Appendix D

18 January 2001

Mr Duncan Pescod, JP Deputy Secretary for the Civil Service Civil Service Bureau Government Secretariat Hong Kong

Review of Mechanism for Adjusting Housing Allowances

Thank you for your letter of 19 December 2000 seeking the Commission's advice on a new mechanism for adjusting the Home Financing Allowance, the Home Purchase Allowance and the Rent Allowance, and the proposal to adjust the Private Tenancy Allowance and the Accommodation Allowance in accordance with the full-year rental movements of the previous year.

I am pleased to inform you that, following consideration, the Commission has supported your proposal as set out in the above referenced letter.

> (Angus Miu) Secretary General (Acting)