

立法會
Legislative Council

LC Paper No. CB(1)786/14-15
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by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Monday, 2 March 2015, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex

Members present : Hon Alice MAK Mei-kuen, JP (Chairman)
Hon Christopher CHUNG Shu-kun, BBS, MH, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon Abraham SHEK Lai-him, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon WONG Kwok-hing, BBS, MH
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon IP Kwok-him, GBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon WONG Yuk-man
Hon WU Chi-wai, MH
Hon KWOK Wai-keung
Dr Hon Fernando CHEUNG Chiu-hung
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon Tony TSE Wai-chuen, BBS

Members absent : Hon LEE Cheuk-yan
Hon LEUNG Yiu-chung
Hon CHAN Hak-kan, JP
Hon LEUNG Che-cheung, BBS, MH, JP

Public Officers : For item III
attending

Professor Anthony CHEUNG, GBS, JP
Secretary for Transport and Housing

Mr Stanley YING, JP
Permanent Secretary for Transport and Housing (Housing)

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

Mrs Vicki KWOK
Principal Assistant Secretary for Transport and Housing
(Housing) (Private Housing)

For item IV

Mr Stanley YING, JP
Permanent Secretary for Transport and Housing (Housing)

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

Mr John HUNG
Assistant Director (Strategic Planning)
Housing Department

For item V

Mr Stanley YING, JP
Permanent Secretary for Transport and Housing (Housing)

Ms Ada FUNG, JP
Deputy Director (Development & Construction)
Housing Department

Clerk in attendance : Ms Shirley CHAN
Chief Council Secretary (1)1

Staff in attendance : Mr Ken WOO
Senior Council Secretary (1)5

Ms Mandy LI
Council Secretary (1)1

Miss Mandy POON
Legislative Assistant (1)1

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I. Information paper issued since last meeting

Members noted that the following papers had been issued since the last meeting –

(LC Paper No. CB(1)513/14-15(01) — Land Registry Statistics for January 2015 provided by the Administration (press release)

LC Paper No. CB(1)518/14-15(01) — Referral memorandum from the Public Complaints Office of the Legislative Council Secretariat regarding views on The Ombudsman's report on Mechanisms Used to Review and Monitor Eligibility of Existing Tenants in Subsidized Public Housing (Chinese version only) (Restricted to Members)

LC Paper No. CB(1)524/14-15(01) — Referral arising from the meeting between Legislative Council members and Wong Tai Sin District Council members on 27 November 2014 regarding the new policy on "Universal Accessibility" (Chinese version only) (Restricted to Members))

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II. Items for discussion at the next meeting

(LC Paper No. CB(1)575/14-15(01) — List of follow-up actions

LC Paper No. CB(1)575/14-15(02) — List of outstanding items for discussion)

2. Members agreed to discuss the following items at the next regular meeting scheduled for Tuesday, 14 April 2015, at 4:30 pm –

- (a) Rent payment for public housing tenants;
- (b) Energy saving initiatives in new public housing developments; and
- (c) Marking Scheme for Estate Management Enforcement in Public Housing Estate.

3. The Chairman drew members' attention to the list of outstanding items for discussion and informed members that the item on "Policies and measures on overcrowding relief in public rental housing estates" had been changed to "Policies on tackling under-occupation in public rental housing estates and overcrowding relief measures".

4. The Chairman also reminded members of the special meeting to be held on Saturday, 21 March 2015, at 9:00 am to receive views from the public on the Government's new Long Term Housing Strategy ("LTHS") as well as the housing-related initiatives in the Chief Executive's 2015 Policy Address.

III. Review of Special Stamp Duty and Buyer's Stamp Duty

(LC Paper No. CB(1)575/14-15(03) — Administration's paper on "Review of Special Stamp Duty and Buyer's Stamp Duty"

LC Paper No. CB(1)575/14-15(04) — Background brief on "Special Stamp Duty and Buyer's Stamp Duty" prepared by the Legislative Council Secretariat)

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5. The Secretary for Transport and Housing ("STH") briefed members on the outcome of the review of the Special Stamp Duty ("SSD") and the Buyer's Stamp Duty ("BSD").

(Post-meeting note: A copy of STH's speaking note was circulated to members vide LC Paper No. CB(1)604/14-15(01) on 3 March 2015.)

Effectiveness of the stamp duty measures

6. Mr WONG Kwok-hing pointed out that while transaction volume and speculation had reduced following implementation of SSD and BSD, property prices had remained soaring high. Mr KWOK Wai-keung, the Chairman and Dr Fernando CHEUNG expressed similar concerns. Mr KWOK Wai-keung said that the surge in property prices was evident by the rise of the private residential property price index to 277.6 at the end of 2014, which was 1.6 times of the peak in 1997. The Chairman urged the Administration to introduce measures to bring the property price to a level that was affordable to the general public.

7. Dr Fernando CHEUNG noted with concern the renewed signs of exuberance in the residential property market since April 2014 and the worsening of the home purchase affordability ratio to around 58% in the fourth quarter of 2014. He held the view that the effectiveness of SSD and BSD remained questioned as they only suppressed transaction but did not bring property prices down to a reasonable level. As the supply of housing remained tight, he urged the Administration to introduce vacant property tax and capital gains tax which in his view would be conducive to increasing housing supply in the market and hence lower the rent level.

8. STH responded that the monthly average rate of increase for overall flat prices rose by only 0.8% from November 2012 (after the introduction of the enhanced SSD and BSD) to December 2014. Also, in the fourth quarter of 2014, only 1% and 1.7% of the total residential property transactions involved short-term resale (comprising confirmor transactions and resale within 24 months after assignment), and purchases by non-local individuals and non-local companies respectively. Empirical data showed that SSD and BSD had helped stabilize the residential property market by combating speculative activities in the form of short-term resale and curbing external demands respectively. The Administration would remain vigilant and prudent, and would continue to closely monitor the property market and the evolving external environment.

9. Mr IP Kwok-him was concerned about the revival of the residential property market since April 2014. He asked if the Administration had assessed whether the effects of SSD and BSD had started to diminish. Expressing concern also on the renewed signs of overheating in small-sized residential units

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that might gradually extend to all sizes of units, he sought the Administration's assessment on the risk of a burst of the property bubble.

10. Noting the Administration's decision to maintain SSD and BSD, Mr Tony TSE asked if it was because the Administration was also of the view that the property prices at present were too high to be affordable by the general public. He also asked if the Administration would review again the need for both measures after a year in light of their impact on the related business sectors. The Chairman expressed similar concerns.

11. STH responded that the recent pick-up in the property market suggested that the risks of a housing market bubble were still prominent. In view of the potential risks of global financial volatilities coupled with the tight demand-supply balance, it was necessary to keep SSD and BSD in place for the time being. The Administration would continue to closely monitor the property market and the evolving external environment to prevent further exuberance in the property market which might pose significant risks to the macroeconomic and financial stability. It would also consider adjusting existing measures or introducing new ones as and when circumstances warranted.

12. Mr Tony TSE pointed out that a Hong Kong company owned by another company incorporated overseas (such as a British Virgin Islands company) might circumvent stamp duty and profits tax by effecting property transactions through the transfer of shares of the overseas company. He was concerned whether the Inland Revenue Department was able to keep track of such transactions. He requested the Administration to provide information on the number of such transactions and the corresponding percentage represented in the past 12 months, and the measures in place to tackle the problem and recover the stamp duty and profits tax that had been circumvented. STH undertook to provide the information requested.

13. Mr WONG Yuk-man expressed concern about the exemption from stamp duty payment in the acquisition of local properties by offices set up in Hong Kong by the Central People's Government, and said that this might in return encourage property speculation. While agreeing that SSD and BSD should remain in force to tackle the overheated residential property market, he considered it pivotal for the Administration to vigorously address the serious demand-supply imbalance. He further opined that the effectiveness of the doubled ad valorem stamp duty ("DSD") should also be covered in the current review.

14. STH clarified that as the Stamp Duty (Amendment) (No. 2) Ordinance 2014 that implemented DSD was only enacted on 15 July 2014, the Administration would, as pledged, report to the Legislative Council the outcome of the review of DSD one year after its enactment.

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Hong Kong Monetary Authority's new round of supervisory measures on property mortgage

15. Referring to the Hong Kong Monetary Authority ("HKMA")'s counter-cyclical measures announced on 27 February 2015 which, among others, stipulated that the maximum loan-to-value ("LTV") ratio applicable to self-use residential properties with value at \$6 million or below and subject to the LTV cap of 70% would be lowered to 60%, Mr WONG Kwok-hing noted with concern that some prominent developers and finance companies had responded by offering mortgage loans up to 90% of the property prices and a second or even further mortgages. He asked what the Administration would do to ensure the effectiveness of HKMA's measures. Echoing Mr WONG's views, the Chairman asked whether consideration would be given to regulating the mortgage loan business of finance companies, as property buyers might go to them for mortgage loans instead of banks following implementation of HKMA's new measures.

16. STH responded that HKMA's new round of supervisory measures on property mortgage aimed at strengthening banks' risk management and resilience. The operations of developers and finance companies alike had to be within the legal framework. Currently the proportion of mortgage loans offered by finance companies remained at a low level, and the Administration would continue to keep their operations under monitoring. He undertook to convey members' concerns to the Financial Services and the Treasury Bureau.

17. Mr KWOK Wai-keung considered HKMA's new measures to lower the maximum LTV ratio by 10% undesirable as aspired home buyers, especially young couples who had made enough savings for the down payment, would become unable to acquire their own home due to the raised down payment. In this connection, he asked if the Administration had analyzed the impact of HKMA's new measures on the genuine housing needs of young couples who planned to buy properties to get married. The Chairman expressed similar concerns.

18. Mr WONG Yuk-man criticized HKMA for lowering the maximum LTV ratio by 10%. He pointed out that the measures would make it difficult for genuine home buyers to acquire their home as they need an even longer time to accumulate enough savings for the down payment, but upon which they might be refrained from making a purchase decision due to the even higher property prices.

19. Mr Albert CHAN criticized HKMA's new measures which created further hurdles to young adults and younger families on acquiring their own home. He requested the Administration to make reference to overseas experience in

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managing the property market, and to consider facilitation measures to help genuine home buyers to acquire a property, such as by raising the maximum LTV ratio from 70% to 90%.

20. Mr Vincent FANG considered it unwise to lower the maximum LTV ratio as an increased interest payment to be brought by global financial changes would still be less than the additional down payment entailed as well as the further increase in property prices. He urged the Administration to maintain the maximum LTV ratio at 70% to help first-time home buyers acquire their home early.

21. STH said that while HKMA's new measures would inevitably affect some of the first-time home buyers, such measures were necessary to safeguard the stability of the banking and financial system given the renewed signs of overheating in the property market. The fundamental issue of the housing problem lay with land supply, and the Administration was determined to tackle the problem at source by securing an adequate supply of land for housing development in the long run.

22. Mr Frederick FUNG noted with concern that as opposed to BSD, HKMA's new measures in fact targeted at local buyers. He believed that STH would have been consulted on HKMA's new measures prior to their announcement, and queried whether the Administration's endorsement of the measures implied that it anticipated the possibility of a downturn of the property market in the near future. Noting the renewed sign of exuberance in the property market since April 2014, he was not optimistic that HKMA's measures, as in the case of previous demand-side management measures, would achieve the intended outcome to cool down the property market in the long term.

23. STH pointed out that in view of the buoyancy of the property market in the second half of 2014 with notable increase in prices and transaction volume, HKMA considered it necessary to introduce new counter-cyclical measures to safeguard the stability of the banking and financial system. STH said that he, as the Secretary responsible for housing policies and affairs, was not in a position to speculate on the movement of the property market.

Addressing the housing needs of the sandwich class

24. Mr WU Chi-wai pointed out that the sandwich class people, who were ineligible for public rental housing ("PRH") and not able to afford accommodation in the private market, were most affected by HKMA's new measures to lower the maximum LTV ratio. These people could only go for subsidized sale housing. He asked how the Urban Renewal Authority ("URA") could contribute to the supply of subsidized sale housing as the Administration had no plan to re-introduce the Sandwich Class Housing Scheme ("SCHS"). To

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address the pressing housing needs of the sandwich class, the Chairman suggested that the Administration should increase the production of subsidized sale flats and to tap into URA's capacity for such production.

25. STH stated that URA would examine in detail its capacity and means for providing subsidized sale housing, and the Development Bureau ("DEVB") would discuss with URA in this regard. The Administration currently had no plan to re-introduce SCHS as it would further stretch the limited resources currently available for public housing. It would continue to accord priority to achieving the supply target of PRH and subsidized sale flats under the new LTHS.

26. Referring to the announcement made under the 2015-16 Budget that the Hong Kong Mortgage Corporation Limited ("HKMC") would consider launching a new Premium Loan Guarantee Scheme ("PLGS") to help owners of subsidized sale flats pay the premium in order to promote market circulation of subsidized sale flats, the Chairman sought information on the relevant implementation details.

27. STH replied that implementation details of the new PLGS were being worked out by HKMC and would be released in due course. He also stressed that the new PLGS was not a welfare initiative, and that HKMC would operate under prudent commercial principles.

28. Mr Vincent FANG urged the Administration to relax the presale period of uncompleted flats to allow first-time home buyers to acquire their home early. He also requested the Administration to make available the housing production figures in the coming years to allow home buyers to make an informed choice in their purchase decision. Both Mr FANG and Mr Frederick FUNG called on the Administration to grant rent subsidy to needy private housing tenants from its huge stamp duty revenue.

29. STH responded that the Hong Kong Housing Authority ("HA") had put in place a five-year Public Housing Construction Programme ("PHCP") which rolled forward on a yearly basis, and that the Panel had been receiving briefings on the updated PHCP annually. More than 10 000 Home Ownership Scheme flats would be provided by HA in the coming five years and some 6 000 subsidized sale flats under construction would be put up for presale in the next two years. The Administration would exercise care in setting the presale period, as the risk for buyers would be high if the presale period was too long.

30. As regards the suggestion of providing rent subsidy to PRH applicants, STH advised that as indicated in the LTHS Report on Public Consultation, there were concerns that any rent assistance introduced in a tight supply market would be counter-productive, as the subsidy would most likely lead to landlords

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raising rent levels, thereby partially or even wholly offsetting the benefits to the tenants by passing the windfall to the landlords.

IV. Review of Income and Asset Limits for Public Rental Housing for 2015/16

(LC Paper No. CB(1)575/14-15(05) — Administration's paper on "Review of Income and Asset Limits for Public Rental Housing for 2015/16"

LC Paper No. CB(1)575/14-15(06) — Updated background brief on "Waiting List Income and Asset Limits" prepared by the Legislative Council Secretariat

LC Paper No. CB(1)517/14-15(01) — Referral arising from the meeting between Legislative Council members and Wong Tai Sin District Council members on 27 November 2014 regarding the review of income and asset declaration and reintroduction of the sale of public rental housing flats (Chinese version only) (Restricted to Members))

31. With the aid of power-point presentation, the Assistant Director of Housing (Strategic Planning) ("ADH(SP)") briefed members on the outcome of the review of the income and asset limits for PRH applicants for 2015-16 by highlighting the salient points of the Memorandum for the Subsidised Housing Committee ("SHC") of HA which was attached to the Administration's paper. He advised that the proposed income and asset limits for 2015-16 would increase by an average of 5.8% and 7.0% respectively over those for 2014-15. The outcome of the review would be considered by SHC on 17 March 2015.

(Post-meeting note: A set of the power-point presentation materials was circulated to members vide LC Paper No. CB(1)601/14-15(01) on 3 March 2015.)

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Raising public housing production to meet the increased demand

32. While expressing support for the proposed increase of the WL income and asset limits, Mr WONG Kwok-hing was concerned that the pace of public housing production might not catch up with the increased demand for PRH from the households who would become eligible for PRH under the new limits. Mr KWOK Wai-keung and Dr Fernando CHEUNG expressed similar views. Mr KWOK Wai-keung was concerned whether the PRH supply target at 200 000 units for the ten-year period from 2015-2016 to 2024-2025 as announced in the new LTHS could meet the rising housing demand. With an increased number in PRH applicants, Dr Fernando CHEUNG was concerned whether HA could continue to maintain the average waiting time ("AWT") at around three years.

33. Expressing concern on the considerable number of singletons awaiting for flat allocation under the Quota and Points System, Mr KWOK Wai-keung urged the Administration to take measures to address their housing needs, such as by speeding up the implementation of the youth hostel scheme. He also reiterated the request of The Hong Kong Federation of Trade Union for rebuilding the housing ladder and relaunching SCHS to meet the home ownership aspirations of low to middle-income households and young couples.

34. Dr Fernando CHEUNG ascribed the serious housing supply-demand imbalance to the high land premium policy. He was also concerned that the Green Form Subsidised Home Ownership Pilot Scheme would further reduce the supply of PRH and hence lengthen the AWT.

35. The Permanent Secretary for Transport and Housing (Housing) ("PSTH(H)") responded that the Administration had adopted a supply-led strategy with a view to gradually averting the current serious supply-demand imbalance in housing. Nevertheless, meeting the housing supply target hinged essentially on the availability of land, manpower and financial resources.

36. Mr LEUNG Kwok-hung said that the former sites of Homantin Estate, North Point Estate, Wong Chuk Hang Estate and Valley Road Estate should be used for public housing developments instead of private residential developments. Pointing out that the North East New Territories New Development Areas would provide only a small number of housing units, he urged the Administration to increase the development intensity of the sites so as to increase the housing units, and to convert the Fanling Golf Course into residential use. He also suggested that more sites on the Application List for land sale should be released for public housing development.

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37. PSTH(H) advised that the new public housing supply target was 290 000 units under the new LTHS but the Administration had only identified land for the construction of 254 000 public housing units at present. The Administration would spare no effort in identifying sufficient land to meet the shortfall, and to make the best use of the scarce land resource available. He undertook to convey Mr LEUNG Kwok-hung's views to DEVB for consideration.

Impact of "Well-off Tenants Policies" on demand for public rental housing

38. Mr WONG Kwok-hing expressed concern that the "Well-off Tenants Policies" had induced grown-up children of PRH households to split from their existing households in order to maintain the family's PRH tenancy without paying additional rent. He requested the Administration to provide information on the number of PRH applicants who were family members of existing PRH households, and to consider compiling relevant statistics if such information was unavailable. Mr KWOK Wai-keung shared the view on the need to assess the pressure on the demand for PRH and other impacts brought by the "Well-off Tenants Policies", such as forcing the income earning grown-up children to move out of PRH and leaving their aged parents behind. The Deputy Secretary for Transport and Housing (Housing) ("DSTH(H)") undertook to ascertain whether the requested information was available and to provide the relevant information as appropriate.

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39. On the impact of "Well-off Tenants Policies", PSTH(H) cited a recent case in which the father of a PRH household applied for another PRH unit after he had married again. This case spoke for itself the many reasons amounting to the splitting of households other than the "Well-off Tenants Policies".

40. Mr KWOK Wai-keung suggested that the Administration should relax the "Well-off Tenants Policies" so that grown-up children could continue to live with and take care of their parents. Expressing similar views, Dr Fernando CHEUNG called for the Administration's attention to those whose incomes had exceeded the WL income and asset limits and hence ineligible for PRH and had to bear high rentals for private accommodation.

41. In reply, PSTH(H) advised that having regard to the divided views on the "Well-off Tenants Policies", HA would consider the views of the public as well as those of members carefully.

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Request for raising income limits for public rental housing applicants opting for flats in the urban district

42. Pointing out that the rentals for PRH differed among the urban district, extended urban district and the New Territories, Mr Frederick FUNG asked why the "unit rent for a private flat comparable to PRH" factor was not separated accordingly in order to more accurately reflect the housing costs in setting the PRH income limits. He also called for HA to set a higher income limit for households opting for PRH in the urban district in view of the relatively higher housing costs envisaged.

43. DSTH(H) explained that as a PRH applicant might not live in the same district during the period when s/he was awaiting PRH allocation, and that one would not know in advance the ultimate district where a PRH flat was allocated to and accepted by an applicant, the mechanism of the annual review would become very complicated if the relevant parameters were to be subdivided based on districts. Also, taking into account the fact that the unit rent for smaller private residential flats was usually higher, either the differential unit rent for 1- / 2-person households or the overall average unit rent (whichever was higher) would be adopted in calculating the housing costs for 1- / 2-person households.

Mechanism for reviewing the income and assets limits

44. Mr Tony TSE sought explanation on the rationale for adopting a unit rent derived from a sample survey of private dwellings conducted by the Census and Statistics Department ("C&SD") in calculating the housing costs. He opined that the Administration should instead make reference to the actual cost of renting a private flat at a size comparable to a PRH flat.

45. DSTH(H) explained that to calculate the housing costs, the Administration had taken into account both the average unit rent data for private accommodation from C&SD's Rent Survey and the average space of flats allocated to PRH applicants. ADH(SP) added that the Rent Survey was a part of the General Household Survey ("GHS"), a continuous sample survey conducted by C&SD. Under the review mechanism on income and asset limits for PRH, housing costs measured the cost of renting a private flat comparable to PRH. The figure was obtained by multiplying the average space allocated to PRH applicants in the past three years by the unit rent derived from C&SD's Rent Survey in the fourth quarter of 2014, covering those private flats with a saleable area ("SA") of below 70 square metres ("m²").

46. Pointing out that most low-income households were in fact living in small private flats at a size around 20 m², Mr Tony TSE considered it inappropriate that private flats with a SA of 69.9 m² or below should be covered in the sample

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survey as this would lead to an under-estimation of the rentals of smaller flats, let alone the fact that the rate of rental increase for smaller flats was usually higher than that of larger flats. He considered it more justified to make reference to the statistics prepared by the Rating and Valuation Department ("RVD") on the average rents of private domestic units. Expressing similar views, Dr Fernando CHEUNG was concerned that the survey was too broad-brushed as a considerable percentage of households on the WL were unlikely to live in a private flat with a SA of around 69.9 m². The findings of the survey might thus be unable to reflect the high rentals of smaller flats, such as subdivided units ("SDUs").

47. DSTH(H) responded that GHS was a continuous sample survey providing objective data on, among others, the rentals of flats of different locations and sizes (including SDUs). Both new and existing tenancy agreements were covered. As regards the statistics available from RVD, average rents were recorded based on new tenancy agreements only and did not cover existing tenancy agreements. PSTH(H) added that GHS had been in place for a long time and had been an important source of household research for different Government bureaux/departments.

48. In anticipation of the increased number of eligible households under the revised income limits which posed further pressure on the WL, Mr Tony TSE asked whether mechanism was in place to remove PRH applicants who were no longer eligible for PRH from the WL.

49. ADH(SP) advised that applicants' eligibility for PRH would be ascertained prior to flat allocation by way of detailed eligibility vetting. For applicants under the Quota and Points System, HA would also conduct regular checking on their eligibility with a view to removing those who were no longer eligible for PRH.

50. The Chairman was concerned about the high percentage of the proposed WL income limits adjustment which indicated that grassroots tenants had suffered from high rentals over the past year. The current review mechanism however could not reflect the high rental burden of tenants, especially those living in SDUs and cubicles. Pointing out that some occupations, such as security guards whose working hours were commonly 12 daily, she was concerned about the fact that the household income of 2-person households with two income earners each earning statutory minimum wage and worked for 12 hours daily would have exceeded the proposed WL income limits. She therefore urged the Administration to improve the review mechanism.

51. PSTH(H) stated that the income and asset limits for PRH were assessed annually to keep them in line with the prevailing socio-economic circumstances. He undertook to refer members' views and concerns to SHC for consideration.

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Other concerns

52. Pointing out that The Link Management Limited had increased substantially the rentals of shops and parking spaces under its management in recent years, the Chairman was concerned about the increased burden of public housing tenants on daily necessities and parking spaces. She asked what HA would do to ensure the provision of ancillary facilities pursuant to the Housing Ordinance so as to meet tenant's basic needs for daily necessities and services.

53. Mr LEUNG Kwok-hung relayed the concern of some PRH tenants in Lam Tin on the soaring prices for carparks within PRH estates following the sale of such carparks to developers. He urged the Administration to take measures to avoid similar speculation on public housing.

54. Dr Fernando CHEUNG re-stated his request for the Administration to consider rent control and rent subsidy to relieve the rental burden of those who had been on the WL for more than three years as well as households ineligible for PRH but could not afford private properties and hence had to bear high rentals.

55. PSTH(H) reiterated the Administration's stance on rent assistance as counter-productive. He said that the Administration would continue to tackle the housing problem at source by increasing housing supply.

(Post-meeting note: As advised by STH vide his letter dated 23 March 2015, members' views and concerns on the review of income and asset limits for PRH for 2015-16 had been relayed to SHC, and SHC endorsed on 17 March 2015 the proposed income and asset limits for PRH for 2015-16 which came into effect on 1 April 2015. STH's letter was circulated to members vide LC Paper No. CB(1)671/14-15(01) on 24 March 2015.)

V. Proposed creation of one permanent Chief Architect post in the Housing Department for coping with the additional workload arising from the further increase in public housing production target

(LC Paper No. CB(1)575/14-15(07) — Administration's paper on "Proposed creation of one permanent Chief Architect post in the Housing Department for coping with the additional workload arising from the further

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increase in public housing production target")

56. PSTH(H) briefed members on the Administration's proposal to create one permanent Chief Architect ("CA") (D1) post in the Housing Department ("HD") with effect from the date of approval by the Finance Committee to cope with the additional workload arising from the further increase in public housing production target as pledged in the 2014 Policy Address.

Justification for the proposed post

57. Noting that there were currently eight CA posts in HD, six of which were responsible for handling new public housing developments and works monitoring, Mr LEUNG Kwok-hung sought justifications for the staffing proposal.

58. PSTH(H) said that there would be nine CAs in HD if the proposed post was created. He referred members to Annex B of the Administration's paper on the proposed job description of the seven CAs (i.e. CA/1 to CA/7). With the creation of the proposed CA post (to be designated as CA/7), all CA/1 to CA/7 would serve as the project managers for public housing developments. An additional CA post would help to ensure timely delivery of the increase public housing production target. The other two CAs, namely CA/Development and Standards and CA/Procurement would be responsible for executing their respective functions.

59. In reply to Mr LEUNG Kwok-hung's further enquiry on the deployment of the proposed CA post after the housing projects were finished, PSTH(H) advised that the proposed CA post would be a permanent post to cope with the additional workload arising from the increase in public housing production target. The seven CAs would be deployed on a project basis depending on the stages of the works and possibly location of the projects. This arrangement would allow flexibility in staff deployment to best suit the operational requirements which might change from time to time.

Manpower resource for the housing projects

60. Mr Tony TSE considered it important to enhance HD's support of professional staff in taking forward the new housing initiatives. HD should in his view be appropriately staffed with Architects and frontline personnel to handle projects of increased complexity, co-ordinate community engagement exercises and meet rising public expectation, such as noise control and air ventilation. He therefore expressed support for the proposal.

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61. Mr KWOK Wai-keung said that HD's staff unions had expressed concerns on the increase in workload and a lack of professional and frontline support to take forward the new housing initiatives. Noting that about 150 non-directorate civil service posts would be created in various divisions of HD in 2015-2016 to meet the further increase in public housing production target, he asked if the new posts could address the manpower constraint that HD currently faced.

62. PSTH(H) advised that in view of the significant increase in workload for meeting the further increase in public housing production target, the Administration had to strengthen the support in various divisions of HD in 2015-2016 by creating about 150 non-directorate civil service posts. The Administration would ensure that HD would be given sufficient financial and manpower resources for implementing the enhanced housing initiatives.

63. In response to Mr LEUNG Kwok-hung's enquiry on the details of the 150 non-directorate civil service posts to be created, PSTH(H) advised that different posts would be created according to the needs of different divisions. These should include, among others, technicians and building services inspectors.

Ensuring the quality of the housing developments

64. Mr Tony TSE was keen to ensure the quality of the housing projects. Mr KWOK Wai-keung enquired if mechanism was in place to ensure the quality of the housing projects and to avoid the recurrence of the short-piling incidents.

65. PSTH(H) advised that a wide range of technical studies covering up to 25 assessments would be conducted to ascertain the suitability and feasibility of each site for public housing developments. He assured members that HD would accord top priority to quality and safety in taking forward housing construction projects. By way of illustration, he said that CA/Development and Standards was responsible for handling central functions including development and standards matters, while CA/Procurement was responsible for handling corporate functions including management of the list of contractors, procurement/tendering and other support functions for HA, procurement systems (e.g. an enhanced system to interview and quarantine contractors involved in site safety accidents or incidents that might cause potentially serious consequences or serious accidents, etc.).

Concluding remarks

66. The Chairman concluded that the Panel supported the submission of the staffing proposal to the Establishment Subcommittee for further consideration.

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VI. Any other business

67. There being no other business, the meeting ended at 4:36 pm.

Council Business Division 1
Legislative Council Secretariat
29 April 2015