

立法會
Legislative Council

LC Paper No. CB(1)416/17-18
(These minutes have been
seen by the Administration and
the Hong Kong Housing Society)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Monday, 6 November 2017, at 2:30 pm
in Conference Room 1 of the Legislative Council Complex

Members present : Hon Alice MAK Mei-kuen, BBS, JP(Chairman)
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Hon CHAN Kin-por, GBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon WU Chi-wai, MH
Hon MA Fung-kwok, SBS, JP
Hon CHAN Chi-chuen
Hon LEUNG Che-cheung, SBS, MH, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon CHU Hoi-dick
Dr Hon Junius HO Kwan-yiu, JP
Hon SHIU Ka-fai
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan

Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon LUK Chung-hung
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai

Members attending : Hon WONG Ting-kwong, GBS, JP
Dr Hon CHIANG Lai-wan, JP

Members absent : Hon Andrew WAN Siu-kin (Deputy Chairman)
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon HO Kai-ming
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho

Public Officers attending : Agenda Item IV

Ms Ada FUNG, BBS, JP
Deputy Director of Housing (Development and Construction)
Housing Department

Mr Kenneth LEUNG
Chief Civil Engineer (Public Works Programme)
Housing Department

Mr Patrick LUK
Chief Architect (1)
Housing Department

Mr IP Shing-tim
Chief Civil Engineer (2)
Housing Department

Mr LEE Wai-ping
Acting Regional Highway Engineer (New Territories)
Highways Department

Mr TSE Ming-yip
Senior District Engineer/General(1)
Highways Department

Agenda Item V

Ms Ada FUNG, BBS, JP
Deputy Director of Housing (Development and
Construction)
Housing Department

Mr Kenneth LEUNG
Chief Civil Engineer (Public Works Programme)
Housing Department

Ms Ann Mary TAM
Chief Architect (5)
Housing Department

Mr IP Shing-tim
Chief Civil Engineer (2)
Housing Department

Mr Gabriel WOO
Deputy Head of Civil Engineering Office
(Project and Environmental Management)
Civil Engineering and Development Department

Mr Edward CHAN
Chief Engineer / Housing Projects 2
Civil Engineering and Development Department

Ms Lily CHIU
Chief Estate Surveyor (Acquisition)
Lands Department

Agenda Item VI

Hong Kong Housing Society

Mr Sanford POON
Assistant Director (Property Management)

Ms Ada SHARE
General Manager (Property Management)

Ms Pamela LEUNG
Head of Corporate Communications

**Attendance by
Invitation**

: Agenda Item VI

Mr NG Pan-pan
代表
New People's Party

何桂淑女士
成員
觀龍樓居民租金關注組

簡潔霞女士

麥林女小姐

蕭欽松先生

陳珍女女士

伍麗梅女士

林潔女士

葉來

梁桂珍

陳淑卿女士

陳倩萍女士

魏倩兒女士

Ms TSANG Cheuk-yi
Member
Liberal Party

Clerk in attendance : Mr Derek LO
Chief Council Secretary (1)5

Staff in attendance : Mr Fred PANG
Senior Council Secretary (1)5

Ms Michelle NIEN
Legislative Assistant (1)5

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I. Confirmation of minutes

(LC Paper No. CB(1)170/17-18 — Minutes of the meeting
held on 12 October 2017)

The minutes of the meeting held on 12 October 2017 were confirmed.

II. Information papers issued since the meeting on 3 July 2017

2. Members noted that the following papers had been issued since the meeting on 3 July 2017 –

LC Paper Nos. — Land Registry Statistics
CB(1)1277/16-17(01), for June to September
CB(1)1365/16-17(01), 2017 provided by the
CB(1)1412/16-17(01) and Administration (press
CB(1)1460/16-17(01) release)

LC Paper No. CB(1)1263/16-17(01) — Referral memorandum
from the Public
Complaints Office of the
Legislative Council
Secretariat on tenancy
control and providing
rental allowance for
grassroots citizens

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(Chinese version only)
(Restricted to members)

- LC Paper No. CB(1)1271/16-17(01) — Letter dated 4 July 2017 on rent adjustment mechanism for rental units and rent relief measures of the Hong Kong Housing Society (Chinese version only)
- LC Paper No. IN16/16-17 — Information note on tenancy control in selected places prepared by the Research Office of Legislative Council Secretariat
- LC Paper No. CB(1)1296/16-17(01) — Administration's response on development of bazaars in public housing estates
- LC Paper No. CB(1)1354/16-17(01) — Referral arising from the meeting between Legislative Council members and Kwai Tsing District Council members on 23 June 2017 regarding the Hong Kong Housing Authority's recent review of Well-off Tenants Policies (Chinese version only) (Restricted to Members)
- LC Paper No. CB(1)1364/16-17(01) — Administration's response on conversion of Tin Wan Shopping Centre to Nord Anglia International School (LC Paper No. CB(1)948/16-17(01))

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- LC Paper No. CB(1)1362/16-17(01) — Information booklet on General Housing Policies
- LC Paper No. CB(1)1404/16-17(01) — Referral arising from the meeting between Legislative Council members and Yau Tsim Mong District Council members on 23 June 2017 regarding impact of implementing the Fire Safety (Buildings) Ordinance (Cap. 572) on property owners of old buildings in Yau Tsim Mong District (Chinese version only) (Restricted to Members)
- LC Paper No. CB(1)1404/16-17(02) — Referral arising from the meeting between Legislative Council members and Yau Tsim Mong District Council members on 23 June 2017 regarding problems arising from unauthorized sub-division of flat units in buildings and countermeasures (Chinese version only) (Restricted to Members)
- LC Paper No. CB(1)36/17-18(01) — Letter dated 12 October 2017 from Hon SHIU Ka-chun on rent adjustment mechanism for rental units and rent relief measures of the Hong Kong Housing Society (Chinese version only)

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- LC Paper No. CB(1)56/17-18(01) — Referral arising from the meeting between Legislative Council members and Kowloon City District Council members on 7 July 2017 regarding the request to the Administration for reserving sites in the same locality of Ma Tau Wai Estate for its redevelopment (Chinese version only) (Restricted to Members)
- LC Paper No. CB(1)76/17-18(01) — Letter dated 19 October 2017 from Hon KWOK Wai-keung on the revised Well-off Tenant Policies of the Hong Kong Housing Authority (Chinese version only)
- LC Paper No. CB(1)122/17-18(01) — Referral arising from the meeting between Legislative Council members and Sham Shui Po District Council members on 14 July 2017 regarding problems of bid-rigging in building maintenance works (Chinese version only) (Restricted to Members)

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LC Paper No. CB(1)147/17-18(01) — Joint letter dated 27 October 2017 from Dr Hon KWOK Ka-ki, Hon Tanya CHAN and Hon Jeremy TAM expressing concern about the media report that the Administration would turn most of the newly completed public rental housing units to flats for sale under the Green Form Subsidised Home Ownership Scheme (Chinese version only)

LC Paper No. CB(1)173/17-18(01) — Joint letter dated 1 November 2017 from Hon KWOK Wai-keung, Hon LUK Chung-hung and Hon Ho Kai-ming request to discuss measures on tenancy management (Chinese version only)

III. Items for discussion at the next meeting

(LC Paper No. CB(1)155/17-18(01) — List of follow-up actions

LC Paper No. CB(1)155/17-18(02) — List of outstanding items for discussion)

3. The Chairman advised that the Administration had proposed the following items for discussion at the next regular meeting scheduled for Monday, 4 December 2017, at 2:30 pm –

- (a) Public Housing Construction Programme 2017-18 to 2021-22; and
- (b) Challenges and difficulties in taking forward public housing development projects.

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4. The Chairman suggested that as the above two items involved common issues of concern, the discussion on them would be combined. Members raised no objection to the suggestion.

(Post-meeting note: The notice of meeting and agenda were issued to members vide LC Paper No. CB(1)188/17-18 on 9 November 2017.)

5. The Chairman said that the Administration had proposed to discuss Item No. 10 "The implementation of the revised Well-off Tenants Policies of the Hong Kong Housing Authority" on the List of outstanding items for discussion (LC Paper No. CB(1)155/17-18(02))("the List"), in April 2018, and Mr KWOK Wai-keung had suggested in his letter dated 19 October 2017 (LC Paper No. CB(1)76/17-18(01)) that the Panel should hold a public hearing to receive views on the revised Well-off Tenants Policies. The Chairman proposed and members agreed that the Panel would receive public views on the subject matter at the regular meeting in February 2018.

6. The Chairman suggested and members agreed that for Item Nos. 14 and 15, "Progress of the Total Maintenance Scheme" and "Performance of the environmental targets and initiatives of the Hong Kong Housing Authority in 2017-18" respectively on the List, the Administration would provide a paper on each of them in due course for members to consider whether it was necessary to discuss the items in a meeting scheduled for June/July 2018.

7. The Chairman advised that she would explore whether items No. 18 "Testing of drinking water of public rental housing estates" and No. 19 "Rehousing policy for residents affected by land resumption" could be discussed at a joint meeting with the Panel on Development ("DEV Panel").

(Post-meeting note: On the advice of the Chairman, the item "Testing of drinking water of public rental housing estates" was scheduled for discussion at the regular meeting in December 2017. Members were informed of the meeting arrangement vide LC Paper No. CB(1)217/17-18 on 15 November 2017.)

8. The Chairman said that in their joint letter dated 1 November 2017 (LC Paper No. CB(1)173/17-18(01)), Mr KWOK Wai-keung, Mr LUK Chung-hung and Mr HO Kai-ming suggested that the Panel should discuss with the Administration measures on tenancy management in view of the difficulties of grassroots households, and receive public views on the subject. The Chairman proposed and members agreed that the subject be added to the List, and the Secretariat should liaise with the Administration on the date for discussing the item and receiving public views on it.

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IV. Head 711 project no. B189TB - Extension of footbridge and cycle parking area at Choi Yuen Road, Sheung Shui

(LC Paper No. CB(1)155/17-18(03) — Administration's paper on Public Works Programme Item No. B189TB – Extension of footbridge and cycle parking area at Choi Yuen Road, Sheung Shui)

9. With the aid of PowerPoint, Deputy Director of Housing (Development and Construction) ("DDH(D&C)") briefed members on the Administration's proposal to upgrade Public Works Programme item no. B189TB – Extension of footbridge and cycle parking area at Choi Yuen Road, Sheung Shui, details of which were set out in the Administration's paper (LC Paper No. CB(1)155/17-18(03)).

(Post-meeting note: Presentation materials (LC Paper No. CB(1)196/17-18(01)) for the item were issued to members on 8 November 2017 in electronic form.)

Pedestrian connection between the proposed public housing development and Sheung Shui MTR Station

10. Mr LAU Kwok-fan enquired whether the Administration would accept the North District Council's suggestion of linking up, in the form of deck, the proposed public housing development (i.e. Po Shek Wu Estate)/footbridge with Sheung Shui MTR Station. He said that taking forward the suggestion would provide a grade-separated pedestrian connection between the Estate and the MTR station and help alleviate the overcrowding problem in the MTR Station.

11. Chief Civil Engineer (2), Housing Department ("CCE(2), HD") replied that the Administration had studied the North District Council's suggestion. Taking into consideration the distance between the proposed footbridge/public housing development and Sheung Shui MTR Station, and the lack of adequate space along the two sides of the suggested grade-separated pedestrian connection for accommodating the connection's supporting columns and the foundation, the Administration considered that the suggestion should not be pursued from the technical point of view. Mr LAU requested the Administration to provide supplementary information on whether and why it was not practicable to take forward the suggestion.

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12. Mr LAU Kwok-fan suggested that the Administration should provide a cover to the at-grade pedestrian walkway between the proposed footbridge/future footbridge system and Sheung Shui MTR Station. He further enquired about the measures to improve the pedestrian flow of the walkway. CCE(2), HD replied that the distance between the proposed footbridge and Sheung Shui MTR Station was about 400 metres, and the walking time was about four to five minutes. To enhance pedestrian flow, the Administration would widen the footpath along Choi Yuen Road from 2.2 metres to three metres. Acting Regional Highway Engineer (New Territories), Highways Department ("RHE(NT), HyD") said that in considering the feasibility of providing a cover to the walkway, the Administration would take into account various factors, such as space availability. Chief Architect (1), Housing Department ("CA(1), HD") advised that providing the cover would defeat the purpose of widening the walkway as the supporting columns of the cover would occupy certain space. There were also site constraints for providing the cover.

13. Mr LEUNG Che-cheung held the view that the Administration should provide a cover to the walkway. In response to Mr LEUNG's enquiry about the details of the site constraints, CCE(2), HD advised that as the utilities underneath the walkway were quite congested, the Administration considered it not practicable to build columns for supporting the cover. Mr LEUNG Yiu-chung did not subscribe to the Administration's view that providing the cover would reduce the width of the walkway, and considered that the number of supporting columns required to be built would be limited. He opined that to overcome the site constraints, the Administration might consider arranging relocation of the underground utilities.

14. CCE(2), HD and RHE(NT), HyD replied that the Administration noted members' views and would review whether members' suggestions were feasible. In response to the requests of Mr LAU Kwok fan, Mr LEUNG Che-cheung and Mr LEUNG Yiu-chung, DDH(D&C) advised that the Administration would provide information on the technical studies/assessments regarding the suggestion.

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Cycle parking facilities

15. Ms YUNG Hoi-yan enquired whether the proposed extension of the cycle parking area from about 830 square meters to about 1 345 square metres could meet the parking demand and effectively alleviate the existing problem of illegal cycle parking, and whether there would be sufficient cycle parking spaces in Po Shek Wu Estate to meet the residents' demand in future. She further enquired whether the Administration would consider providing underground cycle parking facilities. Mr WU Chi-wai enquired about the level of utilization of the existing cycle parking area, and the additional number of parking spaces that would be provided after the proposed extension of the cycle parking area. He further enquired whether to provide more parking spaces, the Administration would further extend the cycle parking area. CCE(2), HD replied that the number of cycle parking spaces would increase from 330 to 750 under the proposed project. The Administration's assessments in 2015 and last month showed that about 300 bicycles were using the existing cycle parking area and that the proposed provision of 750 parking spaces could meet the demand in future.

16. Mr WU Chi-wai enquired whether the utilization rate of the existing cycle parking area was not high because it was not conveniently located. He further enquired about the design of the parking racks provided in the parking area. CCE(2), HD replied that inverted-U bicycle parking racks were provided in the existing cycle parking area. After the proposed extension of the cycle parking area, spiral bicycle parking racks would be provided along the two sides of the cycle track. In response to Ms YUNG Hoi-yan's concern about the safety of cycling if bicycle parking racks were provided near the cycle track, CCE(2), HD advised that cyclists could not park their bicycles at the cycle track as the parking racks would not be provided there.

17. Ms YUNG Hoi-yan expressed concern about whether the problem of illegal cycle parking activities would continue after the extension of the cycle parking area. Dr KWOK Ka-ki asked about the Administration's measures to discourage illegal cycle parking and encourage cyclists' use of the parking area. CCE(2), HD replied that for their own convenience, many cyclists currently parked their bicycles near Sheung Shui MTR Station. After the proposed extension of the cycle parking area, the problem of illegal cycle parking might continue. DDH(D&C) advised that the proposed project would provide more cycle parking spaces to meet the demand. To address the illegal cycle parking problem after the completion of the proposed project, relevant government departments might need to take law enforcement actions.

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Admin 18. Mr WU Chi-wai expressed concern about the capacity of the cycle parking area to accommodate the additional parking demand that might be generated if the Administration stepped up its law enforcement actions against illegal cycle parking. Ms YUNG Hoi-yan, Mr LEUNG Yiu-chung and Mr LAU Kwok-fan suggested that the Administration should consider providing two-storey cycle parking facilities under the proposed project to provide more cycle parking spaces. DDH(D&C) advised that the Administration would give consideration to the suggestion. The Chairman requested the Administration to provide supplementary information on whether the Administration would take forward the suggestion.

Concluding remarks

19. Concluding the discussion, the Chairman said that members supported the submission of the proposal to the Public Works Subcommittee ("PWSC") for consideration.

V. Head 711 project no. B780CL - Site formation and infrastructure works for public housing development at Wang Chau, Yuen Long

(LC Paper No. CB(1)155/17-18(04) — Administration's paper on Public Works Programme Item No. B780CL – Site formation and infrastructure works for public housing development at Wang Chau, Yuen Long

LC Paper No. CB(1)155/17-18(05) — Paper on public housing development at Wang Chau, Yuen Long prepared by the Legislative Council Secretariat (background brief)

20. Members noted a submission from Wang Chau Green Belt Concern Group tabled at the meeting.

(Post meeting note: The submission tabled at the meeting was issued to members in electronic form vide LC Paper No. CB(1)189/17-18(01) on 7 November 2017.)

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21. With the aid of PowerPoint, DDH(D&C) briefed members on the Administration's proposal to upgrade Public Works Programme item no. B780CL – Site formation and infrastructure works for public housing development at Wang Chau, Yuen Long, details of which were set out in the Administration's paper (LC Paper No. CB(1)155/17-18(04)).

(Post-meeting note: Presentation materials (LC Paper No. CB(1)196/17-18(02)) for the item were issued to members on 8 November 2017 in electronic form.)

22. The Chairman reminded members that in accordance with Rule 83A of RoP of LegCo, they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects. She further drew members' attention to Rule 84 of the RoP on voting in case of direct pecuniary interest

[At 3:18 pm, 3:31 pm, 3:36 pm, 3:38 pm and 3:41 pm, the Chairman reminded members of the public in the public gallery not to make noise.]

Cost and scope of the proposed project

23. Mr CHU Hoi-dick said given that the capital cost of the proposed project was \$2,399.7 million and Phase 1 public housing development at Wang Chau would provide 4 000 units, the capital cost of the proposed project per public housing unit was about \$0.6 million which was higher than the capital cost of site formation and infrastructure works per public housing unit provided in Tai Po Area 9 or in Area 54, Tuen Mun. In response to Mr CHU's enquiry on whether the cost of \$0.6 million per unit was the highest as compared with that of site formation and infrastructure works for other public housing developments, Deputy Head of Civil Engineering Office (Project and Environmental Management), Civil Engineering and Development Department ("DH(CEO)(P&EM), CEDD") replied that based on his recollection it was probably not the case. Mr CHU requested the Administration to provide supplementary information on the site formation and infrastructure works projects for public housing developments, of which the capital cost of the project per public housing unit was \$0.6 million or above.

(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1)308/17-18(01) on 30 November 2017.)

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24. Mr CHAN Chi-chuen opined that the Administration should provide more details of the five works items under the proposed project set out in paragraph 2 of the Administration's paper, including the detailed cost breakdown, and requested the Administration to provide supplementary information as early as possible for members' reference. In response to Mr LEUNG Che-cheung's enquiry on whether the cost of land resumption for implementation of the proposed project had been included in the cost estimate of the proposed project, DDH(D&C) advised in the negative.

(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1)308/17-18(01) on 30 November 2017.)

25. Noting that the scope of the proposed project comprised among others the works for formation of land platforms and construction of associated retaining walls and slopes, Mr CHU Hoi-dick enquired about the cost of the works. DH(CEO)(P&EM), CEDD replied that the capital cost of the works was about \$900 million. As the Phase 1 site was close to slopes, land platforms at different levels would be formed under the proposed project for providing the public housing blocks, and large retaining walls constructed of large diameter bored piles had to be built at the project site. He advised that the contractor appointed to carry out the proposed project would explore options to enhance the design of the project. In response to Mr CHU's enquiry about the reason for constructing an underpass under the proposed project, DH(CEO)(P&EM), CEDD advised that the underpass was part of the road connecting the different land platforms, the top of which would be the access linking to the permitted burial ground.

26. Mr LUK Chung-hung asked about the details of the improvement works at the junction of Long Ping Road and Fung Chi Road under the proposed project, and how the works would help cater for the additional traffic that would be generated by the proposed public housing development. Mr LUK further enquired about the Administration's assessment on the traffic impact of the proposed project and public housing development, including the impact on the traffic at the junction of Long Ping Road and Fung Chi Road, and measures to be taken to address the impact. The Chairman requested the Administration to provide supplementary information to address Mr LUK's questions.

(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1)308/17-18(01) on 30 November 2017.)

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27. Mr CHU Hoi-dick said that a plot of land owned by the New World Development Company Limited ("NWDCL") was in close proximity to the Phase 1 site. He enquired whether, despite its high capital cost, the proposed project would be taken forward by the Administration because the works items such as the improvement of relevant road junction would be of benefit to NWDCL. DDH(D&C) responded in the negative, and advised that the infrastructures, including the road junction mentioned by Mr CHU, would be provided under the proposed project for exclusive use by public housing residents at Wang Chau.

Impact of the proposed project

28. Mr LEUNG Yiu-chung asked whether the Administration had assessed the impact of the proposed project on the ecology including butterflies. DH(CEO)(P&EM), CEDD replied that the Administration had conducted preliminary environmental review for the proposed project, and according to the results of the environmental review, the proposed project would not cause unacceptable impacts on the environment after the implementation of appropriate mitigation measures. The environmental review also showed that the proposed project would not have ecological impact on rare species. Mr LEUNG remarked that the Administration should have made available more detailed information to address his question at the meeting.

29. Mr CHAN Chi-chuen enquired whether the Administration would not carry out the land resumption before securing the funding approval for the proposed project. He opined that the Administration should review the relevant land clearance, compensation and rehousing policies with a view to addressing the concerns of the affectees of the proposed project and postpone the land resumption. DDH(D&C) replied that relevant government departments had to follow the established procedures to seek funding approval, carry out land clearance, and take forward the site formation and infrastructure works according to the planning schedule as far as possible. In response to Mr CHAN's enquiry about the expected time when the Administration would obtain the funding approval, DH(CEO)(P&EM), CEDD advised that the Administration would complete the design of the proposed project by the end of 2017, and scheduled to submit the funding proposal to PWSC for consideration around end 2017/early 2018.

Compensation and rehousing arrangements

30. Dr KWOK Ka-ki said that the development plan for Wang Chau involved collusion between the Government, businesses, rural groups and triads, and the Administration's decision to proceed first with Phase 1

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development and resume the land inhabited by villagers had disregarded the latter's needs and concerns. Mr CHAN Chi-chuen opined that it was unfair for the Administration to require villagers to move out from their homes to make way for the development project whereas influential people in the local communities would not be affected by the development plan. Dr KWOK and Mr CHAN enquired about the number of affected households that would be rehoused in the same locality of the land to be resumed and the compensation arrangements that would be offered to the affectees. Mr LEUNG Che-cheung enquired whether affected residents had been informed of the details of the compensation and rehousing arrangements. He opined that the Administration should enhance the transparency of the clearance compensation and rehousing arrangements.

31. In reply, DDH(D&C) advised that developing in phases was a progressive approach to tackle relatively easier tasks first. The overall target of developing a total of 17 000 public housing units at Wang Chau remained unchanged, and the Administration had undertaken a technical feasibility study on the development of the Remaining Phases (i.e. the Engineering Feasibility Study for Site Formation and Infrastructural Works for Remaining Phases of Public Housing Developments at Wang Chau, Yuen Long). Chief Estate Surveyor /Acquisition, Lands Department ("CES/A, LandsD") advised that the Lands Department ("LandsD") had conducted a pre-clearance freezing survey in the areas involved in the development plan concerned on 30 October 2015. A total of about 180 households had been registered in the survey and about 150 households were residing in structures covered by the 1982 Squatter Control Survey ("SCS"). Of these 150 households, by the end of October 2017, LandsD had interviewed 110 households and the majority of them had understood the compensation arrangements and the eligibility criteria for rehousing. 8% of these 150 households were vetted to be eligible for rehousing, among which eight households had accepted the rehousing arrangements and would be arranged to move to public rental housing ("PRH") units. Relevant government departments were also conducting vetting of eligibility of about 73 households for compensation and rehousing, and about 70 households had yet to provide information to the Administration for relevant departments to assess their eligibility. If the affected households met the PRH eligibility criteria, they would be allocated PRHs in the vicinity of Wang Chau, such as Tin Shui Wai. A pamphlet entitled "Rehousing of Occupants of Squatter Structures affected by Government Clearance Operations" was available on the Administration's website. The Administration would continue to establish contacts with the affected residents to explain the arrangements.

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32. Mr LUK Chung-hung enquired about the compensation and rehousing arrangements to be provided for the affected households occupying non-domestic structures, or structures that were not covered by SCS and were registered for non-domestic use. CES/A, LandsD replied that according to the prevailing policy, households affected by clearances and registered in the pre-clearance freezing survey and were occupying a structure covered by a licence for domestic use, or a structure covered by SCS and registered for domestic use, and were satisfying the relevant eligibility criteria of the Hong Kong Housing Authority ("HA") for PRH, would be eligible for rehousing to PRH. Households which failed to meet the rehousing criteria and were unable to find alternative accommodation themselves might apply through referrals by relevant government departments for admission to the Housing Department's transit centres while waiting for eligibility vetting for further rehousing or looking for alternative accommodation themselves.

33. Mr LUK Chung-hung said that households which were not eligible for rehousing to PRH might not be able to afford a private accommodation in view of the limited amount of ex-gratia allowance to be granted to them. He opined that the Administration should relax the eligibility criteria for rehousing households affected by the proposed project. Mr CHAN Chi-chuen opined that the prevailing policy on rehousing of occupants of squatter structures affected by Government's clearance operations could not cater for the aspirations of households affected by land clearance exercises, and should be reviewed so that better arrangements could be provided to residents. Mr LEUNG Che-cheung said that there were several housing development projects under planning or implementation at different parts of the New Territories including Wang Chau, Hung Shui Kiu, Yuen Long South. The Administration should provide special clearance compensation and rehousing arrangements, such as those offered to the residents of Choi Yuen Tsuen, for residents who sacrificed their own interests and moved out from their homes to facilitate the Administration's development projects.

34. Mr SHIU Ka-chun and Mr LEUNG Yiu-chung opined that the Administration should review the existing policies on clearance compensation and rehousing as the policies were outdated. Mr SHIU said that it was not desirable to arrange the affected households to move to transit centres in view of the centres' living environment. He held the view that land clearance work and the proposed project should not commence before the problems relating to compensation and rehousing had been resolved.

35. DDH(D&C) and CES/A, LandsD replied that the ex-gratia rehousing package offered to residents of Choi Yuen Tsuen was a special package. The Administration had to follow the established policies and procedures in

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taking forward the proposed project and carrying out land resumption at Wang Chau. Relevant government departments would continue to make the best efforts under the prevailing policies to cater for the needs and aspirations of affected residents. CES/A, LandsD said that the Administration currently did not have plan to review the existing policies on clearance compensation and rehousing. The Administration hoped that affected households would submit relevant information to LandsD, if they had not done so, to enable the Administration to have a comprehensive picture of affected households, and provide appropriate compensation and rehousing arrangements to them under the prevailing mechanism.

36. Mr WU Chi-wai suggested that the Administration should make reference to the compensation and rehousing arrangements previously provided to residents of Choi Yuen Tsuen and put in place a special arrangement for dealing with clearance compensation and rehousing issues arising from the proposed project before submitting the funding proposal to PWSC for consideration. DDH(D&C) replied that it was not certain whether Mr WU's suggestion could be taken forward and the feasibility of any proposal in this regard was subject to examination. Mr LEUNG Yiu-chung requested the Administration to provide supplementary information on whether the Administration would conduct a review on the prevailing compensation and rehousing policies for residents/squatter households affected by the Administration's land clearance exercises before resuming the land for implementation of the proposed project.

(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1)308/17-18(01) on 30 November 2017.)

37. Mr CHAN Chi-chuen said that the Panel should hold a joint meeting with the DEV Panel to discuss with the Administration the item. The two Panels might consider receiving public views on the proposed project. He further enquired about when the Administration would resume the land for implementing the proposed project. DDH(D&C) advised that the original plan of the Administration was to resume the land for the proposed project in early 2018. As the Civil Engineering and Development Department ("CEDD") had reviewed and compressed the timetable of the proposed project, the Administration would not resume the land before the coming Lunar New Year. The Chairman said that she would discuss with the Chairman of DEV Panel Mr CHAN's suggestion of holding a joint meeting to discuss with the Administration the proposed project.

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Remaining Phases of public housing development at Wang Chau, Yuen Long

38. Mr LUK Chung-hung enquired about the tentative timetable for the Remaining Phases of public housing development at Wang Chau. He opined that the Administration should conduct a comprehensive consultation exercise on the development plan for the Remaining Phases in a timely manner. Mr CHU Hoi-dick said that the capital cost of the proposed project was substantial. Instead of implementing Phase 1 development, the Administration should relocate and reprovision the brownfield operations at Wang Chau and develop the Remaining Phases first. Dr KWOK Ka-ki enquired about the estimated cost for the Remaining Phases development and whether implementation of the Remaining Phases development was relatively easier than that of Phase 1 development.

39. In reply, DDH(D&C) and DH(CEO)(P&EM), CEDD advised that the CEDD had commenced the "Engineering Feasibility Study for Site Formation and Infrastructural Works for Remaining Phases of Public Housing Developments at Wang Chau, Yuen Long" in late July 2017. The feasibility study was expected to be completed by 2019, and the Administration would make reference to the results of the study to determine the implementation plan and timetable for the Remaining Phases. Consultations with the stakeholders would be conducted on the proposals for developing the Remaining Phases. DH(CEO)(P&EM), CEDD advised that as the feasibility study was underway, the cost of the projects to develop the Remaining Phases was not known at this stage. As regards Phase 1, the Administration had undertaken a lot of preparatory work to make the site ready for implementing the proposed project and providing public housing.

Motions

40. The Chairman referred members to the following motions, which she considered relevant to the agenda item –

Motion moved by Mr SHIU Ka-chun:

"橫洲公營房屋發展計劃第一期，涉及超過 180 戶原有居民，按政府目前的安置賠償機制，有超過 60 戶因為居於"非住用構築物"將得不到任何賠償及安置。本委員會促請政府修訂補償機制，令居於"非住用構築物"的居民亦能得到賠償及安置。當局在未解決賠償及安置問題前，不應開始清拆。"

Action

(Translation)

"Under phase 1 of the public housing development plan at Wang Chau, there are over 180 households of original residents. However, under the rehousing and compensation mechanism currently adopted by the Government, over 60 households will neither be compensated nor rehoused on the ground that they are living in "non-domestic structures". This Panel urges the Government to revise the compensation mechanism, so that residents living in "non-domestic structures" can also be compensated and rehoused. Clearance work should not commence before the problems relating to compensation and rehousing have been resolved."

41. The Chairman put to vote the motion moved by Mr SHIU Ka-chun. Six members voted in favour of the motion, no members voted against the motion, and no members abstained from voting. The Chairman declared that the motion was carried.

Motion moved by Mr LEUNG Yiu-chung and seconded by Mr SHIU Ka-chun:

"本委員會認為：特區政府應在未能解決所有橫洲居民未來搬遷、安置和賠償，以及環境保育問題前，擱置目前申請撥款給予工務計劃編號 B780CL，即元朗橫洲公營房屋發展之工地平整及基礎設施工程。"

(Translation)

"This Panel considers that prior to resolving the issues relating to the relocation, rehousing and compensation arrangements for all Wang Chau residents and issues on conserving the environment, the SAR Government should shelve the funding application currently proposed for project No. B780CL—Site formation and infrastructure works for public housing development at Wang Chau, Yuen Long. "

42. The Chairman put to vote the motion moved by Mr LEUNG Yiu-chung and seconded by Mr SHIU Ka-chun. Five members voted in favour of the motion, five members voted against the motion, and no members abstained from voting. The Chairman declared that the motion was negatived.

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Motion moved by Mr LUK Chung-hung and Mr LEUNG Che-cheung:

"橫洲公屋發展涉及 180 多戶居民遷拆安排，本委員會促請政府檢討現行補償安置機制。例如在該項目公布前的常住居民可獲特惠搬遷賠償及安置入住公屋。當局應妥善處理遷拆補償安排，然後才推展相關工程。"

(Translation)

"Given that the Wang Chau public housing development involves the relocation and clearance arrangements for over 180 households, this Panel urges the Government to review the existing compensation and rehousing mechanism. For example, those usual residents who have been living there before the announcement of the project should be eligible for ex-gratia removal compensation and should be rehoused in public rental housing units. The authorities should only take forward the project after the relocation, clearance and compensation arrangements have been properly handled."

43. The Chairman put to vote the motion moved by Mr LUK Chung-hung and Mr LEUNG Che-cheung. 12 members voted in favour of the motion, no members voted against the motion, and no members abstained from voting. The Chairman declared that the motion was carried.

(Post-meeting note: The wordings of the motions passed were issued to members vide LC Paper Nos. CB(1)194/17-18(01) and (02) and were provided to the Administration via the letter dated 9 November 2017. The Administration's response to the motions was issued to members vide LC Paper No. CB(1)308 /17-18(01) on 30 November 2017.)

Submission of the funding proposal to the Public Works Subcommittee

44. Members agreed that the Chairman would consult members at the regular meeting in December 2017 whether they support the Administration's submission of the funding proposal under the item to PWSC for consideration.

[The meeting was suspended for a break at 4:19 pm and resumed at 4:24 pm.]

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VI. Receiving public views on rent adjustment mechanism for rental units and rent relief measures of the Hong Kong Housing Society

Relevant papers

(LC Paper No. CB(1)155/17-18(06) — Hong Kong Housing Society's paper on rent adjustment of rental estates and assistance rendered to tenants with financial difficulty

LC Paper No. CB(1)155/17-18(07) — Paper on rent adjustment mechanism for rental units of the Hong Kong Housing Society prepared by the Legislative Council Secretariat (updated background brief))

45. Members noted a submission from a deputation (觀龍樓居民租金關注組) tabled at the meeting.

(Post meeting note: The submission tabled at the meeting was issued to members in electronic form vide LC Paper No. CB(1)189/17-18(02) on 7 November 2017.)

Meeting arrangements

46. The Chairman advised that 20 deputations/individuals had submitted applications to attend the meeting to present their views on rent adjustment mechanism for rental units and rent relief measures of the Hong Kong Housing Society ("HS").

Presentation of views by deputations/individuals

47. At the invitation of the Chairman, a total of 14 deputations/individuals presented their views. A summary of the views of these deputations/individuals was in the **Appendix**.

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Discussion

48. At the invitation of the Chairman, Mr Sanford POON, Assistant Director (Property Management), HS gave the following responses to the views expressed by deputations –

- (a) HS had noted deputations' views at the meeting, including those regarding the rent adjustment for HS's rental estates in 2018, provision of rent assistance to HS's tenants, etc.;
- (b) instead of determining the level of rent adjustment for HS's estates on the basis of a rigid formula, HS took into account under its established mechanism a set of factors including tenants' ability to afford, etc. when considering the matter;
- (c) HS had adjusted the rent for its rental estates four times since 2010, and the rates of rent increase were moderate when compared with HA's PRH units;
- (d) the net assets of HS was about \$38 billion in 2017 and HS had to finance numerous projects and social initiatives underway; and
- (e) as ten of HS's rental estates were over 40 years old, HS considered it necessary to plan and prepare for redevelopment of the estates in the long run, and the estimated cost for redeveloping a rental estate was about \$5 to \$6 billion.

Rent adjustment

49. Mr SHIU Ka-chun said that the rates of rent increase in 2010, 2012, 2014 and 2016 were high, and the rent increase of 8% in 2016 was unreasonable. The motion moved by him and passed at the meeting on 3 July 2017 had urged that the rate of rent adjustment for HS's rental units in the coming year should not be higher than the inflation rate. He enquired how HS would respond to the request in the motion.

50. The Chairman said HS had previously advised that it was not vested with the power to require tenants of its rental estates to declare income and assets. She enquired whether, if tenants were willing to provide their household income information to HS, HS would take into account such information when considering the rent adjustment.

Action

51. Mr Sanford POON, Assistant Director (Property Management), HS replied that salary index was one of the factors for determining the rent adjustment for HS's rental estates. As some HS's tenants were retirees who did not have regular income, HS also took into account tenants' ability to afford. Although HS did not have power to require tenants' declaration of income and assets, tenants might declare in the form of a statutory declaration their income and assets if necessary. As advised at the meeting on 3 July 2017 and in its written response to the motions passed at the meeting, HS would conduct the rent review exercise for the rental estates by the end of 2017 with the new rent to take effect on 1 April 2018. To gain more understanding on the views of HS's tenants on the matter, HS had been actively communicating with relevant parties to listen to their opinions on rent adjustment and rent assistance. In June and October 2017, HS had met the representatives from 觀龍樓居民租金關注組 and from the mutual aid committees of the rental estates respectively. HS had discussed with members the subject in meetings.

Rent assistance

52. Mr Wilson OR referred to the motion moved by him and passed at the meeting on 3 July 2017 requesting HS to, among others, establish a rent assistance scheme for tenants residing in its rental estates and having financial hardship, similar to that implemented by HA, and enquired about the HS's progress in considering the request and the relevant factors for consideration. Mr KWOK Wai-keung opined that HS's tenants were originally registered on the Waiting List for HA's PRH until they were allocated HS's rental units. HS should introduce rent assistance comparable to the one adopted by HA. The Chairman said that those originally on the Waiting List for HA's PRH and moved to HS's rental units in early years had an expectation that HS had put in place similar rent policies adopted by HA, including rent assistance measures. She enquired whether HS already had a plan to introduce a rent assistance scheme.

53. In reply, Mr Sanford POON, Assistant Director (Property Management), HS said HS believed that there was room to consider the request for establishing a rent assistance scheme, and the Executive Committee of HS would examine the request when carrying out the rent review in end 2017. He assured members that HS would announce its decision on the matter as soon as possible after the completion of the rent review. In response to the Chairman's enquiry about whether HS had consulted its tenants on the design of the rent assistance scheme, Mr Sanford POON, Assistant Director (Property Management), HS advised that in

Action

considering the design of the scheme, HS would make reference to the rent assistance measures adopted by HA and take into account the HS's operating circumstances and its tenants' needs.

54. Mr KWOK Wai-keung opined that the expenditure for providing rent assistance to HS's needy tenants was not substantial as the number of HS's rental units was limited, and HS should announce its decision on the matter in a timely manner. If necessary, HS might seek the Government's support for taking forward the initiative. Mr KWOK and Mr CHAN Chi-chuen opined that the Transport and Housing Bureau should have sent representatives to attend the meeting to discuss with members the subject. Mr KWOK said that the current-term Government and the Secretary for Transport and Housing should pay heed to the concerns of HS's tenants on the issues of rent adjustment and rent assistance.

Revenue generated from other projects and investments

55. Mr CHAN Chi-chuen was concerned whether the redevelopment of HS's aged estates in future would push up the rent levels of the rental units, and enquired about the estimated redevelopment cost in the next few years. He further enquired about the HS's estimate on the surplus generated from the sale of its properties, and whether HS could use the surplus to offset the need for rent increase. Mr SHIU Ka-chun cast doubt whether HS had given consideration to providing rent assistance to needy tenants even it had recorded a surplus.

56. Mr Sanford POON, Assistant Director (Property Management), HS replied that HS did not have the information requested by Mr CHAN. Although the income and expenditure of HS's rental estates were kept in accounts separate from the revenue generated from other HS's projects or investments, the rent income was not the funding source to finance the redevelopment of HS's rental estates.

57. Mr CHAN Chi chuen said that HS had advised in LC Paper No. CB(1)155/17-18(06) that the redevelopment of its rental estates in future required enormous budget. To facilitate members to consider whether the upcoming rent adjustment was justifiable, HS should make clear the redevelopment cost in future few years and the impact of redevelopment projects on the rent of its estates.

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Motion

58. The Chairman referred members a motion put forth by Mr KWOK Wai-keung, which she considered relevant to the agenda item, and was tabled at the meeting. The wording of the motion was as follows –

Motion moved by Mr KWOK Wai-keung:

"本事務委員會要求香港房屋協會在決定調整轄下屋邨的租金時，必須以透明及公開方式向租戶交代租金調整幅度的考慮因素，並將租戶的經濟負擔能力水平列入考慮因素內，並要求香港房屋協會直接向有經濟困難的租戶提供租金援助措施，以解決租戶的生活困境。"

(Translation)

"This Panel requests that the Hong Kong Housing Society ("HS") must, in a transparent and open manner, inform its tenants of the factors it has taken into account in determining the rate of rent adjustment for its rental estates, while the affordability of tenants must be taken into consideration. This Panel also requests HS to put in place rent relief measures to provide direct assistance to tenants with financial difficulties, with a view to alleviating the hardship of tenants."

59. The Chairman put to vote the motion moved by Mr KWOK Wai-keung. The majority of members present supported the motion. The Chairman declared that the motion was carried. At the suggestion of Mr KWOK Wai-keung, the Chairman instructed the Secretariat to request HS and the Administration to provide their written responses to the motion.

(Post-meeting note: The wording of the motion passed was issued to members vide LC Paper No. CB(1)194/17-18(03) on 9 November 2017 and was provided to HS and the Administration via separate letters dated 9 November 2017. HS's response to the motion was issued to members vide LC Paper No. CB(1)254/17-18(01) on 22 November 2017.)

Concluding remarks

60. Concluding the meeting, the Chairman thanked the deputations for giving views on the subject.

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VII. Any other business

61. There being no other business, the meeting ended at 5:31 pm.

Council Business Division 1
Legislative Council Secretariat
3 January 2018

Appendix

Panel on Housing

Meeting on Monday, 6 November 2017, at 2:30 pm

Agenda item VI - Rent adjustment mechanism for rental units and rent relief measures of the Hong Kong Housing Society

Summary of views and concerns expressed by deputations/individuals

No.	Name of deputation/individual	Submission / Major views and concerns
1.	Mr NG Pan-pan 代表 New People's Party	<ul style="list-style-type: none">● The Hong Kong Housing Society ("HS") should avoid causing additional financial burden on low-income and needy households in its rental estates as far as practicable.● HS should postpone any rent increase for the rental units.
2.	何桂淑女士 成員 觀龍樓居民租金關注組	<ul style="list-style-type: none">● 觀龍樓居民租金關注組 had since 2012 expressed concern on the high rent for HS's rental units and requested HS to introduce rent assistance measures.● HS should take into account tenants' ability to afford when considering the rent adjustment for its rental estates.
3.	簡潔霞女士	<ul style="list-style-type: none">● HS should use the surplus generated from other projects and investments to offset the need for rent increase.● HS should not undertake the development studies which would incur substantial costs.
4.	麥林女小姐	<ul style="list-style-type: none">● The Administration should monitor the operation of HS including its rent adjustment mechanism.● The Administration should have sent representatives to attend the meeting.
5.	蕭欽松先生	<ul style="list-style-type: none">● The rate of the upcoming rent increase for HS's rental units should not be higher than the inflation rate.● HS should use the surplus generated from other projects and investments to offset the need for rent increase.

No.	Name of deputation/individual	Submission / Major views and concerns
6.	陳珍女女士	<ul style="list-style-type: none"> ● HS should take into account tenants' ability to afford and their economic difficulties when considering the rent adjustment, and the rate of rent increase should not be higher than the inflation rate. ● HS should establish a rent assistance scheme for tenants residing in its rental estates.
7.	伍麗梅女士	<ul style="list-style-type: none"> ● HS should establish a rent assistance scheme for tenants residing in its rental estates.
8.	林潔女士	<ul style="list-style-type: none"> ● HS and the Administration should establish a rent assistance scheme for tenants residing in its HS's rental estates.
9.	葉來	<ul style="list-style-type: none"> ● The rate of rent increase for HS's rental estates should not be higher than the inflation rate. ● The rate of rent increase for HS's rental estates in 2016 was higher than the inflation rate for the relevant period.
10.	梁桂珍	<ul style="list-style-type: none"> ● The cost for providing rent assistance to HS's tenants would not be substantial. ● HS should make reference to the rent assistance measures of the Hong Kong Housing Authority ("HA") and establish a rent assistance scheme for tenants residing in its rental estates.
11.	陳淑卿女士	<ul style="list-style-type: none"> ● HS should establish a rent assistance scheme for tenants residing in its rental estates as early as possible. ● The reasons previously provided by HS for not introducing a rent assistance scheme were not acceptable.
12.	陳倩萍女士	<ul style="list-style-type: none"> ● The rate of rent increase for HS's rental estates should not be higher than the inflation rate. ● 觀龍樓居民租金關注組 had requested for implementation of a rent assistance scheme for about three years, and HS should make clear by the end of 2017 whether it would establish the scheme.

No.	Name of deputation/individual	Submission / Major views and concerns
13.	魏倩兒女士	<ul style="list-style-type: none">● HS had recorded substantial surplus, and the need to renovate or redevelop the HS's rental estates were not justifiable reasons for HS to increase the rent.● The rate of rent increase for HS's rental estates should be lower than the inflation rate, and the rent levels of HS's rental units should be comparable to those of the HA's public rental housing units.● The cost for providing rent assistance to HS's tenants would not be substantial, and HS should establish a rent assistance scheme for needy tenants residing in its rental estates.
14.	Ms TSANG Cheuk-yi Member Liberal Party	<ul style="list-style-type: none">● It was doubtful whether there was a need for HS to substantially increase the rent for its rental estates.● HS should mainly take into account the inflation rate when considering the rate of rent adjustment for its rental estates, and recurrent management expenses, tenancy administration costs, Rates and Government Rents, provision for major improvement works, repair and maintenance, etc. should not be the factors of consideration.