

# 立法會

## *Legislative Council*

LC Paper No. CB(1) 1398/00-01

Ref : CB1/PL/HG

### **Report of the Panel on Housing for submission to the Legislative Council**

#### **Purpose**

This report gives an account of the work of the Panel on Housing during the Legislative Council session 2000-01. It will be tabled at the meeting of the Council on 27 June 2001 in accordance with Rule 77(14) of the Rules of Procedure of the Council.

#### **The Panel**

2. The Panel was formed by a resolution passed by the Council on 8 July 1998 and as amended on 20 December 2000 for the purpose of monitoring and examining Government policies and issues of public concern relating to private and public housing matters. The terms of reference of the Panel are at **Appendix I**.

3. The Panel comprises 20 members, with Hon CHAN Kam-lam and Hon Albert HO Chun-yan elected as Chairman and Deputy Chairman respectively. The membership list of the Panel is at **Appendix II**.

#### **Major Work**

##### Building quality of public housing flats

4. Concerns over building problems in public housing remained high on the agenda of the Panel. To follow up on the excessive uneven foundation settlement in Tin Chung Court (TCC), the piling problems at Shatin Area 14B Phase 2 (Yuen Chau Kok (YCK)), the suspected use of rejected substandard reinforcement in Tung Chung Area 30 Phase 3 and the suspected use of substandard construction materials in the Redevelopment of Shek Yam Estate Phase 2, a working group was set up under the Panel to provide initial views on the way forward. The working group was aware that a number of investigations/studies relating to these incidents had been conducted or still in progress at that time. There was however question on the efficacy of some of these investigations, particularly those into the TCC and YCK cases as they were

instituted by the Housing Authority (HA) and the investigation panels did not have the statutory power to order the attendance of witnesses at hearings or the production of documents by parties concerned. Besides, the Investigation Panel on Staff Discipline in the Yuen Chau Kok and Tin Chung Court Incidents did not cover non-civil servants and those officers who left the civil service after the TCC and YCK incidents. To find out the causes of the building problems in the four incidents, the working group considered that an independent and comprehensive enquiry on the matter was necessary. A select committee was subsequently set up by resolution passed at the Legislative Council meeting on 7 February 2001. As part of HA's initiatives towards quality housing, the Panel was invited to participate in a joint visit to some construction sites on 6 March 2001 at which members received briefings on the supervision plan for piling.

#### Unusual ground settlement in Tseung Kwan O

5. Together with the Panel on Planning, Lands and Works, the Panel continued to monitor the site settlement situation at Tseung Kwan O (TKO) and the progress of remedial works that were taken. At a joint meeting on 27 November 2000 to receive briefings from the Administration on the findings of the investigation by the Administration into the causes of unusual settlement in TKO, the Panel noted that the unusual settlement was mainly attributed to a significant groundwater drawdown in the lower strata of TKO reclamation. The only credible cause for the drawdown was the inflow of groundwater into the Harbour Area Treatment Scheme (HATS) (formerly known as the "Strategic Sewage Disposal Scheme") Stage I tunnel constructed outside the reclamation. Persons who had suffered loss or damage to land or property situated on land as a result of the construction of the HATS tunnels could submit their claims together with supporting evidence for compensation. As the investigation study had confirmed that the unusual settlement was caused by the construction of HATS tunnel, some members considered that residents should not be required to go through the timely and costly statutory procedures to substantiate their claims. They suggested that an independent arbitration mechanism was necessary, and that independent experts should be engaged to determine the liability of the parties concerned. The Panel would continue to monitor the progress of compensation claims.

#### Rehousing arrangements

6. Rehousing arrangements for residents affected by clearance operations and redevelopment programmes had been a major concern of the Panel. A Subcommittee on Rehousing Arrangements for Residents Affected by Clearance of Temporary Housing Areas, Squatter Areas and Cottage Areas was set up under the Panel with a view to providing necessary assistance to the affected residents. Members reiterated the difficulties faced by clearances who were forced to surrender their homes as a result of clearances and who had to move to interim housing units in Tuen Mun and Tin Shui Wai which were far away from their existing accommodation and place of work. They remained of the view that consideration should be given to using vacant and old public rental housing (PRH) flats in urban/extended urban areas as interim housing.

To save the refurbishment cost for these PRH flats, members suggested that the Administration could offer non-refurbished flats as an alternative to interim housing in Tuen Mun and Tin Shui Wai. Clearerees should be allowed to choose between these two types of interim housing. At the Panel meeting on 24 October 2000, the Panel passed two motions urging the Administration to suspend clearance of temporary housing areas, squatter areas and cottage areas until a consensus on the rehousing arrangements had been reached with the Panel, and to grant a special ex gratia allowance to residents affected by clearance of structures in cottage areas. As for operators of business undertakings affected by cottage clearances, members noted with concern that the prevailing ex gratia allowances were not sufficient for them to remove the machinery, let alone to re-establish their business elsewhere. Given that the rates of ex gratia were determined in 1988, members considered that with a lapse of 12 years, the Administration should review the formula for calculating the ex gratia allowances.

7. At a joint meeting with the Panel on Planning, Lands and Works, the Panel discussed the rehousing arrangements for occupants of illegal rooftop structures upon clearance. Members generally agreed that a more lenient and flexible approach should be adopted in rehousing these dwellers given that some of them were required to pay rates which in some way recognized the legitimacy of their existence. The Administration's advice was that there was no mechanism through which payment of rates could be stopped for existing payees. Notwithstanding, occupants of new illegal rooftop structures would not be required to pay rates in the future.

8. To follow up on the motion passed in the last legislative term, the Panel visited to some two-person elderly families living in public housing flats of 16 square metres with a view to better understanding the living environment of these elderly tenants. Members noted that the small size of these flats would not only limit manoeuvring but also jeopardize the personal safety of elderly tenants. They remained of the view that HA should stop allocating these small flats to two-person elderly households and should review the space allocation standards. HA had subsequently conducted a review of the space allocation standards but a conclusion had yet to be made.

9. The Panel was concerned about the plight of overcrowded households in PRH. The administrative arrangements which were introduced as a result of a review of the policy on the provision of overcrowding relief could not fully address their problems, particularly in relation to queue-jumping by families which became overcrowded as a result of addition of family members from the Mainland. To this end, members urged the Administration to consider separating tenants seeking overcrowding relief into two queues, one on living density and the other on waiting time, to ensure fairness. Consideration should also be given to adopting a "scoring" system in determining the priority for relief of overcrowded households. As regards the policy on splitting of tenancy, the Panel noted that a review was being conducted by HA and requested that the outcome of the review be subject to public consultation.

### Public rental housing and subsidized home ownership schemes

10. In February 2001, HA announced the reduction of the income and asset limits by 20% and 14% for Home Ownership Scheme (HOS) and 7.5% and 6% for Waiting List respectively. Members were greatly dissatisfied that HA should announce such an important decision without first consulting the Panel. Given that many prospective home buyers would become ineligible for HOS as a result of the reduction and would be forced to purchase flats in the private sector, members queried whether this was a move by the Administration to prop up the property market. They also expressed worries that the rent to income ratio of PRH tenants would rise in the light of the change. The Panel therefore passed a motion reproving HA for hastily endorsing the lowering of the income and asset limits for households applying for PRH and HOS flats before consulting the public and the Panel. It also demanded in the motion that HA should suspend the implementation of the new limits, review the current mechanism and conduct full consultation. Members also urged the Administration to increase transparency in the formulation of housing policies and to take account of the needs of residents. In addition, efforts should be made to enhance effective dissemination of housing information to the public.

11. As regards the Tenants Purchase Scheme (TPS) which was rolled out to facilitate wider home ownership, the Panel noted that the average subscription rate of the last three phases of TPS was less than 70%. To encourage more tenants to buy TPS flats, HA should ensure satisfactory completion of the repairs and maintenance works before these flats were put up for sale. It should also consult prospective buyers in the preparation of Deed of Mutual Covenant for TPS estates. Given that TPS buyers were low-income earners, members held the view that HA should adopt a more sympathetic approach in determining the maintenance responsibilities of buyers in order not to increase their financial burden, and that common areas and facilities should not be included in the boundaries of these estates.

12. Members noted that the objective of the Rental Assistance Scheme (RAS) was aimed at granting relief in the form of rent reduction to domestic tenants of PRH and licensees in interim housing who were facing financial hardship. They however considered that the eligibility criteria for RAS were too rigid which would only apply when there was a sudden drop in household income. Tenants, particularly those elderly tenants, who had no income might not be able to benefit from RAS. They urged the Administration to review RAS as soon as possible so that prompt relief could be provided to tenants with financial difficulties.

13. At the meeting on 7 May 2001, the Panel received a briefing on the proposed pilot scheme for Rent Allowance for the Elderly. Members noted that under the scheme, rental subsidies would be given to eligible elderly applicants who registered on the Waiting List for at least two years and were due for flat allocation, and those due to be rehoused under the development clearance, redevelopment and compassionate rehousing categories as an alternative means of public housing provision. While supporting in principle of the scheme, members considered that the proposed quota of 500 for the scheme was insufficient, particularly when half of it

would be allocated to other committed categories. The current share of rent of 40:60 between applicants and HA should be revised to increase the share of HA. Members also emphasized that the scheme should be intended as an interim measure to address the housing needs of elderly households pending allocation of PRH flats. The ultimate solution would be for the Administration to step up the production of specially designed PRH flats for the elderly.

#### Commercial premises and markets in public rental housing estates

14. Given that commercial tenants displaced by previous redevelopment operations were offered the opportunity to bid through restricted tender for premises within HA markets, members considered it unfair that commercial tenants affected by the upcoming redevelopment projects were deprived of such an opportunity. They also noted with concern that following the review in November 1999, the lump sum in lieu of the restricted tender opportunity was reduced from \$89,000 to \$73,000. As commercial tenants were displaced as a result of the decision for redevelopment by HA, it should assist the tenants concerned in reprovisioning their businesses. At the meeting on 4 June 2001, the Panel passed a motion requesting HA to offer commercial tenants displaced by redevelopment, including those of the Lower Ngau Tau Kok Estate, the opportunity to participate in restricted tender exercises and to retain the amount of lump sum payment in lieu of the restricted tender opportunity at \$89,000.

15. Together with the Panel on Food Safety and Environmental Hygiene, the Panel examined issues relating to the re-opening of poultry stalls and monitoring measures to prevent recurrence of avian flu. The subjects of upgrading ventilation systems in public markets and improving market management had also been discussed.

#### Others

16. The Panel was briefed on the restructuring and establishment requests of the Housing Departments and a number of funding proposals, including site formation for development of public housing and school projects. It also received a briefing on the Report of the Hong Kong Special Administrative Region of the People's Republic of China in the light of the International Covenant on Economic, Social and Cultural Rights in respect of housing issues.

17. On the legislative side, the Panel was consulted on the proposed amendment to the Estate Agents (Licensing) Regulation before its introduction into the Council.

18. From October 2000 to June 2001, the Panel held a total of 16 meetings, including two joint meetings with the Panel on Planning, Lands and Works and one with Panel on Food Safety and Environmental Hygiene.

Legislative Council Secretariat

15 June 2001

**Legislative Council**

**Panel on Housing**

**Terms of Reference**

1. To monitor and examine Government policies and issues of public concern relating to private and public housing matters.
2. To provide a forum for the exchange and dissemination of views on the above policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.
4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

**Legislative Council  
Panel on Housing**

**Membership list**

<b>Chairman</b>	Hon CHAN Kam-lam
<b>Deputy Chairman</b>	Hon Albert HO Chun-yan
<b>Members</b>	Hon David CHU Yu-lin Hon LEE Cheuk-yan Hon Fred LI Wah-ming, JP 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 Abraham SHEK Lai-him, JP Hon Albert CHAN Wai-yip Dr Hon LO Wing-lok Hon Frederick FUNG Kin-kee Hon IP Kwok-him, JP Hon LAU Ping-cheung

(Total : 20 Members)

<b>Clerk</b>	Miss Becky YU
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<b>Date</b>	8 February 2001
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