

立法會
Legislative Council

LC Paper No. CB(1) 2259/02-03
(These minutes have been seen
by the Administration and cleared
by the Chairman)

Ref : CB1/PL/HG/1

Panel on Housing

**Minutes of meeting held on
Monday, 2 June 2003, at 2:30 pm
in Conference Room A of the Legislative Council Building**

- Members present** : Hon CHAN Kam-lam, JP (Chairman)
Hon Albert HO Chun-yan (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 LEUNG Yiu-chung
Hon SIN Chung-kai
Hon Andrew WONG Wang-fat, JP
Hon Howard YOUNG, JP
Dr Hon YEUNG Sum
Hon SZETO Wah
Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
Hon WONG Sing-chi
Hon Frederick FUNG Kin-kee
Hon IP Kwok-him, JP
Hon LAU Ping-cheung
- Members absent** : Hon James TO Kun-sun
Hon CHAN Yuen-han, JP
Hon Abraham SHEK Lai-him, JP
Dr Hon LO Wing-lok

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**Public officers
attending**

: For item IV

Housing Department

Mr Chris ROBERTS
Assistant Director (Commercial Properties)

Mr CHEUNG Kin-fat
Chief Manager/Commercial Properties (Development,
Lettings and Support)

For item V

Housing Department

Mr K H LAU, JP
Deputy Director (Estate Management)

Mr WONG Bay
Assistant Director (Estate Management) 2

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

Staff in attendance : Mr Joey LO
Senior Assistant Secretary (1)4

Miss Mandy POON
Legislative Assistant 4

I. Confirmation of minutes and endorsement of the report of the Panel for submission to the Legislative Council

(LC Paper No. CB(1) 1791/02-03 — Minutes of the joint meeting with the Planning, Lands and Works Panel held on 26 February 2003

LC Paper No. CB(1) 1798/02-03 — Minutes of the meeting held on 5 May 2003

LC Paper No. CB(1) 1799/02-03 — Draft report of the Panel for submission to the Legislative Council)

The minutes of the meetings held on 26 February and 5 May 2003 were confirmed.

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2. Members endorsed the draft report of the Panel for the current legislative session and authorized the Chairman to revise the report to cover discussion at the current and future meetings before it was presented to the Council on 25 June 2003.

II. Information paper issued since last meeting

3. Members noted that no information papers had been issued since last meeting.

III. Items for discussion at the next meeting

(LC Paper No. CB(1) 1814/02-03(01) — List of follow-up actions
LC Paper No. CB(1) 1814/02-03(02) — List of outstanding items for discussion)

4. Members agreed to discuss the following subjects at the next regular meeting scheduled for Monday, 7 July 2003, at 2:30 pm -

(a) Review of the organization structure of the Housing Department; and

(b) Housing Managers Registration Ordinance (Cap. 550).

5. The Chairman reminded members of the joint meeting with the Panel on Planning, Lands and Work on Wednesday, 18 June 2003, at 8:30 am to discuss the subject of “System for pre-sale of uncompleted residential properties”.

IV. Review of the policy on single-operator markets

(LC Paper No. CB(1) 1550/02-03(06) — Paper provided by the Administration)

6. Before commencing discussion, the Assistant Director (Commercial Properties) (AD/CP) and the Chief Manager/Commercial Properties (Development, Lettings and Support) (CM/CP) apologized that due to communication problem on the part of the Administration, they were not able to attend the last meeting on 5 May 2003. AD/CP then highlighted the salient points in the Administration’s information paper. He said that according to a comprehensive review undertaken by the Housing Authority (HA), markets managed by Single Operators (SOs) enjoyed greater management flexibility and lower vacancy than those under direct management of the Housing Department (HD). An opinion survey also showed that stall-holders, residents and shoppers were generally satisfied with the markets managed by SOs in terms of management services, physical design and sufficiency of goods and service mix. Noting that conflicts had arisen occasionally between stall-holders and their SOs over issues such as stall rents, management fees and other

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miscellaneous charges, HD had implemented a series of improvement measures to rationalize their commercial relationship through greater certainty, more comprehensive monitoring and enhanced transparency.

Single-operator concept

7. Mr Albert CHAN held the view that the single-operator concept was unfair to stall-holders. By way of illustration, SOs did not pass on the rent concessions granted by HA to stall-holders in entirety. The latter were also not allowed to form unions under the existing tenancy agreements. He urged HA to review the single-operator concept. Consideration should be given for HA to retain its role as landlord in the letting of market stalls while outsourcing the management of markets to the private sector. Mr Frederick FUNG echoed that the single-operator concept was at variance with the free-market concept, particularly in respect of rent setting for individual stalls as SOs would tend to raise rents for individual stalls in order to make profit. To this end, Mr LAU Ping-cheung opined that HA might need to draw up a standard tenancy agreement for reference of both SOs and stall-holders. Consideration should also be given to including in the tender document for SOs a provision that rents for individual stalls should be pegged to the turnover of stall-holders. This would provide incentives for both parties in promoting the markets.

8. AD/CP explained that the single-operator concept was introduced with a view to bringing the benefits of private sector flexibility, responsiveness to customer demands and innovative management to HA's markets. To enable SOs to achieve maximum effectiveness and a high standard of services to residents, they had been given flexibility in managing their markets and responding to changing circumstances. Notwithstanding, as HA was ultimately responsible for ensuring adequate services to residents, it would assess the performance of SOs and, if necessary, intervene in any problems, such as conflicts between SOs and their stall-holders, compromising the smooth operation of markets. As regards rents of individual market stalls, CM/CP said that these were determined and agreed between SOs and their stall-holders according to commercial principles. Nonetheless, SOs were reminded to observe certain obligations, including public responsibilities, of HA as a statutory body. On the allegation that rents of individual market stalls were much higher than the tender prices of SOs, CM/CP explained that there might be cases where the six-year tenancy agreements between HA and SOs were entered into some years ago when the market was experiencing a hard time and the average rent was at a low level. With an improved market situation, stall-holders were more willing to pay higher rents to SOs, thereby resulting in a bigger difference between the rents collected from individual stall-holders and rents paid to HA by SOs.

9. As high rentals would prop up prices of consumer goods, Mr Albert HO held the view that HA should impose certain controls on determination of rents for individual stalls in single-operator markets. He agreed with Mr Albert CHAN that HA should retain its role as landlord in the letting of market stalls while SOs would act as a management agent to be remunerated according to a fixed percentage of the

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rents received. This would help to minimize conflicts between SOs and their stall-holders on the one hand and prevent default on the part of SOs. CM/CP reiterated that rents were determined and agreed between SOs and their stall-holders taking into account the prevailing market situation. As regards the situation where SOs ran away after collection of rents, CM/CP said that HD would assume the responsibility to take over the management of the markets. Mr Andrew WONG asked if the tenancy agreement could be re-entered in case of breach of tenancy terms by SOs. CM/CP answered in the affirmative.

Outcome of comprehensive review

10. On *explicit restrictions on fees and charges*, Mr Albert CHAN pointed out that the high air-conditioning charges payable by stall-holders had been a cause of complaints and bitter disputes between SOs and their stall-holders. He then enquired about the result of the review of air-conditioning charges for shopping centres and markets. In response, CM/CP clarified that it was a misconception that markets were subject to higher air-conditioning charges than shopping centres. The higher charges incurred were attributed to the higher electricity consumption due to the heat generated from heavy duty refrigerators and numerous light bulbs in the meat stalls inside markets. He added that consequent upon the review, the Commercial Properties Committee of HA decided on 28 May 2003 that plant cost should be excluded from the calculation of air-conditioning charges which would result in an average of 20% reduction in the charges payable. Furthermore, SOs were apprised that air-conditioning charges should only be collected on a cost-recovery basis. The amount of air-conditioning charges payable by each stall-holder should be derived pro-rata according to stall areas.

11. On *more comprehensive performance appraisal*, Mr Albert CHAN expressed concern about the malpractice in the management of markets by SOs using illegal means. Mr LEUNG Yiu-chung opined that the 15 % of scores for stall-holders in assessing the performance of SOs was too insignificant to ensure a proper check and balance on SOs. CM/CP advised that it was the first time when comments from stall-holders formed part of the performance appraisal of SOs. Apart from stall-holders, HD would also take into account views of Estate Management Advisory Committees and estate managers in considering applications for tenancy renewal and bidding for new markets by SOs. He also assured members that frontline managers would closely monitor the day-to-day operation of SOs to prevent any malpractice.

12. On *enhanced transparency*, Mr Andrew WONG asked if there was a time limit within which SOs should pass on rent concessions granted by HA to stall-holders. CM/CP replied that SOs were requested in writing on 4 May 2003 to pass on the concessions for April and May to stall-holders within the month of May. To ascertain compliance, HA would inspect SOs' monthly submissions on stall rents to ensure that the amount of rent reductions was actually given to stall-holders.

Lei Yue Mun Plaza

13. Mr Fred LI however pointed out that SO of the market in Lei Yue Mun Plaza (LYMP) had not passed the rent concessions granted by HA in entirety to stall-holders. Unlike their counterparts in the nearby HD-managed shopping centre who were offered a complete waiver, stall-holders of LYMP market still had to pay 20% of their rents to the SO concerned. The situation was further aggravated when all the prime stalls in the market were allocated to friends and relatives of SO. In the absence of a recognized trade union, these stall-holders were deprived of the right to negotiate with their SO. To ascertain the efficacy of single-operator concept, Mr LI considered that HA should conduct an opinion survey in all single-operator markets to gauge the views of stall-holders on the performance of SOs and whether they would prefer HA to take over the management of the markets.

14. AD/CP advised that HD had looked into the circumstances. According to the SO concerned, special large-scale promotional activities had to be organized and free shuttle-bus services to carry residents from nearby estates was needed in order to sustain the operation of the LYMP market. The expenses incurred by these arrangements were absorbed in stallholders' rent payments. Therefore, despite the rent waiver, the SO concerned had to continue to collect some rents from his stall-holders to contribute towards these operational overheads. HD had checked the SO's account and was satisfied that the rent concessions had indeed been passed on to the stallholders in entirety. The charge of some residual rents for sharing out operational overheads was justifiable. The stall-holders were fully aware of the fact and had agreed to pay the rents. CM/CP added that the LYMP case was an exceptional one. Apart from the rent discounts to take account of the slow resident intake in the nearby Home Ownership Scheme (HOS) blocks, an additional 20% rent concession was granted to the SO of LYMP market as a result of the moratorium on HOS sales, amounting to a complete waiver of rent for two months. He reiterated that the SO concerned had passed on the rent concessions in entirety to stall-holders. The additional rents payable were to cover the expenses of \$380,000 for promotional activities. He reiterated that HD had conducted an opinion survey which showed that stall-holders, residents and shoppers were generally satisfied with the markets managed by SOs. As such, HA held the view that the single-operator concept should continue. Notwithstanding, HA would review the operation of single-operator markets from time to time to look for ways for further improvement.

15. Mr Andrew WONG remarked that he was supportive of the single-operator concept which should be extended to shopping centres under HA with a view to bringing the benefits of private sector's innovative management to these shopping centres. The Chairman added that members might consider reviving the Subcommittee to study the letting and rent policies of non-domestic premises of the Housing Authority and the Housing Society should they decide that the issue warranted further discussion.

V. Implementation of Team Clean initiatives in public housing estates
(LC Paper No. CB(1) 1814/02-03(03) — Papers provided by the Administration)

16. At the invitation of the Chairman, the Deputy Director (Estate Management) (DD/EM) highlighted the salient points in the Administration's information paper. He said that the 18 cleanliness initiatives to be implemented by HD in public housing estates formed an integral part of Team Clean's initiatives announced on 28 May 2003. These initiatives were classified into three categories, namely personal hygiene improvement measures, home hygiene improvement measures and community hygiene improvement measures.

Community hygiene improvement measures

17. On *strengthening of hawker control both inside and outside public housing estates*, Dr YEUNG Sum expressed concern that the arrangement for the Police and the Food and Environmental Hygiene Department to conduct raids at hawking blackspots might not be sustainable in the long run having regard to the tight manpower of the Police. He also questioned how property services companies could enforce against illegal hawking activities in the absence of statutory power. Mr LEE Cheuk-yan echoed that security guards might not be able to get timely assistance from the Police in their normal course of business. DD/EM advised that HD had launched a pilot scheme in Tai Wo Hau, Lei Muk Shue, Shek Lei, Wong Tai Sin Lower, Wah Fu and Lok Wah North Estates to ascertain the effectiveness of the proposed arrangement. The scheme would be extended to other estates if proven to be effective. He added that enforcement should not be a problem as the Police would arrive at the scene as within a very short time upon receipt of request for assistance. Training in self-defense would also be provided to security guards. At members' request, the Administration undertook to provide a report on the progress of the scheme in six months' time.

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Home hygiene improvement measures

18. On *improving the environmental conditions of estate refuse collection points*, Mr Fred LI expressed doubt on the practicality of constructing covers for individual refuse collection points. He then enquired about the measures to modernize these collection points. DD/EM replied that innovative bio-chemical odour removal device would be installed in refuse collection points to improve the environment. Efforts would also be made to separate dry/wet waste and covers would be constructed for collection points for wet waste. In response to Mr Albert CHAN's question on whether refuse rooms and refuse shaft would be reopened for use by tenants, DD/EM said that HD had an open mind in this regard which would be considered taking into account residents' views.

19. On *strengthening enforcement against throwing objects from height*, Mr LI agreed that measures should be mapped out to tackle the difficult problem of throwing objects from height in the long run. DD/EM advised that monitoring

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systems, including closed circuit televisions (CCTVs), would be installed at blackspots to facilitate surveillance and prosecution. A complaint mechanism would be introduced for residents to report blackspots and repeated offenders. Consideration was being given to putting in place a reward system to encourage reporting of these offenders. Noting that HD would only use the existing stock of 25 CCTVs, Mr LI questioned whether these were sufficient given the large number of public housing estates in Hong Kong. DD/EM said that HD would mobilize the CCTVs where necessary. It was trusted that the introduction of the complaint and award systems, coupled with visual inspection by HD staff would deter the throwing of objects from height. Nevertheless, more CCTVs would be acquired if these were proven to be an effective deterrent.

Personal hygiene improvement measures

20. DD/EM advised that to strengthen enforcement against persistent hygiene offenders in public housing estates, a marking scheme would be introduced for issuing warnings and allotting penalty points to tenants committing hygiene offences such as littering and spitting. Tenants with penalty up to a prescribed level would face tenancy termination

21. While agreeing to the need to step up enforcement, Mr Frederick FUNG opined that penalty points should only apply to acts which were prohibited under the tenancy agreement. He also considered it unfair to hold the principal tenant liable for offences committed by individual family members or offences committed as a result of inadequate facilities provided by HD. For instance, the lack of a proper place for installation of air-conditioners was probably the cause for dripping of air-conditioners. His views were shared by Mr LEE Cheuk-yan. In reply, DD/EM pointed out that the tenancy agreement had already stipulated that a principal tenant should be held responsible for all acts of his family members. The marking scheme was only aimed at codifying the existing arrangements. He added that while facilities in older public housing estates might not be as good as those in new estates, this should not be used as an excuse for non-compliance with tenancy conditions. To ensure impartiality, an appeal mechanism would be made available for tenants to contest against HA's decision on termination of tenancy agreement. Besides, tenants so evicted who had a genuine need for housing would be offered interim housing to ensure that they would not be rendered homeless.

22. Given that the provisions under the tenancy agreement had not been strictly enforced in the past, Mr Albert HO questioned why HD should adopt such a high-hand approach now through the introduction of the marking scheme. He cautioned that the holding of principal tenants liable for offences committed by individual family members might be subject to judicial review. In response, DD/EM stressed the need to improve environmental hygiene in public housing estates which were densely populated. The legal advisor of Housing Department had been consulted on clause 4 of the tenancy agreement regarding liability of principal tenants which confirmed that the provision was in order. He assured members that termination of

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tenancy agreement would only be effected in the event of repeated offences. Besides, HD would issue notices to alert tenants of their obligations under the tenancy agreement.

23. Mr HO remained of the view that HA should not adopt such a stringent approach given that public housing was the safety net for the low income group. Consideration should be given to imposing a fixed fine for the first offence, court sentence for repeated offence and community service order for subsequent offences. His views were shared by Mr SIN Chung-kai and Mr LEUNG Yiu-chung. Mr LEUNG added that efforts should be made to enhance public awareness on the need to improve environmental hygiene. Mr Albert CHAN also expressed grave dissatisfaction that HA should shift its responsibility for improving environmental hygiene of public housing estates to tenants through the introduction of the marking scheme. However, Mr NG Leung-sing recalled that the Legislature was supportive of the Team Clean's initiatives when these were first announced by the Administration. He was surprised at members' reaction at the current meeting. Given that nearly half of the population in Hong Kong were living in public housing estates, it was important to ensure cleanliness of these estates. As such, more stringent measures, including termination of tenancy agreement, should be taken against unethical acts of tenants. This was also fair to applicants on the Waiting List who had been waiting for their turn for allocation of public housing for a long time.

24. The Chairman remarked that HA should re-consider the pros and cons of the proposed measures, particularly the imposition of liability on principal tenants for offences committed by individual family members. It should also ensure that sufficient manpower resources were made available to cope with the increased workload, and that there was no inconsistency in enforcement actions taken in different public housing estates. DD/EM said that members of the Panel on Food Safety and Environmental Hygiene had agreed at a previous meeting that there was zero tolerance on unhygienic offences. He nevertheless assured members that HD would adopt a prudent approach in taking enforcement actions. The important point was to alert public awareness on the need to improve environmental hygiene in Hong Kong.

VI. Any other business

25. There being no other business, the meeting closed at 4:40 pm.