

立法會
Legislative Council

LC Paper No. CB(1)1060/15-16
(These minutes have been
seen by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Tuesday, 10 May 2016, at 4:30 pm
in Conference Room 3 of the Legislative Council Complex

Members present : Hon Christopher CHUNG Shu-kun, BBS, MH, JP (Chairman)
Hon Alice MAK Mei-kuen, BBS, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon WONG Kwok-hing, BBS, MH
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon CHAN Hak-kan, JP
Hon WONG Kwok-kin, SBS
Hon IP Kwok-him, GBS, JP
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon WONG Yuk-man
Hon WU Chi-wai, MH
Hon LEUNG Che-cheung, BBS, MH, JP
Hon KWOK Wai-keung
Dr Hon Fernando CHEUNG Chiu-hung
Ir Dr Hon LO Wai-kwok, SBS, MH, JP

Members attending : Hon Paul TSE Wai-chun, JP
Hon CHAN Han-pan, JP

Members absent : Hon LEE Cheuk-yan
Hon Alan LEONG Kah-kit, SC
Hon Tony TSE Wai-chuen, BBS

Public Officers attending : Agenda Item IV

Mr Eugene FUNG
Director of Sales of First-hand Residential Properties Authority

Miss Kathleen AU
Deputy Director of Sales of First-hand Residential Properties Authority

Agenda Item V

Mr Albert LEE, JP
Deputy Director (Estate Management)
Housing Department

Ms Connie YEUNG
Assistant Director (Estate Management) 3
Housing Department

Mrs Helen CHEUNG
Senior Housing Manager (Kwai Chung)
Housing Department

Agenda Item VI

Mr Albert LEE, JP
Deputy Director (Estate Management)
Housing Department

Miss Rosaline WONG
Assistant Director (Estate Management) 2
Housing Department

Mr Stephen WONG
Chief Manager/Management (Tuen Mun & Yuen Long)
Housing Department

Agenda Item VII

Mr Stanley YING, JP
Permanent Secretary for Transport and Housing
(Housing)

Miss Rosaline WONG
Assistant Director (Estate Management) 2
Housing Department

Mr Jerry CHEUNG
Assistant Director (Policy Support)
Housing Department

Clerk in attendance : Mr Derek LO
Chief Council Secretary (1)5

Staff in attendance : Mr Ken WOO
Senior Council Secretary (1)5

Ms Michelle NIEN
Legislative Assistant (1)5

Action

I. Confirmation of minutes

(LC Paper No. CB(1)834/15-16 —Minutes of meeting held on
7 March 2016)

The minutes of the meeting held on 7 March 2016 were confirmed.

II. Information papers issued since last meeting

2. Members noted that the following papers had been issued since the last meeting –

Action

LC Paper No. CB(1)877/15-16(01) —Land Registry Statistics for April 2016 provided by the Administration (press release)

LC Paper No. CB(1)880/15-16(01) —Administration's response to the letter dated 5 April 2016 from Hon CHAN Han-pan on issues arising from inadequacy of old application form for public rental housing (LC Paper No. CB(1)753/15-16(01))

III. Items for discussion at the next meeting

(LC Paper No. CB(1)868/15-16(01) —List of follow-up actions

LC Paper No. CB(1)868/15-16(02) —List of outstanding items for discussion)

3. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 6 June 2016, at 2:30 pm –

- (a) Progress of the Total Maintenance Scheme; and
- (b) Marking Scheme for Estate Management Enforcement in Public Housing Estate.

4. Miss Alice MAK suggested that the Panel should discuss cases concerning public rental housing ("PRH") applicants' inadvertent omission of declaring insurance scheme with cash value in the application forms resulting in the cancellation of their applications by the Hong Kong Housing Authority ("HA") on the ground of providing false information. Members agreed to discuss the issue in the next regular meeting, and to advance the meeting to start at 2:00 pm to allow sufficient time for discussion.

(Post-meeting note: An item "Issues relating to old application forms for public rental housing" was added to the agenda for the next regular meeting scheduled for 6 June 2016. The agenda was issued to members vide LC Paper No. CB(1)906/15-16(01) on 12 May 2016.)

Action

Re-scheduling of the regular meeting of July 2016

5. The Chairman sought members' views on rescheduling the Panel's regular meeting of July 2016 in order that the Council and the Finance Committee could have more time to deal with their anticipated heavy agendas before the Council prorogued. The Chairman asked and members agreed that the Panel's regular meeting of July 2016 originally scheduled for 4 July 2016 would be re-scheduled to be held on Wednesday, 29 June 2016, at 8:30 am.

IV. The work of the Sales of First-hand Residential Properties Authority

(LC Paper No. CB(1)861/15-16(01) —Administration's paper on the work of the Sales of First-hand Residential Properties Authority

LC Paper No. CB(1)868/15-16(03) —Paper on the work of the Sales of First-hand Residential Properties Authority prepared by the Legislative Council Secretariat (updated background brief)

6. The Director of Sales of First-hand Residential Properties Authority ("D/SRPA") briefed members on the latest work of the Sales of First-hand Residential Properties Authority ("SRPA") by highlighting the salient points of the discussion paper.

Sales tactics of vendors of first-hand residential properties

7. Mr LEUNG Che-cheung asked whether SRPA had examined issues associated with developers offering second or multiple mortgages to purchasers of first-hand residential properties under conditions much relaxed than that of banks. Mr Albert CHAN was concerned about vendors' tactic to mislead prospective purchasers into believing that the cost of offering mortgages and gift items, such as furniture and electrical appliances, were not included in the selling prices of a development/phase. He asked if it was mandatory to set out the gift items in the price lists, and whether SRPA would investigate into cases where the gift items provided deviated from those contained in the price lists.

Action

8. D/SRPA responded that developers had the discretion to decide the types of financial advantage or benefit, including mortgage arrangements, to purchasers of first-hand residential properties. That said, the Residential Properties (First-hand Sales) Ordinance (Cap. 621) ("the Ordinance") stipulated that developers had to set out clearly in the prices lists the prices, the discounts applicable to various payment terms, the gifts, and the financial advantage or benefit in connection with the purchase of a first-hand residential property. The transaction price as shown in the register of transactions ("the register") reflected the consideration after deducting the discounts and financial advantage and benefit as appropriate. When there was a difference between the transaction price as recorded in the register and the price as set out in the price list, it meant that there were discounts and financial advantage and benefit applied to the purchase. Misrepresentation or dissemination of false or misleading information was an offence under the Ordinance. Purchasers who considered that a developer had made a misrepresentation or disseminated false or misleading information in the sale of a first-hand residential property could file a complaint with SRPA.

Compliance checks on sales documents

9. Mr WONG Yuk-man sought explanation for the difference in the number of compliance checks on sales documents conducted by SRPA as opposed to the number of first-hand residential properties offered for sale by vendors. D/SRPA explained that a development-based or phase-based sales brochure would provide information on a development/phase. A development/phase normally comprised a considerable number of residential properties. The number of compliance checks made to sales brochures had in fact exceeded the number of residential developments/phases put up for sale since the full implementation of the Ordinance.

Handling complaints

10. Mr CHAN Kam-lam sought information on the details of complaint cases regarding sales brochures, sales arrangements, advertisements, and misrepresentation and/or dissemination of false or misleading information which had a higher number than other complaints. He asked whether the relevant requirements were too stringent for the trade, and if so, whether the Administration would conduct a review on the requirements.

11. D/SRPA advised that complaints relating to sales brochures included aspects such as inaccurate information or omission of required information, and vendors' failure to make available sales brochures as required. Complaints relating to sales arrangements included aspects such as the order of the sales

Action

offices on the first day of sale, and vendors not following the sales arrangements as announced. Complaints involving advertisements included aspects such as the omission of the information required or false or misleading information. Quite a few of the complaints relating to misrepresentation and/or dissemination of false or misleading information were against estate agents giving false information or misleading prospective purchasers with a view to inducing them to purchase first-hand residential properties. D/SRPA further advised that SRPA had issued guidelines, practice notes and frequently-asked questions and answers to facilitate vendors and related parties to understand the requirements of the Ordinance. It was noted that vendors had made good efforts to comply with the requirements. As the Ordinance had only been in full operation for three years, SRPA was still accumulating implementation experience and would continue to monitor the effectiveness of the Ordinance.

12. Noting the high number of complaint cases concerning advertisements and publicity of first-hand residential properties, Mr WONG Kwok-hing cast doubt on the deterrence of the Ordinance. Pointing out that the coverage of important information in printed advertisements of first-hand residential properties was in general too small to draw the attention of readers, Mr TAM Yiu-chung asked if SRPA would consider making it mandatory that such information be made reasonably conspicuous to readers.

13. D/SRPA pointed out that the Ordinance set out detailed requirements in relation to advertisements and provided for prohibitions against misrepresentation and dissemination of false or misleading information. It stipulated the minimum font size requirements for the prescribed statements in a printed advertisement, which varied in accordance with the size of the advertisement. Contraventions of the relevant provisions in the Ordinance were criminal offences.

Investigation and prosecution

14. Mr WONG Yuk-man expressed concern that the Department of Justice ("DoJ") had taken prosecution against one vendor only despite the fact that SRPA had received 177 complaint cases since the Ordinance came into full operation. D/SRPA advised that SRPA carried out investigations into suspected contraventions of the Ordinance and would seek the advice of DoJ in the process as appropriate. The authority to decide whether there was sufficient evidence for initiating prosecution action against the vendors or any persons suspected of having contravened the Ordinance was vested with the Prosecutions Division of DoJ. As at 31 March 2016, prosecution action had been taken against a vendor of a residential development involving 19 counts

Action

of offence. SRPA had been referring investigation reports on suspected contraventions to the Prosecutions Division of DoJ for consideration. DoJ was considering the cases and would inform SRPA of its decision.

15. Mr Albert CHAN suggested that SRPA should act in line with Consumer Council's practice of making public the details of the complaint cases which had been referred to the Prosecutions Division of DoJ for consideration or cases that warranted attention of prospective purchasers. Consideration should also be given to releasing the relevant investigation results.

16. D/SRPA explained that the suggestion for SRPA to mention the names of vendors who were suspected of having contravened the Ordinance might have legal implications. Notwithstanding that, for situations involving suspected contraventions of the Ordinance which would possibly affect prospective purchasers' interest seriously, SRPA would, apart from instigating investigations, alert prospective purchasers of the situations concerned through the media in the first instance. As at 31 March 2016, SRPA had issued reminders to the public on 14 occasions, all of which were available in SRPA's website for public inspection. SRPA would mention the names of the developments/phases concerned in those reminders as and when necessary.

17. Mr TAM Yiu-chung asked whether there was a need for SRPA to strengthen its establishment in view that vendors of first-hand residential properties might put up more flats for sale in the short term. D/SRPA responded that SRPA had received additional resources for post creation from 2016-2017 onwards, and the new posts would mainly be responsible for conducting investigations and collecting evidences.

V. Shek Lei Interim Housing

(LC Paper No. CB(1)868/15-16(04) —Administration's paper on Shek Lei Interim Housing

LC Paper No. CB(1)868/15-16(05) —Paper on policy on Interim Housing prepared by the Legislative Council Secretariat (background brief)

LC Paper No. CB(1)893/15-16(01) —Referral memorandum from the Public Complaints Office of the Legislative Council

Action

Secretariat on retaining Shek Lei Interim Housing (Chinese version only) (Restricted to Members))

18. With the aid of PowerPoint, the Assistant Director of Housing (Estate Management)3 ("ADH(EM)3") briefed members on the latest situation of Shek Lei Interim Housing ("IH").

(Post-meeting note: Presentation materials (LC Paper No. CB(1)910/15-16(01)) for the item were issued to members on 11 May 2016 in electronic form.)

Studying the conversion of Shek Lei Interim Housing for public rental housing development

19. Referring to the Director of Audit's Report No. 62 which recommended that HA should study measures to make better use of IH resources, Mr CHAN Han-pan, Miss Alice MAK and the Chairman considered it inappropriate for the Administration to have taken it as an excuse to clear IH. Mr LEUNG Che-cheung, Dr Fernando CHEUNG, Mr LEUNG Kwok-hung and the Chairman ascribed the high vacancy rate of IH to the stringent admission requirements, which included three months' stay in transit centre, the living condition of which was intolerably poor.

20. Members including Mr WONG Yuk-man, Mr IP Kwok-him, Dr Fernando CHEUNG and Mr Frederick FUNG stressed the importance of maintaining a reasonable number of IH to cater for natural or man-made disasters. Mr TAM Yiu-chung held the view that, with the Government's housing initiatives proceeding in full swing which entailed land resumption, a sufficient number of IH was necessary.

21. Mr LEUNG Che-cheung, Mr LEUNG Yiu-chung and the Chairman considered it most undesirable to remove IH in the urban and extended urban districts and admit victims of natural or man-made disasters to Po Tin IH in Tuen Mun, as it would cause hardships to those who worked and went to school in the urban and extended urban districts. Mr Albert CHAN considered that the effect of not providing IH in a sufficient number and in appropriate places around the territory would be far-reaching and could threaten social stability.

Action

22. Mr CHAN Kam-lam and the Chairman highlighted the need to make up for the loss in the number of IH units in the urban and extended urban districts if Shek Lei IH was cleared. Mr CHAN Han-pan and Mr LEUNG Che-cheung requested the Administration to undertake to set aside a number of units for providing IH if Shek Lei IH was converted to PRH. Miss Alice MAK suggested designating a block or two as IH upon redeveloping Shek Lei IH into PRH.

23. Mr James TO was strongly opposed to clearing Shek Lei IH. He cautioned that clearance of the IH would result in radical actions from sitting tenants.

24. The Deputy Director of Housing (Estate Management) ("DDH(EM)") explained that PRH would be the ultimate solution to address the housing needs of low-income families who could not afford private rental accommodation. Given the acute shortage of housing resources and the lack of land in the urban and extended urban districts, the Housing Department ("HD") held the view that suitable land resources in the urban and extended urban districts should be used for PRH development. In this connection, HD was exploring ways of putting IH resources into other beneficial uses, including study to convert Shek Lei IH for PRH development. A feasibility study would be conducted, and there was no concrete plan for the clearance at present. DDH(EM) also advised that Po Tin IH, which provided about 3 200 units, could effectively meet the demand of IH in case of disasters. HD had no plan to provide IH in the urban and extended urban districts following clearance of Shek Lei IH, and would continue to press ahead with the provision of PRH.

25. In response to Mr TAM Yiu-chung's enquiry, ADH(EM)3 advised that the number of PRH and IH units provided at Po Tin Estate were about 5 400 and about 3 200 respectively, which account for about 63% and 37% of the total units in Po Tin Estate.

26. Stressing the importance of striking a balance between providing a reasonable number of IH to cater for emergencies and putting unused IH resources to more gainful uses, Ir Dr LO Wai-kwok requested the Administration to provide statistics on the changes in the occupancy rate of IH over the years, with explanation on the changes, and illustrate how IH form part of the Government's strategy on reacting to natural or man-made disasters, and its number sufficient to meet the function.

Admin

Action

Rehousing arrangements

27. Mr WONG Yuk-man, Mr Albert CHAN and Dr Fernando CHEUNG were keen to ensure proper rehousing arrangements for the affected households. Mr CHAN Kam-lam and Miss Alice MAK urged the Administration to consult the affected tenants when a clearance plan was available. They considered that efforts should be made to provide affected households in-situ rehousing as far as practicable. Mr IP Kwok-him and Mr LEUNG Yiu-chung expressed similar views. Mr LEUNG was also regretted about the Administration's refusal to meet with tenants of Shek Lei IH to address their concern about the clearance.

28. DDH(EM) advised that with reference to the previous clearance experience for Long Bin IH, HA would in general give a 24-month advance notice and a Domestic Removal Allowance to the affected households. Affected single-person and two-person households might opt for Singleton Allowance or Doubleton Allowance in lieu of rehousing. Eligible households would be offered advance rehousing up to a maximum of 12 months under the Anticipatory Housing Scheme. As for affected households who had fulfilled PRH eligibility and wish to purchase Home Ownership Scheme ("HOS") flats, they might apply to HA for Green Form Certificate, and purchase new HOS flats under Priority Green Form status in the HOS sales exercise subject to approval of the relevant sales arrangement of the new HOS by the Subsidised Housing Committee ("SHC") of HA, or to purchase HOS flats without the need to pay premium in the HOS Secondary Market. DDH(EM) drew members' attention to the fact that the majority of tenants of Shek Lei IH were already registered on the waiting list for PRH. HA would strive to confirm their eligibility for PRH before the target clearance date. Households awaiting PRH through PRH applications would be rehoused to Po Tin IH. Affected households would be informed of the clearance arrangements once the proposal was endorsed by SHC.

Motion

29. The Chairman referred members to the following motion and its amendment –

Motion moved by Mr LEUNG Yiu-chung and seconded by Dr Fernando CHEUNG –

"本委員會要求房委會保留石籬中轉房屋，以安置有特殊需要，其中包括天災人禍的人士作臨時居所。"

Action

(Translation)

"That this Panel requests the Housing Authority to reserve Shek Lei Interim Housing so as to provide temporary accommodation for persons with special needs, including those who suffer from natural or man-made disasters."

Amendment moved by Mr IP Kwok-him and seconded by Mr CHAN Kam-lam –

"本委員會要求房委會 **在重建石籬(二)邨第10及11座時妥善安置現有居民並於重建後保留石籬部份單位作中轉房屋用途**，以安置有特殊需要，其中包括天災人禍的人士作臨時居所。"

(Translation)

"That this Panel requests the Housing Authority, *in the redevelopment of Blocks 10 and 11 of Shek Lei (II) Estate, to properly rehouse the existing residents and to reserve Shek Lei some of the units for use as Interim Housing after redevelopment* so as to provide temporary accommodation for persons with special needs, including those who suffer from natural or man-made disasters."

30. Members agreed to proceed to deal with the motion and its amendment. Mr IP Kwok-him explained the purpose of the amendment put forward by him. Mr CHAN Han-pan, a non-Panel Member, indicated his support for the amendment.

31. The Chairman put to vote the amendment moved by Mr IP Kwok-him to the motion moved by Mr LEUNG Yiu-chung. Six members voted for the amendment and five members voted against it. The Chairman declared that the amendment was carried.

32. The Chairman then put to vote the motion moved by Mr LEUNG Yiu-chung as amended by Mr IP Kwok-him. Six members voted for the motion and five members voted against it. The Chairman declared that the motion as amended was carried.

(Post-meeting note: The wording of the motion passed as amended was issued to members vide LC Paper No. CB(1)908/15-16(01) on 11 May 2016 and was provided to the Administration via the letter dated 11 May 2016.)

Action

VI. The suggestion to increase the number of commercial units and set up holiday bazaars in public rental housing estates

(LC Paper No. CB(1)868/15-16(06) —Administration's paper on provision of additional shops and setting up of holiday bazaars in public rental housing estates

LC Paper No. CB(1)868/15-16(07) —Paper on Link's management of retail and car-parking facilities divested by the Hong Kong Housing Authority prepared by the Legislative Council Secretariat (updated background brief)

LC Paper No. CB(1)629/15-16(01) —Letter dated 1 March 2016 from Hon Alice MAK Mei-kuen on increasing the number of commercial units and setting up holiday bazaars in public rental housing estates managed by the Hong Kong Housing Authority (Chinese version only))

33. With the aid of PowerPoint, the Assistant Director of Housing (Estate Management)2 ("ADH(EM)2") briefed members on the Administration's response to members' views and concerns relating to the proposal to provide additional shops and set up holiday bazaars in PRH estates.

(Post-meeting note: Presentation materials (LC Paper No. CB(1)910/15-16(02)) for the item were issued to members on 11 May 2016 in electronic form.)

34. Mr Tommy CHEUNG declared that he was a member of HA. He said that Members belonging to the Liberal Party were supportive of the proposal of setting up holiday bazaars in PRH estates.

Action

35. Members including Mr Tommy CHEUNG, Miss Alice MAK, Mr LEUNG Che-cheung, Mr LEUNG Yiu-chung, Mr Frederick FUNG, the Chairman, Mr LEUNG Kwok-hung, Dr Fernando CHEUNG and Mr CHAN Han-pan expressed the following common views and concerns –

- (a) the Administration's paper appeared to discourage the setting up of holiday bazaars in PRH estates. As the constraints set out in the Administration's paper could be tackled through administrative means, the Administration should coordinate inter-departmental efforts to take forward the proposal; and
- (b) holiday bazaars provided foods and goods at prices more affordable to PRH tenants without causing prolonged nuisance to the estates as they would operate during public holidays only. As Link Asset Management Limited ("Link") kept disposing of market facilities divested by HA and introducing chain supermarkets into its renovated retail facilities which pushed up prices of products beyond the affordability of PRH tenants, the Administration should set up holiday bazaars in PRH estates to counteract Link's monopolistic operations.

36. Mr CHAN Han-pan suggested the Administration should conduct a study on the PRH estates and their open spaces appropriate for providing holiday bazaars. Dr Fernando CHEUNG expressed the same view, and requested the Administration to provide the relevant information. Mr Frederick FUNG asked whether HA would consider setting up a committee for the relevant work.

Admin

37. DDH(EM) pointed out that the Administration had in fact been seeking to maximize the use of suitable space in PRH estates for providing more retail facilities. Retail spaces in HA's shopping centres and estates had been increased by over 1 000 square metres in the past five years. DDH(EM) clarified that the Administration's paper aimed to set out important factors and issues to be considered and resolved in pursuing the proposal of setting up holiday bazaars. The Administration maintained an open position towards the proposal and would convey members' views and suggestions to HA for consideration. ADH(EM)2 said that the Administration would consider members' suggestions on proposed venues having regard to the actual circumstances of the individual venue concerned, such as the land lease conditions.

Action

Motion

38. The Chairman referred members to the following motion and its amendment –

Motion moved by Miss Alice MAK and seconded by Mr LEUNG Che-cheung –

"本委員會要求房屋署盡快落實在各公共屋邨內增設商鋪和假日墟市，以抗衡領展的壟斷。"

(Translation)

"That this Panel requests the Housing Department to expeditiously increase the number of commercial units and set up holiday bazaars in various public rental housing estates, so as to counteract Link's monopoly."

Amendment moved by Mr Frederick FUNG and seconded by Dr Fernando CHEUNG –

"本委員會要求房屋署盡快落實在各公共屋邨內增設商鋪和假日墟市，**房屋署並設立專責委員會處理假日墟市事宜**，以抗衡領展的壟斷。"

(Translation)

"That this Panel requests the Housing Department to expeditiously increase the number of commercial units and set up holiday bazaars in various public rental housing estates, **as well as to establish a dedicated committee on matters relating to holiday bazaars**, so as to counteract Link's monopoly."

39. Members agreed to proceed to deal with the motion and its amendment. Mr CHAN Han-pan, a non-Panel Member, indicated his support for the motion.

40. The Chairman advised that as a quorum was not present, the motion and its amendment would be voted on at the next regular meeting scheduled for 6 June 2016.

(Post-meeting note: The wording of the motion and its amendment was issued to members vide LC Paper No. CB(1)912/15-16(01) on 12 May 2016.)

Action

VII. Issues concerning excessive charges imposed on operators of welfare and education facilities operating in a shopping centre in a public rental housing estate

(LC Paper No. CB(1)868/15-16(08) —Administration's paper on non-profit making organisations operating in premises subject to Welfare Letting Covenant

LC Paper No. CB(1)868/15-16(07) —Paper on Link's management of retail and car-parking facilities divested by the Hong Kong Housing Authority prepared by the Legislative Council Secretariat (updated background brief)

LC Paper No. CB(1)703/15-16(01) —Letter dated 16 March 2016 from Hon Alice MAK Mei-kuen on excessive charges imposed on operators of welfare facilities operating in retail facility in public rental housing estate (Chinese version only))

41. The Permanent Secretary for Transport and Housing (Housing) ("PSTH(H)") briefed members on the recent incident regarding non-profit-making organizations operating at premises subject to Welfare-letting Covenant in Kwong Tin Estate and Choi Ha Estate being asked to pay management fee.

42. Miss Alice MAK expressed concern that with Link kept disposing of its retail facilities divested by HA, similar incidents concerning non-profit-making organizations being imposed additional charges might happen again. Mr Frederick FUNG sought clarification from the Administration on whether new owners of facilities sold by Link could charge fees other than the Concessionary Rent from non-profit-making organizations nominated by the Nominating Authorities. The Chairman requested the Administration to clarify if the assignment deeds signed between HA and The Link Properties Limited permitted the outsourcing of management or the disposal of the divested facilities by Link to a third party.

Admin

Action

43. PSTH(H) advised that the assignment deeds signed between HA and The Link Properties Limited for the divested commercial facilities contained certain restrictive covenants, including the Welfare-letting Covenant. The Welfare-letting Covenant required that the owners of the facilities concerned, including The Link Properties Limited and any successors in title, should let out certain designated commercial units at certain rent levels, which were fixed by HA, to non-profit-making organizations nominated by the Nominating Authorities. Following the disposal of the commercial facilities concerned by Link, HD issued letters to the new owners of the welfare premises in Choi Ha Estate and Kwong Tin Estate to set out the requirements of the Welfare-letting Covenant and requested their compliance. HD would continue to monitor compliance with the requirements of the Welfare-letting Covenant, and would take appropriate action in the event of non-compliance.

44. Noting from the Administration's paper that Concessionary Rent had been fixed at a level to cover the cost of management, maintenance and other recurrent expenses in managing the premises, Mr Paul TSE was concerned that charging of fees in addition to Concessionary Rent was in effect not prohibited and clearly stated in the assignment deeds. He asked if the Administration was prepared to plug the loophole and stand up for the interest of the non-profit-making organizations concerned if they were eventually charged on that basis by new owners of the retail facilities concerned. PSTH(H) said that the interpretation of the Welfare-letting Covenant was clear, and HD would take appropriate steps as required in a timely manner to safeguard the legal interest of HA.

45. Highlighting the instances of two special child care centres run by Heep Hong Society being forced to give up the respective car-parking space following Link's disposal of the car-parking facilities concerned, Dr Fernando CHEUNG requested HD to render assistance to non-profit-making organizations which were victimized by Link's disposal of the divested facilities. PSTH(H) said that HD would refer such views to the Social Welfare Department.

46. Miss Alice MAK asked whether the Administration would consider buying back the retail facilities when they were sold by Link to prevent new owners from raising the prices of the products further. PSTH(H) responded that the Administration had clearly explained the considerations involved in the proposal to the Legislative Council on previous occasions, including in a motion debate. Currently HA had no plan to buy back the facilities divested to Link.

Action

VIII. Any other business

47. There being no other business, the meeting ended at 7:30 pm.

Council Business Division 1
Legislative Council Secretariat
28 June 2016