

立法會
Legislative Council

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Panel on Housing

Subcommittee on the Long Term Housing Strategy

Minutes of the meeting
held on Tuesday, 30 April 2013, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex

Members present : Hon WONG Kwok-hing, MH (Chairman)
Hon Tony TSE Wai-chuen (Deputy Chairman)
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon Abraham SHEK Lai-him, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Dr Hon LAM Tai-fai, SBS, JP
Hon IP Kwok-him, GBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon WONG Yuk-man
Hon Michael TIEN Puk-sun, BBS, JP
Hon WU Chi-wai, MH
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Alice MAK Mei-kuen, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Member attending : Hon LEUNG Yiu-chung

Members absent : Hon Vincent FANG Kang, SBS, JP
Hon Paul TSE Wai-chun, JP
Dr Hon Fernando CHEUNG Chiu-hung

Public Officers attending : **For item III**

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

Miss Agnes WONG, JP
Deputy Secretary for Transport and Housing (Housing)

Mr Anson LAI
Assistant Director (Strategic Planning)
Housing Department

For item IV

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

Miss Agnes WONG, JP
Deputy Secretary for Transport and Housing (Housing)

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

Mr Anson LAI
Assistant Director (Strategic Planning)
Housing Department

Clerk in attendance : Ms Miranda HON
Chief Council Secretary (1)1

Staff in attendance : Miss Lilian MOK
Council Secretary (1)1

Miss Mandy POON
Legislative Assistant (1)1

Action

I. Confirmation of minutes

(LC Paper No. CB(1)918/12-13 — Minutes of the meeting held on 30 January 2013)

The minutes of the meeting held on 30 January 2013 were confirmed.

II. Items for discussion at the next meeting

(LC Paper No. CB(1)919/12-13(01) — List of proposed items for discussion)

2. Members agreed to discuss the following items at the next meeting scheduled for Thursday, 30 May 2013, at 8:30 am –

- (a) Government's initiatives to increase housing land supply; and
- (b) Issues relating to the subdivision of flat units.

III. The Housing Authority's Quota and Points System for non-elderly one-person applicants for public rental housing

(LC Paper No. CB(1)919/12-13(02) — Administration's paper on "The Housing Authority's Quota and Points System for non-elderly one-person applicants for public rental housing")

Opening remarks

3. The Permanent Secretary for Transport and Housing (Housing) ("PSTH(H)") briefed members on the salient points of the Housing Authority's ("HA") Quota and Points System ("QPS") for non-elderly one-person applicants for public rental housing ("PRH"). He also said that as QPS and the Well-off Tenants Policies, to be discussed under the next agenda item, were being reviewed, the Administration would refer members' views and concerns on the subjects to the Long Term Housing Strategy ("LTHS") Steering Committee for further deliberation. The public would be consulted on the LTHS Steering Committee's proposals when the public consultation document on LTHS was released. Thereafter, the proposals would be referred to HA for consideration and the final decision on any modifications to QPS and the Well-off Tenants Policies would be made by HA.

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4. Noting that the Administration would refer members' views and concerns on QPS and the Well-off Tenants Policies discussed at this meeting to the LTHS Steering Committee and a final decision would be made by HA, the Chairman requested the Administration to provide a report to the Subcommittee setting out which of the views had been accepted or rejected by HA.

5. The Assistant Director (Strategic Planning), Housing Department ("AD(SP), HD") then gave a power-point presentation on the latest position of QPS and the considerations of the LTHS Steering Committee on the matter.

(Post-meeting note: A set of the power-point presentation materials on the subject was circulated to members vide LC Paper No. CB(1)964/12-13(01) on 30 April 2013.)

Conduct of research on housing demand

6. Mr Christopher CHUNG commented that the calculation methodology of QPS was complicated and could not resolve the existing housing problems. Rather, it had lengthened the waiting time of non-elderly one-person applicants for PRH allocation to beyond three years. In anticipation that the population of Hong Kong was on an aging trend and the demand for one-person and two-person PRH units would rise markedly in future, Mr CHUNG urged the Administration to engage experts to analyze population trends and examine the housing needs of various strata and groups in the community. Mr LEUNG Che-cheung shared the view that the Administration should conduct comprehensive research on housing demand of the community, in particular the housing needs of those non-elderly one-person applicants aged 35 or below with post-secondary or higher education attainment.

7. Ir Dr LO Wai-kiwok declared interest as a member of the Building Committee and the Tender Committee of HA. He referred to a recent salary survey conducted by the University of Hong Kong and echoed that the non-elderly one-person applicants who were aged 35 or below and had attained post-secondary or higher education were expected to earn an income exceeding the income limit for PRH and become ineligible for flat allocation. The Administration should therefore carefully examine and study the profile of such applicants with a view to better forecasting their future housing needs.

8. PSTH(H) responded that HA had made reference to the population studies conducted by other government departments to ensure that relevant factors like changes in the population structure would be taken into account in formulating housing policies. HA had also put in place a public housing construction programme which forecast production for the coming five years. The production level would be reviewed annually having regard to the overall

demand and supply situation of PRH. Meanwhile, the LTHS Steering Committee was examining the long-term housing needs of specific groups, such as the elderly and the young, in the community. An independent research organization had been commissioned to study the characteristics of the households living in subdivided flats and to project the number of such flats in the territory.

Flat mix for PRH production

9. In response to the enquiries of Mr LEUNG Che-cheung and Mr WU Chi-wai about the flat mix of PRH to be constructed, PSTH(H) said that HA would review the ratio of one-person units to be built to the overall PRH production on an annual basis and consider the needs of different cohorts of eligible applicants for PRH registered on the Waiting List ("WL") when determining the flat mix of PRH projects. However, it was the Government's policy to accord priority to general applicants (including family applicants and elderly applicants) over non-elderly one-person applicants in PRH allocation. Under QPS, the annual allocation quota for non-elderly one-person applicants was set at 8% of the number of PRH units to be allocated to WL applicants, subject to a ceiling of 2 000 units. PSTH(H) added that the annual supply of PRH units would be met by new production and recovery from the existing stock, amounting to a total of about 22 000 to 23 000 units on average.

Housing needs of young singletons

10. Mr WU Chi-wai state that there was a trend for people to remain single and considered that more frequent periodic review of the income and assets of non-elderly one-person applicants should be conducted. PSTH(H) responded that sitting tenants who had been living in PRH for 10 years or more were required to declare their household income biennially to ensure rational allocation of limited public housing resources. For non-elderly one-person applicants, their total monthly income and current net assets value should not exceed the limits laid down by HA.

11. Mr KWOK Wai-keung and Dr KWOK Ka-ki expressed concern about the housing needs of singletons. They commented that QPS had lengthened the waiting time of non-elderly one-person applicants and reduced their chance of being allocated PRH units, thus causing them to delay their marriage decisions. Given that income level was no longer positively correlated with education attainment, the Administration should expeditiously put forward effective measures to address the housing needs of singletons.

12. PSTH(H) reiterated that the LTHS Steering Committee was studying the housing needs of individual groups in the community, and would come up with a series of recommendations. These might include progressively extending the

Average Waiting Time ("AWT") target to non-elderly one-person PRH applicants and reviewing the income and asset limits for PRH applicants on WL, to ensure that the limited PRH resources would be allocated in an equitable manner to those who had genuine housing needs. Since younger people had greater potential for advancement and earning a better living than one-person applicants over the age of 35, the Administration considered it appropriate to accord higher priority to the latter in PRH allocation.

13. Mr LEE Cheuk-yan doubted the determination of the LTHS Steering Committee in addressing the housing needs of young people. Miss Alice MAK and Mr LEUNG Yiu-chung echoed that the Administration was not responsive to the significant upsurge in the number of non-elderly one-person applicants in recent years. Mr LEUNG commented that the statistics on QPS as provided by the Administration deliberately smeared those non-elderly one-person PRH applicants who had attained post-secondary or higher education and those who were students. In his view, all PRH applicants, including non-elderly one-person applicants, elderly applicants and family applicants, were facing the same housing needs. The Administration should explore other effective measures to meet their demand, apart from prioritizing limited PRH resources amongst them.

14. PSTH(H) assured members that the LTHS Steering Committee had not ignored the housing needs of young singletons aged 35 or below. However, as PRH resources were scarce and limited, there was a need to prioritize PRH allocation and strike a balance between addressing the housing needs of young people and other applicants on WL. Although the Administration was determined to increase public housing supply in the long run, capping the annual allocation quota for non-elderly one-person applicants at 2 000 PRH units was considered appropriate at present when PRH resources were limited. The allocation quota would be reviewed when more public housing resources were available in future. In response to Miss Alice MAK's enquiry about the time frame for extending the AWT target of about three years to non-elderly one-person PRH applicants to allow them to gain earlier access to PRH, PSTH(H) said that the Administration would proceed with PRH production where land was identified, and adopt different methods to compress the construction period. Nevertheless, there was a lead time of about five years in the construction and delivery of PRH units.

15. While supporting the various considerations of the LTHS Steering Committee in speeding up PRH allocation, Mr WONG Yuk-man said that the fundamental problem of inadequate housing supply had remained unresolved. He pointed out that the soaring prices of private properties were far beyond the affordability of young people and had caused them to delay their marriage decisions, resulting in a vicious cycle where more and more young people remained single and registered on WL as non-elderly one-person applicants for PRH allocation. He also opined that not only non-elderly one-person applicants,

but all PRH applicants on WL should go through the proposed periodic review of income and assets for the sake of fairness. PSTH(H) responded that if the proposal of the LTHS Steering Committee to review periodically the income and assets levels of non-elderly one-person applicants was adopted, the Administration would review the income and assets of all non-elderly one-person applicants across the board.

16. Ir Dr LO Wai-kwok supported the Government's policy to accord a higher priority to family applicants and elderly applicants over non-elderly one-person applicants in PRH allocation given the limited supply of PRH units. Being a member of the Building Committee and the Tender Committee of HA, Ir Dr LO appreciated the difficulties faced by HA in deciding the flat mix of PRH to be constructed. Apart from increasing PRH production, he urged the Administration to consider allowing young people awaiting PRH allocation to move to youth hostels until they were allocated PRH units, so as to meet their housing needs.

17. Mr LEUNG Kwok-hung strongly urged the Administration to consider reinstating rent control for residential properties with a view to alleviating the housing problems faced by low-income families.

18. The Chairman suggested the Administration to offer rental subsidies to households which were eligible for PRH and were awaiting their turn for PRH allocation.

Non-elderly one-person applicants switching to family applications

19. The Deputy Chairman enquired about the arrangements for non-elderly one-person applicants to switch to family applications for PRH after they got married. PSTH(H) explained that non-elderly one-person applicants might apply for addition of family members in order to be qualified as family applicants on WL. Half of their waiting time as a non-elderly one-person applicant would be credited to their family applications, up to a maximum of 18 months. As regards the waiting time of those non-elderly one-person applicants who were aged between 18 and 25, PSTH(H) said that the Administration did not have relevant information in this respect since the allocation to non-elderly one-person applicants under QPS was based on the points they obtained, not their waiting time. Notwithstanding this, the Deputy Secretary for Transport and Housing (Housing) supplemented that among the 106 900 non-elderly one-person applications under QPS as at end December 2012, about 57 600 applicants (54%) were below the age of 30.

20. In response to the enquiries of Dr KWOK Ka-ki about the waiting time of non-elderly one-person applicants, PSTH(H) explained that at present, the AWT target was not applicable to non-elderly one-person applicants under QPS, and

Admin PRH allocation to such applicants was based on the points they obtained, not their waiting time. Hence, the Administration did not have that record. As requested by Dr KWOK, the Administration would provide the number of QPS applicants who were aged above 45 and 55 respectively, and information on their profile.

Impacts of the Well-off Tenants Policies

21. Noting that 33% of the non-elderly one-person applicants aged 35 or below were sitting PRH tenants, the Chairman and Mr LEUNG Che-cheung expressed concern as to whether HA's Well-off Tenants Policies had caused young people to move out from their parents' PRH units and register on WL for PRH allocation. The Chairman urged the Administration to conduct a comprehensive analysis to examine the possible impacts of the Well-off Tenants Policies on the significant increase in the number of non-elderly one-person applications.

22. PSTH(H) responded that it was difficult to attribute the substantial increase in the number of non-elderly one-person applicants to existing housing policies. For non-elderly one-person applications under QPS, points would be allotted based on an applicant's age when his/her application was registered and the applicants would earn points for their waiting time on WL. The higher the number of points the applicant had scored, the higher would be his/her priority for allocation. As an applicant's age at the time of registration formed the basis of calculation of points, there might be cases where an applicant was offered a PRH unit faster than other applicants who had registered earlier on WL if the former was of relatively older age when registered.

Admin 23. The Chairman quoted a complaint case lodged with the Complaints Division of the Legislative Council Secretariat in which the complainant who had registered on WL eight years ago alleged that he had been treated unfairly under QPS due to the Administration's changing the number of points required for flat allocation for applicants under QPS. PSTH(H) asked the Chairman to provide the details of the case to him for reply direct. In response to the Chairman's request, the Administration would provide supplementary information on the operation of QPS, in particular the number of points for an applicant to be offered a PRH unit.

(Post-meeting note: As instructed by the Chairman, the Complaints Division had been informed to refer details of the case to PSTH(H) for reply.)

Criteria for according higher priority for flat allocation

24. Mr Alan LEONG enquired about the specific circumstances of individual

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applicants that would merit allocation of additional points under QPS. PSTH(H) responded that the LTHS Steering Committee had some preliminary ideas that in addition to the income level and age of applicants, other factors such as their family background might also be taken into consideration when allocating PRH units. Recommendation to be put forward by the LTHS Steering Committee would be further considered by HA. As requested by Mr LEONG, the Administration would provide information on the LTHS Steering Committee's recommendations on factors which might be worthy of consideration in PRH allocation under QPS.

25. Mr Frederick FUNG Kin-kee enquired how the Administration could objectively identify, from amongst non-elderly one-person applicants, those who lacked upward mobility and those who might have greater difficulty to improve their living conditions on their own. Referring to the socio-economic profile of non-elderly one-person applicants, PSTH(H) responded that non-elderly one-person applicants aged 35 or below with post-secondary or higher education were expected to have upward social mobility and earn an income exceeding the WL income limit. In this connection, the LTHS Steering Committee took the view that non-elderly one-person applicants aged above 35 without post-secondary or higher education attainment should be accorded higher priority in PRH allocation. Mr FUNG pointed out that education attainment might not necessarily be related to income level and social mobility positively nowadays. He therefore disagreed with the LTHS Steering Committee's assumption that non-elderly one-person applicants with post-secondary or higher education could improve their living conditions on their own. He also considered that applicants' upward mobility and ability to improve living condition were not objective enough to be adopted as criteria for early allocation.

IV. The Housing Authority's "Well-off Tenants Policies"

(LC Paper No. CB(1)919/12-13(03) — Administration's paper on "The Housing Authority's 'Well-off Tenants Policies' ")

26. PSTH(H) briefed members on the salient points of the Well-off Tenants Policies. AD(SP), HD then gave a power-point presentation on the latest position of the Well-off Tenants Policies and the discussions of the LTHS Steering Committee on the matter. He said that members' views and concerns would be reflected to the LTHS Steering Committee for further deliberation, and then to HA for final decision.

27. Mr LEUNG Yiu-chung criticized that the Well-off Tenants Policies had caused nuisance to PRH households which were required to declare their income biennially if they had been living in PRH for 10 years. Noting that only 3% of

the total PRH households were well-off tenants and only a small number of PRH units would be recovered from such tenants for re-allocation, Mr LEUNG considered the Well-off Tenants Policies not effective for speeding up the turnover of PRH units to address the housing needs of WL applicants. Instead, the Well-off Tenants Policies had induced young people to move out of their parents' PRH units and register on WL for PRH allocation, leading to an upsurge in the number of non-elderly one-person PRH applicants. He considered that the Administration should study the possible impacts of the Well-off Tenants Policies on community development and family relations.

28. Mr WU Chi-wai expressed concern about the possible tightening up of the Well-off Tenants Policies, given the scarce PRH resources at the moment. He pointed out that the cessation of the Home Ownership Scheme ("HOS") years ago had blocked the upward mobility of PRH tenants, which in turn had slowed down the turnover of PRH units. Mr WU also noted that sitting tenants who made false statements in the income survey would be guilty of an offence and liable to prosecution. He urged the Administration to render adequate assistance to PRH households in filling out the income declaration forms and strengthen education programmes to promote public awareness of tenancy abuse. PSTH(H) assured members that HA would assist PRH tenants in declaring their income and assets, and was mindful of the need to exercise care in dealing with tenancy abuse cases. An appeal mechanism was in place for tenants to appeal to the Appeal Panel (Housing) against termination of their PRH tenancy.

29. Mr LEUNG Kwok-hung was of the view that the Well-off Tenants Policies could not resolve the problem of inadequate supply of PRH units, but had driven young people to move out of PRH to register as non-elderly one-person applicants under QPS for PRH allocation. This was inconsistent with the Government's policy to encourage younger members of a family to look after the elderly. Miss Alice MAK echoed that the Well-off Tenants Policies went against the objective of the allocation measures implemented by HA to promote mutual family support. In view of the small number of well-off tenants, the Administration should not target at a handful of tenants. She opined that the LTHS Steering Committee should formulate measures that would facilitate upward mobility of PRH tenants along the housing ladder. The Deputy Chairman added that the LTHS Steering Committee should analyze the housing needs of PRH tenants, especially those of well-off tenants, and encourage them to purchase HOS flats or private residential flats so that more PRH units would be released for re-allocation.

30. PSTH(H) responded that the LTHS Steering Committee noted the divergent views on the Well-off Tenants Policies. In view of the long WL, the Well-off Tenants Policies were considered necessary and should be maintained as they had a deterrent effect in tackling tenancy abuses and helped recover PRH units for re-allocation to those in need. PSTH(H) further said that with the re-

launching of HOS, the housing ladder was reinstated for PRH tenants to move upward to acquire subsidized sale flats. HA would review the Well-off Tenants Policies, including the income and asset limits.

31. In response to the enquiry of Dr KWOK Ka-ki as to whether the Administration would introduce new measures to encourage well-off tenants to move to HOS flats and vacate their PRH units, PSTH(H) stated that the Administration acknowledged the aspirations for home ownership in the community, and that HOS flats were the first step of some people towards home ownership. In this connection, HA had established the Secondary Market Scheme for HOS flats, which allowed PRH tenants to purchase HOS flats with premium not yet paid. On HOS pricing, PSTH(H) explained that there was a pricing methodology for HOS flats under which the market value of flats and the affordability of eligible households would be taken into account.

32. Despite the small number of PRH units to be vacated by well-off tenants, Mr Michael TIEN supported that the Well-off Tenants Policies should be maintained for the sake of fairness in the allocation of PRH resources to the needy. Noting that there were some well-off tenants who could well afford private housing, Mr TIEN was of the view that the income and asset limits under the Well-off Tenants Policies should be further tightened to safeguard rational allocation of public housing resources and curb tenancy abuse. PSTH(H) responded that the income and asset limits were reasonable in the circumstances as PRH tenants were not provided with alternative housing choices when the sale of HOS flats was suspended and the cost of getting into private housing was relatively high in the past. Nevertheless, the LTHS Steering Committee would review the Well-off Tenants Policies to ensure that they would be in step with current situation in the market and society.

33. In response to the Chairman's enquiry, PSTH(H) replied that the Administration did not have plan to re-launch the Tenants Purchase Scheme owing to the various problems, including management problems, arising from the scheme. The Chairman expressed dissatisfaction and regret at the Administration's response.

34. In respect of the 33% of non-elderly one-person applicants aged 35 or below on the QPS who were PRH tenants, the Chairman enquired about the number of those who belonged to well-off households under the Well-off Tenants Policies for members' reference. AD(SP), HD responded that the Administration did not have such information. The Chairman considered that the Administration and the LTHS Steering Committee should conduct such analysis in reviewing the impact of the Well-off Tenants Policies.

V. Any other business

35. There being no other business, the meeting ended at 4:30 pm.

Council Business Division 1
Legislative Council Secretariat
20 June 2013