

立法會
Legislative Council

LC Paper No. CB(1)544/19-20
(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, 2 December 2019, at 2:30 pm
in Conference Room 1 of the Legislative Council Complex

Members present : Hon Wilson OR Chong-shing, MH (Chairman)
Hon Andrew WAN Siu-kin (Deputy 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 Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon WU Chi-wai, MH
Hon CHAN Chi-chuen
Hon CHAN Han-pan, BBS, JP
Hon KWOK Wai-keung, JP
Dr Hon Fernando CHEUNG Chiu-hung
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHU Hoi-dick
Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon SHIU Ka-fai, JP
Hon SHIU Ka-chun
Hon YUNG Hoi-yan, JP
Hon CHEUNG Kwok-kwan, JP

Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon Gary FAN Kwok-wai
Hon AU Nok-hin
Hon Vincent CHENG Wing-shun, MH, JP
Hon Tony TSE Wai-chuen, BBS
Hon CHAN Hoi-yan

Members absent : Hon Starry LEE Wai-king, SBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP
Hon Jeremy TAM Man-ho

**Public Officers
attending**

Agenda Item III

Mr Frank CHAN, JP
Secretary for Transport and Housing

Mr Donald TONG, JP
Permanent Secretary for Transport and Housing
(Housing)

Ms Connie YEUNG, JP
Deputy Director of Housing
(Development and Construction)

Ms Portia YIU
Chief Planning Officer 2
Housing Department

Agenda Item IV

Ms Connie YEUNG, JP
Deputy Director of Housing
(Development and Construction)

Mr Michael HONG
Chief Civil Engineer (Public Works Programme)
Housing Department

Mrs Iris CHAN
Chief Architect (6)
Housing Department

Mr Gabriel WOO
Deputy Head of Civil Engineering Office (Housing)
Civil Engineering and Development Department

Mr SIT Fung-sing
Chief Engineer/Housing Projects 3
Civil Engineering and Development Department

Agenda Item V

Hong Kong Housing Society

Mr WONG Kit-loong
Chief Executive Officer & Executive Director

Ms Ada SHARE
General Manager (Property Management)

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

Action

I. Information papers issued since last meeting

Members noted that the following paper had been issued since the regular meeting on 4 November 2019 –

LC Paper No. CB(1)129/19-20(01) — Land Registry Statistics for October 2019 provided by the Administration (press release)

Action

II. Items for discussion at the next meeting

(LC Paper No. CB(1)183/19-20(01) — List of follow-up actions

LC Paper No. CB(1)183/19-20(02) — List of outstanding items for discussion)

2. Members agreed to discuss "Long Term Housing Strategy Annual Progress Report 2019" at the the next regular meeting scheduled for Monday, 6 January 2020, at 2:30 pm.

(Post-meeting note: The notice of meeting and agenda were issued to members vide LC Paper No. CB(1)213/19-20 on 3 December 2019.)

III. Public Housing Construction Programme 2019-20 to 2023-24

(LC Paper No. CB(1)183/19-20(03) — Administration's paper on Public Housing Construction Programme 2019-20 to 2023-24

LC Paper No. CB(1)183/19-20(04) — Paper on Public Housing Construction Programme prepared by the Legislative Council Secretariat (updated background brief))

3. The Secretary for Transport and Housing ("STH") briefed members on the Public Housing Construction Programme ("PHCP") 2019-20 to 2023-24. With the aid of PowerPoint, Deputy Director of Housing (Development and Construction) ("DDH(D&C)") elaborated on the details.

(Post-meeting note: Presentation materials (LC Paper No. CB(1)216/19-20(01)) for the item were issued to members on 3 December 2019 in electronic form.)

Projected public housing production

4. In view that the projected public housing production in the coming five years was about 100 700 units only, Ms YUNG Hoi-yan was concerned about when the Administration would achieve the relevant supply target under the

Action

Long Term Housing Strategy ("LTHS") and whether the waiting time for public rental housing ("PRH") would further lengthen. Mr Vincent CHENG expressed a similar concern about the PRH waiting time. Noting that the public housing production would steeply decline in 2020-2021 and return to a higher level in 2021-2022, he asked whether the Hong Kong Housing Authority ("HA") could expedite some projects for earlier completion so that more units could be provided in 2020-2021. He enquired why the projected year of completion of Pak Tin Phase 11 project had been postponed to 2020-2021, and whether HA would speed up the delivery of the project.

5. STH replied that there might be cases where a public housing project planned for completion in a particular year was slightly delayed due to inclement weather or other factors. The Administration would review and update completion time of individual projects in the PHCP. He assured members that to meet the challenge posed by the long waiting time for PRH, HA would continue to strive for timely completion of all projects under construction, including the Pak Tin Phase 11 project.

6. Mr Abraham SHEK said that the average waiting time for PRH was 2.9 years as at December 2013 and was currently more than five years. He referred to the relevant audit recommendations in the Report No. 62 of the Director of Audit agreed by the Administration and urged the Administration to make clear on whether the average waiting time could be shortened, say to five years or less, and the reason for failure to shorten it. Mr HO Kai-ming asked whether the current-term Government had confidence to honour the pledge of maintaining the average PRH waiting time at around three years. STH replied that due to inadequate land for housing development, it might take time to meet the three-year PRH average waiting time target. The current-term Government and HA would continue to strive to shorten the PRH waiting time with the greatest efforts.

7. Mr Abraham SHEK opined that inadequacy of land was not an acceptable reason for the Administration/HA's failure to shorten the PRH waiting time. The Administration had the responsibility to make good use of idle or under-utilized land sites for providing housing. Ms YUNG Hoi-yan opined that there was little chance that the Administration could take forward the land supply initiative of Lantau Tomorrow Vision according to its original plan. She was concerned whether the Administration could secure sufficient land for meeting the public housing target under LTHS, and enquired whether the Administration would provide its projection on the public housing production for the coming ten years, instead of five years only.

Action

8. STH replied that PHCP was a rolling programme forecasting public housing production in the coming five years. As individual projects with completion dates beyond the next five years were subject to change as most of the projects were at the preliminary planning and design stage and were subject to various unforeseeable factors, it was difficult for the Administration to provide detailed information and programme at this stage. The Administration would provide the rolled-forward production programme in time. In the LTHS Annual Progress Report announced in December 2018, the Administration had pointed out the estimated number of public housing units that could be provided if the land that had been identified could all be deployed for public housing development as planned in the 10-year period from 2019-2020 to 2028-2029. To meet the supply target, the Administration would continue to identify more land for housing and expedite delivery of the projects at the sites that had been secured. In end-2019, the Administration would announce the next LTHS Annual Progress Report which would update the supply target and the land that had been identified for public housing production.

Measures to increase public housing supply

9. In view that the land that had been identified was sufficient for providing about 248 000 public housing units, which was 67 000 units less than the LTHS supply target of 315 000 units, and there was not much improvement in the projected public housing production according to the PHCP, Mr LAU Kwok-fan enquired whether, apart from optimizing the use of the space within HA's estates or public housing sites, there were other specific measures to catch up with the supply target.

10. STH replied that in the past few years, the Administration had identified over 210 sites with housing development potential in the short to medium term. Such sites could provide more than 310 000 flats in total, 70% of which were for public housing. Pursuant to the Executive Council's relevant decision in December 2018, the Administration would study the technical feasibility of increasing domestic plot ratio for public housing sites in selected Density Zones of the Main Urban Areas and New Towns by up to maximum 30%. The Administration would continue to pursue various initiatives to increase land supply, including resuming suitable private land pursuant to the Land Resumption Ordinance (Cap. 124) and drawing up a framework for the Land Sharing Pilot Scheme to unleash the development potential of privately owned land parcels concerned. Compared with the projected public housing production from 2015-2016 to 2019-2020, i.e. 89 200 units, the projected production of 100 700 public housing units from

Action

2019-2020 to 2023-2024 represented an increase, reflecting that the relevant authorities had made efforts in producing public housing. To increase public housing production, apart from examining the feasibility of additional development within or near the existing public housing estates, the Administration/HA would also explore means to expedite the public housing development and construction processes. In response to Ms YUNG Hoi-yan's question about the time required to complete the rezoning of the about 210 sites with housing development potential, STH advised that the Administration had rezoned about 130 sites.

11. Mr LAU Kwok-fan and the Chairman enquired about the lead time required for implementing the measures to increase public housing as mentioned by STH. STH replied that the measures relating to Land Resumption Ordinance and Land Sharing Pilot Scheme were under the purview of the Development Bureau ("DEVB"). The Transport and Housing Bureau ("THB") would continue to liaise closely with DEVB on the sites that would be allocated for public housing under these measures. The delivery of a 40-storey public housing block without podium or basement on a formed land generally took at least seven years, including three years for the planning and design work, one year for ground investigation and tendering exercises, and about three and a half years for building construction. In order to speed up the process, HA would strive to shorten the three-year period for planning and design work to one year if the site was a "spade-ready site", thereby reducing the overall lead time from seven years to about five years. The Chairman commented that the Administration/HA should study whether such project delivery processes could be further compressed.

12. Ms YUNG Hoi-yan noted that HA might increase the application of precast concrete components in public housing construction works, and asked how this would help compress the construction process of PRH projects. Mr Tony TSE asked about the reasons of late commencement of the study on adopting Modular Integrated Construction ("MiC") in HA's public housing construction. He further said that to expedite public housing project delivery, apart from the measures mentioned by STH, the Administration should also speed up the relevant vetting and approval processes. STH replied that MiC was more widely used in transitional housing projects due to their scale and being low-rise in nature. As regards MiC application in public housing construction, the Housing Department ("HD") had been exploring the actual benefits of it. DDH(D&C) advised that HA could complete the main concrete structure of a typical floor of a public housing block in six working days. The HA's Building Committee had directed HD to study whether MiC could shorten the time required for building a public housing block. Apart from commissioning a consultant to conduct a viability study on the subject

Action

matter, HA/HD would also conduct a MiC mock-up and identify a pilot project for MiC application.

Public rental housing

13. Mr WU Chi-wai said that residents of one/two-person or two/three-person units in PRH had relayed to him that as the kitchen/toilet facilities occupied a relatively larger area in these PRH units, the remaining space available for other purposes was limited. He enquired how HA would resolve such problem when designing PRH units in future. DDH(D&C) replied that HA was aware of the view as mentioned by Mr WU and would continue to consider the issue when designing PRH units. To implement the concept of universal design, HA had taken into account the needs of residents with impaired mobility including wheelchair users in the design of kitchens and toilets. The area occupied by such facilities in a one/two-person or two/three-person unit was generally smaller than that in a three/four-person or four/five-person unit.

14. Ir Dr LO Wai-kwok declared that he was a non-remunerated member of HA. In view that the Administration would invite HA to explore the feasibility of redeveloping its factory estates for public housing use, he enquired about the timetable to implement the initiative and the rehousing arrangements to be put in place for these factory estates' tenants. STH replied that HA had commenced relevant technical studies, which were expected to be completed progressively in end 2020.

15. Noting that HA would examine the feasibility of constructing additional buildings to utilize the development potential of existing PRH estate sites, Ir Dr LO Wai-kwok suggested that if such space was available, HA should construct a new housing block to accommodate households of existing low-density PRH buildings so that the sites of these old buildings could be vacated for redevelopment to provide higher-density housing for meeting the PRH demand. STH replied that the Administration/HA would keep an open mind on the suggestion and would take it forward if practicable.

Land supply for housing

16. Mr Andrew WAN opined that the Administration had the responsibility to overcome the challenge in catching up with the housing supply target. As it might take years to reach a consensus on how best to implement the Land Sharing Pilot Scheme, the private land parcels resumed under the Land Resumption Ordinance might be too small for developing public housing, and the opportunities for further improving/compressing the public housing

Action

development and construction processes might be limited, the measures mentioned by STH to increase public housing supply might not be effective. To meet the supply target, the Administration needed to secure adequate land parcels. STH replied that land was the major bottleneck in the increase of housing supply. The Administration/HA would continue to make good use of the sites allocated for housing. Mr WAN said that the Administration should make clear on whether there would be adequate land resources for meeting the public housing supply target. He requested the Administration to provide supplementary information about the situation of land supply for public housing in 2024-2025 and beyond.

(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)410/19-20(01) on 17 February 2020.)

17. The Chairman cast doubt on whether the Administration/HA could improve the public housing production in the coming few years. In response to his enquiry about the implementation situation of the housing initiative announced in June 2018 to re-allocate nine private housing sites at Kai Tak and Anderson Road Quarry for public housing development, such as the progress achieved and tasks required to be completed for each of the sites, DDH(D&C) advised that the site formation works for the sites would be completed in phases. The Administration had consulted relevant District Councils and the planning and design work was underway. The Chairman requested the Administration to provide supplementary information to address his enquiry.

(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)410/19-20(01) on 17 February 2020.)

18. Ir Dr LO Wai-kwok opined that the projected public housing production was all along below the relevant supply target, and it was undesirable that there was no certainty as to whether adequate housing could be produced in the coming ten years to meet the target. The initiative of re-allocating private housing sites for public housing would help increase public housing, but might limit the increase in the supply of private flats, resulting in persistently high flat prices. The Administration should put in place a land development strategy to create an adequate land reserve in Hong Kong.

Action

19. Mr SHIU Ka-chun said that according to the findings of the Study on Existing Profile and Operations of Brownfield Sites in the New Territories undertaken by the Administration, of the 1 414 hectares of active brownfield sites, about 700 hectares were scattered around different parts of the New Territories with their possible development potential under review. He asked about the Administration's follow up actions in respect of the planning of such brownfield sites for public housing, and the relevant timetables.

20. Noting that most public housing projects with completion dates scheduled for 2024-2025 and beyond were at the preliminary planning and design stage, Mr WU Chi-wai suggested that before the sites of these projects were ready for HA to construct permanent housing, the Administration/HA should consider providing housing at these sites for meeting the need of interim accommodations. STH replied that in considering the suggestion, the Administration had to take into account how long the site concerned could be temporarily used for the purpose as mentioned by Mr WU.

Tenants Purchase Scheme

21. Mr Andrew WAN said that if the Administration maintained the policy of helping PRH households to buy their homes, instead of taking time to convert new PRH developments to flats sold under the Green Form Subsidised Home Ownership Scheme ("GSH"), HA should allow sitting PRH tenants to buy their units and impose appropriate resale restrictions on such units. He asked whether the Administration/HA would introduce an enhanced Tenants Purchase Scheme ("TPS") in PRH estates other than the 39 TPS estates. Mr LEUNG Yiu-chung opined that the estate management and maintenance problems in existing TPS estates arising from mixed ownership had existed for a long time, and the Administration had over the years maintained a position that they would not launch TPS in other estates. He queried why the Administration had recently proposed HA to make active preparations to accelerate the sale of the unsold flats in the 39 TPS estates, and why the Administration/HA did not also allow sitting tenants in other PRH estates to buy the rental units they were residing at.

22. STH replied that among the 180 000 flats in the 39 TPS estates, there were about 42 000 unsold flats. At the moment, sitting tenants in the unsold flats might still choose to purchase the flats they were living in. On average, about 3 000 households had purchased TPS flats annually. STH said that the majority of the residents whom he met during his visits to estates in Wong Tai Sin would consider buying the rental units in which they were residing if the selling prices were affordable. He also noted that residents of TPS and

Action

PRH units in a TPS estate had different expectations in respect of estate management and maintenance. To deal with this issue, it was necessary for the Administration/HA to resolve the mixed ownership problem in TPS estates. As regards GSH, the Administration considered that the scheme could help meet the home ownership aspirations of PRH tenants or applicants.

23. Mr LEUNG Yiu-chung relayed the public's concern that some owners had sold their TPS units with premium paid at high prices, in effect turning these subsidized flats into speculative tools for making profits. He said that the PRH units recovered by HA every year constituted a significant proportion in the annual number of PRH units available for allocation to applicants. He asked about the impact of accelerating the sale of unsold TPS units on the PRH waiting time, and the measures to relieve the housing difficulties faced by inadequately-housed households when waiting for PRH.

Green Form Subsidised Home Ownership Scheme flats

24. Dr CHENG Chung-tai reiterated his view that the Administration should make clear the respective production of PRH and GSH units in the PHCP. In view that the unemployment rate in Hong Kong might continue to increase and the economy might enter a recession next year, Dr CHENG asked whether the Administration/HA would focus on producing PRH for needy households instead of encouraging home ownership. Mr Andrew WAN asked about the split between PRH and GSH supply. STH replied that there would be about 12 000 subsidized sale flats ("SSFs") for sale in 2020. GSH was converted from PRH developments under planning/construction and its target buyers were mainly PRH tenants. PRH tenants who had purchased GSH flats had to vacate the PRH units in which they originally resided. This "one-for-one" arrangement would not reduce the supply of PRH units. If buyers of GSH flats were PRH applicants who had passed the detailed eligibility vetting, this would fulfill their home ownership aspirations earlier, freeing up PRH resources for other applicants with more pressing needs. To better address changes in market situations and the housing needs of society, the Administration/HA considered it appropriate to maintain the inter-changeability between PRH and GSH, and adjust their numbers in a timely manner.

25. Mr WU Chi-wai opined that PRH tenants or applicants who purchased GSH flats would be required to bear the maintenance cost of their housing courts in future. To make such flats more affordable to them, apart from taking into account households' affordability, HA might also consider adopting the principle of replacement cost in setting the selling prices. STH replied that in determining the selling prices for HOS/GSH flats, HA would

Action

ensure at least 75% of the flats for sale were affordable to the non-owner occupier households earning median monthly household income. If HA adopted the principle of replacement cost instead, the selling prices of GSH flats provided in the rural areas of the New Territories might be higher than those in urban districts.

Transitional housing

26. Ms CHAN Hoi-yan opined that apart from expediting the PRH supply, the Administration should also put in place effective measures to assist the inadequately-housed families who were facing high rent of private housing when waiting for PRH. To ensure the timely provision of adequate transitional housing units, the Administration should invite HA and the Hong Kong Housing Society ("HS") which had sufficient expertise in housing construction to construct transitional housing at the vacant government sites that had been earmarked for such developments, instead of relying on other community organizations to undertake such projects.

27. STH replied that the organizations taking part in transitional housing projects comprised two main groups which had expertise in housing construction and in operating transitional housing respectively. As mentioned in the 2019 Policy Address, some organizations including the Urban Renewal Authority and HS, etc., would offer professional advice and project management support to community groups participating in transitional housing projects. As HD staff shouldered very heavy responsibilities for meeting the supply target under LTHS, they needed to focus their efforts on delivering public housing projects. Notwithstanding, the Administration noted and would further consider Ms CHAN's views.

28. Mr Vincent CHENG opined that as the projected public housing production was far behind the relevant supply target, provision of transitional housing was important to help compensate the shortfall. HA/HD should participate more in developing transitional housing. The Administration should make better use of MiC in transitional housing construction, and make available more information about the current projects providing such housing. Mr Tony TSE said that demand for transitional housing might continue to exist in the coming decade. The Administration should consider treating such housing as a type of public housing during this period.

Action

Supporting facilities and services for estates

29. Mr SHIU Ka-chun said that the local community had raised objection to a public housing project in Tai Po Area 9 because of the concern over the provision of supporting facilities to cater for residents' need in future. In view that the PRH/GSH projects to be delivered by HA in the coming five years involved development of new estates, Mr SHIU enquired how the Administration would ensure at the planning stage the provision of adequate supporting facilities, including schools, markets, transport and social welfare facilities, etc., in such estates in order to avoid recurrence of the problem of shortage of supporting facilities in Tung Chung Estate, Tin Shui Wai and Shui Chuen O Estate. He asked whether the Administration would regularize the establishment of social worker teams in new estates to provide social welfare support and other relevant services for residents.

30. STH replied that the Administration/HA had paid due regard to residents' concerns about the provision of supporting facilities to tie in with the population intake of public housing estates, including schools, markets and social welfare facilities, etc. To prevent recurrence of the problem mentioned by Mr SHIU, relevant bureaux such as THB and the Labour and Welfare Bureau had put in place a mechanism to enable early planning and timely operation of relevant supporting facilities in large estates. The Chairman requested THB to take note of the view of Mr SHIU about social worker teams in new estates, and communicate with relevant bureaux on the matter.

Local support for housing projects

31. Mr HO Kai-ming said that after the District Council election in November 2019, there might be changes in the local communities' aspirations regarding housing development projects. District Councils might not accept proposals for building housing blocks on infill sites in their districts in future. He enquired whether the Administration had studied how such changes would affect or delay the delivery of public housing projects. STH replied that the community in general considered it necessary to address the housing problem in Hong Kong. Relevant government bureaux/departments would continue to enlist public support to expedite public housing development.

Motion

32. The Chairman referred members to the following motion proposed by Mr HO Kai-ming, which he considered relevant to the agenda item –

Action

Motion moved by Mr HO Kai-ming –

"鑒於政府多年來的公營房屋興建量均未達到《長遠房屋策略》的供應目標，以致房屋問題惡化，本事務委員會要求政府在日後覓地時以發展公營房屋為優先考慮，並在收回及開發土地、增加發展密度及加快工程進度等多方面着手，以增加公營房屋供應；同時政府也應制訂回復"3年上樓"時間表，並為輪候公屋逾3年的申請家庭提供租金津貼，以紓減他們未能"上樓"的住屋負擔。"

(Translation)

"Given that public housing production by the Government has all along been unable to achieve the supply target under the Long Term Housing Strategy over the years, which has aggravated the housing problem, this Panel requests the Government, in order to increase public housing supply, that priority should be accorded to public housing development when identifying land in future, and efforts should be made to resume and develop land, increase development density and accelerate works progress, etc. Meanwhile, the Government should also formulate a timetable for reverting the waiting time for public rental housing ("PRH") to three years, and provide rent subsidy to family applicants who have been waiting for PRH for more than three years, with a view to alleviating their burden on housing as they have not been allocated PRH flats."

33. The Chairman ordered that the voting bell be rung for five minutes. The Chairman then put to vote the motion moved by Mr HO Kai-ming. 15 members voted in favour of the motion, no member voted against or abstained from voting. The Chairman declared that the motion was carried.

(Post-meeting note: The wording of the motion passed was issued to members vide LC Paper No. CB(1)217/19-20(01) on 4 December 2019, and the Administration's response to the motion was issued to members vide LC Paper No. CB(1)410/19-20(01) on 17 February 2020.)

Action

IV. Head 711 project no. B795CL — Site formation and infrastructure works for public housing developments at Pok Fu Lam South

(LC Paper No. CB(1)183/19-20(05) — Administration's paper on Public Works Programme Item No. B795CL – Site formation and infrastructure works for public housing developments at Pok Fu Lam South)

34. With the aid of PowerPoint, DDH(D&C) briefed members on the Administration's proposal in LC Paper No. CB(1)183/19-20(05) to upgrade Public Works Programme item no. B795CL to Category A to carry out site formation and infrastructure works for public housing developments at five sites at Pok Fu Lam South ("proposed public housing developments").

(Post-meeting note: Presentation materials (LC Paper No. CB(1)216/19-20(02)) for the item were issued to members on 3 December 2019 in electronic form.)

35. The Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of the Legislative Council ("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. He further drew members' attention to Rule 84 of the RoP on voting in case of direct pecuniary interest.

Public housing developments

36. Mr KWOK Wai-keung and Mr CHEUNG Kwok-kwan enquired whether apart from PRH, subsidized housing such as GSH and HOS flats would also be provided in the proposed public housing developments. DDH(D&C) replied that as the main reception resources for Wah Fu Estate Redevelopment, the proposed public housing developments would mainly provide PRH. Nevertheless, HA would ensure that the design of the developments would allow for interchangeability between PRH and SSFs, and would consider whether SSFs would be provided at one of the five public housing sites taking into account the aspirations of future residents.

Action

Implementation of the proposed project

37. Mr AU Nok-hin said that he was a member of Southern District Council. He opined that the Administration should submit the relevant funding proposal to the Finance Committee ("FC") for approval as early as possible within the current LegCo's session, so that the projects for the proposed public housing developments and Wah Fu Estate Redevelopment could be commenced earlier. Mr KWOK Wai-keung opined that the Administration should implement the proposed works in a timely manner to avoid causing delays to the population intake of the proposed public housing developments. He and Mr CHEUNG Kwok-kwan said that the local community was concerned about the progress of redevelopment of Wah Fu Estate and whether the South Island Line (West) ("SIL(W)") project would tie in with the redevelopment in order to meet the transport demand of residents in future. Mr AU Nok-hin expressed a similar concern and asked whether the commissioning of the proposed SIL(W)'s station at Wah Fu would tie in with the completion of the redevelopment project.

38. DDH(D&C) replied that the Administration had originally proposed to discuss the proposed works at the Panel's last regular meeting in the previous session, but the meeting had been cancelled. The Administration would submit the proposal to the Public Works Subcommittee ("PWSC") and FC as early as possible within the current LegCo session after seeking members' support on the proposed project, with a view to commencing the proposed works in mid-2020. To tie in with the population intake of the proposed public housing developments which were expected to be completed in phases from 2026, the Administration planned to complete in phases the site formation works from early 2022 to 2023 and the infrastructure works from early 2026 to 2027. In June 2019, THB had invited MTR Corporation Limited to submit proposals for the implementation of SIL(W). In considering the implementation issues of SIL(W), the Administration would take into account the timetable of Wah Fu Estate Redevelopment, the transport demand arising from the redevelopment and other nearby developments and the need to provide temporary work areas used for construction works under the SIL(W) project.

Wah Fu Estate and its redevelopment

39. Mr AU Nok-hin opined that Wah Fu Centre was an essential part of Wah Fu Estate and the local community hoped that the building would be preserved after redevelopment of the estate. He asked whether the Administration would assess the grading of Wah Fu Centre for preservation purpose and retain the facilities for connecting Wah Kwai Estate.

Action

DDH(D&C) replied that the Administration would examine issues of Wah Fu Centre under the Wah Fu Estate Redevelopment project. The Administration had consulted residents of Wah Fu Estate on the redevelopment, and planned to carry out community engagement as part of the redevelopment project.

40. Mr KWOK Wai-keung said that when planning new public housing estates, the Administration should pay heed to the local community's aspirations that retail shops should be provided near or at the ground floor of the public housing blocks instead of merely providing such facilities in separate buildings, so that future residents did not need to travel a long distance to meet their daily shopping needs. DDH(D&C) replied that the Administration had taken note of Mr KWOK's view and would give consideration to it when planning the future projects.

41. Mr KWOK Wai-keung relayed the concern of residents of Wah Fu Estate that the HA's repair and maintenance for the estate was not desirable, and urged the Administration/HA to strengthen the efforts in pursuing the matter. DDH(D&C) replied that HA attached importance to providing a safe living environment for its tenants, and would continue providing repair and maintenance services for its PRH estates under the established system, such as the Total Maintenance Scheme.

Proposed infrastructure works

42. Mr AU Nok-hin opined that the Administration should address the local community's concern on the proposed works in relation to the road junction at the proposed project site. Mr CHEUNG Kwok-kwan enquired about how the proposed project would change the traffic capacities of Pok Fu Lam Road and Shek Pai Wan Road. In view that as shown in the PowerPoint slide, site no. 5 was relatively isolated from other public housing sites under the proposed project, he asked about the provision of retail and other supporting facilities at the site to meet future residents' need, and the facilities for connecting between the site and site no. 4. DDH(D&C) replied that in light of the findings of the traffic impact assessments for the proposed project, the Administration would carry out the improvement works on road and transport networks, as proposed in paragraph 2(b) to (f) of the Administration's paper, to accommodate the traffic need arising from the proposed public housing developments. The subsequent public housing developments would provide retail facilities at site no. 4 and pedestrian links between site no. 4 and site no. 5. Pedestrian crossing facilities and a footbridge would be provided at site no. 5.

Action

Motions

43. The Chairman referred members to the following motions proposed by Mr AU Nok-hin and Mr KWOK Wai-keung, which he considered relevant to the agenda item –

Motion moved by Mr AU Nok-hin –

"本事務委員會要求政府盡快落實華富重建，與南港島線西段同步興建，並就華富中心進行保育評級，保留集體回憶及往華貴邨連接。"

(Translation)

"This Panel requests the Government to expeditiously implement the Wah Fu Estate Redevelopment in conjunction with the works under the South Island Line (West) project, and assess the grading of Wah Fu Centre for preservation purpose, with a view to preserving collective memories and maintaining accessibility to Wah Kwai Estate."

Motion moved by Mr KWOK Wai-keung –

"本事務委員會要求政府加強工程進度的監督，以令薄扶林南公營房屋發展之工地平整及基礎設施工程能按時或提早完成，盡快發展薄扶林南的公營房屋項目，加快華富邨重建的進度，同時本會也要求政府在工程期間能與區議會及地區人士密切溝通，以處理工程內的基礎設施能符合社區及市民需要，並加強該些公屋項目用地與社區的整體結合及連接性。"

(Translation)

"This Panel requests the Government to step up the monitoring of works progress to enable timely or early completion of the site formation and infrastructure works for public housing developments at Pok Fu Lam South, such that the public housing development project at Pok Fu Lam South can be commenced as soon as possible and the progress of redeveloping Wah Fu Estate can be accelerated. In addition, this Panel requests the Government to maintain close communication with the relevant District Council and local community during the works period, so that the infrastructure to be built under the works project can meet the needs of the community and the general

Action

public, and that the integration and connectivity among the public housing development sites and the community can be enhanced as a whole."

44. The Chairman ordered that the voting bell be rung for five minutes. The Chairman first put to vote the motion moved by Mr AU Nok-hin. 12 members voted in favour of the motion, no member voted against and one member abstained from voting. The Chairman declared that the motion was carried.

45. The Chairman then put to vote the motion moved by Mr KWOK Wai-keung. 13 members voted in favour of the motion, no member voted against and no member abstained from voting. The Chairman declared that the motion was carried.

(Post-meeting note: The wording of the motions passed was issued to members vide LC Paper Nos. CB(1)217/19-20(02)-(03) on 4 December 2019, and the Administration's response to the motions was issued to members vide LC Paper No. CB(1)410/19-20(01) on 17 February 2020.)

Concluding remarks

46. Concluding the discussion, the Chairman said that members supported the submission of the proposal to PWSC for consideration.

V. Rent adjustment of rental estates and rent assistance measures of the Hong Kong Housing Society

(LC Paper No. CB(1)176/19-20(01) — Joint letter dated 5 November 2019 from Hon LEUNG Yiu-chung and Hon SHIU Ka-chun regarding rent adjustment of rental estates and rent assistance measures of the Hong Kong Housing Society (Chinese version only)

Action

- LC Paper No. CB(1)200/19-20(01) — Hong Kong Housing Society's paper on rent adjustment of rental estates and rent assistance scheme of the Hong Kong Housing Society
- LC Paper No. CB(1)200/19-20(02) — Paper on rent adjustment mechanism for rental units of the Hong Kong Housing Society prepared by the Legislative Council Secretariat (updated background brief))

47. Members noted two respective submissions from 觀龍樓居民租金關注組 (LC Paper No. CB(1)210/19-20(01)) and member/members-elect of District Councils (LC Paper No. CB(1)207/19-20(01)), which had been issued to members and tabled at the meeting.

48. At the invitation of the Chairman, Mr WONG Kit-loong, Chief Executive Officer and Executive Director, Hong Kong Housing Society ("HS") briefed members on the HS's rent adjustment mechanism for rental estates and rent assistance measures, details of which were set out in LC Paper No. CB(1)200/19-20(01).

Justifications for rent adjustment

49. Mr Michael TIEN said that according to HS, rent adjustments of its rental estates would take into account various factors, including salary index. In view that Hong Kong's economic circumstances ahead were uncertain and the unemployment rate might increase in 2020, the cumulative increase in inflation since 2019 was limited, and companies might have salary cut or request employees to take no-pay leave, he enquired whether HS would freeze the rent of its rental units for the coming two years to assist its low-income tenants to tide over the hard times. Mr CHAN Han-pan opined that the cumulative rent increase of HS estates over the past decade was significant as HS had increased the rent every two years. Given the uncertain economic outlook, HS should lower or freeze the rent of its rental units. Mr Vincent CHENG opined that the unemployment problem in certain trades was aggravating, and HS should freeze the rent of its rental units for the coming two years and introduce rent waivers to relieve the rental pressures of grassroots families living in its rental estates.

Action

50. Mr SHIU Ka-chun said that HS had frozen the rent of its rental units from 1998 to 2010, having regard to the economic conditions at that time, and had recently reduced the rent of its commercial tenants by 50% for six months from October 2019. He and Mr Andrew WAN enquired whether HS would freeze the rent of its rental units. Mr WAN said that there might be request for rent reduction in future if the economic conditions continued to deteriorate. He sought clarification on whether the rates of previous rent increases of its rental estates such as those in 2016 and 2018 were higher than the inflation rates in the relevant periods.

51. Mr WONG Kit-loong of HS replied that HS understood the difficulties faced by low-income families and its rent policy had taken into account tenants' ability to afford, salary index, the Consumer Price Index(A), etc. The rates of previous rent increases of HS's rental estates were comparable to the inflation rates in the relevant periods. Nevertheless, the rental income from these estates was far from sufficient for meeting their operating expenses. As HS needed to carry out redevelopment projects for six estates in coming few years and the estimated total cost of redevelopment was over \$50 billion, HS must continue to adopt prudent financial principles to ensure that it could sustain its operation. HS would consider whether it was appropriate to take forward members' suggestions regarding the upcoming rent adjustment taking into account the relevant statistics. HS's Executive Committee would discuss the subject matter in December 2019.

52. Mr CHAN Han-pan said that HS's rent levels were currently not subject to Government supervision. He suggested that THB's representatives should attend meetings to discuss issues of HS including the Administration's measures to regulate HS's rent adjustments. The Chairman noted Mr CHAN's suggestion.

Basis for rent increase and communications with tenants

53. Dr Fernando CHEUNG opined that HS should make clear to tenants of its rental estates the formula for determining the rate of rent adjustment. Mr Vincent CHENG enquired about how HS would take into account its tenants' ability to afford when making its rent adjustment decisions. Mr WONG Kit-loong of HS replied that HS's rent adjustment was mainly based on the operating costs of the rental estates which included various factors: rental income must be sufficient to cover the recurrent management expenses, tenancy administration cost, rates (if included in rent) and Government rent; and provision to be set aside for major improvement works, repair and maintenance. HS would also take into account economic statistics,

Action

including salary index, inflation and unemployment rates, and consider tenants' ability to afford by making reference to relevant statistics. Prior to making rent adjustment decisions, HS would consult tenants' representatives.

54. Mr SHIU Ka-chun was concerned whether HS had met its tenants and discussed with them the issues of rent adjustment. He enquired about the channels that had been established by HS for collecting its tenants' views, and how HS would consider the views collected when making its rent adjustment decisions. Mr Andrew WAN said that it was not desirable if HS was willing to meet LegCo Members but not the concern groups. Mr WONG Kit-loong of HS replied that he himself and other senior management staff of HS were all along willing to meet and discuss with HS's residents, and had a good grasp of their needs and aspirations. On Mr SHIU's suggestion, Mr WONG Kit-loong of HS undertook that HS would meet Kwun Lung Lau's residents.

Levels of rent

55. Mr AU Nok-hin said that some residents of Ming Wah Dai Ha had expressed strong views on the HS's redevelopment of their buildings and were concerned that the redevelopment would result in increase in rent levels. He asked whether HS had taken into account its tenants' ability to afford when determining the rent levels. Mr WONG Kit-loong of HS replied that as a self-financing non-profit-making organization, HS had to finance the projects to redevelop its rental estates on its own. In fixing rents of its newly built rental units, HS would mainly consider the building and operating costs of estates, and give regard to various factors, including tenants' ability to afford. To help tenants with temporary financial difficulties to pay rent, HS had introduced the Rent Assistance Scheme ("RAS") in September 2018. Low-income tenants might also seek assistance from assistance schemes operated by the Government such as the Comprehensive Social Security Assistance ("CSSA"). As regards Ming Wah Dai Ha, HS had communicated with the residents concerned about its plan to redevelop the estate. As there was no land space for developing a new residential building to serve as the reception resources for Ming Wah Dai Ha redevelopment, HS had to carry out the redevelopment in phases. He advised that tenants affected by HS's redevelopment projects and had difficulties in affording the rent of newly built units of HS's redevelopment might choose to move to other HS's estates with lower rent or apply for rent assistance.

Action

56. Mr AU Nok-hin opined that tenants of HS's rental estates had questioned whether the rent per square feet of HS's rental units was higher than that of HA's. In response to Mr AU Nok-hin's enquiry on whether HS had studied the rent difference between its rental units and HA's PRH units, Mr WONG Kit-loong of HS replied in the affirmative.

[At 4:47 pm, the Chairman directed that the meeting be extended for 15 minutes to 5:15 pm.]

Rent assistance measures

57. Dr Fernando CHEUNG opined that the rent levels of HS's estates might be higher than those of HA, and tenants in HS's rental estates, such as some elderly tenants, might need assistance to pay the rent. The application threshold of RAS was high, given that the applicants' household income must be below 50% of the prevailing Waiting List Income Limit and their household assets must not exceed the prevailing Waiting List Asset Limit in order to be eligible for the scheme. HS should consider providing different levels of rent assistance to cater for tenants with different financial needs so that more low-income households would benefit from the scheme. In response to his enquiry about the proportion of tenants receiving rent assistance under HS's RAS, Mr WONG Kit-loong of HS advised that about 1.8% of HS's tenants were receiving rent assistance under RAS whereas about 2% of HA's tenants were receiving rent assistance under HA's RAS.

58. In view that the households receiving rent allowances under the CSSA Scheme would not be eligible for HS's RAS, Dr Fernando CHEUNG was concerned that the CSSA rent allowances received by households might not be sufficient to cover the rents of their rental units. He enquired about the number of such households and their proportion in the total number of households in HS's rental estates receiving the CSSA rent allowances. Mr WONG Kit-loong of HS replied that HS was aware that the rent allowances received by households in HS's rental estates under the CSSA Scheme might not be sufficient to cover the rents of their rental units, and would take this into consideration when working out measures to enhance RAS. Dr CHEUNG requested HS to provide written response in respect of his concern and relevant figures.

(Post-meeting note: HS's supplementary information was issued to members vide LC Paper No. CB(1)285/19-20(01) on 20 December 2019.)

Action

59. Mr SHIU Ka-chun opined that HS's rental estates comprised 32 641 units which housed around 83 000 residents, and HS had provided rent assistance under RAS for only 534 tenants as at September 2019. HS's tenants had commented that the application form for RAS was complicated. He asked whether HS would streamline the application procedures. Mr Andrew WAN commended HS for introducing RAS last year, and opined that HS should take further steps to address residents' concern about the RAS application procedures. He suggested HS to deploy staff to assist elderly tenants in completing RAS application forms. Mr WONG Kit-loong of HS replied that HS would examine how to further simplify and improve the application procedures under RAS for the convenience of applicants.

Well-off Tenants Policy

60. Mr CHAN Han-pan said that he had previously opposed the HS's introduction of the Well-off Tenants Policy, and was concerned about the impact of the policy on HS's tenants. Mr WONG Kit-loong of HS replied that the policy was not applicable to existing tenants of HS's rental estates when it was introduced in September 2018. Since its implementation, no households had been required to vacate their rental flats. The policy might have impact on HS's tenants after its implementation for about ten years.

Motions

61. The Chairman referred members to two motions proposed by Mr SHIU Ka-chun and Mr LEUNG Yiu-chung, and a motion proposed by Mr Vincent CHENG and seconded by Mr CHEUNG Kwok-kwan, which he considered relevant to the agenda item –

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

"不少房協公屋住戶反映，現時租金援助計劃的申請門檻過高及申請表格過於繁複。本事務委員會促請有關當局考慮放寬租金援助申請資格，及簡化申請程序，以回應居民訴求。"

(Translation)

"Quite a number of households of public rental housing units under the Hong Kong Housing Society have relayed that the current application threshold of the rent assistance scheme is too high and the application form of the scheme is too complicated. This Panel urges the relevant authorities to consider relaxing the eligibility of applying for rent

Action

assistance and streamlining the application procedures, so as to address the aspirations of residents."

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

"房協過往曾因考慮本港當前的經濟和市場情況，在 1998 至 2010 年連續 12 年凍結公屋租金。由於近年香港經濟疲弱，基層公屋住戶生活艱苦，本事務委員會促請有關當局於 2020 年 4 月凍結公屋租金兩年，與公屋租戶共度時艱。"

(Translation)

"The Hong Kong Housing Society has previously, from 1998 to 2010, frozen the rent of public rental housing ("PRH") for twelve consecutive years, taking into account of the prevailing economic and market conditions of Hong Kong. Given the weak economy in Hong Kong in recent years, grass-roots PRH households are living in plight, this Panel urges the relevant authorities to, with effect from April 2020, freeze the rent of PRH for two years, so as to tide over the hard times with PRH tenants."

Motion moved by Mr Vincent CHENG and seconded by Mr CHEUNG Kwok-kwan –

"因應過去半年本港的經濟環境急速惡化，加上外圍經濟環境陰晴不定、失業率回升；而多份經濟分析亦預示來年經濟持續疲弱，就此本事務委員會促請香港房屋協會：

1. 凍結未來兩個年度轄下所有出租住宅單位的租金；
2. 寬免出租住宅單位租金一個月；
3. 檢討租金援助制度，放寬申請門檻及簡化審批程序；及
4. 檢討租金調整機制，並以租戶的負擔能力為依歸。"

(Translation)

"In view of the rapidly deteriorating economic environment in Hong Kong in the past six months, coupled with the fact that the external economic environment is full of uncertainties and the unemployment rate has rebounded, while a number of economic analyses have predicted that the weak economy will continue in the coming year, in this connection, this Panel urges the Hong Kong Housing Society to:

Action

1. freeze the rent of all its rental units for the coming two years;
2. waive the rent of rental units for one month;
3. review the rent assistance scheme to relax the application threshold and streamline the vetting and approval procedures; and
4. review the rent adjustment mechanism and adjust rent in accordance with tenants' ability to afford."

62. The Chairman ordered that the voting bell be rung for five minutes. The Chairman put to vote the first motion moved by Mr SHIU Ka-chun and Mr LEUNG Yiu-chung. 11 members voted in favour of the motion, no member voted against or abstained from voting. The Chairman declared that the motion was carried.

63. The Chairman put to vote the second motion moved by Mr SHIU Ka-chun and Mr LEUNG Yiu-chung. 11 members voted in favour of the motion, no member voted against or abstained from voting. The Chairman declared that the motion was carried.

64. The Chairman put to vote the motion moved by Mr Vincent CHENG. 11 members voted in favour of the motion, no member voted against or abstained from voting. The Chairman declared that the motion was carried.

(Post-meeting note: The wording of the motions passed was issued to members vide LC Paper Nos. CB(1)217/19-20(04)-(06) on 4 December 2019, and HS's response to the motions was issued to members vide LC Paper No. CB(1)270/19-20(01) on 16 December 2019.)

VI. Any other business

65. There being no other business, the meeting ended at 5:04 pm.

Council Business Division 1
Legislative Council Secretariat
21 April 2020