

立法會
Legislative Council

LC Paper No. CB(1) 2557/11-12
(These minutes have been seen
by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

**Minutes of meeting
held on Monday, 4 June 2012, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex**

Members present : Hon LEE Wing-tat (Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Fred LI Wah-ming, SBS, JP
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Dr Hon Joseph LEE Kok-long, SBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon CHAN Hak-kan
Hon WONG Sing-chi
Hon IP Kwok-him, GBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Tanya CHAN

Members attending : Hon LEE Cheuk-yan
Hon KAM Nai-wai, MH

Members absent : Hon WONG Kwok-hing, MH (Deputy Chairman)
Hon WONG Kwok-kin, BBS

**Public officers : For item IV
attending**
Ms Eva CHENG, GBS, JP
Secretary for Transport and Housing

Mr D W PESCOD, JP
Permanent Secretary for Transport and Housing
(Housing)

Ms Annette LEE, JP
Deputy Secretary for Transport and Housing
(Housing)

Mr Anson LAI
Assistant Director (Strategic Planning)
Housing Department

Mrs Lily OU-YANG, JP
Commissioner for Census and Statistics

Mr Stephen LEUNG
Assistant Commissioner for Census and Statistics
(Social)

For item V

Transport and Housing Bureau

Mr D W PESCOD, JP
Permanent Secretary for Transport and Housing
(Housing)

Housing Department

Mr Albert LEE, JP
Deputy Director (Estate Management)

Mr CHAN Siu-tack
Assistant Director (Estate Management) 2

For item VI

Mrs Fanny LAW
Head of the Chief Executive-elect's Office

Ms Alice LAU
Secretary-General of the Chief Executive-elect's
Office

Mr Vincent TANG
Principal Assistant Secretary (Housing)(Policy Support)
Transport and Housing Bureau

Mrs Irene CHENG
Assistant Director (Development & Procurement)
Housing Department

Ms Judy CHUNG
Principal Assistant Secretary (Planning & Lands)1
Development Bureau

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

Staff in attendance : Mrs Mary TANG
Senior Council Secretary (1)1

Miss Mandy POON
Legislative Assistant (1)1

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

(LC Paper No. CB(1) 2036/11-12 — Minutes of the meeting held on 2 March 2012

LC Paper No. CB(1) 2037/11-12 — Draft report of the Panel for submission to the Legislative Council)

The minutes of the meeting held on 2 March 2012 were confirmed.

2. Members endorsed the draft report of the Panel on Housing for the current session, and authorized the Clerk to revise the report to cover discussion at the current meeting before it was presented to the Council on 4 July 2012.

II. Information paper issued since last meeting

3. Members noted that the following information paper had been issued since last meeting -

LC Paper No. CB(1) 1828/11-12(01) — Administration's paper on Land Registry Statistics in April 2012 (press release)

III. Items for discussion at the next meeting

(LC Paper No. CB(1) 2038/11-12(01) — List of follow-up actions
LC Paper No. CB(1) 2038/11-12(02) — List of outstanding items for discussion)

4. The Chairman advised that the Administration had proposed to discuss the following items at the next regular meeting scheduled for Monday, 3 July 2012, at 4:30 pm -

- (a) My Home Purchase Plan; and
- (b) Performance of environmental targets and initiatives in 2010-2011.

The Chairman suggested and members agreed to include an additional item on "Regulation of the sale of first-hand residential properties" in the agenda for the next meeting to discuss the measures taken/to be taken to deal with the problems (including inadequate information on the difference in levels between building blocks and the adjacent streets in the sales brochures) as revealed in the recent sale of a first-hand residential development in Tai Po pending the enactment of the Residential Properties (First-hand Sales) Bill and the setting up of the relevant enforcement authority.

IV. Second rent review for public rental housing

(LC Paper No. CB(1) 2038/11-12(03) — Administration's paper on second rent review for public rental housing

LC Paper No. CB(1) 2038/11-12(04) — Paper on new rent adjustment mechanism for public rental housing prepared by the Legislative Council Secretariat (updated background brief))

5. The Secretary for Transport and Housing (STH) briefed members on the outcome of the second rent review under the established rent adjustment mechanism for public rental housing (PRH). She said that as the income index for the second period (i.e. 2011) was higher than that for the first period

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(i.e. 2009) by 16.24%, the level of rent adjustment under the second PRH rent review would be at the cap of +10%. The Assistant Director of Housing (Strategic Planning) (ADH(SP)) gave a power-point presentation on the subject.

(Post-meeting note: A set of the power-point presentation materials was circulated to members vide CB(1) 2129/11-12(01) on 7 June 2012.)

6. Referring to the "Survey on Household Income of Public Rental Housing Tenants" conducted under the rent adjustment mechanism, Mr Alan LEONG asked if this had taken into account the difference in household income and affordability between old and new PRH estates, the former mainly comprised elderly tenants with relatively low affordability. The Deputy Secretary for Transport and Housing (Housing) (DSTH(H)) said that under the proportionate stratified systematic sampling of the survey, monthly sampling of 2 000 PRH households for the first and second periods was conducted corresponding to the actual distribution by household size, and the actual distribution of PRH flats by estate and by district. She added that the Census and Statistics Department had confirmed that the survey data accurately reflected the household income of PRH tenants in both periods.

7. Noting that PRH rent had become the main source of income of the Hong Kong Housing Authority (HA) following the cessation of the sale of Home Ownership Scheme flats, Professor Patrick LAU enquired if the rental income was able to cover the expenses incurred from management and maintenance of PRH estates. STH said that the management and maintenance cost per PRH flat per month had increased from \$1,400 in 1997-1998 to \$1,560 in 2012-2013, representing an increase of 11.4%. However, the rent increase over the same 15-year period was only 1.7% (including the across-the-board rent reduction of 11.6% in 2007 to provide a basis for the rent adjustment mechanism). If PRH rents remained unchanged, HA would be operating at a deficit of \$1.4 billion in 2012-2013, which was expected to rise to \$3.1 billion in 2015-2016. The rent adjustment under the established adjustment mechanism would help support the overall operating expenditure.

Previous rent adjustment mechanism based on median rent-to-income ratio (MRIR) versus the income-based rent adjustment mechanism

8. Mr LEUNG Yiu-chung said that the rent adjustment mechanism was based on changes in PRH tenants' household income in the first and second periods of the review without taking into account the effects of inflation which had indeed offset the increase in household income. In the absence of a cap on the levels of rent, this would mean that the rents could be further increased every two years. This was the reason why he introduced a Private Member's Bill in 1997 (which was subsequently enacted as the Housing (Amendment)

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Ordinance 1997) to the effect that any determination of variation of rent by HA should only take effect at least three years after the preceding rent determination came into effect, and that the rent determined should be of such amount that the MRIR for all PRH estates should not exceed 10%. It was regretted that this was replaced by the rent adjustment mechanism in 2008. Given that many PRH households had complained about the high PRH rents, he asked if the Administration was prepared to reinstate the MRIR cap.

9. Expressing similar concerns, Mr Frederick FUNG opined that the rent adjustment mechanism was inadequate and undesirable as it only took account of increase in household income (which was mainly attributable to the implementation of the Statutory Minimum Wage) but not inflation nor rise in household expenditure, adding that HA would not have to offer a one-month rent waiver (on top of the payment of two months' rent as announced in the 2012-2013 Budget earlier this year) if the rent increases under the second review were justified. There was a need for HA to work out a new mechanism based on tenants' affordability. He reiterated that the replacement of the statutory 10% MRIR cap with the income-based rent adjustment mechanism (which provided for both upward and downward rent adjustments according to changes in PRH tenants' household income) was supported by pro-government parties and not the pro-democratic camp.

10. In response, STH said that the income-based rent adjustment mechanism was promulgated after extensive consultation, and was implemented in accordance with the provisions in the Housing Ordinance (Cap.283) (HO). Any changes to the existing mechanism would require amendments to the Ordinance. Apart from changes in PRH tenants' household income, if inflation was to be taken into account in the rent adjustment mechanism, the effect on tenants at times of deflation would also have to be considered. Besides, the level of rent adjustments was subject to a cap at 10%. She added that PRH tenants facing financial difficulties could apply for the Rent Assistance Scheme (RAS) under which eligible households could receive rent reductions up to 50%. At present, about 12 000 households were receiving rent assistance. As regards the proposed one-month rent waiver, STH said that this was meant to be a relief measure in an attempt to share the burden of PRH tenants in the light of current economic climate and inflationary pressure.

11. Mr LEE Cheuk-yan considered it ironic for those Members who had supported for the removal of the statutory 10% MRIR cap in 2007 to criticize the rent increases under the second PRH rent review. He pointed out that these Members were to blame because the income-based rent adjustment mechanism could not have been implemented without their support. Unlike the repealed statutory 10% MRIR cap, the rent adjustment mechanism had failed to reflect

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tenants' affordability which had been eroded as a result of inflation despite the increase in household income. He suggested moving a motion to urge HA to repeal the income-based rent adjustment mechanism under section 16A of HO, and reinstate the statutory 10% MRIR cap. Mr Alan LEONG echoed that Members who had earlier supported for the removal of the statutory 10% MRIR cap in 2007 might have regretted their decision as some of them were objecting the rental increases under the rent adjustment mechanism. As the outcome of the income-based rent adjustment mechanism had twice resulted in quite substantial increases in PRH rents, Members belonging to the Civic Party (CP) supported reverting back to the earlier statutory 10% MRIR cap or enhancing the existing rent adjustment mechanism. Mr LEUNG Kwok-hung also criticized pro-government parties for their wavering stance in supporting the rent adjustment mechanism in the first place while objecting the rent increases now which were made in accordance with the rent adjustment mechanism. In reply to Mr LEE's request for information on the existing MRIR, DSTH(H) said that HA had dispensed with the calculation of MRIR since the introduction of the new rent adjustment mechanism.

12. Mr WONG Sing-chi declared that he was a HA member. Noting that many HA members had expressed concern about the income-based rent adjustment mechanism which had only taken into account changes in tenants' income but not their affordability and requested for a review of the mechanism, he enquired about the time frame for the review. STH said that the present rent adjustment mechanism aimed to provide a clear, objective and flexible mechanism for rent adjustment while help ensuring a sustainable development of the PRH programme. The views of HA members were divergent with some requesting for a review of the rent adjustment mechanism while others supporting rental increase in line with the established mechanism. Hence, the need and timetable for review of the rent adjustment mechanism should be considered by the new term of Government, taking into account public views. As regards the one-month rent waiver, STH said that while HA would abide by section 16A of HO to vary PRH rents according to the rent adjustment mechanism, it might consider relief measures taking into account the latest situation under section 17 of HO. The proposed one-month rent waiver would have the practical effect of "reducing" the level of rent adjustment from 10% to 5.42% over the next two years. With the provision of the two-month rent relief under the Budget and the one-month rent waiver by HA, PRH tenants would not have to pay rents for the months of July, August and September 2012. In response to Mr WONG's further enquiry on the provision of an additional one-month rent waiver in 2013, STH said that in the budget exercise, the Financial Secretary would take into account the circumstances at that time to decide on appropriate measures.

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13. Mr IP Kwok-him declared that he was a member of HA and its Subsidised Housing Committee. While acknowledging that any rent increase would not be welcome by tenants and the public, he pointed out that the introduction of the income-based rent adjustment mechanism under the Housing (Amendment) Bill 2007 was deliberated at length by Members. During the third Reading of the Bill, four Members voted against, three abstained, and the remaining voted for the Bill, representing the majority support for the Bill. Notwithstanding, he supported the need for a review of the rent adjustment mechanism. Members belonging to the Democratic Party for the Betterment and Progress of Hong Kong also supported the capping of the level of rent adjustment at 10%, and the provision of one-month rent waiver to take account of the affordability of and the inflationary pressure on PRH households. They considered that the rents collected should be able to cover the management and maintenance cost of PRH estates, which had been on the rise as a result of aging of these estates. STH said that rents collected were not sufficient to cover the management and maintenance cost of PRH estates. The introduction of the rent adjustment mechanism was meant to ensure the sustainable development of the PRH programme. Mr Alan LEONG clarified that CP Members did not support the replacement of the MRIR cap with the income-based rent adjustment mechanism under the Bill, but had to vote for the Bill during Third Reading to support capping the level of rent adjustment at 10%.

14. Dr Joseph LEE said that he had supported the introduction of the income-based rent adjustment mechanism to provide an objective basis for HA to determine the time at and the extent to which PRH rent should be adjusted. Hence, he accepted the rent adjustment under the second rent review which was made in accordance with the established mechanism. The question of whether the income-based rent adjustment mechanism should be retained, and the need for a long-term housing strategy would best be left for the new term of Government to decide. He also supported the provision of a one-month rent waiver which would have the practical effect of "reducing" the level of rent adjustment from 10% to 5.42% over the next two years. Apart from the Comprehensive Social Security Assistance (CSSA) Scheme, he asked if other assistance could be provided to low-income families who were unable to support themselves financially. DSTH(H) said that CSSA aimed to provide a safety net for these low-income families. RAS was to address the need of those with short-term financial difficulties. HA would continue to provide tenants who required short-term help with RAS, and would give additional assistance as necessary to families with elderly and physically disabled members.

15. The Chairman noted that the adjustment mechanisms which provided for upward and downward adjustments of bus fares, train fares and PRH rents had not been well received by the general public. Despite increase in household income, the affordability of the general public had not been correspondingly

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increased as a result of the rise in transport fares, rents and inflation. He therefore considered it necessary for the Administration to adopt a holistic approach in reviewing these adjustment mechanisms.

Motion

16. Mr Frederick FUNG proposed to move the following motion which was seconded by Mr LEUNG Yiu-chung -

"As the Hong Kong Housing Authority only relied on PRH tenants' income as the basis for adjusting the rent without taking into account their expenditure and inflationary pressure, the Panel would request that the rents should be frozen while the section 16A of the Housing Ordinance (Cap. 283) should be repealed with the reinstatement of the original bill introduced in 1997."

Of the members present at the meeting, three voted for the motion and three voted against it. In the absence of a simple majority, the Chairman declared that the motion was not carried.

V. Progress of Total Maintenance Scheme

(LC Paper No. CB(1) 2038/11-12(05) — Administration's paper on progress of Total Maintenance Scheme

LC Paper No. CB(1) 2038/11-12(06) — Paper on Total Maintenance Scheme prepared by the Legislative Council Secretariat (updated background brief))

17. The Permanent Secretary for Transport and Housing (Housing) (PSTH(H)) briefed members on the latest progress of the Total Maintenance Scheme (TMS) for PRH flats implemented by HA. The Assistant Director (Estate Management) 2 (AD(EM)2) gave a power-point presentation on the subject.

(*Post-meeting note:* A set of the power-point presentation materials was circulated to members vide LC Paper No. CB(1) 2129/11-12(02) on 7 June 2012.)

18. While acknowledging that PRH tenants generally welcomed TMS which provided in-flat inspection and one-stop repair services, Mr IP Kwok-him was concerned about the inconvenience and nuisances (such as noise and dust)

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brought by the repair works. He hoped that TMS could be enhanced to reduce the associated inconvenience and nuisances. Apart from in-flat inspection and repair services, consideration should also be given to expanding the scope of TMS to cover amenities and facilities provided in PRH estates, particularly those older estates. PSTH(H) said that in parallel with TMS, there was a on-going programme to improve the general facilities and access of PRH estates. This programme would also be looking at the potentials for redevelopment of PRH estates. The Deputy Director (Estate Management) (DD(EM)) said that efforts had been made to minimize the disturbance and inconvenience associated with repair works. The Housing Department had pledged to replace readily available items within two days and other items in about two weeks. It would also maintain close liaison with the Estate Management Advisory Committees on phased implementation of works in relation to common areas (such as corridors) with a view to minimizing disturbance to tenants.

19. Mr WONG Sing-chi said that he had received complaints from incoming tenants about the removal of fittings and finishes, particularly flooring, left by outgoing tenants. To reduce wastage and ensure sustainability, he enquired if HD could arrange for the retention of fittings and finishes at the request of incoming tenants. PSTH(H) said that the Administration was conscious of the need to reduce waste and carbon footprint. In this connection, pre-cast building structures had been used as far as practicable to avoid waste generation. As timely repair and maintenance of minor problems could prevent them from becoming major problems, the introduction of TMS could reduce the need for total replacement, thereby reducing the carbon footprint. While the provision of toilet fittings for incoming tenants was a standard procedure, other fittings and finishes left by an outgoing tenant would not be removed if these were confirmed to be safe and subject to the agreement of the incoming tenant.

20. The Chairman enquired if consideration could be given to allowing TMS contractors to undertake repair works which fell outside the scope of TMS upon request by tenants. Given the high labour cost, tenants might prefer to make use of the services of TMS contractors rather than engaging separate contractors to carry out minor works. PSTH(H) said that TMS contractors were engaged to undertake repair works for standardized items in accordance with the contract. DD(EM) added that tenants could request the TMS contractors to make good non-standard "tenant-to-pay" items (such as replacement of broken glass windows) not covered under TMS provided that such works were paid for by the tenants concerned. However, TMS contractors would not provide repair service to installations (such as electrical wiring) put in by tenants.

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VI. Organization structure in relation to the housing portfolio proposed by the Chief Executive-elect

(LC Paper No. CB(1) 2038/11-12(07) — Administration's paper on implementation of housing, planning and lands policies under the current Administration's organization structure

LC Paper No. CB(1) 2062/11-12(01) — Questions raised by Hon Albert CHAN dated 29 May 2012 (Chinese version only)

LC Paper No. CB(1) 2062/11-12(02) — Questions raised by Hon Albert CHAN dated 31 May 2012 (Chinese version only))

Relevant paper

LC Paper No. CB(2) 1908/11-12(01) (*issued for the meeting of the Panel on Constitutional Affairs on 9 May 2012*) — Administration's paper on "Re-organisation of the Government Secretariat"

The re-organization proposal

21. The Head of the Chief Executive-elect's Office (H/CEEO) explained the Chief Executive-elect (CE-elect)'s proposal to re-establish the Housing, Planning and Lands Bureau (HPLB) to bring the assessment of housing demand and supply as well as planning of land use under the same bureau. Under the proposal, the Planning and Lands Branch of the Development Bureau (DEVB) would be combined with the Housing Branch/Housing Department of the Transport and Housing Bureau (THB) to form HPLB, whereas DEVB's Works Branch would be merged with the Transport Branch of THB to form the Transport and Works Bureau.

22. Mr WONG Sing-chi noted that the introduction of HPLB by the first term Government was not well received on account of the lack of proper checks and balance when both land production and housing were put under one single bureau. He therefore questioned the need for re-establishing HPLB under the proposed re-organization. Professor Patrick LAU also sought justification for the proposed re-organization. H/CEEO explained that the Housing Branch (before the handover in 1997)/Housing Bureau (after the handover) had all along been responsible for the housing portfolio (including both public and private housing). Following the publication of the Consultative Document on Long

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Term Housing Strategy Review in early 1997, the first term Government had announced its target to achieve an annual production of 85 000 flats after the handover, albeit this had not been materialized due to the property slump. With hindsight, if the Administration had upheld the flat production target and endeavoured to identify land for housing production, there should have been sufficient land supply to meet the present housing demand. To enable the Administration to respond to the housing demand effectively, CE-elect had proposed to re-establish the new HPLB to oversee land development and housing construction. This would ensure better coordination in the assessment of housing supply/demand and planning of land use. The new HPLB would also be responsible for formulating a long-term housing strategy to enable a comprehensive planning of public and private housing supply. Besides, a land reserve would be set up to ensure sufficient land supply for housing production.

23. Mr Fred LI said that he still failed to see how the proposed re-organization with the re-establishment of HPLB could help resolve the housing problems in Hong Kong. H/CEEO said that there had been a lot of changes over the past years which had led to an imbalance in supply and demand for housing. These included the re-positioning of the housing policy under which the Administration had withdrawn from its role as property developer with a view to minimizing its intervention in the property market, and the introduction of the Capital Investment Entrant Scheme which had attracted Mainland investors to invest in the private residential property market in Hong Kong, thereby increasing the demand for housing as well as property prices. Besides, the implementation of many major infrastructural projects, particularly transport projects, had demand for much attention of the Secretary for Transport and Housing. As a steady and adequate supply of housing was the top priority of the fourth term Government, it was hoped that the re-establishment of HPLB would enable better coordination in the timing of land supply to meet the demand for both public and private housing.

24. While supporting the re-establishment of HPLB to achieve better coordination between land development and housing construction, Mr CHAN Kam-lam was concerned about the many problems associated with the supply and planning of land use, particularly those related to unauthorized building works, and asked if the manpower of the Planning and Lands Branch of HPLB could be enhanced to cope with the workload. Given the many public housing projects to be carried out, Professor Patrick LAU agreed to the need for adequate supply of manpower for HPLB. H/CEEO said that under CE-elect's Manifesto, the Financial Secretary (FS) would directly supervise three policy bureaux, including HPLB. To enable FS to focus more on monitoring and formulation of longer term policies on housing, planning and lands, as well as transport, CE-elect had proposed to create a post of Deputy Financial Secretary (DFS). However, the proposed new organization structure would only apply to

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the Government Secretariat, and the need for other additional posts would have to be worked out by the relevant bureaux and departments.

25. Professor Patrick LAU enquired how the creation of posts would facilitate the work of HPLB. H/CEEO said that the key issues in the CE-elect's platform included expanding the economic base of Hong Kong, capitalizing on the opportunities arising from the rapid economic development in the Mainland, and addressing key livelihood issues (including housing and poverty alleviation), the proposed re-organization aimed at assisting CE-elect to achieve these objectives. Placing the Transport and Works Bureau, the Financial Services and Treasury Bureau, and HPLB under the supervision of FS would enable more effective coordination. With the support of DFS, FS could focus more on the further development of Hong Kong as a leading international financial centre, and the premiere offshore Renminbi business centre. FS would review the management of public finance and fiscal reserves, as well as oversee the formulation of longer term policies on housing, planning and lands, and transport. In response to the Chairman's concern about the heavy workload of the Permanent Secretary for the proposed HPLB if he/she had to assume the roles of both Director of Housing and Chairman of the Town Planning Board under the new organization structure, H/CEEO said the Permanent Secretary for the Planning and Lands Branch of HPLB would be the Chairman of the Town Planning Board, while the Permanent Secretary for the Housing Branch of HPLB would be the Director of Housing.

26. On the proposed transfer of heritage and conservation portfolio to the new Culture Bureau, Mr KAM Nai-wai noted that the new Secretary for Culture would have to report to the proposed new Deputy Chief Secretary for Administration (DCS) who would in turn report to the Chief Secretary (CS) and the Chief Executive (CE). He was concerned that the approval channels under the new organization structure would be far more complicated than the existing one. Using the conservation project of the West Wing of the former Central Government Offices (CGO) as an example, Mr KAM enquired about the authority to decide on the conservation of the former CGO West Wing upon the establishment of the fourth term Government on 1 July 2012. H/CEEO said that the need for conservation of the former CGO West Wing would depend on whether this would be classified as a heritage site. If such was the case, it would be brought to the attention of CS by the Secretary for Culture who would responsible for heritage preservation. Mr CHAN Kam-lam said that the decision on the use of the Government Hill site had yet to be made. If the decision was to proceed with the heritage preservation of Government Hill, the policy bureau in charge would be the Cultural Bureau. However, if the decision was to redevelop Government Hill to provide the much needed office spaces, then the policy bureau in charge would be HPLB.

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CE-elect's platform on housing

27. Mr KAM Nai-wai remained unconvinced of the need for creation of additional posts under the proposed re-organization of the Government Secretariat, which in his view did not have anything to do with the supply of PRH. He sought elaboration on CE-elect's plan to expedite land development and PRH production, the former of which was making progress under the existing Development Bureau. Judging from the recent complaints regarding the difference in levels between the lowest residential floor of the buildings and the adjacent streets, the Chairman stressed the need for better co-ordination between the Buildings Department and the Lands Department, particularly in relation to building plans. He also queried the rationale for the lack of undertaking on reduction of average waiting time for applicants on the General Waiting List (WL) for PRH. H/CEO said that the objective of the Political Appointment System was to enhance the accountability of Principal Officials in taking forward their respective policy portfolios. In order to meet the higher public aspirations and to better respond to the needs of the community, CE-elect had proposed to create certain posts to deal with the increased workload. The new Secretary for Housing, Planning and Lands was expected to coordinate the work among different departments under his/her ambit. She added that it was CE-elect's intention to ensure the practicality of his platform. Given the uncertainties associated with the availability of sites for development of PRH, CE-elected considered it more prudent not to make any pledge on reduction of the average waiting time for PRH. The priority of the focuses of CE-elect's housing platform would be worked out following the formulation of a long-term housing strategy. The Chairman hoped that the average waiting time for general WL applicants could be reduced to two years with the provision of more land for PRH in the next few years.

28. Given that the priority for allocation of PRH flats to non-elderly one-person applicants was subject to the Quota and Points System, and that only about 2 000 PRH flats were earmarked for allocation to these applicants each year, Professor Patrick LAU was concerned about the long waiting time of these applicants. Expressing similar view, Mr Fred LI pointed out that the provision of one-person units with an area of 16 square metres would not be able to meet the housing need of non-elderly one-person applicants in the long run, as they might require larger accommodation upon marriage. H/CEO said that one of the focuses of CE-elect's housing was to shorten the average waiting time of non-elderly single PRH applicants aged over 35 to three years. Younger people were not encouraged to apply for PRH because unlike those aged 35 or above, younger people should have the potential of upgrading themselves to private accommodation after they entered the job market. However, non-profit-making organizations were encouraged to provide hostel accommodation for young people during the interim. In response to Mr LI's request for an undertaking on

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timely production of PRH, H/CEEO said that the fourth term Government would have to work out the long-term housing strategy, taking into account the latest statistics, before providing an undertaking on PRH production.

29. The Chairman enquired about the progress of the study on the introduction of a "Hong Kong property for Hong Kong residents" policy. H/CEEO said that the Administration would need to take into account the latest trend of the property market before deciding on the introduction of a "Hong Kong property for Hong Kong residents". It was expected that the relevant study would be completed in a years' time.

30. Mr WONG Sing-chi said that he could not agree with the CE-elect that his housing platform could not be implemented if the proposed re-organization and the re-establishment of HPLB could not be implemented in time before 1 July 2012.

VII. Any other business

31. There being no other business, the meeting ended at 5:45 pm.

Council Business Division 1
Legislative Council Secretariat
7 September 2012