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5 June, 2000

Clerk to Legislative Council Panel on Housing
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central
Hong Kong.

(Attn.: Mrs. Mary TANG)

Dear Mrs. TANG,

**LegCo Panel on Housing
Meeting on 5 June 2000**

Thank you for your letter of 2 June 2000 on the submission from the coalition on Safeguarding the Rights of the Cottage Areas in Hong Kong.

We have thoroughly examined the arguments put forward by Cottage Area (CA) residents regarding the claim for compensation for the demolition of structures upon clearance.

Legal advice from both the Department of Justice and the Housing Department's legal advisor has confirmed that neither the Government nor the Housing Authority is legally liable to pay any compensation to the CA residents. The judgement of the Court of Appeal delivered on 27 September 1999 in respect of the Tiu Keng Leng Cottage Area judicial review case confirmed this legal point of view.

As there is no fresh evidence in the Coalition's recent letter to support the claim, it remains the view of the Administration that it is not desirable to

use public funds for paying a special ex-gratia allowance to CA residents upon clearance.

Our arguments have been set out in our information paper to the LegCo Panel on Housing on "Clearance of Cottage Areas" dated 27 January 2000. The Coalition has also been provided with a copy of the information paper and should be fully aware of the stance of the Administration. In fact, we have explained the Government's stance directly to the Coalition several times in response to their previous submissions to us.

Yours sincerely,

(Gary Au)

for Secretary for Housing

c.c. Director of Housing (Attn: Mr. K H Lau 2715 8871)