

立法會
Legislative Council

LC Paper No. CB(1) 706/00-01
(These minutes have been seen
by the Administration)

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LegCo Panel on Housing

**Minutes of meeting held on
Monday, 4 December 2000, 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 Fred LI Wah-ming, JP
Hon NG Leung-sing
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 Abraham SHEK Lai-him, JP
Hon Albert CHAN Wai-yip
Dr Hon LO Wing-lok
Hon IP Kwok-him, JP

Members absent : Hon James TO Kun-sun
Hon Frederick FUNG Kin-kee
Hon LAU Ping-cheung

**Public officers
attending** : **For item IV**
Housing Bureau

Mrs Elaine TANG
Principal Assistant Secretary (2)

Housing Department

Mr K H LAU
Business Director/Allocation and Marketing

Mrs Doris MA
Assistant Director/Tenants Purchase Scheme

For item V

Housing Bureau

Mrs Elaine TANG
Principal Assistant Secretary(2)

Housing Department

Mr K H LAU
Business Director/Allocation and Marketing

Mr C T CHEUK
Senior Housing Manager/Redevelopment

Clerk in attendance : Miss Odelia LEUNG
Chief Assistant Secretary (1)1

Staff in attendance : Miss Becky YU
Senior Assistant Secretary (1)3

I Confirmation of minutes of previous meeting
(LC Paper No. CB(1) 234/00-01)

The minutes of the meeting held on 24 October 2000 were confirmed.

II Information paper issued since last meeting

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

- LC Paper No. CB(1) 104/00-01(01) — Submission from the Yuen Long Estate Residents' Group on Securing the Transfer of Home Ownership Scheme Flats in Kei Tei to Public Rental Housing Flats;
- LC Paper No. CB(1) 104/00-01(02) — Submission from the Hong Kong People's Council on Housing Policy expressing their concern on the use of asbestos-contained construction materials in Home Ownership/Private Sector Participation Scheme flats;
- LC Paper No. CB(1) 125/00-01 — Circular on greater private sector involvement and maintenance services issued by the Housing Authority;
- LC Paper No. CB(1) 152/00-01 — Submission from a Mr CHEUNG Kam-shui expressing his views on compensation for residents affected by clearance of Tung Tau Cottage Area and the Administration's response; and
- LC Paper No. CB(1) 235/00-01 — Referral from Duty Roster Members regarding compensation for food stall operators upon redevelopment of Shek Lei (I) Estate.

III Date of next meeting and items for discussion

3. On behalf of Mr Fred LI who was late for the meeting, Mr Andrew CHENG proposed to discuss the subject of overcrowding relief at the next meeting. Noting that the current review of the policy on overcrowding relief undertaken by the Administration would be completed in end January 2001, the Chairman suggested and members agreed to discuss the outcome of the review at the meeting of the Panel in February 2001.

4. As regards the progress of various investigations/studies in respect of building quality of public housing, the Clerk advised at the invitation of the Chairman that the work of the Investigation Panel on Staff Discipline in Tin Chung Court and Yuen Chau Kok incidents should have been completed by the end of November 2000. The study on the operation of the construction industry by the Construction Industry Review

Committee was expected to complete in end 2000, whereas the investigation by the Ombudsman was still in progress.

5. Members agreed to discuss the following subjects at the next regular meeting on Monday, 8 January 2001, at 2:30 pm:

- Site formation for public housing development at Tung Tau Cottage Area;
- Development near Choi Wan Road and Jordan Valley; and
- Enhancement of transparency in the formulation of housing policy.

(Post-meeting note: At the instruction of the Chairman, the subject of “Maintenance and management of Tenants Purchase Scheme estates” was subsequently included in the agenda for the meeting.)

IV Maintenance and management of Tenants Purchase Scheme estates (LC Paper No. CB(1) 238/00-01(03))

Maintenance of Tenants Purchase Scheme estates

6. As older public rental housing (PRH) blocks would be selected for sale under subsequent phases of the Tenants Purchase Scheme (TPS), Dr YEUNG Sum emphasized the need for the Housing Department (HD) to complete the pre-sale condition surveys and maintenance works before these estates were offered for sale. The Business Director/Allocation and Marketing (BD/A&M) clarified that PRH estates offered for sale under TPS Phases 2 and 3 were similar in age as those under TPS Phase 1. The PRH estates to be sold under Phases 5 and 6 would be relatively older. He assured members that all PRH estates selected for sale would be surveyed to ensure good physical conditions. Major repair works, such as plumbing and drainage repair as well as checking of elevators, would have been completed under the existing maintenance programme before sale to tenants. Some minor upgrading works, in particular to ground floor lift lobbies, might also be carried out. Repairs inside flats, as requested by purchasers, were largely completed before sale. Any outstanding works would be spelt out clearly in the sales brochures for information of prospective purchasers and follow-up actions by HD. Besides, the Housing Authority (HA) provided a seven-year structural guarantee for each TPS estate and undertook to repair any damages caused by the settlement of reclaimed land for a period of ten years from the date of completion of the estate. It had also set up a maintenance fund for TPS estates, amounting to \$14,000 per flat for Phases 1 to 4, to cover major maintenance expenses normally good enough for ten years.

7. Mr Albert HO opined that the amount \$14,000 per flat might not be sufficient to meet the maintenance expenses as the buildings aged. The Assistant Director/TPS

said that the amount of \$14,000 was set with reference to the average maintenance cost of PRH estates over the past ten years and an estimate by HD maintenance surveyors on the possible maintenance works required for the next ten years. Besides, as there would also be monthly contributions from the management fees, it should be able to meet the cost of major maintenance expenses for up to ten years. BD/A&M added that HD had reached an agreement with financial institutions to act as trustee to safeguard the use of the maintenance fund. As to whether the fund could only be used for major maintenance subject to the approval by HD, BD/A&M advised that the conditions of use of the fund, including the authorisation and procedure for the use of the fund by the Owners' Corporations (OCs), had been spelt out in the Deed of Mutual Covenant (DMC) for TPS estates.

Management of Tenants Purchase Scheme estates

8. Mr Andrew WONG expressed grave concern on the demarcation of boundaries of TPS estates. He considered it unfair that HA should include common areas, such as estate roads, slopes and open space, in the boundaries of TPS estates and require TPS owners to share the management and maintenance costs of these common areas. In some TPS estates, owners were also required to share the management and maintenance costs of ball courts adjoining primary schools which were used by schools during daytime and by residents outside school hours. Expressing similar concern, Mr Albert HO opined that HA should put in place a set of standardized guidelines on the demarcation of boundaries of TPS estates. BD/A&M explained that the boundaries of TPS estates set out in Government leases largely followed those indicated in original Vesting Orders, and included areas and facilities which had been under the control and management of the estates. The rights and obligations of owners were defined in the Government lease and DMC. As regards the management and maintenance costs of ball courts, BD/A&M advised that these were shared between schools and residents on the user-pays principle. To cater for the future need for school expansion by the Education Department, the Government reserved a right under the relevant DMCs to take over these ball courts when necessary. If the Government took over the ball courts, the residents would no longer be required to contribute towards the management and maintenance costs.

9. Mr Andrew CHENG was not convinced that TPS owners should share the management and maintenance costs of these ball courts if they did not have the right for development. He agreed with Mr Andrew WONG that HA should exclude common areas and facilities such as ball courts from the boundaries of TPS estates. BD/A&M advised that it was not desirable to demarcate TPS estates into different lots which would affect the comprehensive redevelopment of these estates in the long run. The Principal Assistant Secretary for Housing (2) (PAS for H (2)) added that as the ball courts were used by residents, it was fair and equitable that they should be responsible for managing and maintaining the ball courts based on the user-pays principle. To facilitate members' understanding, the Administration undertook to provide a paper to explain how the management and maintenance costs of the ball courts were shared between the relevant parties based on the user-pays principle.

10. Mr Andrew WONG noted with concern that prospective TPS buyers had never been consulted in the preparation of DMC. They could only read the relevant DMCs at the estate offices shortly before TPS estates were offered for sale. BD/A&M advised that DMCs for TPS estates were prepared in accordance with the guidelines issued by the Legal Advisory and Conveyancing Office (LACO) of the Lands Department (LandsD). In scrutinizing DMCs, LACO would ensure that the terms were reasonable and fair to all parties before giving approval. The maintenance responsibilities for common areas and facilities were determined mainly on the basis of the user-pays principle. Mr WONG however questioned the impartiality of LACO since it was in fact a government agent.

11. Given that DMCs for some TPS estates had been amended upon owners' requests, Mr Albert HO remained of the view that HA should consult prospective purchasers in the preparation of DMCs. BD/A&M responded that the current mechanism on the preparation of DMC applied to all developments, be they public or private, and enabled LACO to ensure the fairness of DMCs. In view of the existence of such a well-established mechanism, it was considered inappropriate and unnecessary to deviate from the established practice and consult prospective buyers in the preparation of DMCs for TPS estates. Mr HO did not agree that the prevailing mechanism should apply to both private and public housing developments alike. He said that as the sale of PRH flats under the Buy or Rent Option (BRO) and TPS had given rise to a unique situation where a PRH estate was occupied by both owners and tenants, a separate mechanism should be worked out to determine the maintenance responsibilities of owners and tenants. BD/A&M clarified that HA, as the owner of the rented flats in BRO and TPS estates, was required to share the maintenance responsibilities according to its share of ownership. He added that the current mechanism in determining the maintenance responsibilities was acceptable to buyers having regard to the good response to TPS Phases 1 and 2 where over 74% and 67% of flats had been sold respectively. Up till now, over 60% of tenants had indicated their intention to buy flats under TPS Phase 3.

12. Mr LEUNG Yiu-chung attributed the high subscription rate for TPS flats to the imposition of various restrictions on sitting tenants, including the income-cum-asset test and the restrictions on grant of new tenancy on death of principal tenant, which had forced them to buy TPS flats. He agreed with other members that it was not reasonable for HA to include common areas and facilities in the boundaries of TPS estates. Mr Albert CHAN echoed that as most TPS owners were low-income earners, HA should adopt a more sympathetic approach in determining the maintenance responsibilities of TPS owners in order not to increase their financial burden. He considered that common areas and facilities which were intended for the exclusive use of TPS estates should be maintained by HD.

13. Mr IP Kwok-him enquired about the relationship between OCs and Mutual Aid Committees (MACs) of TPS estates and the role of HD in the event of disputes between OCs and MACs. BD/A&M advised that while HD had yet to work out with the Home Affairs Department the details for establishing OCs in TPS estates, it was

expected that the role of MACs would gradually phase out after the establishment of OCs.

14. As regards the management fees for TPS estates, PAS for H (2) advised that these were set to recover full costs. The current average management fee level for TPS estates charged by HA was around \$8 per square metres (m²) which was lower than that charged by private property management agents for some public housing estates and Home Ownership Scheme courts which ranged from \$7 to \$14/m². Mr Andrew CHENG asked how the management fees for TPS estates compared with those for private developments. As the management fees for private developments were set with regard to factors such as facilities, design and age of buildings, number of units as well as requirements of residents, PAS for H (2) considered that a direct comparison might not be feasible, particularly in view of the substantial number of private developments in Hong Kong. To facilitate members' understanding, BD/A&M tabled a list of comparable management fees from some private developments which ranged from \$11 to \$17/m². Given the lack of facilities in TPS estates and the poor service standard of HD, Mr CHENG remarked that the management fees for TPS estates were on the high side. BD/A&M pointed out that the fees included the contribution towards the management fund.

Way forward

15. The Chairman commented that the information paper provided by the Administration was incomprehensive and not able to address members' concerns regarding maintenance and management of TPS estates. To facilitate future discussion, members requested and the Administration undertook to provide the following information:

- the percentage of TPS flats on which maintenance and repair works had been completed by HD before sale to tenants;
- whether HD would submit tenders for management of TPS estates after the formation of OCs and whether HD staff would sit on the management committee of TPS estates;
- the criteria for demarcation of lots on which TPS estates were located;
- the guidelines issued by LACO on drafting of DMC; and
- the respective management fees for each of TPS estates and how these compared with those for private developments in the same district.

V Policy on rehousing upon redevelopment
(LC Paper Nos. CB(1) 226/00-01 and 238/00-01(04))

Allocation standard for one-person and two-person households

16. As the Housing Panel of the previous term passed a motion on 3 April 2000 urging HD to stop allocating small flats of internal floor area (IFA) of 16 m² to two-person elderly households, Mr LEE Cheuk-yan expressed great disappointment that HD had ignored the motion and continued allocating these small flats to two-person elderly households, including those affected by the recent redevelopment of San Fat Estate. He reiterated that such an arrangement failed to improve the living conditions of elderly households. BD/A&M advised that in the light of members' motion, the Rental Housing Committee (RHC) of HA reviewed the allocation standard for two-person households at its meeting on 18 May 2000. It reaffirmed the propriety of the current minimum allocation standard of seven m² IFA per person and the actual allocation standards ranging from 16-31 m² IFA for two-person elderly households. Under the current allocation standard, small flats of 16-17 m² IFA in Harmony blocks were designated for allocation to one to two-person households. Subject to the availability of resources, two-person households with prospect of family growth might be allocated one-bedroom flats of 34 m² IFA. Based on the said policy, two-person elderly households were rehoused to small flats in reception estates upon redevelopment. However, if the affected two-person elderly households chose to be rehoused to other vacant or refurbished flats in existing estates, they might be allocated flats ranging from 16-31 m² IFA depending on the availability of suitable flats. This was already an improvement to their existing living conditions in the old Mark IV and V blocks where sizes of small flats ranged from 12-16 m² IFA.

17. Noting that elderly households usually required assistance from neighbours, Mr Albert HO expressed worries that they would lose their support if they were rehoused to larger refurbished flats in other districts. He also noted that despite the absence of legislation governing age discrimination, the Equal Opportunity Commission (EOC) had criticized the current arrangement as discriminatory since two-person non-elderly households with family members aged over 50 could be allocated one-bedroom flats while two-person elderly households would only be rehoused to small flats of 16 m² IFA upon redevelopment. BD/A&M clarified that there was no question of discrimination, and that EOC had not approached HD in this regard. The allocation of one-bedroom flats to two-person households with prospect of family growth aimed to obviate the need for double moving in the event of family expansion. He assured members that HD would assist elderly households to adapt to new environment.

18. Mr LEE Cheuk-yan expressed concern on the design of small flats of 16 m² IFA where the toilet and kitchen had taken up half of the space. He cautioned that elderly households might have to use bunk beds in view of the limited space left which might jeopardize their personal safety. Mr LEUNG Yiu-chung echoed that an independent architect had confirmed that the limited space in these flats rendered it not possible for

placing two single beds. Mr Fred LI added that this would cause much inconvenience to elderly households, particularly to those comprising members other than husband and wife. BD/A&M advised that efforts had been made to improve the design of small flats in standard Harmony blocks. The Chief Architect/Design and Standards of HD had also on a number of occasions demonstrated on site how to fully utilize the living area of these small flats. The situation would be further improved after the completion of newly designed small flats for two to three persons of 22 m² IFA. Mr LI and Mr LEE asked if HD would consider allocating one-bedroom flats to two-person elderly households pending the provision of small flats of 22 m² IFA. BD/A&M affirmed that two-person households would be allocated one-bedroom flats upon redevelopment in the event of non-availability of small flats of 16 m² IFA in the reception estates. HD would also adopt a sympathetic and flexible approach to other rehousing cases that merited compassionate consideration.

19. As to whether the decision to allocate small flats of 16 m² IFA to two-person elderly households was made by the Housing Bureau (HB) or HA, PAS for H (2) advised that since allocation standard was not a matter of policy decision, this would have to be decided by HA. Mr Andrew WONG asked if HA was aware of the deficiencies of small flats of 16 m² IFA before it took the decision to allocate these flats to elderly households upon redevelopment. BD/A&M advised that apart from those affected by redevelopment, HA had to take account of the housing needs of the public at large to ensure rational allocation of the limited housing resources.

20. Members were greatly disappointed at the Administration's response. They considered that government officials and members of RHC should try to live in these small flats to experience the difficulties encountered by elderly households. To this end, the Clerk was requested to arrange a joint visit of the Panel, RHC and the Administration to some elderly households living in small flats of 16 m² IFA.

(Post-meeting note: The visit was held on 18 December 2000.)

Allocation standard for eight-person and larger households

21. Mr LEUNG Yiu-chung held the view that the allocation of two one-bedroom flats for eight-person households was not desirable as the additional kitchen and toilet had taken up considerable space leaving insufficient living space for the households. He opined that one one-bedroom flat plus one two-bedroom flat should be allocated to these households. BD/A&M advised that as two one-bedroom flats could be partitioned into three to four-bedrooms, this should be able to meet the need of the households.

Way forward

22. The Chairman commented that the information paper provided by the Administration was incomprehensive. Dr YEUNG Sum also pointed out that the paper failed to address rehousing problems arising from redevelopment of estates not

included in the Comprehensive Redevelopment Programme such as the North Point Estate where tenants concerned were not given sufficient time to prepare for rehousing. Owing to time constraints, members agreed to follow up the subject at future meetings of the Panel.

VI Any other business

23. There being no other business, the meeting ended at 4:30 pm.

Legislative Council Secretariat

1 March 2001