

# 立法會

## *Legislative Council*

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

#### **Purpose**

This paper gives an account of the work of the Panel on Housing (the Panel) during the Legislative Council session 2008-2009. It will be tabled at the meeting of the Council on 24 June 2009 in accordance with Rule 77(14) of the Rules of Procedure of the Council.

#### **The Panel**

2. The Panel was formed by a resolution passed by the Council on 8 July 1998 and as amended on 20 December 2000, 9 October 2002, 11 July 2007 and 2 July 2008 for the purpose of monitoring and examining Government policies and issues of public concern relating to private and public housing matters. The terms of reference of the Panel are in **Appendix I**.

3. The Panel comprises 17 members, with Hon WONG Kwok-hing and Hon Frederick FUNG elected as Chairman and Deputy Chairman respectively. The membership list of the Panel is in **Appendix II**.

#### **Major work**

##### Re-launching of the Home Ownership Scheme and the Tenants Purchase Scheme

4. As a result of the major downward price adjustment in private residential flats following the property slump in 1997, there had been an overlap between Home Ownership Scheme (HOS) and private residential market. In response to the change, the Administration announced in November 2002 its re-positioned housing policy to withdraw from its role as a property developer by halting the production and sale of subsidized flats, and reduce its share in the overall housing production. As a result, the production and sale of HOS flats were ceased indefinitely from 2003 onwards. HOS flats which were completed or under construction would be disposed of through market-friendly means. In line with the re-positioned housing policy, the sale of public rental housing (PRH) flats under the Tenants Purchase Scheme (TPS) was also

ceased after the last TPS phase 6B in 2005. With the recovery of the local economy since 2003 and property prices continued to rise, there were increasing calls for the re-launching of HOS and TPS to assist low-income families to achieve home ownership.

5. The subject of re-launching of HOS and TPS was discussed by the Panel on 2 February 2009. Given that HOS was first introduced to meet the aspiration for home ownership of low-income families which could not afford to purchase properties in the private sector, the majority of members opined that the Administration's decision to cease HOS was unacceptable. To avoid an overlap between HOS and private residential market, consideration could be given to restricting the eligibility for HOS flats to PRH tenants. This would also help improve the turnover rate of PRH flats for re-allocation since tenants would have to return their PRH flats upon successful application for HOS. Some members however did not support the re-launching of HOS as this would put additional pressure on the private property market. The Housing Authority (HA) should make better use of its limited resources on the provision of PRH so as to shorten the average waiting time (AWT) for PRH. As regards TPS, some members pointed out that re-launching of TPS would have virtually no impact on the private property market given the low sales prices of TPS flats. Nor would this undermine HA's ability to maintain the target of AWT for PRH at around three years, since the sale of a few thousand TPS flats to sitting tenants should have little effect on the current stock of about 700 000 PRH flats, let alone the annual production of about 15 000 new PRH flats. Besides, re-launching of TPS could motivate owner occupiers to better manage and take care of their own properties, thereby relieving HA of its management responsibilities.

#### Land supply for public housing

6. To meet the need of low-income families for subsidized rental housing, HA maintained a rolling five-year Public Housing Construction Programme (PHCP). Most of the new PRH production for the coming five years would come from urban and extended urban areas with the remaining from the New Territories. While projects in the coming five years had generally been firmed up (under construction or advanced design stage), those beyond the coming five years were still at an early planning stage. HA still encountered problems in securing timely provision of land to meet the target of maintaining AWT for PRH at around three years.

7. The Panel received a briefing on the construction programme of PRH on 17 April 2009. Members noted that unlike the earlier days when large-scale sites were earmarked for PRH development, nowadays only smaller and scattered sites could be identified due to shortage of land and objections from local community. The situation was further aggravated by the return of prime cleared PRH sites to the Government for other developments. This would not only affect the steady supply of PRH to meet demand, but was also undesirable from the planning perspective, particularly on the provision of facilities, since this would mean that new PRH developments would have to share facilities with other existing developments within the district. Given that more people would register under the Waiting List (WL) for PRH amid the present state of economy, there was concern that HA might not be able

to maintain the target of AWT at around three years. To this end, consideration should be given to providing more incentives to sitting PRH tenants to encourage them to purchase surplus HOS flats to improve the turnover of PRH flats for re-allocation.

### Public housing development

8. HA adopted the principle of environmental-friendliness, safety, healthiness, sustainability, customer-orientation and cost-effectiveness in the planning and design of PRH flats. In recent years, HA had incorporated into its “Model Client Brief” enhancement based on environment-friendly initiatives, research and development results in the component and system design as well as feedback from residents. These formed the basic standard of provision in new PRH developments. The new initiatives included environment-friendly designs, green construction techniques, waste management, energy conservation, greening work, etc.

9. The provisions for green, safe and healthy living in new PRH developments were discussed by the Panel in November 2008 and May 2009. While welcoming HA’s efforts in implementing environment-friendly initiatives in new PRH estates, members held the view that these initiatives should be applied to existing PRH estates as far as practicable to improve the living environment of residents concerned. On design of PRH estates, some members stressed the need to improve the designs of PRH estates to avoid a “wall effect”. Consideration should be given to incorporating in the designs of PRH compact technologies which would allow for treatment of solid waste and sewage generated from individual flats within the building before discharge. Members also pointed out that while the use of modular design and component prefabrication techniques would help enhance building quality and site safety, prevent water seepage and minimize impact on residents in the vicinity of construction sites, excessive use of such techniques might undermine the job opportunities of local construction workers. To this end, the Administration should consider setting aside some rural areas for the manufacture of precast concrete components, with a view to retaining the relevant job opportunities in Hong Kong.

10. Over the years, HA had been consulting District Councils (DCs) to obtain views from local communities at the planning and design stages of PRH developments. Community engagement exercises had been held to enhance communication, gather information and views, solicit ideas as well as build trust and consensus. These engagement exercises were effective in consolidating community views and deriving the most feasible solutions to better implement PRH development projects. While acknowledging the need for adequate consultation with DCs, some members stressed that the public engagement process should only focus on the planning and design of PRH development as well as management of facilities within PRH estates, and not on the usage of land which had already been earmarked for PRH production. To facilitate a free and interactive exchange of views during the public engagement process, sufficient information on the PRH developments should be given to participants beforehand. Consideration should be given to uploading the relevant information onto the website of the Housing Department (HD). Exhibition booths or mobile exhibition centres could also be set up to facilitate public consultation.

## Provision of barrier-free access in public housing estates

11. To cater for the needs of the disabled and the elderly, HA had set out in all new tenders for public housing construction contracts the requirement for provision of barrier-free access in compliance with the “Design Manual: Barrier Free Access 1997” of the Buildings Department. As regards other public facilities and pedestrian ways in the existing PRH estates, improvement works had been commenced in two phases since 2001. These works included planned installation of lifts in 35 buildings in more than 10 PRH estates currently without lift serves, as well as provision of lift towers and escalators to connect elevated platforms on different levels in some 20 estates. When the subject was discussed by the Panel in January and May 2009, members generally welcomed HA’s efforts in providing barrier-free access in PRH estates to bring more convenience to residents. They however noted that under the guiding principles, the locations of lifts, escalators and footbridges must be within the estate boundary. This might render many deserving cases, such as the much needed lifts and escalators to facilitate connection between Kwai Chung Estate and Kwai Hing MTR Station, not eligible for inclusion in the lift installation programme. To facilitate better understanding, the Panel conducted a visit on 5 March 2009 to observe how the need for lifts was met in the proximity of PRH estates which fell outside the jurisdiction of HA. As regards the provision of lifts for PRH blocks without lift service, members held the view that consideration should be given to tendering the lift installation programme under separate contracts rather than one major contract to facilitate participation of local contractors, thereby creating more job opportunities for the local workforce. They also stressed the need for proper maintenance of lifts in estates.

### Lift safety

12. The accidents involving lifts in both private and PRH buildings had aroused much public concern on the need to strengthen the current regulatory regime on lift safety. In parallel with the investigation on the lift incidents, the Administration had adopted a multi-pronged package of immediate measures to enhance the existing regulatory framework on lift safety. These measures included stepping up of inspections, enhancing the Codes of Practice on Lift Safety and workers’ competence, revising tendering arrangements for Government contracts, enhancing publicity and announcing serious lift incidents. The Panel on Development and the Panel on Housing held two joint meetings in December 2008 and February 2009 to discuss the regulatory regime on lifts and the improvement measures to strengthen lift safety. Members held the view that more resources should be allocated to lift inspection work in the coming financial year. To ensure quality lift maintenance, consideration should be given to setting out in the Codes of Practice on Lift Safety the minimum time and number of workers required for carrying out maintenance work. Apart from stepping up inspection, there was also a need to enhance the management culture in Hong Kong. Each contractor should be required to establish a quality management system for the maintenance work and to ensure that their workers were provided with regular training to enhance their skills. The relevant legislation should also be updated so that contractors would be held responsible for their maintenance work. To facilitate owners’ corporations in selecting the most appropriate service

providers, the Administration should consider releasing scores of its internal marking scheme on contractors upon request by owners' corporation. As regards workers' competence, members opined that those who possessed sufficient skill and experience, but had not undergone formal academic training or craft apprenticeship should take a trade test. Those who could reach the required standard should be qualified as a "competent worker". The remaining should be required to attend the relevant courses to enhance their competence to the required standard.

### Maintenance and management of public housing estates

13. In September 2005, HD launched a Comprehensive Structural Investigation Programme (CSIP) covering 10 PRH estates aged about 40 years or more. The objectives were to ascertain whether these aged housing blocks were structurally safe and whether it would be more cost-effective to keep or demolish these buildings. The comprehensive structural investigation on Ping Shek Estate was completed in September 2008. The investigation revealed that all the buildings were structurally safe though they had been deteriorated to varying degrees due to ageing and environmental conditions. To sustain the buildings for at least 15 years, structural repair and improvement works were required in various parts of the buildings. Opportunity was also taken to carry out other improvements in Ping Shek Estate, including installation of green roofs, construction of lifts and installation of additional lift floor opening to facilitate access. While welcoming the required repair/improvement works, members opined that more could be done to improve the living environment of the estate as well as its facilities so that they would be comparable to new estates. Besides, efforts should be made to improve the aesthetics through greening and replacement of the bricks of the outer walls of the estate blocks. Members also urged the Administration to expedite the repair/improvement works, particularly the construction of lifts and installation of additional lift floor openings, for the benefit of residents.

14. To enhance inspection and maintenance services for some 690 000 PRH flats, HA rolled out the Total Maintenance Scheme (TMS), which aimed at providing proactive maintenance service and in-flat inspection to meet the rising expectations of tenants. Since the implementation of TMS in February 2006, the average estimated cost per works order was in the range of HK\$1,300 to HK\$1,800 with an accumulated expenditure of around \$222 million. Members noted that TMS was generally well received by tenants. Given the repair/maintenance works for certain items, such as sinks, metal gates, main/toilet doors and their frames, were not covered under TMS, HD was urged to include these items as standard fittings so that repair/maintenance works could be carried out on a regular basis rather than on a case-by-case basis at the request of tenants. There should also be better coordination of different contractors to complete different repair/maintenance works for a flat at the same time to minimize the inconvenience caused to tenants.

15. To enhance services for PRH tenants, HD employed information technology (IT) to provide more diversified and convenient channels through which tenants could enjoy the services in a more flexible manner that suited their needs. These included the use of e-Payment Card, 24-hour Interactive Voice Response System, self-service

Rent Enquiry Kiosk and internet enquiry service to enhance rent payment arrangements, application of the concept of “Mobile Office” under TMS to maintenance and repair service as well housing management service, and use of portable Personal Digital Assistants to respond to tenants’ requests for repairs and carry out day-to-day outreaching management duties. When the progress of employment of IT to enhance services for PRH tenants was discussed by the Panel in March and June 2009, members expressed concern that elderly tenants were accustomed to paying rents at rent collection counters at estate offices, and would not be at ease to pay rents by other means outside their estates. Therefore, they were pleased to note that HD would continue collecting rents from physically impaired elderly tenants, and maintain daily half-day rent collection services at estates which did not have 7-Eleven convenience stores or MTR stations within walking distances. For estates which were close to MTR stations or had 7-Eleven convenience stores nearby, half-day rent collection service would be provided on Wednesdays. To further tap into the benefits of IT, the Administration was urged to move towards the goal of complete computerization, with features such as automatic identification systems to enhance security of estates and e-shopping system to enable tenants to shop at home, etc.

16. To strengthen enforcement measures against hygiene-related offences in PRH estates and Interim Housing, and to promote civic responsibility among tenants, HA launched the Marking Scheme for Environmental Hygiene in Public Housing Estates (the Marking Scheme) in August 2003. Tenants or authorized occupants committing the misdeeds in their residing estates would be liable to allotment of points under the Marking Scheme. Any points allotted would be valid for two years. Except for cases with strong compassionate elements, households carrying valid points would be barred from applying for all types of voluntary transfer. Upon accumulation of 16 points within two years, the tenancy of the subject household would be terminated by a Notice-to-Quit pursuant to section 19(1)(b) of the Housing Ordinance (Cap. 283). The Marking Scheme was reviewed annually. As a result, the Marking Scheme would be extended to cover the misdeed of water dripping from air-conditioners in January 2009. The progress of implementing the Marking Scheme was discussed by the Panel in December 2008. Some members considered it unfair that the entire family should be held liable for a misdeed committed by an individual family member, as the consequence might be termination of tenancy. These members further pointed out the possibility of double penalty for misdeeds, such as illegal gambling in public places and damaging/stealing HA’s property, which were already criminal offences under existing laws. Concern was also raised on the discrepancy in application of the Marking Scheme in PRH estates and TPS estates.

#### Provision and management of retail and car-parking facilities in public housing estates

17. Divestment of the 180 retail and car-parking (RC) facilities of HA was completed following the injection of these facilities into The Link Real Estate Investment Trust (The Link) and the public listing of The Link on 25 November 2005. After divestment, The Link had become a private entity and its business strategies and day-to-day operations were entirely independent of HA. The Panel had been closely monitoring the progress of divestment as there were constant concerns about the

management of divested RC facilities and protection of interests of non-skilled workers engaged in services contracted out by The Link. When the provision and management of RC facilities was last discussed by the Panel in December 2008, some members reiterated that the decision to privatize public assets was wrong from the start. It turned out that the divestment had resulted in hefty increases in the rentals of RC facilities, which had not only affected the livelihood of retailers but also the tenants concerned as the rental increases were eventually reflected in the prices of goods. This was at variance with the undertaking formerly given by The Link management that it would not increase the rents of markets and shopping centres if the patronage traffic and sales revenue had not increased correspondingly. Members opined that HA could not detach itself from the management of RC facilities within PRH estates even after the divestment. To resolve the problem, the Administration was urged to seriously consider buying back the shares of The Link.

18. Apart from the divested RC facilities, members were also concerned about the rents of the remaining RC facilities (including wet markets) and factory premises of HA. To assist retail and factory tenants to tide over their financial difficulties amid the global financial turmoil, HA had endorsed a temporary concession in rental at 50% of the net rent for a period of two months from 1 January to 28 February 2009. While welcoming the rent relief measures, some members expressed concern that these measures were often offered without prior notice or consultation. Consideration should be given to conducting studies to better understand the difficulties faced by the retail and factory tenants before introducing any relief measures to ensure that these measures could best suit their needs. As the rent relief measures could only provide temporary relief, a more practical approach was for HA to upgrade the physical conditions and ambience of shopping centres to attract more customers not only from the same estate but other districts, thereby improving the business environment of retail tenants. Members also questioned the rationale for HA to increase the rents of its factory buildings on the one hand and offer a 50% rent reduction for two months on the other.

#### Waiting List income and asset limits

19. The WL income and asset limits were reviewed annually at the beginning of each year using the latest available statistics as of the last quarter as compared to the corresponding quarter of the previous year. In March 2009 the Panel received a briefing on the review findings for 2009-2010. Overall, the income and asset limits for 2009-2010 would increase by an average of 3.3% and 0.6% respectively over those for 2008-2009. If the proposed limits were adopted, some 113 000 (or 28.3%) non-owner occupied households in the private sector would be eligible for PRH, an increase of 3 600 compared to the current 109 400 households.

20. Despite the proposed increase in the income and asset limit, some members remained of the view that the present income limits were overly stringent. By way of illustration, a 2-Person family with both members working, even with the minimum wage, would not be eligible for PRH as the total household income would easily exceed the new income limit of \$11,600 for 2-Person household. There seemed to be a lack of co-ordination in the formulation of housing and welfare policies as

evidenced by the incoherent policy on minimum wage being contemplated by the Labour and Welfare Bureau with the current review of WL income limits. They opined that there should be cross-referencing between the WL income limits and the minimum wage, and that the income limits should be revised upwards to ensure that applicants would not lose their eligibility for PRH as a result of a slight change in household income such as pay rise or receipt of bonus. Consideration should also be given to reviewing the adequacy of the 5% “contingency” provision. Other members expressed concern that the existing public housing policy, which was inclined to meet the housing needs of low-income families, had failed to address the predicament faced by middle-class families which were hard hit by the financial crisis. However, they were not eligible for public housing as their income for the last year together with their assets had exceeded the income and asset limits. To this end, consideration should be given to providing temporary assistance, such as rent subsidies or accommodation for a limited period, to these families during the interim to help them tide over the difficult period.

#### Fostering harmonious families in public housing

21. To reinforce a family-based support network in PRH, HA endorsed five enhanced housing arrangements in May 2007, namely, the Families with Elderly Persons Priority Scheme, Special Scheme for Families with Elderly Persons, Addition Policy for Harmonious Families, Enhanced Transfer Scheme for Harmonious Families, and Amalgamation of Tenancies for Harmonious Families. Following a review of the effectiveness of these enhanced arrangements after one year of implementation, HA proposed to further enhance and simplify these arrangements and to make the application procedures more user-friendly. The proposal was discussed by the Panel in November 2008. Members generally welcomed the various enhanced housing arrangements, but emphasized the need to step up publicity so that more WL applicants and sitting tenants would be made aware of these arrangements. Some members expressed concern about the requirement for income assessment under the various enhanced housing arrangements lest the entire household of sitting PRH tenants applying for addition, amalgamation or transfer would have to undergo the Comprehensive Means Test and the Domestic Property Test.

#### Others

22. The Panel was also briefed on the road improvement works in association with the proposed alignment of Ngau Tau Kok Fourth Street and Fifth Street and construction of nearby footbridge links, green roof in the Fu Shan Estate market, as well as the supply contract, monitoring mechanism and price of liquefied petroleum gas and possible conversion to Towngas in public housing estates.

23. From October 2008 to June 2009, the Panel held a total of 13 meetings, including two joint meeting with the Panel on Development, and three visits.

**Legislative Council**

**Panel on Housing**

**Terms of Reference**

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

**Legislative Council  
Panel on Housing**

**Membership list for 2008-2009 session**

**Chairman** Hon WONG Kwok-hing, MH

**Deputy Chairman** Hon Frederick FUNG Kin-kee, SBS, JP

**Members**  
Hon Fred LI Wah-ming, JP  
Hon James TO Kun-sun  
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 LEE Wing-tat  
Dr Hon Joseph LEE Kok-long, JP  
Hon Alan LEONG Kah-kit, SC  
Hon LEUNG Kwok-hung  
Prof Hon Patrick LAU Sau-shing, SBS, JP  
Hon KAM Nai-wai, MH  
Hon CHAN Hak-kan  
Hon WONG Sing-chi  
Hon WONG Kwok-kin, BBS

(Total : 17 Members)

**Clerk** Miss Becky YU

**Legal Adviser** Miss Winnie LO

**Date** 14 October 2008