

立法會
Legislative Council

LC Paper No. CB(1) 2592/10-11
(These minutes have been seen
by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Monday, 4 April 2011, at 2:30 pm
in Conference Room A of the Legislative Council Building

Members present : Hon LEE Wing-tat (Chairman)
Hon WONG Kwok-hing, MH (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon James TO Kun-sun
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Dr Hon Joseph LEE Kok-long, SBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon CHAN Hak-kan
Hon WONG Kwok-kin, BBS
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung

Members absent : Hon Fred LI Wah-ming, SBS, JP
Hon CHAN Kam-lam, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP

Member attending : Hon Ronny TONG Ka-wah, SC

Public officers : **For item IV**
attending

Mr D W PESCOD, JP
Permanent Secretary for Transport and Housing
(Housing)

Ms Annette LEE, JP
Deputy Secretary for Transport and Housing (Housing)

Mr TANG Ping-kwong, JP
Principal Assistant Secretary (Housing) (Private Housing)
(Special Duties)

For item V

Mr D W PESCOD, JP
Permanent Secretary for Transport and Housing
(Housing)

Ms Annette LEE, JP
Deputy Secretary for Transport and Housing (Housing)

Mr Anson LAI
Assistant Director (Strategic Planning)
Housing Department

Mr Tony LIU
Assistant Director (Estate Management) 3
Housing Department

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

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

Miss Mandy POON
Legislative Assistant (1)1

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- I. Confirmation of minutes**
(LC Paper No. CB(1) 1737/10-11 — Minutes of the special
meeting held on
28 January 2011)

The minutes of the special meeting held on 28 January 2011 were confirmed.

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) 1500/10-11(01) — Administration's paper on Land Registry Statistics in February 2011.

III. Items for discussion at the next meeting

(LC Paper No. CB(1) 1738/10-11(01) — List of follow-up actions

LC Paper No. CB(1) 1738/10-11(02) — List of outstanding items for discussion)

3. Members agreed to discuss the following items at the next regular meeting to be held on Thursday, 5 May 2011, at 2:30 pm -

(a) Dissemination of misleading information on sale of residential properties; and

(b) Water supply to housing development at Anderson Road.

4. Referring to the list of outstanding items for discussion, the Chairman noted that some items had remained on the list for a long time. These included "Policy on interim housing", "Outsourcing of management of public housing estates", "Public rental housing (PRH) for single persons", "Review of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7)", and "Re-launching of Home Ownership Scheme (HOS) and revitalization of the HOS Secondary Market". He asked whether the Administration had any time frames for discussion of these items. In addition to the items referred to by the Chairman, Mr WONG Kwok-hing requested early discussion on "Marking Scheme for Estate Management Enforcement in PRH estates" and "Restoration of PRH units to original form by tenants upon moving out". The Permanent Secretary for Transport and Housing (Housing) (PSTH(H)) said that the Administration had no plans to review the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) at this stage, and that members were well aware of the Administration's stance on re-launching of HOS and revitalization of the HOS Secondary Market. He nevertheless agreed to look into the situations of the other items and revert to the Panel in due course.

(Post-meeting note: At the request of the Administration and with the concurrence of the Chairman, an additional item on "Marking Scheme for Estate Management Enforcement in PRH estates" was included in the

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agenda for the meeting on 5 May 2011, which was subsequently postponed to 19 May 2011 to avoid clashing with the continuation of the Council meeting on the same day.)

5. Prof Patrick LAU requested for discussion on the progress of "My Home Purchase Plan (MHPP)". The Chairman said that the subject could be discussed in the context of "An overview of the existing housing policy" to be discussed at the forthcoming special meeting on 8 April 2011. As land and housing supply would be raised at the special meeting, Mr Abraham SHEK considered that representatives from the Development Bureau and relevant departments should be invited to attend the meeting to answer members' questions.

IV. Steering Committee on Regulation of the Sale of First-hand Residential Properties by Legislation

(LC Paper No. CB(1) 1738/10-11(03) — Administration's paper on Steering Committee on Regulation of the Sale of First-hand Residential Properties by Legislation

LC Paper No. CB(1) 1738/10-11(04) — Paper on regulation of sales of first-hand private residential properties prepared by the Legislative Council Secretariat (updated background brief))

6. The Chairman and Prof Patrick LAU declared interest as members of the Steering Committee on Regulation of the Sale of First-hand Residential Properties by Legislation (the Steering Committee).

7. PSTH(H) briefed members on the work progress of the Steering Committee by highlighting the salient points in the information paper. The Principal Assistant Secretary (Housing) (Private Housing) (Special Duties) gave a power-point presentation on the subject.

(Post-meeting note: A set of power-point presentation materials was circulated to members vide LC Paper No. CB(1) 1809/10-11(01) on 6 April 2011.)

Work progress of the Steering Committee

8. Mr Alan LEONG noted that the Steering Committee established in October 2010 was expected to submit a report containing recommendations on a practicable way forward to the Secretary for Transport and Housing (STH)

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in October 2011. Given that the Steering Committee and its Subcommittees had held eight meetings so far, he enquired about the progress of their work, particularly the issues which had been discussed. PSTH(H) said that both the Steering Committee and the Subcommittee on Property Information and Show Flats had each held three meetings and the Subcommittee on Sales Arrangements and Practices had held two meetings. Meanwhile, the Subcommittee on the Enforcement Mechanism and Penalties had been formed and would hold its first meeting in April 2011. While a wide range of issues had been discussed, consensus had yet to be reached on a number of issues, such as definitions on some of the terms. Subject to the advice of its Subcommittees, the Steering Committee would complete its report in October 2011, which would contain comprehensive information on all the issues discussed and the conclusions reached. Consultation on the report would be in the form of a White Bill in order to expedite the consultation process. Subject to the feedback on the White Bill, the Administration would introduce the Blue Bill for scrutiny by the Legislative Council (LegCo) as soon as practicable.

9. Noting that the Steering Committee mainly comprised Government officials and professionals, Mr LEUNG Yiu-chung enquired how the views of LegCo and the general public could be incorporated in the report to ensure that the recommendations contained therein would meet public aspirations. PSTH(H) said that members of the Steering Committee would provide not only input on technical issues but also feedback from their sectors. It was the Steering Committee's intention to consult the public, and the purpose of the White Bill was to facilitate public consultation as the community at large would be able to know the details of the proposals. There would be ample opportunity for Members and the public to comment on the White Bill which would be followed by the Blue Bill for detailed scrutiny by LegCo. While being bound by the principle of confidentiality not to disclose the discussion of the Steering Committee, Prof Patrick LAU said that the main features to be regulated under the proposed legislation on first-hand properties were based on the Guidelines issued by the Real Estate Developers Association of Hong Kong (REDA). Members were welcome to put forward their views in this respect to the Steering Committee. PSTH(H) said that the Administration would be pleased to reflect members' views to the Steering Committee.

10. While acknowledging that one of the main purposes of setting up the Steering Committee was to advise on measures to ensure the transparency and accuracy of property information for the protection of purchasers, Ir Dr Raymond HO questioned why the protection of purchasers was not reflected in the terms of reference of the Steering Committee in the Annex to the information paper. PSTH(H) said that the protection of purchasers was indeed the overriding factor of the proposed legislation. In reply to Ir Dr HO's question on whether a mid-term report on the work of the Steering Committee and its Subcommittee could be provided to the Panel before end of the current legislative

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session, PSTH(H) said that the Administration was prepared to report the progress of the Steering Committee to the Panel before completion of the report in October 2011.

11. Dr Joseph LEE enquired if a summary of issues discussed could be provided to facilitate members' understanding on the progress of work of the Steering Committee and its Subcommittees. He also asked if any recommendations on the regulation of prices of first-hand residential properties had been made. PSTH(H) said that there had been useful deliberation on some key matters, such as the legislative framework (i.e. the definition of first-hand properties to be covered under the legislation), and the main features to be regulated in the sales brochures, price lists, show flats and disclosure of transaction information, by the Steering Committee and its Subcommittees. The next step would be for the Subcommittee on Enforcement Mechanism and Penalties to discuss enforcement and penalties. As discussions were still ongoing and consensus had yet to be reached, it would be more appropriate for the Steering Committee to set out its recommendations in its report.

12. As a summary of discussion was not available at this stage, Dr Joseph LEE enquired if members could have access to the minutes of meetings of the Steering Committee and its Subcommittees. PSTH(H) said that as the Steering Committee had agreed not to disclose discussions to facilitate free and frank discussions among its members, it would not be appropriate to reveal the minutes of meetings. Notwithstanding, the Administration would update the Panel on the progress of the Steering Committee upon request. To enhance the transparency of the Steering Committee, the Chairman requested the Administration to provide an information paper setting out the outcome of discussions on issues on which consensus had been reached.

Time frame for introducing the legislation on regulation of the sale of first-hand residential properties

13. Mr WONG Kwok-hing noted that the Steering Committee would submit a report to STH in October 2011, and that subsequent consultation on the report would be in the form of a White Bill. He enquired about the timeframe for introducing the legislation on regulation of first-hand residential properties. PSTH(H) said that the sale of first-hand residential properties was currently governed by the Lands Department's Consent Scheme (the Consent Scheme) and REDA's Guidelines, which laid the foundation for the work of the Steering Committee. The legislation was meant to further enhance control. The target of the Transport and Housing Bureau (THB) was to take forward the consultation of the report of the Steering Committee in the form of a White Bill not only to expedite the consultation process, but also facilitate public understanding of the proposals in the report. While the Steering Committee would endeavour to expedite its work, a definitive time frame for introduction of the legislation had

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yet to be determined subject to the feedback on the White Bill. Mr WONG was concerned that the legislation could only be introduced in the next legislative term and if so, there was a need to enhance control on the sale of first-hand residential properties during the interim to protect consumers' interests, given that non-compliance with REDA's Guidelines was not subject to any penalty. Mr Alan LEONG concurred that pending the introduction of statutory control, more should be done to enhance the transparency of REDA's operation. PSTH(H) said that under the REDA's setup, investigative panels would be formed to investigate into complaints against non-compliance. Non-compliance with the Consent Scheme would be subject to penalty while malpractices of estate agents would be penalized under the Estate Agents Ordinance (Cap. 511). The proposed legislation was meant to strengthen relevant regulatory controls. Notwithstanding, he agreed to relay to REDA members' request for more transparency in its operation.

14. The Chairman was not satisfied with the progress of the Steering Committee. As there was no certainty that the Chief Executive for the next term and his/her team of Government officials would agree to the introduction of the legislation, he urged THB to consider introducing the White Bill in October 2011, in tandem with the release of the report of the Steering Committee to be followed by a two-month public consultation ending in December 2011. In this way, the Blue Bill could be introduced in January 2012, allowing sufficient time for LegCo to complete scrutiny within the current legislative term. This would avoid the recurrence of the lapse of the White Bill on sale descriptions of uncompleted residential properties which had been shelved because of the changes in the property market in 2000. He enquired if the proposed legislative timetable was feasible. PSTH(H) said that his mandate was to complete the report of the Steering Committee in October 2011, and to introduce the White Bill as soon as possible. However, there was practical difficulty in completing the report and the White Bill at the same time as there was a need to allow time for scrutiny of the report before introducing the White Bill. Nevertheless, efforts would be made to carry out the preparatory work for the White Bill in parallel with the report so that the White Bill could be published upon acceptance of the report. He added that even if the Blue Bill could be introduced in January 2012, it was unlikely that the scrutiny work could be completed within seven months given the complexity of the Bill. The Chairman said that if the Blue Bill could be introduced in January 2012, he would appeal to Members to expedite the scrutiny of the Bill for completion within the current legislative term. PSTH(H) said that the Administration would endeavour to introduce the legislation as soon as practicable, and hoped that it would have the full support of Members during the legislative process.

15. While there had been repeated calls for regulating the sale of first-hand residential properties by legislation since 2000, Mr Ronny TONG noted with concern that not much progress had been made except that the Steering

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Committee and its Subcommittees had held eight meetings so far. Given that the report of the Steering Committee would only be available in October 2011, and that it took time to formulate the White Bill, he shared the concern that the legislation might not be introduced within the current legislative term. Besides, LegCo was scrutinizing two very complicated bills, namely the Companies Bill and the Competition Bill, which had to be completed within the current legislative term. As it might take years for the next term of Government to introduce the legislation if the Blue Bill could not be introduced within the current legislative term, consideration should be given to introducing the legislation by phases to deal with key issues relating to the sale of first-hand residential properties, such as control on inflated buildings and requirements on sales brochures in a timely manner. Expressing similar views, Mr Alan LEONG was wary that the incumbent Chief Executive had no intention to introduce the legislation within his term of office. He considered it necessary for STH to monitor the work of the Steering Committee to ensure early formulation of the White Bill so that it could be introduced soon after publication of the report.

16. In response, PSTH(H) said that while STH was kept informed of the progress of the Steering Committee, she could not reach a decision until the Steering Committee submitted its report. Upon receipt of the report, STH would study the report and take forward the subsequent consultation in the form of a White Bill to expedite the consultation process. He added that the objectives of the legislation was to allow for comprehensive regulation of the sale of first-hand residential properties, and to improve existing control which was based on the parameters under the REDA's Guidelines and the Consent Scheme. The legislation should provide for definitions, enforcement mechanism and penalties in a comprehensive manner. Therefore, it would not be appropriate to introduce legislation in a piecemeal manner. As regards the control of inflated buildings, PSTH(H) said that this was a separate issue and fell outside the remit of the Steering Committee.

17. Mr LEUNG Kwok-hung said that members would endeavour to expedite scrutiny of the Blue Bill provided that the Administration was determined to introduce the Bill in the first place as in the case of many legislative changes. He questioned why STH and politically appointed officers were not present to answer members' queries on this important subject. PSTH(H) said that as Chairman of the Steering Committee, it was his responsibility to answer members' questions on the progress of work of the Steering Committee.

18. In concluding, the Chairman said that without compromising on the confidentiality of the Steering Committee, the Administration should provide an information paper on the progress of the six issues under discussion by the Steering Committee and its Subcommittees as set out in Annex B to the Administration's paper. This would facilitate better understanding of the progress of discussion by members and the public so that they could put forward

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their views to the Steering Committee through the Administration. Another meeting would be held in July 2011 to discuss the mid-term progress report provided by the Administration. On the need to expedite the legislative process for regulation of sale of first-hand properties, the Chairman said that there was a general consensus among members that the Blue Bill should be introduced in early 2012 for completion of scrutiny within the current legislative term. In this connection, consideration should be given for the Administration to release both the report of the Steering Committee and the White Bill at the same time.

V. Rent payment for public housing tenants

(LC Paper No. CB(1) 1738/10-11(05) — Administration's paper on rent payment for public housing tenants)

19. The Deputy Secretary for Transport and Housing (Housing) (DSTH(H)) briefed members on the Administration's proposal to pay two months' rent for tenants living in the rental units of the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HS) by highlighting the salient points in the information paper.

20. Mr WONG Kwok-hing enquired if the proposal would cover well-off PRH tenants. DSTH(H) confirmed that the Administration would pay on behalf of HA tenants paying additional rent, or the so-called well-off tenants, the portion of their net rent (exclusive of rates) for two months. As to why non-Elderly Persons' Flats tenants of HS Group B estates would only be eligible for payment of two-thirds of their net rent for two months, DSTH(H) explained that around 80% of HA's well-off tenants were paying 1.5 times of the net rent. The Administration would pay the portion of their net rent while these tenants would have to pay 0.5 times of the net rent by themselves. Based generally on this ratio, the Administration would pay on behalf of non-elderly tenants of HS Group B estates two-thirds of their net rent for two months. In reply to Mr WONG's further question on the age requirement for Elderly Persons' Flats in HS Group B estates, DSTH(H) said that the age requirement was 60.

21. The Chairman asked if recipients of Comprehensive Social Security Assistance (CSSA) living in PRH would be covered under the proposal and if not, CSSA recipients would not be able to benefit from the proposal which was part of the relief measures in the Budget except for the upward adjustment of CSSA. He enquired if CSSA recipients had complained about their ineligibility for the rent relief measures. DSTH(H) said that since the Administration had been paying for the rent for CSSA recipients residing in PRH, they would not be affected under the proposal. The Assistant Director of Housing (Estate Management) 3 (ADH(EM)3) said that the Housing Department had not received any complaints from CSSA recipients whose rents were paid by the Social

Action Welfare Department. While accepting that CSSA recipients should not be covered under the proposal, Mr LEUNG Kwok-hung stressed the need for the Administration to look into the welfare needs of the under-privileged.

22. Mr WONG Kwok-hing enquired if the rebates from rate concessions as proposed under the 2011- 2012 Budget would be refunded to tenants of rental units and users of car parks under HA and HS. ADH(EM)3 said that tenants were not required to pay rates in 2011-2012. As regards the some 27 000 users of car parks under HA and HS, ADH(EM)3 said that the rebates would only amount to \$2.16 per HA car park space per month. Given that the rebates involved would be minimal as compared to the substantial administrative cost to be incurred from the refund, particularly when hourly parking spaces were involved, it was decided that rebate of some \$700,000 should be better used to enhance the operation of car parks, such as improving the energy efficiency of installations, in line with the arrangements in previous years. Mr WONG suggested that HS should use the rebate from rate concessions to improve the facilities of their car parks as well. DSTH(H) agreed to relay the suggestion to HS.

23. In concluding, the Chairman said that members did not raise objection to the submission of the proposal to the Finance Committee.

VI. Any other business

24. There being no other business, the meeting ended at 4:10 pm.