

立法會
Legislative Council

LC Paper No. CB(1)2025/07-08
(These minutes have been seen by
the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Tuesday, 8 April 2008, at 4:30 pm
in the Chamber of the Legislative Council Building

- Members present** : Hon LEE Wing-tat (Chairman)
Hon WONG Kwok-hing, MH (Deputy Chairman)
Hon Fred LI Wah-ming, JP
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon James TO Kun-sun
Hon CHAN Yuen-han, SBS, JP
Hon CHAN Kam-lam, SBS, JP
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon LI Kwok-ying, MH, JP
Dr Hon Joseph LEE Kok-long, JP
Hon Alan LEONG Kah-kit, SC
Prof Hon Patrick LAU Sau-shing, SBS, JP
- Members absent** : Dr Hon YEUNG Sum, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon LEUNG Kwok-hung
- Public officers attending** : Agenda Item IV
Mr LAU Kai-hung, JP
Deputy Director (Estate Management)
Housing Department

Mr WONG Bay
Assistant Director (Estate Management) 2
Housing Department

Mr Allan WONG Nai-kwong
Head (Total Maintenance Scheme)
Housing Department

Agenda Item V

Miss Mary CHOW Shuk-ching, JP
Deputy Secretary for Transport and Housing (Housing)

Mr LEE Cert-quinn
Assistant Director (Estate Management)1
Housing Department

Mrs Alice LO CHAN May-yee
Chief Housing Manager/Applications
Housing Department

Attendance by invitation : Agenda Item V

Hong Kong Housing Society

Miss WONG Lai-chun
Chief Executive Officer and Executive Director

Clerk in attendance : Ms Connie SZETO
Chief Council Secretary (1)6

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

Ms Michelle NIEN
Legislative Assistant (1)9

Action

I Confirmation of minutes
(LC Paper No. CB(1)1159/07-08 -- Minutes of meeting on 7 January 2008)

The minutes of the meeting held on 7 January 2008 were confirmed.

II Information papers issued since last meeting

(LC Paper No. CB(1)998/07-08(01) -- Administration's paper on Land Registry statistics in February 2008 (press release)

LC Paper No. CB(1)1065/07-08(01) -- Submission on installation of closed-circuit television and telephone alarm system in the corridor of every floor of public rental housing blocks from a member of the public)

2. Members noted that the above information papers had been issued since the last regular meeting held on 3 March 2008.

III Items for discussion at the next meeting

(LC Paper No. CB(1)1161/07-08(01) -- List of outstanding items for discussion

LC Paper No. CB(1)1161/07-08(02) -- List of follow-up actions)

3. Members agreed to discuss the item on "Rent payment for lower income public housing tenants" proposed by the Administration at the next regular meeting to be held on Monday, 5 May 2008, at 2:30 pm.

(Post-meeting note: A further item on "Briefing on the work of the Estate Agents Authority" proposed by the Chairman was subsequently added to the agenda.)

IV Review of the Total Maintenance Scheme

(LC Paper No. CB(1)1161 /07-08(03) -- Administration's paper on review of the Total Maintenance Scheme)

4. With the aid of power-point, the Head (Total Maintenance Scheme), Housing Department briefed members on the findings of the review of the Total Maintenance Scheme (TMS) for public rental housing (PRH) estates launched by the Housing Authority (HA) since early 2006.

(Post-meeting note: The relevant presentation material was issued vide LC Paper No. CB(1)1218/07-08(01) on 9 April 2008.)

Discussion*Measures to answer tenants' enquiries and minimize disruptions caused*

5. Mr WONG Kwok-hing enquired whether there were designated staff to answer tenants' calls to the Maintenance Hotline, and whether tenants of estates not yet under TMS could also call the hotline to make inspection appointments or put forward maintenance requests. In reply, the Deputy Director (Estate Management), Housing Department (HD) (DD(EM)) said that TMS adopted a proactive and comprehensive approach to actively address tenants' needs on maintenance and repair works. In-flat Inspection Ambassadors (IIAs) were deployed to carry out in-flat inspections and provide one-stop repair services for tenants. In addition to the Maintenance Hotline, HD had also set up mobile service counters for residents to make appointments for works and enquire about progress of inspection and maintenance works. He added that while the Maintenance Hotline was only open to tenants of estates where TMS was in progress, as HA should be able to complete the inspection for all PRH estates within five years, consideration could be given to extending the hotline service to all tenants.

6. Prof Patrick LAU was keen to ensure that repair works under TMS would be completed quickly. He considered that if large-scale in-flat repair/maintenance works were required, HD should arrange temporary re-housing for affected tenants to minimize nuisances and disruptions caused to their daily life. In response, the Assistant Director (Estate Management) 2, Housing Department (AD(EM)2) explained that when making in-flat inspection, each IIA would be accompanied by a works co-ordinator and a multi-skilled building maintenance worker, who would inspect eight major maintenance items, such as door, gates, windows of the flats, the water and power supply and drainage systems, etc. If feasible, simple repair works identified at the spot would be conducted immediately, while appointments would be made for small-scale repair works. As for maintenance works concerning building structure, such as water seepage and concrete spalling, detailed inspection and planning would be carried out in due course and appointments with the tenants concerned would be made for conducting repairs. If large-scale in-flat repair or maintenance works were needed, such as works involving replacement of the ceiling which would create serious disruptions to tenants, HD would arrange temporary accommodation for the affected tenants. As regards the concern about nuisances to tenants during the conduct of maintenance and repairs works, AD(EM)2 said that special measures including better communication with tenants before commencement of the works, adequate training for workers, complete and proper enclosure of affected areas, improvement of dust removal installation and enhanced cleaning services after completion of works, etc. would be taken to mitigate the impacts. The above mitigation measures were well received by tenants and they were in general satisfied with the results. DD(EM) re-iterated that tenants welcomed TMS as it had adopted a proactive and comprehensive approach to address their maintenance needs. They were also satisfied with the effect of the above mitigation measures, in particular the provision of full height dust screen and the use of high efficiency vacuum cleaner in the work process,

which could significantly reduce the nuisances of works relating to spalling concrete.

Monitoring of quality and progress of works

7. Miss CHAN Yuen-han welcomed the adoption of a proactive and comprehensive approach under TMS, especially the deployment of IIAs and the launch of the Maintenance Hotline. She stressed the importance of putting in place a sound quality control system for repair works which had been contracted out to outside contractors. In response, DD(EM) said that over \$1,400 million instead of the originally planned \$1,200 million per annum would be spent on maintenance and improvement works in 2007-2008 to ensure proper implementation of TMS. He re-iterated that when making in-flat inspections, each IIA would be accompanied by a works co-ordinator and a multi-skilled building maintenance worker so that prompt response would be made to emergencies and tenants' requests for necessary repairs. The presence of the works co-ordinator would help ensure quality of the works. As a result, the overall rate of tenants' satisfaction towards HD's repair and maintenance services had risen to 87% after the introduction of TMS.

8. Citing the serious delay in the implementation of facade maintenance and condensate drain pipe installation works in Kwai Fong Estate, Mr LEUNG Yiu-chung shared the concern about the difficulty for HD to monitor the progress and quality of works conducted by outside contractors. He also expressed concern about HA's arbitrary decisions in conducting repair works where there were cases that only the lower halves of toilet doors and the hinges of steel window frames were replaced. He enquired about the criteria adopted by HD in determining whether a facility should be repaired or replaced.

9. DD(EM) said that HD had attached great importance to enhancing the quality of its maintenance services. As such, only contractors who had obtained HA's quality management system certification were awarded with works contracts under TMS. Before conducting large-scale works, HD would set up maintenance mock-ups to explain the arrangements in detail to tenants. As for in-flat provisions such as doors and windows, HA would repair and replace them as necessary. Very often, problems with these two items could be quickly and satisfactorily fixed up during the in-flat inspection. The criteria adopted by HD to determine whether a facility should be repaired or the entire facility replaced would also be explained to tenants. Tenants could reflect their views and concerns to HD with a view to resolving them.

Maintenance of steel window frames

10. Referring to the maintenance works on steel window frames carried out in Shek Wai Kok Estate, Mr LEUNG Yiu-chung expressed concern about the great efforts and high costs involved in sourcing spare parts for the repair of the frames as steel window frames were no longer used in Hong Kong. Pointing out that steel window frames would cause water seepage and become rusty easily, he

opined that HA should consider replacing all steel window frames of PRH flats with aluminum ones.

11. AD(EM)2 pointed out that aluminum window frames were not necessarily better than steel window frames. In fact, the latter was more durable and was seldom involved in incidents of falling windows. He further explained that windows of PRH flats were all maintained according to HA's maintenance strategy on window repairs. At present, more than 30% of PRH estates were installed with steel window frames. Necessary repair would be conducted to these window frames to sustain the use where possible. While noting the problems associated with steel window frames, DD(EM) said that they were durable, and a lot of such frames installed in PRH flats years ago were still in good condition. However, in recognition of the difficulty in sourcing spare parts and craftsmen for the repair of steel window frames, HA had decided to replace them by aluminum window frames gradually. Due to conservation considerations, steel window frames which were still in good condition would be replaced only when the flats were returned to HD. As for other flats installed with steel window frames, the need to strengthen or replace the frames would be assessed under TMS.

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12. Mr LEUNG Yiu-chung pointed out that because of the economies of scale, the unit costs could be kept low if all existing steel window frames in PRH flats were replaced in one go. Concurring with the view, the Chairman suggested the Administration to consider providing a paper on the percentage of dilapidated steel window frames in different PRH estates, so as to ascertain the need to conduct a large-scale window frame replacement exercise instead of carrying out the works on a case-by-case basis.

Suggestions on improvement to the Total Maintenance Scheme

13. Mr WONG Kwok-hing urged HA to take the opportunity of TMS to promote greening and environmental protection initiatives in PRH estates, such as planting on rooftops and installation of energy saving devices. In reply, DD(EM) advised that HA had already introduced a number of initiatives and the details, including the use of energy saving lighting devices, use of prefabricated "vertical green panels" for growing plants on roofs or facades of building, were reported to the Panel at its meeting held in December 2007. In this connection, Miss CHAN Yuen-han urged that HA should strengthen implementation of greening measures under TMS.

14. Mr WONG Kwok-hing expressed concern about the risks posed by the "pole-socket" type clothes-drying racks installed in old PRH estates such as Lai Yiu Estate, especially to elderly tenants. He opined that measures should be taken under TMS to address the problem. In response, DD(EM) advised that HA had already been subsidizing tenants to install stainless steel racks with cord pulleys as replacement of the "pole-socket" design, and many tenants had improved their laundry racks through this channel. In addition, the Colour Advisory Review Panel established by HD tasked with the maintenance works for facade redecoration would also review the need to replace existing laundry racks.

15. Pointing out that TMS had been well received by tenants, Mr CHAN Kam-lam urged HA to conduct future maintenance works adopting the same approach of TMS, expedite the progress of TMS, and enhance the scheme to improve the quality of PRH flats and living environment for tenants. For instance, he opined that HD should examine the design in certain estates where the doors of some flats were directly exposed to rain, which had caused the wooden doors to rot and the metal gates to become rusty easily. He considered that HA should give special consideration to replacing these facilities for affected tenants, although they might not be covered under TMS. He was also aware that tenants and estate management at times had different views on the need to replace the doors and metal gates of certain flats. Moreover, Mr CHAN urged that efforts should be made under TMS to provide additional facilities in PRH estates to ensure barrier-free access to the disabled. For instance, barrier-free access should be provided to link the estates to important community facilities in the vicinity of the estates.

16. DD(EM) pointed out that according to the results of a survey conducted by an independent consultant commissioned by HA, there was increase in the overall rate of tenants' satisfaction towards HD's repair and maintenance services after the implementation of TMS. Through cultivating a customer service culture, HA had enhanced communication with tenants and assured them that the costs of repair for structural defects and those arising from normal wear and tear would be borne by HA. As a result, tenants were more willing to report on defects in their flats for repair. He also reported that HA had already explained to the Estate Management Advisory Committees (EMACs) that doors and metal gates of the flats could be replaced under TMS where necessary. AD(EM)2 added that out of conservation considerations, efforts would be made to repair the doors and metal gates of the flats first before replacing them. As to ensuring barrier-free access, DD(EM) said that HA launched the Barrier-free Access Improvement Programme (the Programme) in 2001 to provide barrier-free access links in PRH estates. AD(EM)2 supplemented that improvement had already been made in 160 estates by providing ramps and railings in public areas to facilitate access and improving accessible facilities at the main road entrances of estates using drop kerbs and tactile warning strips. Although the final phase of the Programme was completed in March 2008, HA would continue to make improvements in this regard if necessary.

17. Noting that TMS was in general well received by tenants, the Chairman urged HA to conduct an interim review of TMS, adopt a more flexible and proactive approach in implementing the scheme, and consider expanding the scope to cover more items. By doing so, small defects could be rectified in time and costly and disruptive large-scale repair works could be prevented in future. Sharing the view that TMS should make up for inadequacy in community facilities, Miss CHAN Yuen-han stressed that improvement to access to PRH estates built on slopes, such as Shun Tin Estate, by constructing lifts or escalators for tenants, should be considered under TMS.

18. DD(EM) assured members that HD would strengthen efforts in implementing TMS to raise tenants' satisfaction towards its repair and maintenance services. Tenants would also be encouraged to put forward repair requests and report on defects early so that housing blocks could be maintained in good shape to minimize the need of making disruptive and costly maintenance works in the long run. As regards the scope of TMS, AD(EM)2 said that four maintenance items on systems related to electricity supply, communications, security and gas installations had been added to the original eight items to make up a total of 12 items under TMS. As regards the suggestion for improving access to estates, DD(EM) added that every year HA would consult EMACs on the suggestions for inclusion in the Estate Improvement Programme, which aimed at improving the living environment of estates. Access to estates could be improved through this programme. Furthermore, HA was carrying out comprehensive structural investigations for PRH estates aged about 40 years or above under the Comprehensive Structural Investigation Programme. If such structural investigations revealed that the PRH blocks were structurally safe and could be economically sustained for at least 15 years, HA would introduce measures under the Estate Improvement Programmes to improve the living environment of these estates having regard to the needs of the tenants and the communities. Such works included installation of lifts for blocks, landscaping, and provision of facilities for the elderly.

V Housing for the elderly provided by the Hong Kong Housing Authority and the Hong Kong Housing Society

(LC Paper No. CB(1)1161/07-08(04) -- Administration's paper on housing for the elderly provided by the Hong Kong Housing Authority and the Hong Kong Housing Society

LC Paper No. CB(1)1181/07-08(01) -- Hong Kong Housing Society's paper on Hong Kong Housing Society's Role in Providing "Housing with Care" for the Senior Citizens in Hong Kong

LC Paper No. CB(1)676/07-08(01) -- Hon WONG Kwok-hing's paper on removal arrangements relating to housing for senior citizens dated 23 January 2008

LC Paper No. CB(1)1135/07-08(01) -- Hon James TO Kun-sun's paper on housing for the elderly provided by the Hong Kong Housing Authority and the Hong Kong Housing Society dated 19 March 2008)

Presentation by the Administration and the Housing Society of Hong Kong

19. With the aid of power-point, the Assistant Director (Estate Management)1, Housing Department (AD(EM)1), briefed members on the measures introduced by HA to improve the utilization of the Housing for Senior Citizens (HSC) and its overall housing arrangements for the elderly.

(Post-meeting note: The relevant presentation material was issued vide LC Paper No. CB(1)1218/07-08(02) on 9 April 2008.)

20. Miss WONG Lai-chun, Chief Executive Officer and Executive Director of the Hong Kong Housing Society (HKHS), updated members on HKHS's provision of elderly housing and related services for senior citizens in Hong Kong, including the two pilot projects under the Senior Citizen Residence (SEN) Scheme and the Elderly Resources Centre and the elderly website to provide one-stop information service guide for the elderly, caregivers, and the general public. HKHS was also planning a new SEN project on Hong Kong Island and exploring the provision of private flats and elderly units with a service hub in the same development at Urban Renewal sites in Shau Kei Wan and Sham Shui Po.

Discussion

Housing for Senior Citizens

21. Mr WONG Kwok-hing enquired whether warden service would still be available in HSC in which majority of the units had been converted into normal PRH flats. In response, AD(EM)1 said that with the agreement of all tenants concerned to move out, all flats of an HSC could be converted into normal PRH flats. Arrangement would then be made to redeploy the wardens concerned to other HSC. He however assured members that 24-hour warden service would continue as long as there were still residents in an HSC.

22. Mr CHAN Kam-lam opined that conversion of HSC flats into normal PRH flats should be expedited because the former were unwelcome by elderly tenants as they had to share kitchen and/or toilet facilities with others. Moreover, management of hostel-type HSC was also poor. Noting that HD had launched the first phase of the HSC conversion programme covering 430 HSC units in late 2007, he enquired about the timetable for including 14 other HSC with relatively high vacancy rates under the conversion programme.

23. In reply, AD(EM)1 responded that some management problems would be inevitable in hostel-type HSC. He agreed that the progress of the conversion programme should be expedited in order to address the problems. However, in consideration that the elderly generally had great difficulty in adapting to new living environment, HD had to tailor-make moving arrangements for HSC tenants to allay their worries over moving from HSC into self-contained one-person flats or residential care homes for the elderly. He stressed that it was entirely the voluntary decision of the tenants of those HSC included in the conversion

programme to move out or otherwise, and the Administration would refrain from setting a rigid deadline in this regard unless there were only a few elderly tenants still staying in the HSC concerned. Hence, the choice of HSC tenants was a major factor affecting the progress of the conversion programme. The Administration could expedite the progress only if HSC tenants' response to the programme was good. As regards the first phase of the conversion programme, HA had already successfully converted all flats on the sixth floor of Tin Chak Estate into community or welfare uses. Even in Tak Tin Estate, where an earlier press report suggested that HD had unilaterally issued notices to tenants requesting them to move out without any prior consultation, the response to the conversion programme was very good and a few tenants who were previously unwilling to move out had subsequently agreed to do so.

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24. Prof Patrick LAU expressed support for expediting the HSC conversion programme because disputes could easily arise from sharing of kitchen and/or toilet facilities among tenants. He enquired about the number of HSC units awaiting conversion and the future uses of the converted units. In reply, AD(EM)1 undertook to provide the requested information after the meeting. In response to Prof LAU's concern about HSC units built at lower floors of buildings close to the car-parks, he explained that the design was to provide convenience for elderly tenants as they did not have to go up and down many floors. HA was aware of problems associated with HSC units situated in a noisy environment, and disputes among tenants arising from sharing common facilities in HSC units with old design. In consideration of the above undesirable situation, priority was given to converting these units with high vacancy rate.

Allocation arrangements to foster family-based support networks

25. While expressing support for HA to introduce allocation measures such as the Addition Policy for Harmonious Families (the Addition Policy), Enhanced Transfer Scheme for Harmonious Families (the Transfer Scheme) and Amalgamation of Tenancies for Harmonious Families in October 2007 with a view to encouraging younger families to live with or move closer to their elderly parents so as to take better care of them, Mr WONG Kwok-hing opined that in order to foster a family-based support network, HA should also review the "well-off tenants" policy and lift the requirement of "well-off" tenants to pay higher rents. He pointed out that due to the "well-off tenants" policy, the second generation of PRH households were forced to move out in order to avoid paying higher rents.

26. In response, the Deputy Secretary for Transport and Housing (Housing) (DSH) advised that the Policy on Safeguarding Rational Allocation of Public Housing Resources, or the so called "well-off tenants" policy, was to safeguard the rational allocation of public housing resources and ensure that valuable public resources were used to help those most in need. Under the policy, only households with incomes much higher than the Waiting List (WL) income limits had to pay higher rents. As for the allocation measures, they were to encourage younger families to take care of their elderly parents so as to strengthen the family-based support network. She said that as at March 2008, 791 elderly

households had applied for addition of their adult offspring to the tenancy under the Addition Policy and 1 152 adult tenants had been so added.

27. Mr CHAN Kam-lam urged the Administration to exercise flexibility in implementing the Transfer Scheme to allow elderly tenants to seek transfer to other PRH estates even if their younger generation were not PRH tenants, so that they could still live close to each other. He also enquired whether the quota of 1 000 flats per year which HA had set aside for the Transfer Scheme (the Quota) could be increased so that the eligibility criteria for the Scheme could be relaxed.

28. In response, AD(EM)1 said that HD staff was mindful of the need to exercise flexibility in processing applications under the Transfer Scheme to help needy households. As to the Quota, the Chief Housing Manager/Applications, HD (CHM/A) advised that as only 271 applications under the Transfer Scheme had been received so far, it was believed that the Quota could meet the demand for 2008. She added that HA would review the Transfer Scheme to identify areas for improvement. When arranging transfer, if no suitable PRH flat matching the household size of the applicant could be found in the same estate where the elderly tenants or their children lived, the applicant would be transferred to a flat in a nearby estate in the same District Council district. In any event, arrangement would be made to ensure that the two generations could live close to each other to promote mutual support.

29. In reply to Mr CHAN Kam-lam on whether a WL applicant could seek allocation of a flat near to his/her elderly parents or children for better mutual care, CHM/A advised that HD would, with the consent of the applicant, seek recommendations of the Social Welfare Department (SWD) in ascertaining the need of the applicant in this respect. Flats so allocated would however not be counted towards the Compassionate Rehousing category.

30. While praising HA for introducing the allocation measures and urging it to consider implementing further enhancement, Mr LEUNG Yiu-chung pointed out that the "well-off tenants" policy would affect the effect of the enhanced allocation measures, and called on the Administration to review the policy. DSH re-iterated the purpose of the "well-off tenants" policy, in particular the need to ensure proper utilization of public resources. She further emphasized that the allocation measures could effectively encourage PRH tenants to live with or live closer to their elderly parents so as to take better care of them. Even if one party was not PRH tenant, the PRH applicant, with the supporting recommendation from SWD, would be allocated flat to live closer to the private accommodation of the other party.

31. Mr LEUNG Yiu-chung was not convinced by the Administration's explanation. He stressed that the threshold household income levels that triggered the payment of higher rents should be raised so that fewer families would be forced to break up in order to avoid paying higher rents. He opined that while it was important to ensure the proper use of public housing resources, there would be great social costs associated with the "well-off tenants" policy, such as the huge

cost for providing social services to take care of the elderly tenants living alone. It was therefore well justified for HA to undertake a review of the policy.

32. DSH explained that only households with income exceeding two times the WL income limits had to pay 1.5 times net rent plus rates, and those with income exceeding three times the WL income limits, or who chose not to declare income, would have to pay double net rent plus rates. She added that HA would review the WL income and asset limits annually to ensure they were in line with the prevailing socio-economic circumstances. As the income levels that triggered the payment of higher PRH rents under the "well-off tenants" policy was linked to WL income and asset limits, an increase in the limits would result in a corresponding adjustment in the "well-off tenants" threshold. Moreover, only tenants who had resided in PRH for ten years or more were required to declare household income. Nonetheless, DSH undertook to consider Mr LEUNG Yiu-chung's views having regard to the need to ensure rational allocation of public housing resources.

Housing for the elderly provided by the Hong Kong Housing Society

33. With growing concern about the ageing problem in Hong Kong, Mrs Selina CHOW said that there was consensus among members on the need to enhance housing services for the elderly. In view of the success of the SEN Scheme as evidenced by the over 150-applicant waiting list, she asked whether the Government would consider granting more sites to HKHS for building more SEN flats so that elderly people could "age in place" in Hong Kong and close to their families instead of moving to the Mainland in search of affordable elderly housing.

34. DSH pointed out that the Government's policy for the elderly was to provide appropriate and easily accessible community, recreational and medical services to the elderly living in different parts of the territory. While the SEN Scheme offered an additional housing choice for the elderly, it was not the only mode for catering to the service needs of the elderly. The Administration had already been actively following up with HKHS in conjunction with other policy bureaux and departments on HKHS's recent proposal for developing a SEN project on the Hong Kong Island. Moreover, as noted from HKHS's paper for this meeting, possibilities of providing private flats and elderly units with a service hub in the same development, which could also serve the neighbourhood, were being explored at Urban Renewal sites in Shaukeiwan and Shamshuipo. Should such efforts bear fruit and HKHS required support from the Government in pursuit of such projects, the Government would be pleased to consider providing support and follow up with relevant parties.

35. Noting that residents in flats under the SEN Scheme had to pay a lump sum "Entry Contribution" in return for a "life tenancy", Mrs Selina CHOW asked whether the sum could be paid by instalments. In reply, Miss WONG Lai-chun of HKHS advised that the sum could be paid over three years. Moreover, in response to the feedback from some elderly people, HKHS was studying the desirability of offering long leases instead of the existing life tenancy for the two SEN pilot projects. HKHS might also consider introducing tenancies of different

durations for new SEN projects and, accordingly different payment methods by the elderly including the one suggested by Mrs CHOW could be allowed.

36. Prof Patrick LAU appreciated HKHS's efforts in implementing the SEN Scheme. Noting that applicants for the two SEN pilot projects were subject to eligibility criteria including means test, he enquired whether the criteria could be relaxed for new SEN projects. Miss WONG Lai-chun of HKHS said that taking into account that retired elderly usually did not have a regular income, applicants of the SEN Scheme were only subject to asset limits test. Adjustments to the asset limits test had to be made in consultation with the Transport and Housing Bureau (THB). She undertook to look into Prof LAU's view in conjunction with THB. In this connection, Mr LEUNG Yiu-chung showed appreciation for HKHS's readiness to review the eligibility criteria for the SEN Scheme.

37. In reply to Prof Patrick LAU's enquiry about the rationale of imposing asset limits on applicants of the SEN Scheme and the mechanism for setting the limits, DSH explained that it was necessary to impose the asset limits on applicants because the sites for the two SEN pilot projects had been granted by the Government to HKHS at nominal premium. Given the substantial subsidy in the form of land premium, and in recognition that the SEN Scheme was purposely designed for middle-income elderly people, there was a need for the means test to ensure that the SEN Scheme could meet its objective.

38. Referring to the vacant site after the demolition of HKHS's Tanner Hill Estate, on which HKHS was planning to implement a SEN project, the Chairman indicated support for the project and urged the Administration to consider granting the site to HKHS at a discounted premium of 50% or even 66% to ensure the project's viability. Due to the decreasing supply of new PRH flats on the Hong Kong Island, he opined that consideration should also be given to developing PRH flats on the site, which would promote an integrated development as well as enhance a harmonious community.

39. On the Tanner Hill project, DSH pointed out that HKHS had yet to finalize the details and the Administration would continue discussion with HKHS on the matter. As regards the land premium for the Tanner Hill project, she said that the matter would need to be discussed in conjunction with other policy bureaux and departments after HKHS had formulated the details of its housing scheme for the elderly on the site. On the concern about decreasing supply of PRH flats in the urban area, she pointed out that about 80% of the new PRH flats constructed in the coming five years would come from the urban and extended urban areas, which would help ease the demand for urban PRH flats. Nonetheless, the Administration would take note of the Chairman's views regarding the Tanner Hill project.

40. Miss WONG Lai-chun of HKHS supplemented that according to existing policy, HKHS was provided with a 50% and a 66% discount in land premium for sites for development of "flat-for-sale" and rental housing respectively. The issue of land premium for Tanner Hill project was rather complicated as HKHS had already paid to the Government land premium at a discount of 66% when it

developed rental housing at Tanner Hill. Hence, if HKHS was to develop a SEN project or a new form of housing for the elderly at the Tanner Hill site, the Government and HKHS would need to discuss new land premium for the site and work out the details.

41. In response to the Chairman's call to expedite the discussion between the Government and HKHS, DSH said that HKHS had only raised the Tanner Hill project with the Government recently. Given the issues involved as mentioned above and the different target tenants of the project, it would take time for the parties to work out the details. The Administration had already been actively following up the proposal with a view to enabling its early implementation.

VI Any other business

42. There being no other business, the meeting ended at 6:35 pm.

Council Business Division 1
Legislative Council Secretariat
27 June 2008