

立法會
Legislative Council

LC Paper No. CB(1) 1426/04-05
(These minutes have been seen
by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Friday, 18 March 2005, at 8:30 am
in Conference Room A of the Legislative Council Building

Members present : Hon CHAN Kam-lam, JP (Chairman)
Hon LEE Wing-tat (Deputy Chairman)
Hon Fred LI Wah-ming, JP
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon CHAN Yuen-han, JP
Dr Hon YEUNG Sum
Hon Abraham SHEK Lai-him, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee, JP
Hon WONG Kwok-hing, MH
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon CHEUNG Hok-ming, SBS, JP
Hon Patrick LAU Sau-shing, SBS, JP
Hon Albert Jinghan CHENG

Members absent : Hon James TO Kun-sun
Hon LEUNG Yiu-chung

Public officers attending : **Agenda item IV**

Housing, Planning and Lands Bureau

Mr Michael M Y SUEN, GBS, JP
Secretary for Housing, Planning and Land

Housing Department

Mr TAM Wing-pong, JP
Acting Director of Housing

Mr FUNG Ho-tong
Acting Deputy Director (Allocation & Commercial)
Housing Department

Mr HO Chung-cheung
Chief Housing Manager (Applications and Operations)
Housing Department

Social Welfare Department

Miss Cecilla LI
Chief Social Work Officer (Family & Child Welfare)1

Mr CHEUNG Tat-ming
Senior Social Work Officer (Family)1

Hong Kong Housing Society

Ms L C WONG
Executive Director

Mr K L WONG
Director (Property Management)

Agenda item V

Mr K H LAU, JP
Deputy Director of Housing (Estate Management)

Mr TAI Kong
Chief Manager/Management
Housing Department

**Attendance by
invitation**

: Agenda item IV

Society for Community Organization

Ms FOK Tin-man
Community Organizer of Society for Community Organization

Mr LING Yuk
Old Owner-occupier

Mr LEE Chuk-man
Old Owner-occupier

Ms CHAN Yuk-chu
Old Owner-occupier

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

Staff in attendance : Ms Sarah YUEN
Senior Council Secretary (1)6

Miss Mandy POON
Legislative Assistant(1)4

Action

I Confirmation of minutes

- (LC Paper No. CB(1) 1032/04-05 -- Minutes of special meeting on
29 November 2004
- LC Paper No. CB(1) 1093/04-05 -- Minutes of meeting on
7 February 2005)

The minutes of the meetings held on 29 November 2004 and 7 February 2005 were confirmed.

II Information papers issued since last meeting

- (LC Paper No. CB(1) 996/04-05(01) -- Referral from Members after
meeting with Tsuen Wan District
Council on 6 January 2005
regarding ageing population
- LC Paper No. CB(1) 1027/04-05(01) -- Submission from the Owners'
Corporation of Hoi Fu Court on
problems related to the building
quality of the Court
- LC Paper No. CB(1) 1092/04-05(01) -- A paper from the Administration on
commencement of enacted
provisions of the Landlord and
Tenant (Consolidation)
(Amendment) Ordinance)

2. Members noted the above information papers which were issued since the last regular Panel meeting on 7 February 2005.

III Items for discussion at the next meeting

(LC Paper No. CB(1) 1100/04-05(01) -- List of outstanding items for discussion

LC Paper No. CB(1) 1100/04-05(02) -- List of follow-up actions)

3. The next regular meeting was scheduled for Monday, 4 April 2005, at 2:30 pm. Members agreed to discuss the following items –

- (a) Disposal of surplus Home Ownership Scheme flats and Private Sector Participation Scheme flats; and
- (b) Sales descriptions of overseas and local uncompleted residential properties.

(Post-meeting note: The meeting was subsequently deferred to 12 April 2005 at the request of the Administration to allow it sufficient time to prepare the discussion papers.)

IV Assistance to elderly owners of dilapidated properties

Meeting with the Society for Community Organization

(LC Paper No. CB(1) 526/04-05(01) -- Referral from Duty Roster Members after meeting with the Society for Community Organization (SoCO) regarding assistance to elderly people living in dilapidated buildings

LC Paper No. CB(1) 1100/04-05(03) -- Submission from SoCO)

4. Ms FOK Tin-man/Community Organizer of SoCO and other representatives of SoCO briefed members on the daily living problems faced by elderly property owners in dilapidated buildings. Referring to the Administration's information paper, Ms FOK welcomed the implementation of the new ex gratia arrangement by the Housing Authority (HA) to allow elderly property owners in need of rehousing to move to Housing for Senior Citizens flats on a licence basis under the Compassionate Rehousing Scheme, the provision of Housing for Senior Citizens flats with en suite toilet or self-contained public rental housing (PRH) flats on a licence basis to cater for the individual circumstances of elderly property owners, as well as the relaxation of asset limits for elderly PRH applicants. She however pointed out that many frontline staff of the Social Welfare Department (SWD) and non-governmental organizations (NGOs) were unfamiliar with the eligibility criteria for the ex gratia arrangement and had turned down many applications for the ex gratia arrangement from elderly property

owners. She added that the provision of Housing for Senior Citizens flats was only an interim measure as elderly property owners still had to dispose of their properties before they were eligible for PRH. In this connection, Ms FOK hoped that the Hong Kong Housing Society (HS) could consider acquiring their flats for rent or sale after renovation. Any profits so obtained should be given to the elderly property owners concerned to enable them to pay their PRH rents and other living expenses. She said that SoCO was pleased to work with the Administration, HA and HS to assist elderly property owners living in dilapidated buildings.

Meeting with the Hong Kong Housing Society

(LC Paper No. CB(1) 1100/04-05(06) -- Information paper provided by HS)

5. The Executive Director/HS (ED/HS) briefed members on the assistance to elderly property owners provided by HS, including the “Building Management and Maintenance Scheme” (BMMS). She said that BMMS was aimed at providing interest-free loans to all eligible owners and not just elderly property owners to undertake repair and maintenance works to their properties. However, elderly owners would enjoy preferential treatments under BMMS, such as extension of the loan repayment period. Where necessary, loan repayment could be made after sale of the flats. She added that in helping elderly property owners, HS had to work together with professional social workers who had experience in offering elderly services. It had already approached the Hong Kong Council of Social Service soliciting their views and support in working out co-operation modes with voluntary agencies in different districts in this respect.

6. ED/HS also took the opportunity to respond to SoCO’s request for HS to acquire the properties of elderly owners. She said that HS had a total asset of around \$22 billion which in fact included the value of rental public housing estates and other fixed assets. Its resources had to be used in a prudent manner given the many new projects which had to be implemented. The proposed acquisition of dilapidated properties from elderly owners might give rise to misunderstanding that HS was trying to take advantage of these elderly owners. She held the view that their flats should be sold in the open market with prices to be determined by the market rather than by HS. The sales proceeds should also go to the elderly property owners direct. According to the Society of Hong Kong Real Estate Agents Ltd., these flats could be sold at reasonably good prices after renovation. Besides, the proposed acquisition of dilapidated properties by HS might give a wrong impression that HS was trying to usurp the role of the Urban Renewal Authority (URA). However, she assured members that in implementing the BMMS, HS would offer as much assistance as possible to the elderly owners.

Meeting with the Administration

(LC Paper No. CB(1) 1100/04-05(04) -- Background brief on “Assistance to elderly owners of dilapidated properties” prepared by the Legislative Council Secretariat

LC Paper No. CB(1) 1100/04-05(05) -- Information paper provided by the Administration)

7. The Secretary for Housing, Planning and Lands briefed members on the Administration's paper. The Acting Director of Housing (D of H(Atg.)) said that pursuant to members' request at the Panel meeting on 7 April 2004, HA had reviewed its policy and arrangements in strengthening the assistance to elderly property owners in need. Having regard to the objective of the public housing programme, and to ensure rational allocation of scarce public housing resources to those with genuine need, HA maintained that the property ownership restriction for PRH applicants should be upheld. Nonetheless, HA had put in place measures to assist elderly property owners, including the ex gratia arrangement to house them to Housing for Senior Citizens flats and relaxation of the Waiting List asset limits for elderly households. SWD had also issued internal guidelines and held briefing sessions to familiarize frontline staff of both SWD and NGOs with the eligibility criteria and the locations of Housing for Senior Citizens flats.

General discussion

The ex gratia arrangement

8. The Chief Social Work Officer (Family & Child Welfare)1/SWD agreed that it took time for frontline staff to familiarize themselves with the ex gratia arrangement, in particular when every case had its own unique circumstances. The situation was substantially improved after frontline staff had received the internal guidelines and briefing sessions on the ex gratia arrangements and there were no more cases as quoted by Ms FOK Tin-man of SoCO. She assured members that SWD would maintain close liaison with the Housing Department (HD) and NGOs, including SoCO, in making recommendations for needy elders under the ex gratia arrangement.

9. Mr Abraham SHEK enquired about the number of successful cases of compassionate rehousing and whether consideration could be given to setting up a panel of non-official members to consider cases of compassionate rehousing. D of H(Atg) said that as HD staff did not have the expertise to assess merits of individual cases for compassionate rehousing, SWD was responsible for making recommendations under the ex gratia arrangement. He added that any complaints about the ex gratia arrangement could be referred to HD for follow up.

10. Mr Frederick FUNG pointed out that some elderly property owners were reluctant to move to Housing for Senior Citizens flats because they might have difficulty in sharing facilities with other tenants owing to their special needs. The Acting Deputy Director (Allocation & Commercial) (DD of H(A&C)(Atg.)) said that Housing for Senior Citizens flats were provided with management service for the common facilities and round-the-clock warden to provide ready assistance to the elderly tenants. The attraction of these flats to elderly property owners had yet to be

seen as the ex gratia arrangement had only been implemented for a short time. He added that HD accepted that discretion could be exercised to house elderly property owners with special and genuine need for self-contained PRH flats on a licence basis to cater for their individual circumstances. HD would continue to work together with SWD closely in promoting the ex gratia arrangement so that timely and appropriate assistance could be rendered to needy elders.

Review of the eligibility criteria for PRH

11. Mr Frederick FUNG opined that instead of offering Housing for Senior Citizens flats to elderly property owners, HA should consider relaxing the property ownership restriction so that they could apply for PRH, which in his view was the most direct means of assistance to these elderly property owners. Dr YEUNG Sum also pointed out that HA's recent decision to set the Waiting List asset limits for elderly households at two times the asset limits for non-elderly applicants from 2005-06 onwards might not be useful. He agreed to the proposed relaxation given the small number of elderly property owners. Mr Albert CHAN echoed that elderly property owners who reached a certain age should be exempted from the asset test to simplify the PRH application procedures for elderly applicants on the one hand and to save administrative costs on the other. The Chairman also saw a need for separate rehousing policy for elderly property owners taking into account their difficulties since their properties seemed to be more of a burden than an asset to them. Mr Abraham SHEK however stressed the need for consistency in housing policy.

12. In response, D of H(Atg) and DD of H(A&C) (Atg.) emphasized that great care had to be exercised in considering whether a blanket relaxation of the property ownership restriction for elderly property owners should be given, as that would be tantamount to allowing all people, regardless of their personal circumstance and whether they had genuine need, to access public housing once they reached a certain age. D of H(Atg) further pointed out that according to the SoCO's submission, there were some 31 000 elderly property owners in Hong Kong, of whom 26 000 were having a monthly income below \$2,000. There would be enormous financial implication if they were all to be admitted for PRH indiscriminately. He therefore considered the exercise of discretion on the merits of individual cases more appropriate.

13. Mr Albert CHAN was unconvinced of the Administration's response. He considered that objective criteria on what amounted to dilapidated properties should be worked out in order to ascertain the number of elderly property owners who required rehousing to PRH. Miss CHAN Yuen-han agreed to the need to size up the problem of elderly property owners, and the use of the public housing programme to tackle the problem. D of H(Atg.) noted their views.

Role of HS

14. Mr LEE Wing-tat opined that the proposed acquisition of dilapidated properties of elderly owners by HS should not have significant impact on its financial

situation. As a start, HS could consider setting aside \$500 million for the acquisition which was to be carried out by phases to facilitate rollover of funds. HS should not worry about the misunderstanding about possible profiteering in dealing in elderly property owners' flats as these might not sell well even after renovation. Besides, HS could put in place a monitoring mechanism and engage independent professionals to ensure the impartiality of such a mechanism.

15. Dr YEUNG Sum said that Members of the Democratic Party considered that HS should actively pursue the proposed acquisition because this would help HS to reposition its housing policy after the cessation of the Sandwich Class Housing Scheme. Besides, helping these elderly property owners was also part of the social responsibility of HS. ED/HS noted members' views.

16. Mr Abraham SHEK however pointed out that the proposed acquisition should better be undertaken by URA. Noting that the Chairman and Mr Fred LI were board members of URA, Mr SHEK requested them to raise the issue with URA. While agreeing to relay the proposal to URA for consideration, the Chairman pointed out that under the Lands Resumption Ordinance (Cap. 124), property owners affected by URA's urban renewal projects were eligible for compensation calculated on the basis of a seven years' old replacement flat. As such, there would be significant resource implications on URA if it were to acquire dilapidated properties from elderly owners. Mr SHEK said that the same level of compensation might not be applicable to the proposed acquisition which was not an urban renewal project.

17. Dr YEUNG Sum asked if HS would consider arranging reverse mortgage for elderly property owners so that they could support their living using the interest generated without the need to apply for Comprehensive Social Security Assistance. HS could resume the properties after the death of the elderly owners. Overseas experience had already proved that reverse mortgage was viable. The Chairman also agreed that HS should consider the proposal. ED/HS noted that reverse mortgage was not uncommon in overseas countries, and that the Hong Kong Mortgage Corporation and a number of banks were examining the feasibility of introducing reverse mortgage in Hong Kong. Dr YEUNG considered that HS should also consider the option and revert back to the Panel in due course.

HS

18. Mr LEUNG Kwok-hung however pointed out that overseas experience in respect of reverse mortgage might not be relevant since their houses were generally in better shape. Besides, elderly property owners might be reluctant to part with their properties which they had acquired with much effort. He also opined that the problems faced by elderly property owners could not be resolved by HS or the Panel which should be addressed in the wider context of ageing population. D of H(Atg) advised that the Elderly Commission was already actively examining measures to tackle the problems arising from ageing population.

19. Summing up, the Chairman remarked that concerted efforts were required to assist elderly properties owners. Meanwhile, the Housing, Planning and Lands Bureau should work closely with the Health, Welfare and Food Bureau to strengthen the assistance to these needy owners.

V Water quality in public housing estates

(LC Paper No. CB(1) 1100/04-05(07) -- Information paper provided by the Administration)

20. The Deputy Director of Housing (Estate Management) (DD of H(EM)) briefed members on the measures undertaken by HA to ensure the quality of fresh water supply in public housing estates by highlighting the salient points in the Administration's paper.

The replumbing programme

21. DD of H(EM) said that fresh water pipes in public housing estates completed before 1996 were made of galvanized steel which had a service life of about 12 years. On that basis, HD had drawn up a replumbing programme covering 884 housing blocks with galvanized steel pipe systems of 12 years or more. Mr Albert CHAN asked whether pipe damage in individual flats would also be covered under the replumbing programme. DD of H(EM) said that tenants were encouraged to report to the estate management any water supply problems in their flats. Inspection would be carried out promptly upon receipt of tenants' reports and any necessary repair works would be carried out as soon as possible. He added that HD would enhance communication with tenants before conducting the large-scale replumbing works with a view to minimizing the inconvenience caused to them. Contractors would be required to show tenants samples of the replacement pipes and brief them on the replumbing procedures.

22. Noting that HD would only carry out replumbing works for 39 housing blocks in 2005-06, Mrs Selina CHOW asked whether consideration would be given to undertaking the replumbing works on a larger scale with a view to saving resources on the one hand and expediting the replumbing programme on the other. This would also improve the water quality of older estates within a shorter time. DD of H(EM) said that in the past decade, 713 public housing blocks, accounting for 80% of the blocks included in the programme had already been replumbed. In view of the substantial financial and human resources involved (the estimated cost for replumbing of the 39 housing blocks was about \$60 million), HD had to prioritize the replumbing works based on the outcome of annual condition surveys. Notwithstanding, HD had stepped up technical inspections to ensure proper functioning of the fresh water supply systems as well as the water quality.

23. Mrs Selina CHOW and Mr Fred LI asked whether flexibility would be exercised to replumb estates with galvanized steel pipe systems less than 12 years where necessary. In response, DD of H(EM) answered in the affirmative. By way of

illustration, Shek Yam East Estate was included in the 2005-06 replumbing programme despite that its pipe system was less than 12 years old. He added that apart from condition surveys, HD would also take into account the number of complaints about water quality from tenants. In view of tenants' expectations and availability of resources, HD would expedite the replumbing works for the remaining 132 blocks in the coming four years at an estimated cost of \$200 million.

24. Mr Frederick FUNG questioned why some housing estates completed after 1996, such as Fu Cheong Estate, and some housing estates which had been replumbed earlier, such as Lai On Estate, were also included in the replumbing programme. He enquired whether the need for replumbing was attributed to the use of substandard materials for pipes. DD of H(EM) explained that the replumbing works for Fu Cheong Estate only involved the replacement of sewers for its singleton flats. As regards Lai On Estate, earlier works involved the replacement of sewers only. Replumbing of its fresh water pipes was therefore necessary.

25. Referring to the meeting between members of Kwai Chung District Council (KCDC) and Legislative Council Members on 24 February 2005, Mrs Selina CHOW sought clarification from the Administration regarding KCDC's complaint about deliberate postponement of replumbing works in Cheung Fat Estate after it had been scheduled for sale under the Tenants Purchase Scheme (TPS) Phase 6B. Miss CHAN Yuen-han echoed that she had received similar complaints. They held the view that PRH estates scheduled for sale under TPS should be replumbed first.

26. In response, DD of H(EM) and the Chief Manager/Management of HD said that estates already included in the replumbing programme would be replumbed notwithstanding subsequent changes, including the sales of estates under TPS. He also assured members that replumbing and water sample analysis would be conducted before sale of TPS estates. Besides, the Maintenance Fund under TPS on the basis of \$14,000 per flat would be sufficient to cover major maintenance works over a 10-year period. As regards Cheung Fat Estate, DD of H(EM) clarified that fresh water pipes in Cheung Fat Estate had been replumbed, and that KCDC's request mainly related to the replacement of sewerage system with plastic pipes. Miss CHAN Yuen-han stressed that replumbing works should fall outside the intended purposes of the Maintenance Fund.

Water quality

27. Mr Albert CHAN enquired about the water quality of those estates which were not on the list of public housing estates awarded the Fresh Water Plumbing Quality Maintenance Recognition Scheme (the Scheme) Certificate by the Water Supplies Department. DD of H(EM) explained that the inspection and maintenance of fresh water supply systems in public housing estates had all along complied with the procedures and requirements under the Scheme. The Recognition Certificate was only a third-party certification to boost tenants' confidence in the quality of potable water in public housing estates. HD's aim was to bring all public housing blocks within the

Scheme by the end of 2006. Meanwhile, HD would continue to ensure the proper functioning of the fresh water supply systems in public housing estates.

28. Referring to complaints about water discolouration from tenants of Shek Yam Estate, Mr LEE Wing-tat held the view that the problem should not emerge as the estate concerned was completed after 1999. His concern was shared by Miss CHAN Yuen-han and Mr Fred LI. DD of H(EM) advised that following the implementation of replumbing programme over the last decade, the quality of fresh water supply of 80% public housing estates had already improved. Nevertheless, HD would continue to ensure that water quality of public housing estates complied with the prescribed water quality standards. The Chairman opined that HD might need to ensure the use of more durable pipe materials by contractors. He requested the Administration to conduct a survey to ascertain the quality of fresh water supply in all public housing estates completed after 1996, and the causes of problems, such as water discolouration, if any. Mr LEE also requested the Administration to provide a separate paper on complaints from tenants of Shek Yam Estate about water discolouration, and examine the reasons therefor.

Admin

29. Mr Fred LI expressed concern about the long lead time taken to handle complaints about water quality, particularly in estates managed by private management companies. He considered it necessary for HD to improve the situation. DD of H(EM) explained that under the Scheme, management companies were required to clean the water tanks every three months. Nevertheless, inspections would be carried out promptly upon receipt of tenants' complaints about water quality. However, it would take time for investigation into the cause of problem. As regards the performance of private management companies, DD of H(EM) advised that there were dedicated HD officers responsible for monitoring these management companies. If these companies could not meet the required service standards, their chances for renewal of the management contracts would be affected. HD had also set up a hot-line to receive complaints about the performance of management companies. It was hoped that through the above measures as well as supervision by estate management advisory committees, the performance of management companies could be improved. In fact, some of the management companies were highly experienced with proven track record. At the Chairman's request, DD of H(EM) undertook to include the requirement for timely response to water quality complaints as a performance pledge required of management companies.

30. Mr Fred LI asked why Ko Yee Estate, which was awarded Recognition Certificate under the Scheme, had been included in the replumbing programme. DD of H(EM) advised that certification under the Scheme had no bearings on the replumbing programme.

Other concerns

31. Mr Albert CHAN noted that tenants of Tin Yiu Estate had complained about the large size of communal water pipes installed in their flats which had given rise to

condensation problem and noise nuisance. The Chairman echoed that efforts should be made to improve the alignment of pipes. DD of H(EM) agreed to examine whether it was technically feasible to improve the situation.

VI Any other business

32. There being no other business. The meeting ended at 10:30 am.

Council Business Division 1
Legislative Council Secretariat
9 May 2005