

立法會
Legislative Council

LC Paper No. CB(1) 1071/08-09

(These minutes have been seen
by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

**Minutes of meeting
held on Monday, 2 February 2009, at 2:30 pm
in Conference Room A of the Legislative Council Building**

Members present : Hon WONG Kwok-hing, MH (Chairman)

Hon Frederick FUNG Kin-kee, SBS, JP (Deputy Chairman)

Hon Fred LI Wah-ming, JP

Hon James TO Kun-sun

Hon CHAN Kam-lam, SBS, JP

Hon LEUNG Yiu-chung

Hon Abraham SHEK Lai-him, SBS, JP

Hon Tommy CHEUNG Yu-yan, SBS, JP

Hon LEE Wing-tat

Dr Hon Joseph LEE Kok-long, JP

Hon LEUNG Kwok-hung

Prof Hon Patrick LAU Sau-shing, SBS, JP

Hon KAM Nai-wai, MH

Hon WONG Kwok-kin, BBS

Members absent : Hon Alan LEONG Kah-kit, SC

Hon CHAN Hak-kan

Hon WONG Sing-chi

**Public officers
attending** : **For item IV**

Ms Eva CHENG, JP

Secretary for Transport and Housing

Ms Annette LEE, JP

Deputy Secretary for Transport and Housing (Housing)

Ms Kitty YU
Principal Assistant Secretary for Transport and Housing
(Housing) (Policy Support)

For item V

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Mr LAU Kai-hung, JP
Deputy Director (Estate Management)
Housing Department

Mr Tony LIU
Chief Manager/Management (Support Services 2)
Housing Department

For item VI

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Mr LAU Kai-hung, JP
Deputy Director (Estate Management)
Housing Department

Mr Deryk YIM
Chief Manager/Management (Support Services 4)
Housing Department

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

Staff in attendance : Mrs Mary TANG
Senior Council Secretary (1)2

Miss Mandy POON
Legislative Assistant (1)4

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I. Confirmation of minutes

(LC Paper No. CB(1) 668/08-09 — Minutes of the meeting held on
16 December 2008)

The minutes of the meeting held on 16 December 2008 were confirmed.

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II. Information paper issued since last meeting

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

LC Paper No. CB(1) 630/08-09(01) — Referral from the Complaints Division regarding the concern raised by the Mutual Aid Committee of Ka Man House of Oi Man Estate about the high cost of liquefied petroleum gas supplied in public housing estates

III Items for discussion at the next meeting

(LC Paper No. CB(1) 669/08-09(01) — List of follow-up actions

LC Paper No. CB(1) 669/08-09(02) — List of outstanding items for discussion)

3. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 2 March 2009, at 2:30 pm –

- (a) Review of the Waiting List Income and Asset Limits;
- (b) Green Roof in the Fu Shan Estate Market; and
- (c) Enhancing services for tenants of public rental housing through information technology.

4. The Chairman reminded members of the joint meeting with the Panel on Development to be held on Tuesday, 24 February 2009, at 2:30 pm to discuss the subject on lift safety.

5. Members agreed to conduct a visit in the afternoon of Thursday, 26 February 2009 to places in the proximity of public housing estates but fell outside the jurisdiction of the Hong Kong Housing Authority (HA) to ascertain how the needs for escalator links and elevators systems could be met.

IV. Re-launching of Home Ownership Scheme and Tenants Purchase Scheme

(LC Paper No. CB(1) 669/08-09(03) — Administration's paper on re-launching of Home Ownership Scheme and Tenants Purchase Scheme

LC Paper No. CB(1) 669/08-09(04) — Paper on the proposal to re-launch the Home Ownership Scheme and Tenants Purchase Scheme prepared

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by the Legislative Council
Secretariat (Background brief)

6. The Deputy Secretary for Transport and Housing (Housing) (DSTH(H)) briefed members on the Government's considerations and position on the proposals to re-launch the Home Ownership Scheme (HOS) and Tenants Purchase Scheme (TPS).

Home Ownership Scheme

7. Mr LEUNG Yiu-chung noted that there were at least three considerations viz. whether there was a serious imbalance in the market making it difficult for the low and middle classes to purchase flats, whether the turnover of public rental housing (PRH) flats was so low such that the waiting time for PRH had been seriously affected, and whether there was public consensus to revise the existing housing policy, which were relevant in considering whether HOS should be re-launched. He enquired about the assessment criteria for the first two considerations, and whether consultation would be conducted to ascertain if there was a public consensus on the third one. The Secretary for Transport and Housing (STH) said that in exploring whether HOS should be re-launched, the Administration would have regard to development of the property market as well as the demand and supply of private residential properties. The latest statistics showed that there was steady increase in the proportion of transactions of medium and small-sized flats priced at less than \$2 million vis-a-vis the total number of transactions over the past year to 56% in the fourth quarter of 2008, and that the mortgage-to-household income ratio was 29% as at the third quarter of 2008, which was much lower than the mortgage-to-household income ratio of 77% at the peak of 1997. As regards the turnover of PRH flats, it was estimated that about 16 000 PRH flats could be recovered every year on average in future. Given the forecast average annual production of about 15 000 new PRH flats in the next five years, the existing PRH turnover could help meet the target of maintaining the average waiting time for PRH at about three years. STH added that there were divergent views in the community as to whether the existing housing policy should be revised, and whether HOS and/or TPS should be resumed. It was worth noting that any type of subsidized home ownership scheme would have impact on different sectors of the community and the community as a whole, and that these schemes would also divert resources from and affect HA's ability in implementing the PRH programme. It was therefore necessary to carefully consider the views of various parties. Mr LEUNG stressed the need for longer term planning in the supply of subsidized housing given the long lead time between identification of sites to delivery of units.

8. While agreeing to the need to adjust the supply of HOS flats taking into account market situation and demand, Mr Frederick FUNG could not accept the Administration's decision to cease the production of HOS flats. He recalled that HOS was first introduced to meet the aspiration for home ownership of low-income families which could not afford to purchase properties in the private sector. To avoid an overlap between HOS and private residential market, consideration could be given to restricting the eligibility for HOS flats to PRH tenants. This would also help improve the turnover rate of PRH flats for re-allocation since tenants would have to return their

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PRH flats to HA upon successful application for HOS. STH reiterated that HA was able to maintain the average waiting time for PRH at about three years through the annual production of 15 000 new PRH flats and recovery of 16 000 PRH flats per year. Hence, there might not be a need to divert the limited resources into providing HOS flats in an attempt to improve the recovery rate of PRH flats. At Mr KAM Nai-wai's request, the Administration undertook to provide the number of PRH flats returned by tenants upon purchase of HOS flats or private residential properties in the past five years.

9. Noting from the Administration that the sales prices of surplus HOS flats under Phase 4 ranged from about half a million to over \$2 million, depending on the size and location of the flats, Mr Tommy CHEUNG opined that the prices were even higher than some private properties in the proximity to MTR stations which cost less than \$1 million. That was the reason why Members belonging to the Liberal Party did not support the re-launching of HOS to put additional pressure on the private property market. He agreed that HA should make better use of its limited resources on the provision of PRH flats so as to shorten the waiting time for applicants on the Waiting List (WL). STH said that the prices of surplus HOS flats were set with reference to buyers' affordability and the prevailing market situation to ensure that the prices were reasonable when compared to private residential properties. She added that about 60% of the flats under Phase 4 were sold, of which 30% were sold to Green Form applicants and 70% to White Form applicants.

10. Mr Frederick FUNG opined that the prices of HOS flats were too high and should be adjusted downwards to meet the affordability of low-income families. Given that 40% of the surplus HOS flats under Phase 4 were not sold, Mr Fred LI enquired if this was attributable to the fact that the prices had not been suitably adjusted downwards in line with the decline in the property market. He urged for a review of the sales prices of surplus HOS flats. STH said that while the sales prices of HOS flats were set with reference to the prevailing market conditions, there was a lead time between price setting and actual sales of HOS flats. HA would endeavour to shorten the lead time so that the sales prices would reflect more closely the prevailing market prices. As regards the sales result, STH said that this had reflected the impact of the financial turmoil on the market demand for HOS flats. HA would take into account the market development as well as the sales result of Phase 4 in considering how the quantity and timetable for sale of the remaining surplus HOS flats could be adjusted. The matter would be further discussed by the Subsidized Housing Committee of HA at its meeting in March 2009. At members' request, the Administration undertook to provide an information paper setting out the sale prices of HOS flats under Phase 4.

11. Mr CHAN Kam-lam opined that the lukewarm sales result of Phase 4 might be attributed to the lack of flexibility in the sales mechanism. He enquired whether HA was prepared to introduce more flexibility in the sales of HOS flats, such as postponing the sale of the next phase of surplus HOS flats until the property market became more stable, and putting recovered HOS flats for sale separate from the normal sales programme. DSTH(H) said that the present sales mechanism had already provided

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for flexibility in the sales arrangements. The "Tentative Sales Programme of Surplus HOS Flats" announced by HA in April 2006 was meant to increase the transparency of market information, and to allow ample time for prospective home-buyers to plan ahead. When conducting sales exercises for surplus HOS, HA would take account of market development and relevant factors before a decision was made as to the timetable and the number of flats to be put up for sale. As regards the proposal of putting recovered HOS flats for sale separate from the normal sales programme, STH said that there was no problem with the sales of recovered HOS flats which were scattered in different districts in the last four phases of the sales exercises. At members' request, the Administration agreed to inform the Panel outcome of the review of HA on the sale of surplus HOS flats. It would also look into the need for more flexibility in the sales mechanism.

Tenant Purchase Scheme

12. Mr KAM Nai-wai said that the cessation of HOS production and the high sales prices of surplus HOS flats had indeed deprived the chances of PRH tenants to achieve home ownership. As a result, many PRH tenants would prefer to buy TPS flats. Mr LEE Wing-tat echoed that TPS was an acclaimed policy aimed at helping PRH tenants to achieve home ownership, and had virtually no impact on the private property market given the low sales prices of TPS flats ranging from \$200,000 to \$400,000, which were way below the sales prices of flats in the private sector. He did not agree that re-launching of TPS would undermine HA's ability to maintain the average waiting time at around three years, since the supply of PRH flats should be met mainly through production of new flats rather than turnover of existing flats. Besides, the sale of a few thousand TPS flats to sitting tenants should have little effect on the current stock of about 700 000 PRH flats let alone the annual production of about 15 000 new PRH flats. He questioned why the Administration could implement TPS while maintaining the average waiting time at three years in the colonial days but could not do so now. He said that Members belonging to the Democratic Party would support the re-launching of TPS.

13. STH responded that the main concern about the re-launching of TPS was its impact on the turnover of PRH flats. In order to meet the target of maintaining the average waiting time at about three years for the over 110 000 WL applicants, there was a need to maintain recovery of flats at 16 000 per year having regard to the annual production of 15 000 new flats. PRH flats, once sold, could not be recovered for re-allocation. Hence, the re-launching of TPS would inevitably lengthen the waiting time for PRH flats and undermine HA's ability of to implement a sustainable PRH programme. Given the long waiting time for PRH flats in the urban areas, Mr LEE Wing-tat enquired if consideration could be given to providing rental subsidies for the WL applicants so that they could be able to rent private properties in urban areas during the interim. He also supported the re-launching of TPS for sitting tenants.

14. Mr Fred LI concurred with other members that the sale of a few thousand TPS flats per year would not affect the turnover of PRH flats. Besides, re-launching of

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TPS could motivate owner occupiers to better manage and take care of their own properties, thereby relieving HA of its management responsibilities. He urged the Administration to conduct a survey to gauge tenants' wish to buy their PRH flats. STH said that while sitting tenants might prefer to purchase TPS flats, the Government would need to concentrate its resources on catering for the basic housing needs of families that could not afford private rental housing. Besides, there were problems associated with the management of TPS estates. An example was the non-application of the Marking Scheme for Estate Management Enforcement if OCs of the TPS estates concerned refused to adopt such a scheme.

15. Professor Patrick LAU declared interest as a member of HA. He said that the PRH policy had indeed met the housing needs of those who could not afford private rental housing. Given the long lead time taken for PRH production, he supported forward planning for more public housing flats now such that the question of whether these flats should be sold as leased would be decided at a later stage subject to market situation and buyers' affordability. STH said that the Government had been trying to identify suitable sites for PRH production, but there was a need to consult the neighbouring community which might not support the provision of PRH in the vicinity. Mr LEE Wing-tat was not convinced that the Administration should use objection from local community as an excuse for not identifying suitable sites for PRH production. It should endeavour to resolve the possible conflicts to ensure a sufficient supply of PRH flats to meet demand.

16. While appreciating the PRH policy which had benefited the community, Mr WONG Kwok-kin pointed out that many sitting tenants with grown-up children were required to pay market rent because their household income had exceeded the prevailing income and asset limits. They were also required to undergo biennial income and asset declaration to assess their eligibility for PRH. This had caused much inconvenience to these "well-off" tenants who were in fact not well-off by any standards. With the cessation of TPS and HOS, these tenants were deprived of the chance to achieve home ownership since they could not afford properties in the private sector. As a result, they had to pay higher rent and undergo biennial income and asset declaration. He enquired if there were any means to assist these well-off tenants. STH explained that there was a need to safeguard the rational allocation of public housing resources. Household income and net asset value were adopted as the two criteria for determining tenants' eligibility to continue to receive public housing subsidy. Tenants with household income and asset exceeding the prevailing limits would be required to pay higher rents. They could choose to buy their own private residential properties or HOS flats in the secondary market.

17. Mr LEUNG Kwok-hung opined that Hong Kong people had been spending too much on accommodation. As a responsible Government, it should formulate policy to make housing more affordable to the general public so that they could spend more in other areas to stimulate the economy. However, the current housing policy was inclined to protect the interests of private developers, which in his view was "no logic, no remorse and no shame" on the part of the Government. He therefore supported the re-launching of TPS, and that low interest loans should be provided to

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facilitate tenants to purchase TPS flats, which should be properly refurbished before these were put up for sale. Consideration should also be given to lifting the restriction on application for PRH by the younger generation. STH clarified that the present housing policy did not disallow young people to apply for PRH. All applicants had to meet the eligibility criteria for PRH before they could be included in WL for their turn for PRH flats.

18. The Chairman expressed grave dissatisfaction that the Administration had declined to re-launch HOS and TPS, despite repeated requests from members. It was regretted that PRH tenants were deprived of their chance to achieve home ownership. He recalled that when TPS was first launched a few years ago, much effort had been made to promote the benefits of the scheme. Now that the Administration had halted TPS, it used the excuse that the sale of PRH flats would adversely affect the turnover of PRH flats to justify the decision. This had undermined the confidence of PRH tenants in the current housing policies. He urged the Administration to conduct a survey to gauge the views of PRH tenants on the re-launching of TPS and report the outcome of the survey to the Panel in due course.

19. In response, STH said that it would be a major policy change if TPS were to be re-launched. It would also inevitably affect the turnover of PRH flats which was essential in meeting the target of maintaining the average waiting time at about three years. While the Administration would continue to listen to the views of the community on various types of subsidized home ownership schemes, she would not agree with the Chairman on the need to conduct a survey to particularly gauge the views of PRH tenants on the re-launching of TPS, which in her view was not fair to the 110,000 applicants on WL.

V. Progress report on the Housing Advisory and Service Team in Tin Shui Wai

(LC Paper No. CB(1) 669/08-09(05) — Administration's paper on progress report on the Housing Advisory and Service Team in Tin Shui Wai)

20. The Deputy Director (Estate Management) (DD(EM)) gave a power-point presentation on the progress of the pilot scheme for setting up the Housing Advisory and Service Team (HAST) in Tin Shui Wai (TSW).

(Post-meeting note: A set of the power-point presentation materials was subsequently circulated to members under LC Paper No. CB(1) 714/08-09(01).)

21. While welcoming the setting up of HAST in TSW to assist new tenants to adapt to the new living environment and to foster community building, Mr LEUNG Yiu-chung opined that efforts should be made to provide more services to strengthen community cohesion, such as formation of committees to enhance mutual

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support. He also enquired if HAST would provide outreaching services for "hidden" families" i.e. those which were isolated and received no support from friends and relatives, which were the origins of some past tragedies in TSW. DD(EM) said that HAST was formally set up in April 2008 for a period of two years. HAST was headed by an Assistant Social Welfare Officer and assisted by a team of nine welfare and clerical staff. Since its establishment, HAST had carried out its services in a proactive and outreaching manner. It had provided advice to 90 families referred by the Estate Management Advisory Committees (EMACs). To facilitate early integration of new tenants into the TSW community, HAST would assist them in building up contacts with relevant Government departments and social organizations. In this connection, HAST had visited all social service agencies, District Council Members and EMACs in TSW. A telephone hotline was also set up to answer tenants' enquiries, and roving exhibitions and orientation briefings had been organized for about 3 000 households upon intake. In addition to HAST's effort, EMACs and non-Government organizations (NGOs) had endeavoured to mobilize appropriate social services and community resources for the benefit of residents.

22. Mr LEE Wing-tat pointed out that the various enhanced housing arrangements for fostering harmonious families in PRH, including HAST, could not achieve their intended purposes if children of elderly tenants were not allowed to live with their parents. He was also concerned about the lack of convenient spaces in new estates for NGOs and other social organizations to set up their offices, and the availability of sufficient facilities to meet the needs of tenants as evidenced by the non-provision of study rooms for students in the new estates in Kwai Chung and Tung Chung. His views were shared by Professor Patrick LAU. DD(EM) agreed to the need for provision of space in PRH estates to accommodate services provided by NGOs. He said that a six-storey community services centre at Tin Ching Estate with an area of over 70 000 square feet was under construction. It was expected that a host of community and social services offered by over 20 NGOs would be provided with the commissioning of the centre in 2010. About 200 jobs were expected to be created as a result.

23. Mr LEUNG Kwok-hung said that HAST could not resolve the problem associated with the inadequacy of services in TSW, particularly medical services as there was no general hospital in the district. He stressed the need for a mid-term plan on the provision of services in TSW. DD(EM) said that the six-storey community services centre referred to in the preceding paragraph would include the Nethersole Clinic to provide the necessary medical services to residents in the district.

24. While appreciating the role of HAST, Mr WONG Kwok-kin emphasized the need to avoid any overlapping of work between HAST and other welfare organizations/NGOs to ensure effective use of resources. DD(EM) said that HAST was set up in consultation with the Home Affairs Bureau and the Labour and Welfare Bureau. In providing the enhanced services to the TSW community, care had been taken to avoid duplication of the existing services rendered by the Social Welfare Department, Home Affairs Department, NGOs and voluntary groups. HAST was mainly tasked with the responsibility of assisting new PRH tenants to tackle the

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problems of settling down in TSW, and facilitating their early integration into the community. The Under Secretary for Transport and Housing (USTH) added that the Administration had commissioned an NGO through tender to provide the HAST services. Meanwhile, the Housing Department (HD) was responsible for the overall steering and supervision of the services provided by HAST. It would coordinate with other Government departments, and take up an intermediary role from time to time by referring needy families to the concerned departments and voluntary agencies for assistance.

25. The Chairman asked whether HAST would be permanently stationed in TSW. DD(EM) said that as there were more than 50 000 PRH units in TSW, it was expected that the services provided by HAST would be required on a more permanent basis, in association with services rendered by NGOs. He added that a review of the scheme would be undertaken in 18 months.

26. Professor Patrick LAU commended the Administration's efforts in setting up HAST to help foster community building. Given the valuable contributions of HAST to the TSW community, he asked if consideration would be given to extending HAST to other districts. This would also help in creating the much needed job opportunities. DD(EM) said that a comprehensive review would be conducted 18 months after the commencement of service by HAST to gauge the effectiveness and map out the way forward of the pilot scheme, and to decide on whether to extend the scheme to other districts, such as Tung Chung.

27. In concluding, the Chairman said that while members welcome the services provided by HAST, they were concerned about inadequacy of services, particularly hospital services, in TSW and possible overlapping of services between HAST and other NGOs. Given that a comprehensive review would be conducted 18 months after the commencement of services by HAST (i.e. October 2009), he requested the Administration to report the outcome of the review to the Panel in due course.

VI. Rents for retail and car parking facilities as well as factory premises of the Housing Authority and its relief measures

(LC Paper No. CB(1) 669/08-09(06) — Administration's paper on rents for retail and car parking facilities as well as factory premises of the Housing Authority and its relief measures)

28. The Chairman said that the subject was raised by Mr Frederick FUNG who queried the rationale for HA to increase the rents of its factory buildings amid the financial tsunami on the one hand and offer a 50% rent reduction for two months on the other. He then invited DD(EM) to brief members on the rent policy, the rent level changes of the retail facilities (including wet markets), car parking and factory premises of HA and the recent rent relief measures offered to the retail and factory tenants to assist them to tide over the financial difficulties amid the global financial

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turmoil.

29. While welcoming the rent relief measures, Mr Frederick FUNG expressed concern that these measures were often offered without prior notice or consultation. He opined that studies should be made to better understand the difficulties faced by the retail and factory tenants before introducing any relief measures to ensure that these measures could best suit their needs. This would help avoid recurrence of the current situation whereby HA increased the rents of its factory buildings amid the financial tsunami on the one hand and offered a 50% rent reduction for two months on the other. He was also concerned that existing long-term HA's factory tenants might have a hard time to compete for factory premises given the increased number of factory operators who chose to relocate their Mainland operations back to Hong Kong following the financial tsunami. DD(EM) said that it was an established policy that existing tenants would be given priority in renewing their tenancies. HA would only seek to find new factory tenants when the existing tenants had decided to discontinue their business and terminate their tenancies. As regards the rent relief measures, DD(EM) said that these were introduced as part of corporate responsibility of HA with a view to addressing the plight of its retail and factory tenants, who were mainly small and medium enterprises and hard hit during the financial tsunami. The Commercial Properties Committee of HA would continue to closely monitor the local economy and if necessary, consider further rent relief measures as and when necessary.

30. Mr LEUNG Kwok-hung also failed to understand HA's rationale for increasing the rents of its factory buildings on the one hand and offering a 50% rent reduction for two months on the other. There was a need for consistency in HA's relief measures. He reiterated that the decision to divest HA's assets was wrong from the start. With the divestment of HA's retail and car parking facilities, the Government could not require the Link Management Limited to provide rent relief to the retail tenants amid the financial turmoil. It should not only focus on the recovery of the financial market, but also provide more assistance to the small and medium enterprises. USTH said that HA would review the rents of retail facilities regularly and would consider providing rent relief measures as and when necessary.

31. Noting that rents for retail facilities and factory premises of HA were revised to market level upon expiry of the existing tenancy, Mr LEUNG Yiu-chung said that reference to market level was inappropriate because the Administration was expected to provide rent relief measures to assist small and medium enterprises to tide over the financial difficulties amid the financial turmoil. In this connection, retail and factory tenants had requested for a downward rental adjustment and a 50% rental concession for a period of one year to enable them to continue their business. DD(EM) said that when setting rents for retail facilities, HA had all along been making reference to the rents of shopping malls within the same district. Nonetheless, HA would take the lead in providing rent relief measures when there was a downturn in the economy. In fact, the rent relief measures introduced in November 2008 were well received by retail and factory tenants.

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32. Mr Tommy CHEUNG declared interest as a member of HA's Commercial Properties Committee. While supporting HA's decision to provide rent relief to retail and factory tenants, he held view that the expenditure incurred should be borne by the Government rather than HA. He also opined that more flexibility should be allowed in the adjustment of rents which might not necessarily be totally in line with the market level. HA should also introduce measures to attract more customers to its shopping malls through initiatives such as free parking, as in the case of some shopping malls in the private sector. Mr CHAN Kam-lam echoed that the rent relief measures could only provide temporary relief. A more practical approach was to upgrade the physical conditions and ambience of shopping centres by enhancing the lighting, indoor air quality, array of stalls and decorations during festive seasons etc. This would no doubt revitalize the shopping centres and attract more customers not only from the same estate but other districts, thereby improving the business environment of retail tenants. HA should also establish a partnering relationship with its retail tenants to boost their sales by making special offers to patrons of the shopping centres. USTH thanked members for their views which would be conveyed to the Commercial Properties Committee of HA. He clarified that while reference had been made to the market situation, rents charged by HA were not necessarily adjusted in line with the market rate, but also having regard to the characteristics of HA's retail and factory premises. DD(EM) added that the average rent of HA's shopping centres at around \$250 per m² was way below that of the private sector which ranged from \$700 to \$1,000 per m². The average rent of HA's factory premises at around \$48 per m² was also way below that of the private sector.

33. The Chairman noted that HA would closely monitor the local economy and would consider exploring appropriate rent relief measures if necessary. Given that HA was not aware of Government's fiscal surplus of over \$30 billion when introducing the rent relief measures in November 2008, he asked whether HA would consider further reducing the rents of car parks and factory premises in view of the substantial fiscal surplus. The rent reduction would help tenants tide over the financial tsunami, which was expected to further worsen in the year ahead. This would not only benefit factory tenants, who had been struggling to continue their business, but also help maintain the jobs for workers. He hoped that the Administration would provide more assistance in the face of its surplus. USTH took note of members' views but clarified that that HA's financial position and fiscal surplus were two separate issues. It would be for the Administration to decide on the appropriation of funds.

VII. Any other business

34. There being no other business, the meeting ended at 4:38 pm.