

立法會
Legislative Council

LC Paper No. CB(1) 2665/01-02
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by the Administration)

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**Panel on Housing
and Panel on Planning, Lands and Works**

**Minutes of joint meeting held on
Tuesday, 18 June 2002, at 8:30 am
in the Chamber of the Legislative Council Building**

Members present : Members of Panel on Housing

Hon Albert HO Chun-yan (Chairman)
Hon CHAN Kam-lam (Deputy Chairman)
Dr Hon David CHU Yu-lin, JP
Hon LEE Cheuk-yan
Hon Fred LI Wah-ming, JP
Hon NG Leung-sing, JP
* Hon James TO Kun-sun
Hon CHAN Yuen-han, JP
Hon SIN Chung-kai
Hon Howard YOUNG, JP
Dr Hon YEUNG Sum
* Hon Abraham SHEK Lai-him, JP
* Hon Albert CHAN Wai-yip
* Hon WONG Sing-chi
* Hon IP Kwok-him, JP

Members of Panel on Planning, Lands and Works

Dr Hon TANG Siu-tong, JP
Hon LAU Ping-cheung (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, JP
Hon TAM Yiu-chung, GBS, JP

Members absent : Members of Panel on Housing

Hon LEUNG Yiu-chung
Hon Andrew WONG Wang-fat, JP
Hon SZETO Wah
Dr Hon LO Wing-lok
Hon Frederick FUNG Kin-kee

Members of Panel on Planning, Lands and Works

Hon WONG Yung-kan
Hon LAU Wong-fat, GBS, JP
Hon Timothy FOK Tsun-ting, SBS, JP

(* Also members of the Panel on Planning, Lands and Works)

Public officers attending : Planning and Lands Bureau

Miss CHEUNG Siu-hing
Deputy Secretary (Urban Renewal and Buildings)

Mr Gary Y S YEUNG
Principal Assistant Secretary (Lands)

Lands Department

Mr Jimmy WOO
Assistant Director (Acquisition)

Housing Department

Mr CHENG Yao-kong
Assistant Director (Allocation & Operations)

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

Staff in attendance : Mrs Queenie YU
Senior Assistant Secretary (1)6

I Election of Chairman

In the absence of a quorum for a joint meeting, members agreed that the meeting be proceeded as a meeting of the Panel on Planning, Lands and Works. As a quorum for a joint meeting was subsequently reached at 8:55 am, members agreed that the meeting of the Panel on Planning, Lands and Works be adjourned, and that a joint meeting be convened. Dr TANG Siu-tong was elected Chairman of the joint meeting.

II Proposed ex gratia allowance for occupiers of licensed domestic structures and surveyed domestic squatter structures affected by clearance

(LC Paper No. CB(1) 1999/01-02(01) -- Information paper provided by the Administration)

2. At the invitation of the Chairman, the Deputy Secretary (Urban Renewal and Buildings) of Planning and Lands Bureau (DS/PLB) briefed members on the Government's proposal to introduce a new ex gratia allowance (EGA) for specific groups of clearnees upon clearance. These included permitted occupiers of licensed domestic structures who were not provided with public rental housing (PRH) and occupiers of surveyed domestic squatter structures registered in the 1984/85 Squatter Occupancy Survey (1984/85 Survey) who were not eligible for PRH. They would be offered an EGA as an alternative to interim housing (IH). Subject to members' views, the proposal would be submitted to the Finance Committee (FC) for approval in due course.

The proposed new EGA

3. Referring to paragraph 6 of the information paper which stated that the proposed new EGA should have regard to rentals for comparable but lawful structures of the same area for three years, the Chairman enquired about the basis upon which the period of three years was arrived at. DS/PLB advised that there could not be a scientific basis, but the idea was to have a reasonable duration. Given that occupiers of domestic squatter structures who were not eligible for PRH but had a genuine need for housing currently would be offered IH for one year, the proposed basis of three years should be more than adequate. This would allow sufficient time for the occupiers to look for alternative accommodation. She also took the opportunity to correct the Chinese version of paragraph 6(b) which should read “有關津貼金額的釐定會按照差餉物業估價署就村屋及/或唐樓平均租值所搜集的最新資料；”.

4. Mr Howard YOUNG noted that the estimated additional cost arising from the new EGA would be about \$18.3 million and \$26.8 million for the on-going clearance exercises and the new resumption and clearance exercises in the next five years respectively. He questioned the accuracy of such estimates if these were projected using the rental value of an average village house or tenement building in the New

Territories (NT) as set out in paragraph 10 of the information paper. DS/PLB clarified that the case referred to was for illustration only. According to the Rating and Valuation Department (RVD), the average rent for a 30 square metres (m²) village house or tenement building in NT was \$70/m². The average rents for similar tenement buildings in the urban area and the extended urban area were \$100/m² and \$94/m² respectively. These figures would be updated regularly and the latest average rent for village house or tenement building in NT was \$72/m² for the period from January to March 2002.

5. Noting that about 12% of some 5 000 affected households would likely be eligible for the new EGA as an alternative to IH, Mr YOUNG enquired about the arrangement for the remaining households. The Assistant Director (Allocation & Operations) (AD/A&O) explained that the 12% households referred to those which failed to meet the Comprehensive Means Test (CMT) for PRH. The remaining households would be offered PRH if they could fulfil the prevailing eligibility criteria for PRH. Mr YOUNG asked whether clearnees were required to pay rent after rehousing to IH and whether they would be required to move out of IH after a certain period of time. DS/PLB advised that clearnees who failed CMT but still had a temporary housing need would be offered IH, and their stay in IH would be restricted to one year, during which they would be required to pay licence fee equivalent to market value. As to how the Administration could ensure the acceptability of the new EGA over IH, DS/PLB said that according to past experience, many clearnees were reluctant to take up IH flats because of their remote locations. The new EGA would allow greater flexibility for eligible clearnees to find alternative accommodation in the transitional period. This would also help ensure the smooth implementation of clearance exercises in the long term.

6. Apart from the new EGA, Mr CHAN Kam-lam asked if the clearnees would also be eligible for other allowances. AD/HD advised that at present genuine clearnees would be granted a domestic removal allowance (DRA) according to their household size upon clearance, the current rates of which were \$3,410 for one-person households, \$6,200 for two to three-persons households, \$7,580 for four to five-persons households and \$9,400 for six-persons and above households. However, clearnees receiving the new EGA would no longer be eligible for any other ex-gratia allowance in respect of the domestic structures in question. For those who were not eligible for the new EGA, they would be granted DRA according to the prevailing eligibility criteria.

7. As the new EGA was aimed at providing clearnees with an alternative to IH in NT, Mr LEE Cheuk-yan considered that the same arrangement should be offered to tenants who were allocated to PRH in NT. DS/PLB reiterated that the new EGA was intended to add flexibility to the current arrangement to facilitate eligible clearnees to obtain alternative domestic accommodation other than IH. As such, the new EGA was not applicable to PRH tenants who were already provided with subsidized accommodation.

Rehousing policy

8. Mr LEE Cheuk-yan considered it necessary for the Administration to take a holistic review of the prevailing rehousing policy for residents affected by resumption of land and clearance, including rooftop dwellers, before submitting the funding proposal for the new EGA to FC for approval. DS/PLB explained that there was no direct relationship between the rehousing policy and the new EGA, which was only intended for clearers of the two specific types of tolerated domestic structures viz. domestic structures licensed by the Lands Department (Lands D) and surveyed domestic squatter structures. Licensed domestic structures were those on private agriculture land with a modification of lease or a short-term waiver and structures on unleased Government land covered by a licence or a short-term tenancy. The number of licensed domestic structures was diminishing as Lands D had stopped issuing new licences for domestic structures since 1982, except for a few regularization cases. As regards surveyed domestic squatter structures, they were covered by the 1982 Squatter Structure Survey (1982 Survey) and might include some licensed domestic structures. Occupiers of the 1982 surveyed domestic squatter structures and most occupiers of licensed domestic structures registered under the 1984/85 Survey would be provided with PRH upon clearance if they could meet CMT and did not own any residential property. Those who failed CMT but had a genuine housing need would be offered IH as a transitional arrangement for one year. While these occupiers had no legal claim to compensation on the structures upon clearance, the Administration considered that some form of assistance to obtain alternative domestic accommodation other than IH would add flexibility to the current arrangements. It therefore proposed that permitted occupiers of licensed domestic structures and surveyed domestic squatter structures who were registered in the 1984/85 Survey be allowed to choose between IH and an EGA for seeking alternative domestic accommodation.

9. While acknowledging the proposed new EGA was a step forward in the right direction, Mr CHAN Kam-lam expressed concern about the rehousing arrangements for clearers who were not registered in the 1982 and 1984/85 Surveys. He asked if these clearers would also be eligible for the new EGA if they did not own any residential property and had a genuine need for housing. DS/PLB explained that although clearers not covered in the Surveys would not be eligible for the new EGA, they would be offered IH if they could meet CMT, during which they could apply for PRH. Given that the average waiting time for PRH had been substantially reduced to about three years, these clearers would be provided with PRH within a reasonable time if they could meet the prevailing eligibility criteria. To ensure that no one would be rendered homeless as a result of clearance, those who failed CMT but had an immediate need for housing would be rehoused to transit centres.

10. Mr IP Kwok-him said that he had no strong view on the proposal but was concerned about the rehousing problems arising from clearance, particularly the use of the 1982 and 1984/85 Surveys as the baseline for assessing the eligibility of clearers for PRH. He opined that as clearance was merely a decision of the Government, consideration should be given to relaxing the baseline as well as the income and asset

limits given that the average waiting time for PRH had been substantially reduced to three years. Mr Albert HO supported the proposed relaxation as this would help avoid confrontation between the Government and clearnees in the event of clearance. DS/PLB advised that the Housing Authority (HA) had taken into account all factors in formulating the rehousing policy. AD/HD added that the 1982 Survey was carried out to contain the squatter problem while CMT was implemented after extensive public consultation to safeguard the rational allocation of the scarce public housing resources to those with genuine need for housing.

11. Dr YEUNG Sum reiterated that he was opposed to the use of the 1982 and 198/95 Surveys as the baseline. In view of the numerous impending clearances, particularly of rooftop structures, he remained of the view that the Administration should review the prevailing rehousing policy in order to avoid confrontation upon clearances. Otherwise, members might find it difficult to support the funding proposal. Mr Abraham SHEK agreed that the Administration should not underestimate the problem, and that a comprehensive survey on rooftop structures be carried out. DS/PLB said that she was not in a position to comment on the baseline as this had been worked out by HA after thorough discussion. The survey proposed by Mr SHEK also fell outside the scope of the proposal. Mr LAU Ping-cheung enquired about the impact of the proposal on the urban renewal programme. DS/PLB advised that the proposal was not applicable to urban renewal projects which should be dealt with by the Urban Renewal Authority according to individual merits. As to whether the new EGA would cover dwellers of illegal rooftop structures upon clearance by the Buildings Department (BD), DS/PLB answered in the negative as the new EGA was only intended for permitted occupiers of licensed domestic structures and surveyed domestic squatter structures.

12. Mr Albert HO however pointed out that as illegal rooftop dwellers would also be offered IH as permitted occupiers of licensed domestic structures and surveyed domestic squatter structures, consideration should be given to extending the new EGA to cover the former. He also agreed that a holistic approach be adopted to review the prevailing rehousing policy. As illegal rooftop structures, particularly those in single-staircase buildings, posed safety hazard to the public, DS/PLB said that these should be cleared without delay. Eligible dwellers who had resided in rooftop structures for a long time should have been allocated PRH had they submitted their PRH applications in good time. AD/HD added that rooftop clearnees who had genuine financial difficulties might be offered compassionate rehousing to PRH upon referral by the Social Welfare Department.

13. Mr WONG Sing-chi remarked that the Administration had failed to take into account the plights of clearnees. He asked if the Administration had assessed the impact of the new EGA on clearnees who were recipients of the Comprehensive Social Security Assistance (CSSA). They might lose their eligibility for CSSA and had to move to IH in remote area upon receipt of the new EGA. DS/PLB assured members that the new EGA would not affect CSSA recipients since this would only be given to clearnees who failed to meet CMT. At present, the income and asset limits for one-

person households were \$7,200 and \$190,000 respectively and for four-person households, \$14,800 and \$380,000 respectively.

14. As to whether clearerees receiving the new EGA could apply for PRH, DS/PLB advised that under the existing housing policy, recipients of cash allowance in lieu of rehousing were ineligible for any form of public housing for the subsequent two years. In line with this, EGA recipients would not be allowed to apply for PRH for the subsequent two years. In any case, they were in fact not eligible for PRH in the first place. The Chairman held the view that EGA recipients should not be deprived of the opportunity for PRH as there might be unforeseen changes in respect of their financial situation over the next two years. Mr IP Kwok-him considered that the restriction period should be reduced to one year. His view was shared by Mr Abraham SHEK. Given that the average waiting time for PRH had been reduced to three years, Mr LEE Cheuk-yan opined that the Administration should consider dispensing with the two-year restriction. DS/PLB took note of members' views.

15. Given that many Home Ownership Scheme (HOS) flats had been left vacant as a result of the moratorium on HOS sales, Mr Sin Chung-kai opined that it was an opportune time to review the rehousing policy since these vacant flats could be transferred to PRH for rehousing purpose. To facilitate members' understanding, the Administration was requested to provide information on the prevailing compensation and rehousing arrangements for residents affected by different types of clearance operations. DS/PLB advised that a similar information paper on "Ex-gratia Allowances relating to Land Resumption, Clearance and Marine Works in Hong Kong Waters" had been submitted to FC in February 2002. She nevertheless undertook to provide the paper as requested.

(Post-meeting note: The requisite information paper was issued to members vide LC Paper No. CB(1) 2227/01-02 on 9 July 2002.)

Policy on IH

16. Miss CHAN Yuen-han questioned the efficacy of IH in addressing the rehousing problems arising from clearance. She pointed out that according to a recent survey, some people would prefer to become street sleepers than to move to IH in remote areas. In this connection, consideration should be given to extending the proposed new EGA to cover those rooftop dwellers who were not registered in the 1984/85 Survey but had been residing in rooftop structures for more than 10 years as an alternative to IH. Mr Albert CHAN echoed that the introduction of IH was a mistake at the outset. Given that clearerees were reluctant to move to IH units because of their remote locations, the Administration had to convert some IH units to other uses as in the case of the IH in Tin Shui Wai. To this end, a comprehensive review of the rehousing policy should be carried out by the Administration with a view to minimizing the potential confrontation between the Government and clearerees upon major clearance operations, particularly those related to urban renewal. In reply, DS/PLB reiterated that the proposed new EGA was only intended for permitted

occupiers of licensed domestic structures and surveyed domestic squatter structures who were not eligible for PRH. She nevertheless undertook to relay all the views expressed at the current meeting to the relevant bureaux for consideration.

III Any other business

17. There being no other business, the meeting ended at 10:20 am.

Legislative Council Secretariat
9 October 2002