

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1641/03-04  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/HG/1

**Panel on Housing**

**Minutes of special meeting  
held on Monday, 8 March 2004, at 4:30 pm  
in the Chamber of the Legislative Council Building**

**Members present** : Hon Albert HO Chun-yan (Chairman)  
Hon CHAN Kam-lam, JP (Deputy Chairman)  
Hon LEE Cheuk-yan  
Hon Fred LI Wah-ming, JP  
Hon James TO Kun-sun  
Hon CHAN Yuen-han, JP  
Hon LEUNG Yiu-chung  
Hon Andrew WONG Wang-fat, JP  
Hon Howard YOUNG, SBS, JP  
Dr Hon YEUNG Sum  
Hon Abraham SHEK Lai-him, JP  
Hon Albert CHAN Wai-yip  
Hon WONG Sing-chi  
Hon Frederick FUNG Kin-kee

**Members absent** : Dr Hon David CHU Yu-lin, JP  
Hon NG Leung-sing, JP  
Hon YEUNG Yiu-chung, BBS  
Hon SZETO Wah  
Hon Tommy CHEUNG Yu-yan, JP  
Dr Hon LO Wing-lok, JP  
Hon IP Kwok-him, JP  
Hon LAU Ping-cheung

**Public officers attending** : Mr TAM Wing-pong, JP  
Deputy Director of Housing (Strategy)

Mr Carlson CHAN  
Assistant Director of Housing  
(Strategic Planning)

Mr Francis CHENG  
Senior Administrative Officer  
(Strategic Planning)  
Housing Department

**Attendance by invitation** : Individual

Dr YIP Ngai-ming  
Assistant Professor  
Department of Public and Social Administration  
City University of Hong Kong

Grassroots Housing Rights Defense Alliance (捍衛基層住屋權益聯盟)

Ms WONG Ling-hei  
Member

Ms CHEUNG Man-wai  
Member

Neighbourhood and Worker's Service Centre

Mr WONG Yun-tat  
Community Affairs Officer

Mr CHUNG Hau-ping  
Member

Wong Chuk Hang Estate Re-development Residential Committee

Mr AU-YEUNG Woon  
Representative

Ms CHONG Han-yu  
Representative

Kwai Chung Estate Resident's Right Concern Group

Mr NG Wing-chak  
Chairman

Mr AU-YEUNG Kwun-tung  
Member

Chinese Grey Power

Mr POON Ka-mui  
Committee member

Ms LO Siu-lan  
Committee member

Reasonable Housing Rights Concern Group (爭取合理住  
屋權益關注組)

Ms CHIU Pik-kei  
Member

Ms LEUNG Sau-yung  
Member

**Clerk in attendance :** Miss Odelia LEUNG  
Chief Council Secretary (1)4

**Staff in attendance :** Ms Sarah YUEN  
Senior Council Secretary (1)6

Ms Christina SHIU  
Legislative Assistant

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Action

- I. Review of income and asset limits for Waiting List applicants**  
(LC Paper No. CB(1)1222/03-04(01) -- Submission dated 5 March 2004 from Dr YIP Ngai-ming, Assistant Professor of the Department of Public and Social Administration, City University of Hong Kong

- LC Paper No. CB(1)1235/03-04(01) -- Submission dated 5 March 2004 from Grassroots Housing Rights Defense Alliance (捍衛基層住屋權益聯盟)
- LC Paper No. CB(1)1210/03-04(01) -- Submission dated 5 March 2004 from Neighbourhood and Worker's Service Centre
- LC Paper No. CB(1)1210/03-04(02) -- Submission dated 5 March 2004 from Wong Chuk Hang Estate Re-development Residential Committee
- LC Paper No. CB(1)1235/03-04(02) -- Submission dated 5 March 2004 from Kwai Chung Estate Resident's Right Concern Group
- LC Paper No. CB(1)1235/03-04(03) -- Submission dated 5 March 2004 from Chinese Grey Power
- LC Paper No. CB(1)1235/03-04(04) -- Submission from Reasonable Housing Rights Concern Group (爭取合理住屋權益關注組)
- LC Paper No. CB(1)1210/03-04(03) -- Supplementary information paper provided by the Administration
- LC Paper No. CB(1)1112/03-04(03) -- Information paper provided by the Administration
- LC Paper No. CB(1)1174/03-04(01) -- Briefing note on "Review of income and asset limits for Waiting List applicants"
- LC Paper No. CB(1)1203/03-04 -- Motion in relation to "Review of income and asset limits for Waiting List applicants" proposed by Mr Frederick FUNG Kin-kee and seconded by Mr LEUNG Yiu-chung)

Meeting with the Grassroots Housing Rights Defense Alliance (捍衛基層住屋權益聯盟)

Ms WONG Ling-hei and Ms CHEUNG Man-wai of the Grassroots Housing Rights Defense Alliance briefed members on the Alliance's submission.

Meeting with Neighbourhood and Worker's Service Centre

2. Messrs WONG Yun-tat and CHUNG Hau-ping of Neighbourhood and Worker's Service Centre briefed members on the Centre's submission.

Meeting with Wong Chuk Hang Estate Redevelopment Residential Committee

3. Mr AU-YEUNG Woon and Ms CHONG Han-yu of Wong Chuk Hang Estate Redevelopment Residential Committee briefed members on the Committee's submission.

Meeting with Kwai Chung Estate Resident's Right Concern Group

4. Messrs NG Wing-chak and AU-YEUNG Kwun-tung of Kwai Chung Estate Resident's Right Concern Group briefed members on the Group's submission.

Meeting with Chinese Grey Power

5. Ms LO Siu-lan and Mr POON Ka-mui of Chinese Grey Power briefed members on Chinese Grey Power's submission.

Meeting with Reasonable Housing Rights Concern Group (爭取合理住屋權益關注組)

6. Ms LEUNG Sau-yung and Ms CHIU Pik-kei of Reasonable Housing Rights Concern Group briefed members on the Concern Group's submission. Ms CHEUNG Man-wai of the Alliance supplemented details of the case of Ms LEUNG, whose son was residing with her in public rental housing (PRH) and planned to get married and apply for PRH. However, after the proposed downward adjustments to the income limits (the proposed adjustments) for Waiting List (WL) applicants for PRH, he would become ineligible for PRH. He had to cancel his wedding plan and maintain his residence in the existing PRH flat.

Meeting with Dr YIP Ngai-ming

7. Dr YIP Ngai-ming, Assistant Professor, Department of Public and Social Administration, City University of Hong Kong (CityU), briefed members on his submission. He stressed that he was giving views in individual capacity and did not represent CityU.

8. In response to the Chairman on overseas experience in handling existing applications in the event of adjustments to eligible income and asset limits, Dr YIP Ngai-ming advised that it was not common in other places to use the household income as the major criterion for allocating PRH. In fact, even in Hong Kong consideration had in the past been given to other factors, such as the living

environment of the applicant concerned. He considered it appropriate to take into account other factors such as the size of the household, the need to keep the family intact, etc. However, consideration of other factors would inevitably complicate the existing mechanism and formula for calculating the WL limits.

#### Meeting with the Administration

9. At the Chairman's invitation to respond to the deputations, the Deputy Director of Housing (Strategy) (DD of H(S)) showed understanding of the frustrations and grievances of WL applicants who might be excluded from the PRH eligibility net as a result of the proposed adjustments. He assured members and the deputations that where special circumstances warranted, the Housing Department (HD) or the Social Welfare Department would exercise discretion or render assistance if needed. He stressed that the proposed adjustments were necessary because with limited housing resources, it was impracticable not to review regularly the eligibility criteria but to satisfy everybody's aspiration for improved living conditions. Moreover, given the financial situation of the Housing Authority (HA) after the cessation of the sale of Home Ownership Scheme (HOS) flats, it might not be possible for the HA to meet the increasing demand for PRH without injection of funds from the Government. This in turn would however have wide implications on the allocation of public resources and had to be considered with great care.

10. DD of H(S) further advised that at present the income and asset limits were the major yardstick for determining PRH eligibility. While the existing mechanism could be further reviewed, it was undesirable not to adjust the WL income and asset limits in accordance with the existing formula. Although some people would be affected by the proposed adjustments, those in genuine need would not be rendered ineligible for PRH. In addition, for those WL applicants who failed in the income/asset test but subsequently became qualified under the prevailing eligibility rules as a result of income/asset limits revision or substantiated changes in family circumstances, they could reinstate their original PRH applications within two years.

11. Mr LEE Cheuk-yan said that as far as he knew, there was no discretion in determining PRH eligibility. He would monitor how the various cases highlighted by the deputations would be handled, especially that of Ms LEUNG Sau-yung, representative of the Concern Group.

12. In reply to the Chairman, Assistant Director of Housing (Strategic Planning) made the following clarifications -

- (a) The number of households which would be excluded from the PRH eligibility net as a result of the proposed adjustments was deduced from the statistics compiled by the Census and Statistics Department (C&SD) on incomes of the non-owner occupier households in the

private sector. The figure of 6 200 households which might become ineligible for PRH, however, should be taken with a grain of salt. Firstly, not all the 'affected' households were on the WL. Secondly, some of the households on the WL might have already gone through the vetting stage and hence were exempted from the application of the reduced limits. Thirdly, of these 6 200 households, 3 600 were single-person households. The proposed income limit for singletons was \$6,600, or over \$6,900 after addition of the 5% statutory contribution under the Mandatory Provident Fund Scheme. When responding to C&SD's income survey, these households might round up their income to \$7,000, hence exceeding the proposed income limit. Given all these factors, the number of households that would be excluded from the eligibility net might have been inflated.

- (b) Some 3 000 additional PRH households might be required to pay 1.5 times or double net rent plus rates following the proposed adjustments. Taking the four-person 'well-off' households as an example, the percentage of income spent on rent would in most cases still be far below 10%, and would only be slightly over 10 % for those who lived in the most expensive type of New Harmony flats in the urban area.

### Motion

13. The Chairman drew members' attention to the following motion proposed by Mr Frederick FUNG Kin-kee and seconded by Mr LEUNG Yiu-chung -

“本會對房屋委員會資助房屋小組委員會對輪候公屋入息限額的計算方法不認同，要求考慮本會議員意見，重新檢討。

同時，因調低輪候公屋入息限額而導致超過六千戶輪候人士被剔除輪候冊之外，會違反現時合資格人士輪候入住公屋的期望，故本會不同意房屋署建議調低輪候公屋入息限額，並建議凍結2004-05年的輪候公屋入息限額。”

“That this Panel disagrees with the formula for calculating the Waiting List (WL) income limits adopted by the Subsidized Housing Committee of the Housing Authority and urges it to conduct a review taking into account the views expressed by members of this Panel.

Furthermore, given that over 6 000 household applicants will be removed from the WL as a result of the downward adjustment of the WL income limits, contrary to the expectations of currently eligible applicants who are waiting for the allocation of public rental housing, this Panel opposes the Housing Department's proposed downward adjustment of the WL income limits and recommends that the WL income limits be frozen for 2004/05.”

14. Explaining his motion, Mr Frederick FUNG elaborated that in his view, the outcome of the latest annual review on the WL limits could not reflect the current situation. This was because with the recent economic recovery, there might be inflation instead of deflation as revealed in the review. Miss CHAN Yuen-han shared his view. Mr FUNG also elaborated that the WL applicants who might be affected by the proposed adjustments would be doubly penalized in that not only were they excluded from the eligibility net but they would also have to struggle harder to make a living in the face of the envisaged inflation. He therefore opposed to the proposed adjustments. He further explained that he did not agree with the formula for calculating the income limits (the formula) because it had not incorporated the recommendations on the mechanism for adjusting the WL limits put forward by the Panel in 2002.

15. Indicating support for the motion and urging other members to support it too, Mr LEE Cheuk-yan made the following points -

- (a) The annual review and adjustment of the WL limits was not conducive to social stability. It was both unfair and frustrating to remove PRH applicants already on the WL from the eligibility net as a result of the adjustments. This was because WL applicants had reasonable expectations for improvement in living conditions;
- (b) The formula was unreasonable. In fact, when it was reviewed in 2002, Legislative Council (LegCo) members could not reach a consensus with the Administration on the percentage of contingency allowance in calculating the WL income limits and on the way the non-housing expenditure should be derived. The existing formula had excluded many households in genuine need from the PRH eligibility net; and
- (c) Housing right was very important and hence should be properly ensured. It was too mean on the part of the Administration to reduce the income limits. On the other hand, the Administration was too generous in handling the disposal of the Hunghom Peninsula Private Sector Participation Scheme (PSPS) flats (the Hunghom flats). This only showed the Government looked after the interest of large corporations more than that of the public.

16. Miss CHAN Yuen-han referred to the submissions made by the deputations, and indicated support for the motion in consideration that the grassroots had not benefitted from the recent economic recovery and improved employment rate, and that their problems including housing problems had yet to be solved. She opined that the PRH eligibility net should not be tightened up because, according to relevant statistics, the poverty problem had deteriorated. Moreover, the theme of this year's Policy Address was safeguarding people's livelihood and



giving the community adequate time to recover. In her view, sufficient PRH units should be produced to meet people's needs as far as possible. The Government should inject funds into the HA to enable it to tackle its funding problem resulting from the cessation of the sale of HOS and PSPS flats.

17. Showing support for the motion, Mr Fred LI Wah-ming stressed that as it was quite certain that the economy was recovering, the WL limits should not be reduced. He also pointed out that the wealth disparity problem was serious and, even at the time of economic recovery, low-income families were the last to benefit. As such, PRH eligibility, which was an indispensable part of the safety net, should not be tightened up to aggravate their sufferings. To maintain social stability, he urged HD to freeze the WL income limits for 2004/05, and even increase them in 2005/06 where necessary.

18. Also supporting the motion, Mr Albert CHAN Wai-yip expressed regret that the Administration should have been so mean to the WL applicants and so generous to the developer of the Hunghom flats. Highlighting the recent rapid increases in property prices, he called upon the Administration to take note of the latest changes in the property market as well as the sufferings of the low-income families. He called upon the Administration to suspend the proposed adjustments so as not to classify people into different categories, which was not conducive to solidarity of the society.

19. On behalf of members of the Democratic Party, the Chairman said that the Democratic Party considered the proposed adjustments undesirable for the following reasons -

- (a) Notwithstanding the recent economic recovery, many people had yet to benefit and were still suffering from lack of job security. The maintenance of social stability was therefore important. There was also a need to address the aggravating poverty problem and wealth disparity and to ensure the right to decent living standards advocated by the United Nations;
- (b) Many of the WL applicants had been on the list for a long time and it would be frustrating to exclude them from the eligibility net. Moreover, they could not buy HOS flats now the sale of which had been ceased. Rents of private flats, on the other hand, might go up because of the impending relaxation of rent control;
- (c) The number of surplus HOS flats amounted to 24 000 units. It was both unreasonable and absurd to incur so much management and maintenance costs to keep so many idle HOS flats while a large number of people were waiting for allocation of PRH. These HOS flats should be converted into PRH units; and

- (d) The proposed adjustments were mean when compared to the handling of the Hunghom flats, which was too lenient.

20. Mr CHAN Kam-lam declared interests as a member of both the HA and its Subsidized Housing Committee (SHC). He undertook to convey the views expressed by the deputations as well as members to both the HA and the SHC. Commenting on the part of the motion which sought to call for a freeze of the income limits for 2004/05, he opined that it was undesirable to deviate from the established practice of annually reviewing the WL limits. He however expressed regret that the Administration consulted the Panel at such a late stage just before the proposed adjustments were to be discussed by SHC. There was insufficient time to address concerns raised or introduce changes where appropriate. He urged the Administration to improve in future.

21. Responding to the proposed motion, DD of H(S) explained that the Administration understood members had different views on the mechanism. He assured members that even without the motion, he would convey the views expressed at this meeting and at the meeting on 1 March 2004 to the HA.

22. Stressing the need for moving the motion, Mr LEE Cheuk-yan pointed out that the spirit of the motion was to urge the Government to assure the needs of the public would be taken care of. Mr Albert CHAN said that apart from demanding a review of the mechanism, the motion also sought to call for a freeze of the income limits for 2004/05. Miss CHAN Yuen-han opined that the motion if carried should be relayed not only to the HA but also the Housing, Planning and Lands Bureau and the Financial Secretary.

23. Making a concluding remark before the motion was put to vote, Mr Frederick FUNG maintained that notwithstanding the established practice to make annual adjustments to WL income and asset limits, there was a need to consider views and exercise flexibility where necessary. This was especially so because all economists and even the Chief Executive himself envisaged inflation this year.

24. The Chairman put the motion to vote. The Chairman, Ms CHAN Yuen-han and Messrs LEE Cheuk-yan, Fred LI, Albert CHAN, WONG Sing-chi and Frederick FUNG voted for the motion. The Chairman declared that the motion was carried.

*(Post-meeting note: A letter formally advising the Administration of the passing of the above motion was issued on 9 March 2004.)*

## **II. Any other business**

25. There being no other business, the meeting ended at 5:30 pm.

Council Business Division 1  
Legislative Council Secretariat  
30 April 2004