

# 立法會

## *Legislative Council*

LC Paper No. CB(1) 988/02-03

Ref : CB1/BC/1/02

### **Paper for the House Committee meeting on 28 February 2003**

#### **Report of the Bills Committee on Housing (Amendment) Bill 2002**

#### **Purpose**

This paper reports on the deliberations of the Bills Committee on Housing (Amendment) Bill 2002.

#### **Background**

2. The Housing Ordinance (Cap. 283) (the Ordinance) provides for the establishment and functions of the Housing Authority (HA) and for purposes connected therewith.

#### **The Bill**

3. The main purpose of the Housing (Amendment) Bill 2002 is to implement one of the recommendations made in “The Report of the Committee on the Review of the Institutional Framework for Public Housing” (RIFPH) issued in June 2002. Under the Ordinance, only non-official members of HA are eligible for appointment by the Chief Executive (CE) as Chairman of HA (CHA). RIFPH envisages that HA will eventually become an advisory body and recommends that the relevant Principal Official i.e. the Secretary for Housing, Planning and Lands (SHPL) be appointed CHA ex officio.

4. However, should SHPL be appointed CHA, his power to appoint an appeal panel to review tenancy decisions of HA, of which he is the Chairman, may give rise to a challenge that such an appeal process is not an independent one. The Bill therefore seeks to amend the Ordinance to -

- (a) enable CE to appoint a public officer to become CHA; and
- (b) transfer to CE the power of SHPL to appoint a panel for hearing appeals.

## **The Bills Committee**

5. At the House Committee meeting on 6 December 2002, members agreed to form a Bills Committee to study the Bill. Under the chairmanship of Hon Howard YOUNG, the Bills Committee has held one meeting. The membership list of the Bills Committee is at **Appendix I**.

## **Deliberations of the Bills Committee**

### Chairmanship of HA

6. The Bill proposes to amend the Ordinance such that CE may appoint either an official or a non-official HA member to become CHA. Concern has been raised on the appointment of SHPL as CHA lest this will undermine the independence of HA since SHPL may have influence over HA membership. The Administration's explanation is that according to RIFPH, the efficient delivery of the public housing programmes is hampered by organizational and structural problems, including confusion in relation to the individuals or agencies who should properly be regarded as spokesman on housing matters. The introduction of the new accountability system on 1 July 2002 provides an ample opportunity for the creation of a new public housing structure which will subsume the responsibilities now exercised by the main housing agencies, including HA. Under the accountability system, the statutory and advisory bodies relating to housing should respond to the Principal Official i.e. SHPL. The new arrangement whereby SHPL may become CHA will serve to integrate the operations of HA into the Government's overall policy making process. It will enable SHPL to have full authority over and therefore be able to take responsibility for all aspects of the formulation and implementation of policy. It will also allow for greater accountability to the public on housing policies and programmes. With regard to HA membership, the Administration's response is that the present pluralistic system of appointment will remain in operation.

7. Doubt has been cast on whether SHPL can, in addition to his current workload, take up the duties of CHA. The incumbent CHA sits on almost all standing committees of HA, including the Building Committee (BC). The Bills Committee notes from the First Report of the Legislative Council Select Committee on Building Problems of Public Housing Units that BC is not able to effectively discharge its executive responsibilities mainly because its members are working on a part-time and voluntary basis. Given the enormous workload of BC, it is unrealistic to expect the part-time BC members to direct adequate attention to details of all those papers submitted for consideration. Members caution that the same situation will occur if SHPL is appointed as CHA. According to the Administration, it is reviewing the structure, including the committee structure, and functions of HA in line with the evolving role of HA within the new housing organization. It is expected that the executive functions of HA's committees will be reduced after progressive delegation of such functions to civil servants within the new housing organization. This will enhance the advisory effectiveness of HA's committees and maintain clear working relationships within the new housing organization.

8. On the time-table for evolution of HA, the Administration notes that according to the RIFPH Report, the speed and manner in which the evolutionary process takes place will be for SHPL to decide. As the financial position of HA is unlikely to be sustainable, partly as a result of the reduction in its subsidized home ownership construction programme, the Administration is reviewing the financial arrangements between the Government and HA to ensure that the new housing organization and HA can continue to carry out the functions expected of them by the Government during the interim. Members will be consulted on further legislative amendments to the Ordinance if it is decided that funding of the new housing organization is to be provided by the Government.

9. Concern has been raised that the Government will, as a matter of general policy, appoint Principal Officials as chairmen of other statutory bodies such as the Hospital Authority and the Airport Authority. According to the Administration, it is not in a position to comment on other statutory bodies but the approach applicable to HA may not be suitable for other statutory organizations given their different legal provisions and responsibilities.

10. As to when SHPL will be appointed as CHA, the Administration's response is that the appointment will take place as soon as practicable after the enactment of the Bill. The current CHA is aware of the legislative proposals. On the vice chairmanship of HA, the Administration undertakes to consider appointing a non-official member as Vice-Chairman of HA as proposed by members.

#### Financial implications

11. While supporting in principle the flexibility which the Bill exhibits in the appointment of CHA, members enquire about the savings in expenditure after SHPL takes up the chairmanship of HA. In this connection, the Administration has provided the following information –

	Actual expenditure	
	2001/2002	April 2002 – January 2003
Allowance paid to CHA	\$1.14 million	\$0.93 million
Other expenses (secretarial support and chauffeur service to CHA)	\$1.02 million	\$0.86 million
Total	\$2.16 million	\$1.79 million

It is expected that the above payment of expenditure currently incurred by HA will no longer be required after SHPL takes up the chairmanship of HA.

### **Committee Stage amendments**

12. No Committee Stage amendments will be moved.

### **Recommendation**

13. The Bills Committee recommends the resumption of the Second Reading debate on the Bill on 19 March 2003.

### **Advice sought**

14. Members are requested to support the recommendation of the Bills Committee at paragraph 13 above.

Prepared by  
Council Business Division 1  
Legislative Council Secretariat  
27 February 2003

**Bills Committee on  
Housing (Amendment) Bill 2002**

**Membership list**

<b>Chairman</b>	Hon Howard YOUNG, JP
<b>Members</b>	Dr Hon David CHU Yu-lin, JP Hon Cyd HO Sau-lan Hon Albert HO Chun-yan Hon NG Leung-sing, JP Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP Hon CHAN Yuen-han, JP Hon CHAN Kam-lam, JP Hon Andrew WONG Wang-fat, JP Dr Hon Philip WONG Yu-hong Hon Abraham SHEK Lai-him, JP Hon IP Kwok-him, JP Hon LAU Ping-cheung Hon Audrey EU Yuet-mee, SC, JP

(Total : 14 Members)

<b>Clerk</b>	Miss Becky YU
<b>Legal Adviser</b>	Miss Kitty CHENG
<b>Date</b>	21 February 2003