

**立法會**  
**Legislative Council**

LC Paper No. CB(1) 2217/00-01  
(These minutes have been seen  
by the Administration and cleared  
by the Chairman)

Ref: CB1/PL/HG/1

**LegCo Panel on Housing**

**Minutes of meeting held on  
Monday, 7 May 2001, at 2:30 pm  
in the Chamber of the Legislative Council Building**

- Members present** :
- Hon CHAN Kam-lam (Chairman)
  - Hon Albert HO Chun-yan (Deputy Chairman)
  - Hon David CHU Yu-lin
  - Hon LEE Cheuk-yan
  - Hon NG Leung-sing
  - Hon James TO Kun-sun
  - Hon CHAN Yuen-han
  - Hon LEUNG Yiu-chung
  - Hon Andrew WONG Wang-fat, JP
  - Hon Howard YOUNG, JP
  - Dr Hon YEUNG Sum
  - Hon Andrew CHENG Kar-foo
  - Hon SZETO Wah
  - Hon Albert CHAN Wai-yip
  - Dr Hon LO Wing-lok
  - Hon Frederick FUNG Kin-kee
  - Hon IP Kwok-him, JP
  - Hon LAU Ping-cheung
- Members attending** : Hon Henry WU King-cheong, BBS
- Members absent** :
- Hon Fred LI Wah-ming, JP
  - Hon Abraham SHEK Lai-him, JP

**Public officers  
attending : For item III**

Housing Bureau

Mr Andrew R WELLS, JP  
Deputy Secretary for Housing (2)

Ms LAM Lit-kwan  
Chief Assistant Secretary for Housing  
(Research and Planning)

Housing Department

Mr K H LAU  
Business Director/Allocation and Marketing

Mr Y K CHENG  
Assistant Director (Applications & Operations)

**For item IV**

Housing Bureau

Ms Ophelia TSANG  
Assistant Secretary for Housing (2)

Housing Department

Mr Marco WU  
Director of Housing (Acting)

Mr K H LAU  
Business Director/Allocation and Marketing

Mr Chris GABRIEL  
Assistant Director/Independent Checking Unit

**For item V**

Housing Bureau

Ms Lorna WONG  
Principal Assistant Secretary for Housing (1)

Estate Agents Authority

Mrs Grace CHOW  
Chief Executive Officer

**For item VI**

Housing Bureau

Mr M L WAN  
Principal Assistant Secretary for Housing  
(Project Management)

Mr Enoch T S LAM  
Chief Assistant Secretary for Housing  
(Project Management) 2

Lands Department

Mr W C BOAG  
Chief Estate Surveyor/Railway Development 2

Planning Department

Ms Phyllis C M LI  
District Planning Officer/Sai Kung and Islands

Architectural Services Department

Mr K S SHUM  
Chief Technical Adviser/Subvented Projects

Mr S C NG  
Senior Architect/24

Education Department

Mr LEUNG Pak-yan  
Assistant Director/Special Duties

**Invitation by attending** : Society for Community Organization  
Ms LAU Sau-han  
Community Organizer

Mr TSANG Kam-kau  
Representative

Ms LEUNG Ching-wan  
Representative

Mr LEE Hoi-cheung  
Representative

Hung Hom Resident Association

Ms TAM Oi-kwan  
Representative

Ms CHENG Yin-fong  
Representative

Ms CHAN Ting-sin  
Representative

**Clerk in attendance :** Miss Becky YU  
Chief Assistant Secretary (1)1

**Staff in attendance :** Ms Erin TSANG  
Senior Assistant Secretary (1)3

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**I Information paper issued since last meeting**

Members noted that the following papers had been issued since last meeting:

LC Paper No. CB(1) 962/00-01 -- Circular on greater private sector involvement in estate management and maintenance services issued by the Housing Authority;

LC Paper No. CB(1) 1027/00-01 -- Reprovision of the Police Dog Unit and Force Search Unit from the Burma Lines site to Sha Ling; and

LC Paper No. CB(1) 1115/00-01 -- Submission from a Mr CHEUNG Kam-shui expressing his views on compensation for residents affected by clearance of Tung Tau Cottage Area.

## II Date of next meeting and items for discussion

(LC Paper Nos. CB(1) 1137/00-01(01) and (02))

2. Members agreed to discuss the subject of compensation arrangement for non-domestic tenants upon redevelopment of public rental housing estates at the next meeting scheduled for Monday, 4 June 2001, at 4:30 pm.

*(Post-meeting note: The item on “Enhancement of transparency in the dissemination of housing information” was subsequently included in the agenda for the meeting.)*

## III Rent Allowance for the Elderly Scheme

### Meeting with the Society for Community Organization

(LC Paper No. CB(1) 1137/00-01(03))

3. While appreciating the concept of the Rent Allowance for the Elderly Scheme (RAES) which aimed at providing an alternative choice of housing to eligible elderly people so that they could choose to live in the districts they preferred, representatives of the Society for Community Organization considered the proposed rent allowances too low to cover the rental of private domestic units, particularly those with windows and elevators. They urged the Administration to review the allowances taking into account the rents of comparable private residential units and to extend RAES to cover all low-income families on the Waiting List (WL). Rent allowance should also include necessary expenditure such as management and utility fees.

### Meeting with the Hung Hom Resident Association

(LC Paper No. CB(1) 1137/00-01(04))

4. Representatives of the Hung Hom Resident Association expressed reservation at RAES. Given that landlords in the private sector were quite reluctant to lease units to elderly people, the latter might have to make frequent move upon expiry of tenancy agreements which would cause undue inconvenience to the elderly. They opined that RAES should only be intended as a transitional measure, the ultimate solution would be for the Administration to expedite the production of public rental housing (PRH) flats for elderly people. During the interim, consideration should be given to using vacant PRH flats in the urban area to rehouse eligible elderly people. They also stressed the need for the Administration to consult the public before reaching a final decision on RAES.

### Meeting with the Administration

(LC Paper No. CB(1) 1137/00-01(05))

5. At the Chairman’s invitation, the Deputy Secretary for Housing(2) (DS for H(2)) briefed members on the latest progress which the Administration had made in meeting the housing needs of the elderly. At present, of the 940 000 elderly people in Hong

Kong, about 58% were living in public housing and 40% in private housing. In his 2000 Policy Address, the Chief Executive had pledged to help eligible elderly people to apply for PRH. Eligible elderly applicants who registered on WL before the end of March 2001 would be allocated PRH flats by end 2003. To assist elderly persons to register on WL for PRH, a proactive registration campaign had been launched and over 6 000 applications had been received from the elderly as at 31 March 2001. Arrangements would be made to allocate 30 000 out of the 220 000 PRH flats to be produced between 2000/01 to 2004/05 to elderly applicants or families with elderly persons. Of these 30 000 PRH flats, 70% would be allocated to elderly singletons while the remaining 30% to families with elderly persons, including those elderly families of two or more related or unrelated elderly persons who agreed to live together. The proposed introduction of RAES aimed to provide rental subsidies to eligible elderly applicants who were due for flat allocation. He emphasized that rental subsidies were an alternative means of public housing provision so that they could have a choice to live in districts of their own choice. The Administration was still studying the feasibility of RAES and details of implementation taking into account relevant international experiences and views of the Housing Authority (HA), the Elderly Commission, academics, professionals and social workers. The Business Director/Allocation and Marketing (BD/A&M) then gave a power-point presentation on RAES as set out in LC Paper No. CB(1) 1137/00-01(05).

6. Dr YEUNG Sum remarked that the proposed provision of rental subsidies was initiated by Members of the Democratic Party with a view to alleviating the financial burden of WL applicants pending allocation of PRH flats. He however stressed that the proposal was only meant to be transitional and should not be in any way prejudicial to the Administration's pledge for annual provision of 50 000 public housing flats. Expressing similar view, Miss CHAN Yuen-han said that Members of the Hong Kong Federation of Trade Union supported the introduction of rental subsidies provided that this would not affect the delivery of PRH flats which was the ultimate solution to improve the living conditions of the elderly. In reply, BD/A&M reiterated that of the 200 000 PRH flats to be built over the next five years, 30 000 would be allocated to elderly WL applicants. It was anticipated that the average waiting time would be reduced to two years by 2005. DS for H(2) added that apart from building good quality PRH flats, the offer of rental subsidies to eligible elderly WL applicants would give them an additional choice of public housing provision.

7. Mr Frederick FUNG expressed concern that the Administration would stop allocating urban land for PRH after the implementation of RAES. BD/A&M assured members that this would not be the case. He pointed out that of the 30 000 PRH flats earmarked for allocation to eligible elderly WL applicants, 40% would be in the urban areas while 36% in extended urban areas. DS for H(2) supplemented that while the programme of disposal of land for housing had to worked out each year, the Administration would ensure a balanced supply of both public and private flats.

#### *Rate of the allowance*

8. Mr LEE Cheuk-yan expressed concern that the Administration might have under-estimated the rents of private domestic units in determining the rent allowances.

By way of illustration, the rent allowance of \$2,500 for elderly singletons was not sufficient to rent a unit of 16 square metres. Referring to the list of estimated flat rent on private domestic units provided by the Census and Statistics Department which was tabled at the meeting, BD/A&M remarked that the proposed rent allowances should be able to cover rent of most of the flats smaller than 30 square metres in urban area. Besides, the rate of allowance would be reviewed at the beginning of each year. He assured members that the Administration would be very cautious in determining the rent allowances as these were crucial to the success of RAES. As to whether RAES also covered the payment of deposit, BD/A&M advised that this would be borne by the recipients concerned.

*(Post-meeting note: The list of estimated flat rent was circulated to members vide LC Paper No. CB(1) 1185/00-01.)*

9. Mr IP Kwok-him enquired about the basis upon which the shares of 40% and 60% of rent between RAES recipients and HA respectively was arrived at. BD/A&M explained that the 40% share was set with reference to the rent of comparable PRH flats. Dr YEUNG Sum considered that the Administration should increase the share of HA, which in his view was on the low side. DS for H(2) clarified that the details of implementation of RAES had yet to be worked out. He assured members that the Administration would continue to listen to views before formal proposals were submitted to HA for approval. As to whether the Social Welfare Department (SWD) would reduce the amount of Comprehensive Social Security Assistance (CSSA) following the introduction of RAES, BD/A&M advised that this would not be the case. For CSSA recipients, the portion of rent to be contributed by the recipients would be covered by CSSA.

10. Since many elderly PRH tenants affected by the Comprehensive Redevelopment Programme would choose rent allowances in lieu of rehousing to remote areas, Mr SZETO Wah asked if preferential treatment could be offered to these tenants. BD/A&M advised that of the 500 opportunities under RAES, half of them would go to committed and compassionate rehousing categories, including redevelopment. All recipients would be subject to the same entitlement under RAES.

#### *Transfer arrangement*

11. Mr IP Kwok-him and Dr LO Wing-lok expressed concern about the pressure of moving on elderly people who were less adaptable to new environment. The situation would be further aggravated if they were required to move out of the rented premises upon expiry of tenancy agreements. BD/A&M responded that eviction would unlikely happen since elderly tenants would be able to pay the rent on time with the provision of rent allowances. Besides, recipients who had joined RAES for at least two years could switch to PRH flats if needed. Dr YEUNG Sum however considered the two-year period too long. Expressing similar view, Mr Albert HO asked if removal allowances would be given to RAES recipients if they could not live in harmony with their neighbours and had to move out of the rented premises before expiry of the tenancy agreements. BD/A&M advised that while additional removal allowances would not be normally provided, deserving cases would be considered by

SWD according to individual merits.

12. In concluding, the Chairman stressed that RAES was meant to be transitional and should not affect the production of PRH flats which was the ultimate solution to improve the living conditions of the elderly. The proposed rent allowances were too low and the quota of 500 under RAES was insufficient, particularly when half of it were earmarked for committed and compassionate rehousing categories. Further thoughts should also be given to addressing disputes in relation to the two-year tenancy agreements.

#### **IV Directorate restructuring of the Housing Department and creation of a supernumerary Assistant Director of Housing post for the Independent Checking Unit in the Housing Department** (LC Paper No. CB(1) 1137/00-01(06))

##### Re-organization of the Housing Department

13. Dr YEUNG Sum questioned the need for the Deputy Director/Works (DD/W) and the Assistant Director/Tenants Purchase Scheme (AD/TPS) posts in the first place if their duties could be absorbed through re-distribution of responsibilities within the Housing Department (HD). The Director of Housing (Acting) (D of H(Ag)) advised that the DD/W post was created to cope with the increase in workload as a result of the introduction of a number of major initiatives, including elderly housing, environment, urban restructuring, departmental streamlining and enhancing quality of housing. Given that a number of crucial initiatives would reach maturity this year, HD considered it unnecessary to seek the extension of the DD/W post and that residual duties could be absorbed by the Deputy Director/Management and other Business Directors. As regards the AD/TPS post, D of H(Ag) advised that this was created to head the TPS Section for spearheading the 10-year TPS programme. In addition to TPS, AD/TPS took on the policy responsibility for the Buy or Rent Option (BRO) Scheme. With the smooth implementation of the TPS and BRO Schemes, HD considered that there no longer a need to have dedicated AD to oversee the schemes. The policy responsibility and supervision of the TPS and BRO work were absorbed through the re-organization of the Allocation and Marketing Branch.

##### Creation of a supernumerary Assistant Director of Housing post (D2) for three years

14. Mr Albert CHAN expressed grave concern over the continuous expansion of HD, particularly at the senior management level. He questioned the rationale for creating the supernumerary Assistant Director of Housing post to enhance housing quality which had all along been the principal duty of HD. He queried whether the proposed creation could eliminate the chance of recurrence of building problems in public housing. D of H(Ag) clarified that HD had always been aware of the need to contain staff growth. He added that while HA construction projects were exempt from the Buildings Ordinance (Cap. 123) (BO), HA buildings were built to standards consistent with those set under BO for private developments. Following the release of the “Quality Housing - Partnering for Change” consultative document, there had



been increased public call for moving further towards an objective third party scrutiny of HA projects, to both improve the quality of public housing and strengthen public confidence in it. While the complex matters related to the longer-term issue of the application of BO were being examined, there was scope to strengthen the scrutiny of building proposals and the execution of the works in the short term. To this end, an Independent Checking Unit (ICU) was established under the Director of Housing in November 2000. The Assistant Director/Independent Checking Unit (AD/ICU) supplemented that ICU was independent of the Development and Construction Branch which was responsible for all new building projects. The main duty of ICU was to introduce a formal building plan checking and consent system modelled on the line of the Buildings Department (BD) so that HD would be better prepared if it was later decided that such functions be transferred to BD. As regards safety and design of HA buildings, AD/ICU recognized that there had been difficulties over the past few years, but these had been relatively small by the number of projects HD had to manage. Besides, HD had in place a sound quality assurance system which ICU would build to enhance the integrity of projects. To facilitate a better understanding, Mr CHAN requested and the Administration undertook to provide information on the regulatory control practices used for public housing projects before the establishment of ICU and the main differences between HD practices and those required under BO.

*(Post-meeting note: The required information was circulated to members vide LC Paper No. CB(1) 1273/00-01.)*

15. As HD had outsourced many of its services to contractors, Mr LEE Cheuk-yan considered that there should be sufficient manpower left within HD to absorb the work of AD/ICU. D of H(Ag) explained that ICU was an independent unit and its activities were new functions which had not been previously carried out by HD. In order to maintain impartiality and independence, it was not appropriate to put building regulatory functions under directorate officers who were directly handling building projects in the existing business branches. Moreover, with the lapse of the DD/W and AAD/TPS posts, it was not possible to absorb the additional regulatory responsibilities under ICU within the existing directorate structure and resources, let alone the need to monitor the performance of contractors.

16. While supporting the establishment of ICU, Mr LAU Ping-cheung expressed doubt that the administrative practices equivalent to those of BO could apply to HD since unlike their counterparts, including Authorized Persons/Registered Structural Engineer/Authorized Signatories/Technical Director, in the private sector, HD staff were exempt from any legal liability for building faults. Mr LAU also noted that one Senior Building Surveyor and one Senior Structural Engineer were seconded from BD to HD to provide expert advice on the application and interpretation of BO. He asked how HD would handle the situation where there was a difference in opinion between the seconded staff and HD staff. AD/ICU advised that if it was related to BD's policy, the advice of the seconded staff should prevail. However, if it was something that the seconded staff were uncertain about such as unclear previous practices by BD, this would be put back to the relevant committees of BD for consideration.

17. Mr IP Kwok-him was also in support of the creation of the AD/ICU post, but wished to know the qualification of the incumbent. D of H(Ag) advised that as this was a departmental grade post, a trained professional was required. The current incumbent was a professional architect.

18. The majority of members did not raise objection to the proposal, except for Mr Albert CHAN who preferred to decide after receipt of the Administration's response at paragraph 14.

**V Proposed amendment to the Estate Agents (Licensing) Regulation, Cap 511**  
(LC Paper No. CB(1) 1137/00-01(07))

Re-entry conditions for licensees whose licences have expired

19. Mr LAU Ping-cheung expressed reservation at the proposal of exempting ex-licensees who applied for a licence not more than 24 months from the expiry date of his last licence from the educational and examination requirements. Given that other professionals such as medical practitioners and engineers were required to make annual declaration prior to renewal of licences, Mr LAU considered the 24-month period too long during which the professional knowledge of estate agents might become outdated, particularly in view of the volatile property market. Expressing similar concern, Mr Albert CHAN asked if reference had been made to other professions in making the proposed relaxation. The Chief Executive Officer/Estate Agents Authority (CEO/EAA) advised that EAA had considered the licensing systems of the accounting and the insurance trades. The latter had indicated that it would make changes similar to that by EAA. The proposed relaxation aimed to give licensees the option to leave the trade temporarily without losing their licensing credentials when they returned to the trade. She added that as the estate agent trade was not expected to experience significant changes over a period of 24 months, the professional knowledge of an estate agent who had left the trade for less than two years should not be out-dated to the extent that it would adversely affect the standards of his service. Besides, ex-licensees could have access to updated practice guidelines from the resource centres and website of EAA as well as public libraries. Pamphlets on compliance with the Estate Agents Ordinance (Cap. 511) would also be distributed to all interested parties.

20. Mr LAU was not convinced of the Administration's response. He remained of the view that the 24-month period was too long. In reply, CEO/EAA pointed out that at present, many licence holders were not doing estate agency work. It would therefore not be fair to require those who wished to re-enter the trade to satisfy the Form 5 requirement and pass the requisite qualifying examination just because they did not have the money to maintain their licences. Mr Andrew WONG said that he supported the proposed relaxation. Given that the control on estate agency work was introduced not long ago, a more lenient approach should be adopted during the initial period.

Switch between estate agent's and salesperson's licence

21. At the request of Dr LO Wing-lok, the Administration undertook to provide a paper to explain the difference between "estate agent" and "salesperson" in terms of their licensing credentials and qualifying examination.

*(Post-meeting note: The Administration's response was circulated vide to members vide CB(1) 1523/00-01.)*

Reduction of licence fees

22. Given that EAA would be expected to run an operating deficit in 2002/03, Mr Henry WU and Mr IP Kwok-him questioned the propriety of the proposal of reducing the level of licence fees. The Principal Assistant Secretary for Housing (1) explained that the proposal was put forward in response to the request of the trade. Notwithstanding, EAA would monitor its financial position and the licensee population carefully and would take necessary action before the cumulative reserve fund was actually depleted completely.

Others

23. Mr Albert CHAN expressed grave concern over the employment of debt collectors by estate agents to collect debts even if the debtors concerned had requested to bring their cases to court. CEO/EAA explained that the employment of debt collectors was legitimate in Hong Kong. She also noted that estate agents would only employ debt collectors if the debtors failed to abide by the court order. Nevertheless, EAA had issued guidelines to its members which prohibited estate agents from using illegal means to collect debts, particularly from third parties other than the debtors. Defaulting estate agents would be subject to disciplinary actions. As the subject fell outside the remit of the amendment regulation, CEO/EAA undertook to follow up the issue with Mr CHAN after the meeting.

**VI Construction of seven schools in Tseung Kwan O Area 86 development**  
(LC Paper No. CB(1) 1137/00-01(08))

24. Owing to time constraints, members agreed that the funding proposal be discussed by the Public Works Subcommittee direct.

25. There being no other business, the meeting ended at 4:35 pm.