shui Wai providing some 200 low-rental stalls with an objective to create job opportunities and reduce residents' consumption burden, and to demonstrate the potential of addressing district issues at the district level, and to capitalise on local opportunities

- we aim at briefing the Yuen Long District Council on the details in October 2012 and expect that part of the bazaar will come into operation in February 2013. We are happy to brief the Panel on Home Affairs as needed.

### **Improving operating environment for hawkers**

10. To offer a grant to hawkers operating in fixed-pitch hawker areas to improve fire safety and the operating environment of their areas and to offer a one-off ex gratia payment to hawkers who choose to surrender their hawker licences

- we aim at briefing the Panel on Food Safety and Environmental Hygiene on the details in end 2012/early 2013 and seeking funding approval thereafter.

- our current plan is to implement the scheme in May 2013.

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## **Appendix**

### **Short to Medium Term Housing and Land Supply Measures Announced by the Chief Executive on 30 August 2012**

#### **Short-term measures (6 – 12 months)**

1. To expedite the work to put up the Housing Authority's remaining Home Ownership Scheme (HOS) stock (about 800 flats) for sale.
2. To change the 1 000 flats under the first My Home Purchase Plan (MHPP) project at Tsing Luk Street as subsidized sale flats, and revisit the original MHPP Scheme as soon as possible.
3. To speed up the processing of pre-sale consent applications.
4. To continue government-initiated land sale in the quarterly land sale programme for October to December 2012 as announced.
5. To convert the Chai Wan Factory Estate for Public Rental Housing (PRH) use, producing 180 flats, and to commence two redevelopment projects of industrial buildings in the form of a pilot scheme by the Urban Renewal Authority (URA) in the 2012/13 financial year. One of these projects involves residential use of 180 flats.

#### **Medium-term measures**

6. To continue to provide the remaining 4 000 MHPP flats through sale and to explore a new home ownership scheme with long-term sustainability to address the home ownership aspiration of the original target group of the MHPP.
7. To grant part of the 1G1 site at the Kai Tak Development, originally reserved for the URA to provide additional units for the URA's "Flat-for-Flat" Scheme, but which has yet to have any development programme, to the Housing Authority for the development of about 500 HOS flats.
8. To rezone an "Open Space" site without development programme in Cheung Sha Wan to "Residential" for PRH development of 2 300 flats.
9. To change 36 "Government, Institution or Community" (GIC) and other government sites to residential use, capable of providing 11 900 flats.

10. To actively explore, under the policy on revitalization of industrial buildings, the potential for allowing the use of certain industrial land/buildings for residential purpose having regard to the current regulatory constraints under the town planning regime and the Buildings Ordinance.

Separately:

- To formulate a long term housing strategy (the formation of a committee chaired by the Secretary for Transport and Housing was announced on 13 September 2012.)
- To follow up on the implementation arrangements for “Hong Kong properties for Hong Kong residents” (the details were announced by the Chief Executive on 6 September 2012.)