

立法會
Legislative Council

LC Paper No. CB(1)1129/20-21
(These minutes have been seen
by the Administration)

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Panel on Housing

Minutes of meeting
held on Wednesday, 5 May 2021, at 8:30 am
in Conference Room 2 of the Legislative Council Complex

- Members present** : Hon Tommy CHEUNG Yu-yan, GBS, JP (Chairman)
Hon Wilson OR Chong-shing, MH (Deputy Chairman)
Hon Abraham SHEK Lai-him, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon CHAN Han-pan, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP
Hon KWOK Wai-keung, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon SHIU Ka-fai, JP
Hon YUNG Hoi-yan, JP
Hon CHEUNG Kwok-kwan, JP
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon Vincent CHENG Wing-shun, MH, JP
Hon Tony TSE Wai-chuen, BBS, JP
- Members absent** : Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Dr Hon Junius HO Kwan-yiu, JP

Public Officers attending : Agenda Item III

Dr Raymond SO, BBS, JP
Under Secretary for Transport and Housing

Mr CHAN Nap-ming, BBS
Project Director (1)
Transport and Housing Bureau (Housing)

Mr Stephen WONG
Project Director (2)
Transport and Housing Bureau (Housing)

Agenda Item IV

Ms Josephine SHU
Acting Deputy Director (Estate Management)
Housing Department

Mr Kenneth HUI
Chief Estate Surveyor/Commercial Properties
Housing Department

Mr Leo KAN
Senior Housing Manager/Commercial Properties (2)
Housing Department

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. Information papers issued since last meeting

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

LC Paper No. CB(1)763/20-21(01) — Land Registry Statistics for March 2021 provided by the Administration (press release)

II. Items for discussion at the next meeting

(LC Paper No. CB(1)842/20-21(01) — List of follow-up actions

LC Paper No. CB(1)842/20-21(02) — List of outstanding items for discussion)

2. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 7 June 2021, at 2:30 pm –

- (a) Implementation of the Letting Scheme for Subsidised Sale Developments with Premium Unpaid; and
- (b) Measures to facilitate the mobility needs of elderly residents by the Hong Kong Housing Authority ("HA").

(Post-meeting note: The notice of meeting and agenda were issued to members vide LC Paper No. CB(1)873/20-21 on 5 May 2021. At the Administration's request and with the concurrence of the Panel Chairman, the aforesaid (b) was deferred to a future meeting and the Panel would instead discuss "Study results of the redevelopment of HA's factory estates and clearance arrangements". The revised agenda was issued to members on 25 May 2021 vide LC Paper No. CB(1)948/20-21.)

III. Expansion of the Scope of the Funding Scheme to Support Transitional Housing Projects by Non-government Organisations and Provision of Additional Subsidy to Projects with Special Constraints

(LC Paper No. CB(1)842/20-21(03) — Administration's paper on expansion of the scope of the Funding Scheme to Support Transitional Housing Projects by Non-government Organisations and provision of additional subsidy to projects with special constraint

LC Paper No. CB(1)842/20-21(04) — Paper on transitional housing prepared by the Legislative Council Secretariat (updated background brief))

3. At the invitation of the Chairman, the Under Secretary for Transport and Housing ("USTH") briefed members on the Administration's proposal in LC Paper No. CB(1)842/20-21(03) to expand the scope of the Funding Scheme to Support Transitional Housing Projects by Non-government Organisations ("the Funding Scheme") to cover the rent payment for conversion or use of private premises as transitional housing and to increase the funding ceiling for transitional housing developments on vacant land with site development constraint ("the proposal").

4. 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.

5. Mr LEUNG Che-cheung declared that a foundation under the New Territories Association of Societies (which was his political affiliation) had applied for subsidy in relation to transitional housing in hotels under the relevant scheme. Mr LAU Kwok-fan declared that he belonged to the New Territories Association of Societies.

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6. Mr Abraham SHEK declared that a non-government organization ("NGO") to which he belonged took part in the provision of transitional housing.

Pilot Scheme to Subsidise Using Rooms in Hotels and Guesthouses as Transitional Housing

7. Mr Wilson OR said that his political affiliation supported the proposal which facilitated the provision of more transitional housing units to help meet the demand. In view that the target of the Pilot Scheme to Subsidise Using Rooms in Hotels and Guesthouses as Transitional Housing ("the Pilot Scheme") was to provide about 800 transitional housing units and the Administration had received proposals for about 200 units only as at end April 2021, Mr OR enquired how the Administration would promote the scheme to encourage more hotel/guesthouse owners/operators to provide suitable rooms for transitional housing use. Mr Vincent CHENG said that he supported the proposal, and asked whether the Administration would provide assistance to owners/operators who had difficulties in identifying suitable NGOs for operating transitional housing projects in their guesthouses.

8. USTH replied that apart from holding meetings with representatives of the hotel and guesthouse industry to address their concerns on the arrangements under the Pilot Scheme, the Task Force on Transitional Housing ("TFTH") had also organized two online briefing sessions in end March 2021 to provide details of the scheme to the industry and prospective NGOs and had uploaded them to the Transport and Housing Bureau ("THB")'s website. The Administration would continue to promote the scheme to facilitate the hotel and guesthouse industry's understanding and invite interested NGOs to visit the hotels/guesthouses which were suitable for providing transitional housing. TFTH has uploaded the relevant information to the THB's website to facilitate direct communications between the industry and these interested NGOs in taking part in the Pilot Scheme.

9. Mr Vincent CHENG asked whether the Administration would set a target on the number of units that would be provided under the Pilot Scheme by end 2021. Mr Wilson OR enquired about the total time taken from receipt of an application under the Pilot Scheme to making the hotel/guesthouse room ready for renting to transitional housing residents. USTH replied that the Pilot Scheme was funded by the Community Care Fund ("CCF") and was open for applications since 1 April 2021. TFTH had received proposals for about 200 transitional housing units under the scheme, and more than 150 hotel/guesthouse owners/operators had indicated interest in participating in

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the scheme. To expedite the processing of the applications, the Assessment Committee would hold more meetings to vet the proposals received when necessary. USTH advised that subject to the responses from NGOs as well as the hotel and guesthouse industry, after the funding from CCF was exhausted, with the Finance Committee ("FC")'s approval on the proposal, the Pilot Scheme would be carried forward under the Funding Scheme and the conditions and arrangements under the Pilot Scheme would be suitably reviewed.

10. Mr LAU Kwok-fan said that he welcomed the proposal to expand the scope of the Funding Scheme to cover the rent payment for use of suitable rooms in hotels/guesthouses as transitional housing. He asked about the adequacy of the subsidy for each transitional housing unit, which was capped at \$0.2 million per unit, taking into account the length of tenancy period under the agreement between the NGO and the hotel/guesthouse concerned. He further asked whether the Administration had put in place standards regarding the size of these units. Mr SHIU Ka-fai said that his political affiliation supported the submission of the proposal to FC, and asked about how long such hotel/guesthouse rooms would be used as transitional housing.

11. USTH replied that the Administration expected that the average living space in a unit under a transitional housing project was about seven square metres gross floor area per person and that each transitional housing unit would be used for at least two years. When introducing the Pilot Scheme earlier on, the Administration had set the funding ceiling at \$133,500 per hotel/guesthouse room for two years. To align with the funding cap for projects on conversion or use of private premises as transitional housing under the Funding Scheme, the Administration proposed to adjust the funding ceiling to \$0.2 million for transitional housing per hotel/guesthouse room in the projects subsidized by the Government. In vetting the proposals submitted by NGOs, the Assessment Committee would determine the actual amount of subsidy according to a set of factors including the time period for which the room would be used as transitional housing, the proposed affordable rent level set by the NGO concerned and the NGO's overall operation, the conditions of the hotel/guesthouse, etc. It was expected that the use of hotel/guesthouse rooms under the Funding Scheme would not be less than two years under the Pilot Scheme.

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Rent of transitional housing

12. Mr Michael TIEN opined that the rent ceiling of transitional housing units, i.e. 40% of the public rental housing ("PRH") income limit, represented about 50% or more of the household income of the families concerned, and he reiterated his suggestion that the Administration should lower the ceiling to about 20% to 30% of the PRH income limit. USTH replied that the rent level proposed by NGOs for their transitional housing units was an important criterion considered by the Assessment Committee in vetting their proposals. The existing rent levels of transitional housing units were below the ceiling and generally far below the market rent. In some projects, the NGOs had waived the rent for some tenants or provided financial assistance to them taking into account the changes in the tenants' income and their financial situation.

Use of subsidy under the Funding Scheme for rent payment

13. Mr Michael TIEN expressed grave concern on the proposed expansion of the scope of the Funding Scheme to cover rent payment to owners of private premises used as transitional housing. He enquired whether and when the Administration had advised the public that owners might charge rent for using their premises as transitional housing. USTH replied that since the implementation of the transitional housing initiative, there were cases where some owners charged a nominal rent of \$1 for using their land/premises for transitional housing, and some leased their properties to transitional housing operators at lower-than-market rent. For projects that required the payment of rent, some could be taken forward because the NGOs were able to secure additional sources of funding to pay the rent. According to the feedbacks collected by the Administration from transitional housing operators, the conversion of existing private premises into transitional housing in some cases would not be financially viable as the amount of rent to be received from tenants under the prevailing unemployment situation might not be sufficient to fully cover the rent payable to the owners of the private premises. The proposed expansion of the scope of the Funding Scheme to provide subsidy to NGOs for covering the rent payment to owners of private premises used as transitional housing would help resolve the problem in these cases.

14. The Chairman requested the Administration to provide information in light of Mr TIEN's enquiry, i.e. whether the Administration had previously indicated to Panel members or otherwise that owners of the land/premises in transitional housing projects might charge rent for using their land/premises for transitional housing; and if yes, at what time and the relevant details.

(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)953/20-21(01) on 26 May 2021.)

15. Mr Michael TIEN said that he would consider whether to support the proposal after taking into account the Administration's supplementary information. In view that tenants of transitional housing might need to pay rent of an amount equal to 40% of the PRH income limit to NGOs which was too high to be affordable to the households concerned, and NGOs needed government subsidy to make fit the premises for their transitional housing projects and pay rent to the premises owners, he suggested that instead of subsidizing NGOs to pay rent to premises owners, the Administration should consider providing direct financial support for these households to rent accommodations in the private market. USTH replied that in contrast to Mr TIEN's suggestion, providing subsidy to facilitate NGOs to provide transitional housing would help increase the total supply of housing units.

Provision of additional subsidy to projects with site development constraints

16. Mr LEUNG Che-cheung enquired about the basis for the Administration's proposal that the financial subsidy for provision of extensive drainage facilities at transitional housing sites should be subject to a ceiling of \$15,000 per transitional housing unit. USTH replied that there were projects involving construction of transitional housing units on vacant land without public storm and/or foul water connection in the vicinity, thus requiring the provision of extensive drainage facilities such as onsite sewage treatment facilities, long pipes for storm or foul water connections outside site boundary and etc. Providing additional financial subsidy for the extensive drainage facilities could encourage NGOs to undertake projects with marginal viability, which was crucial for meeting the target of supplying 15 000 transitional housing units by 2022-2023. As revealed in some large-scale transitional housing such as Kong Ha Wai project, the expenditure required for the provision of extensive drainage facilities was over \$10,000 for each transitional housing unit. Taking into account the relatively higher cost for providing such facilities at smaller project sites and the importance to ensure appropriate use of public funds, the Administration considered it justified to provide subsidy based on the proposed funding ceiling of \$15,000 per unit.

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17. Mr Vincent CHENG said that the Administration should closely monitor the cost for developing transitional housing on vacant land, and he expected a continued reduction in the project cost following the implementation of more projects in future. He enquired whether apart from the provision of extensive drainage facilities at transitional housing sites, NGOs would also need to overcome other site constraints, such as slope problems. USTH replied that the lack of drainage facilities was a relatively greater constraint in implementing transitional housing projects on vacant land. Tackling slope problem at a site would involve substantial cost, hence the site with such problem might not be suitable for providing transitional housing. The Assessment Committee would continue to vet the applications for the Funding Scheme taking into account the need to ensure prudent use of public funds and the relevant funding ceiling under the Funding Scheme.

18. Ms Alice MAK said that she supported the submission of the proposal to FC for consideration. She expressed concern whether individual property owners/developers would lend their land lots for transitional housing use for a short period of time merely because they believed that the Administration would provide drainage facilities as part of the transitional housing development and the presence of such facilities would facilitate the implementation of their private development projects on the land lots at lower cost in future. USTH replied that as constructing transitional housing on non-residential land in rural areas required application for planning permission under the Town Planning Ordinance (Cap. 131) for most of the cases, the Administration had all along been careful in selecting non-residential sites for implementing transitional housing projects and would consider the transport and environmental impacts of the projects. For the privately-owned sites leased to NGOs for implementing transitional housing projects, the cost of the site formation and infrastructure works would be borne by the private developer concerned. After a transitional housing site was returned to the developer upon the completion of the project, the developer needed to submit fresh planning applications under the Ordinance to the Town Planning Board for any plans to change the use of such land permanently for other purposes. Moreover, the Administration could relocate the sewage treatment facilities installed at the site to another site after completion of the transitional housing project.

Scope of the Funding Scheme under the proposal

19. Mr Wilson OR enquired whether transitional housing projects undertaken by NGOs in collaboration with owners of subdivided units ("SDUs") would be covered under the proposed expanded scope of the Funding Scheme, and how the Administration would monitor the operation

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of such projects. USTH replied that the Funding Scheme supported NGOs to provide not-for-profit transitional housing projects in domestic premises. The Administration had put in place various criteria for vetting applications for such projects. For example, the project operator should allocate a major portion of the transitional housing units for applicants who were living in inadequate housing and had been waiting for PRH for three years or more, the rent level of transitional housing should be lower than the relevant market rent with a ceiling of no more than 40% of the prevailing PRH income limit, etc. The Administration believed that given such requirements, conversion of SDUs for transitional housing might not be attractive to owners of such units.

Use of transitional housing sites

20. Ir Dr LO Wai-kwok said that he supported the submission of the proposal to FC for consideration. He opined that the Administration was obliged to provide basic infrastructure facilities to support the housing development to be provided at a site, no matter it was temporary or permanent, whereas the provision of facilities within the site should be responsible by the land owner concerned, such as private developers, HA, etc. As permanent public housing in contrast to private and transitional housing could address the housing demand of needy households in the long term, it would be more cost-effective for the Administration to give top priority to development of long-term public housing at the land sites which were suitable for residential use. USTH replied that in selecting sites for providing transitional housing, the Administration had all along adopted a holistic approach and intended to make good use of temporary sites which would remain vacant for a certain period of time before the scheduled commencement of the long-term development that had been planned for the sites. There were cases where a site which had been identified for transitional housing development was, upon review, used directly for long-term public housing development, and there were also examples that a site which was originally considered suitable for transitional housing could not be used for such purpose due to changes in planning circumstances.

Supply of transitional housing

21. Mr Vincent CHENG opined that the Administration should continue expediting the development of transitional housing and increase its supply significantly so that more alternative accommodations would be made available for households living in inadequate housing. Mr Tony TSE said that the Administration needed to speed up the provision of more transitional housing units to help address the housing difficulties faced by inadequately-

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housed households amid the current shortage of permanent public housing, and he supported the proposal in principle. He opined that converting an industrial building ("IB") for transitional housing was not economically attractive to IB owners, given that considerable cost of investment would be involved in the wholesale conversion and IB units could be used for rental purposes other than transitional housing. He enquired how the proposal would help increase and speed up the supply of transitional housing and whether the Administration could meet the target of providing 15 000 transitional housing units or more by end March 2023 if FC approved the proposal.

22. USTH replied that the Administration had identified land for the provision of about 14 000 transitional housing units by 2022-2023 and was confident that the land required for providing the remaining 1 000 units could be identified by the first half of 2021. As the financial subsidies granted to NGOs might be different among different transitional housing projects, it was not practicable for the Administration to estimate how the proposal would increase the number of transitional housing units. The Administration would continue to liaise with NGOs to explore the development of different types of transitional housing and make flexible use of the community resources to increase supply of such housing.

23. In response to Mr SHIU Ka-fai's enquiry about how long the 15 000 units were intended to be used for transitional housing purpose, USTH advised that the duration period of a transitional housing project might be affected by various factors, such as the original redevelopment programme of the building/premises where the unit was provided, expiry date of the tenancy agreement between the transitional housing project operator and the owner of the land/premises concerned, etc. For projects which provided newly-constructed transitional housing units on vacant land, the duration for transitional housing might generally be longer. By taking the projects in Kong Ha Wai and Tung Tau as examples, the landlords had leased their land to the project operators for seven years or more. Moreover, such units which were built using the modular integrated construction method could be reused at other project sites in future.

Targeted tenants of transitional housing

24. Mr LEUNG Che-cheung asked whether in the coming three years, HA would provide adequate PRH for applicants who had waited for PRH for three years or more, and if so, whether the Administration would in future extend the eligibility for transitional housing to cover the families who had waited for PRH for less than three years. USTH replied that as the proportion

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of PRH applicants who had waited for PRH for more than three years was currently high, the Administration had requested operators of transitional housing projects to allocate a major portion of their units for these applicants whereas remaining units could be used by the operators to achieve its other missions or cater for other applicants. The Administration would review the eligibility criteria for transitional housing from time to time to cope with changes in situations in future.

Concluding remarks

25. Concluding the discussion, the Chairman said that members, except Mr Michael TIEN, had indicated support for the Administration's submission of the proposal to FC for consideration.

IV. Use of non-domestic premises of the Hong Kong Housing Authority

(LC Paper No. CB(1)842/20-21(05) — Administration's paper on use of non-domestic premises of the Hong Kong Housing Authority

LC Paper No. CB(1)842/20-21(06) — Paper on use of non-domestic premises of the Hong Kong Housing Authority prepared by the Legislative Council Secretariat (updated background brief))

26. At the invitation of the Chairman, Acting Deputy Director (Estate Management), Housing Department ("DD(EM), HD (Atg.)") briefed members on latest situation of the use of non-domestic premises of HA. Chief Estate Surveyor/Commercial Properties, Housing Department gave a PowerPoint presentation on the subject.

(Post-meeting note: Presentation materials (LC Paper No. CB(1)877/20-21(01)) for the item were issued to members on 5 May 2021 in electronic form.)

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Redevelopment of factory estates

27. In view that the Government had announced the initiative to explore the feasibility of redeveloping six factory estates of HA in 2019, Mr Wilson OR asked about the follow-up actions to be taken by HA upon completion of the feasibility study. He and the Chairman enquired about the timetable for the Administration to brief the Panel on the subject matter. DD(EM), HD (Atg.) replied that as mentioned in the 2020 Policy Address, HA expected to complete the studies on the feasibility of redeveloping its factory estates in the first quarter of 2021. The studies had been completed and the Housing Department would report the findings of the studies and the proposed implementation arrangements to the relevant committee of HA as early as possible, and subject to the decision made by the committee, HA/the Administration targeted to announce the relevant arrangements and brief the Panel on the subject matter in the second quarter of 2021 at the earliest.

28. Mr Wilson OR opined that HA's factory estates were generally built in good locations and their utilization rates were low. In view of the substantial cost involved in HA's past conversion project for its factory estates, he suggested that HA should redevelop, instead of converting, the factory estates for public housing, and consider allowing temporary use of these buildings to provide transitional housing when pending redevelopment. He further said that HA should make clear in a timely manner the clearance and rehousing arrangements for such factory estates so that the tenants could make early preparations for the impacts of such arrangements. DD(EM), HD (Atg.) replied that in its previous clearance exercises of factory estates, HA would normally give an advance notice of 18 months to affected tenants to facilitate their early planning for vacating the premises. HA would make reference to such previous practice if it decided to clear individual factory estates in future.

Provision of electric vehicle charging facilities

29. Noting that HA provided about 32 200 car parking spaces and only about 1 200 private car parking spaces were provided with electric vehicle ("EV") chargers, Ms Alice MAK expressed concern on whether the progress of installing EV charging facilities in HA's carpark could cope with the Government's policy to promote wider use of EVs. The Chairman asked whether HA had set a target proportion of car parking spaces that would be installed with EV chargers in each HA's carpark, including the existing ones. DD(EM), HD (Atg.) replied that for carpark in new public housing developments, HA followed the recommendations of the Hong Kong Planning Standards and Guidelines to install EV chargers for at least 30% of the private car parking spaces and provide the remaining 70% with EV

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charging enabling infrastructure, including power supply, cables and conduits, etc. With the completion of more carparks in HA's new projects in future, the proportion of private car parking spaces installed with EV charging facilities would continue to increase. As regards existing carparks, HA would install EV charging facilities as far as practicable subject to demand and technical feasibility including available electricity loading capacity.

30. Mr Michael TIEN queried whether the future provision of EV charging facilities in HA's existing carparks could not tie in with the measures under the Government's policy on popularization of EVs including no new registration of fuel-propelled private cars in future, and whether the Government was aware that HA might not be able to provide EV charging facilities for all private car parking spaces in its existing carparks. DD(EM), HD (Atg.) replied that in support of the Government's policy to promote the wider use of EVs, HA would continue to install more EV charging facilities at its existing carparks as far as practicable taking into account their demand and utilization, the cost-effectiveness of installation and maintenance of such facilities, technical feasibility and the impact of any required upgrading works on residents. She advised that the current usage of EV chargers installed in existing monthly private car parking spaces in HA's public housing was on the low side.

31. Mr KWOK Wai-keung opined that the lack of specific targets for the provision of EV charging facilities in HA's existing carparks reflected an inadequate coordination among relevant bureaux/departments in implementing the measures in relation to popularization of EVs and phasing out of fuel-propelled vehicles. The Chairman requested the Administration to relay his suggestion to HA that a review should be conducted to examine each existing carpark regarding the feasibility of providing EV charging facilities. He said that the Administration should brief the Panel at an appropriate time (such as in the next LegCo term or earlier) on the HA's plan and timetable regarding the provision of such facilities, including the information about the carparks which would not be provided with EV charging facilities due to redevelopment of the sites concerned.

Subsidy scheme for promotion of contactless payment

32. Mr LAU Kwok-fan enquired about the number of applications from HA's market and cooked food stall tenants for the subsidy scheme for promotion of contactless payment ("the subsidy scheme") and the requirements that had to be met by the applicants in order to receive the subsidy. DD(EM), HD (Atg.) replied that the Government launched the first

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round of the subsidy scheme under the Anti-epidemic Fund in October 2020 to provide a one-off subsidy of \$5,000 to stall tenants of markets and cooked food stalls under the Food and Environmental Hygiene Department and HA, with a view to encouraging stall tenants to use contactless payment to safeguard public health. For a HA market tenant to be eligible for the subsidy, the tenant was required to submit an application and obtain the HA's approval-in-principle, and produce a valid service contract of no less than a duration of two years signed by him/her with a contactless payment service provider. After HA conducted inspections to confirm that installation of the contactless payment device had been completed to enable contactless payment to be used at the stall, the Government would disburse the subsidy of \$5,000 to the eligible tenant as soon as practicable. In their applications, the stall tenants were also required to undertake not to unreasonably refuse request for contactless payment from patrons during the service contract period. If a tenant was found to be not complying with the undertaking, the Government/HA had the right to claw back the subsidy disbursed. In the first round of the subsidy scheme, HA had received applications from about 450 tenants, which represented about 30% of HA's stall tenants. About 370 applicants had completed the installation work and the Government had disbursed the subsidy to them. After the Government's announcement to launch the second round of the subsidy scheme, HA had issued individual notification letters to its stall tenants informing them about the launch of the second round of the scheme, together with the application form and information about contactless payment service providers' service packages. The application period would last for two months from 30 April 2021. HA would invite interested service providers to conduct promotion activities at its markets and cooked food stalls with a view to encouraging stall tenants to join the subsidy scheme.

33. Mr LAU Kwok-fan asked about why the remaining HA's stall tenants did not apply for the subsidy scheme during the first round, and whether to tie in with the Government's initiative of issuing electronic consumption vouchers to eligible Hong Kong residents, HA would strengthen its promotional efforts to encourage applications for the second round of the subsidy scheme. DD(EM), HD (Atg.) replied that some stall tenants had reservations about installing contactless payment devices due to the administrative and service fees charged by the service providers and the impact of adopting contactless payment on their cash flow. She advised that with the implementation of the Consumption Voucher Scheme, some contactless payment service providers had tentatively agreed to waive or reduce relevant service fees for usage of contactless payment devices for a certain period of time, and this might encourage more stall tenants to apply for the subsidy scheme in the second round.

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34. Mr SHIU Ka-fai declared that he was a member of HA, and said that HA had put efforts over the past two years in increasing the supply of commercial facilities, including car parking spaces. In response to his enquiry about the details in arranging contactless payment service providers to promote their service packages in HA's markets, DD(EM), HD (Atg.) advised that HA would invite interested contactless payment service providers to separately visit HA's markets and cooked food stalls to conduct promotional activities and to explain the scope of its services to stall tenants. Mr SHIU and the Chairman remarked that HA should consider including on-line briefing sessions (such as through Facebook Live or other electronic platforms) as one of its promotional channels.

35. Ms Alice MAK opined that HA should proactively explore new initiatives in relation to non-domestic facilities in estates in order to keep pace with time. Mr KWOK Wai-keung expressed a similar view and said that as contactless payment service providers had actively introduced concessions to promote contactless payment and boost consumption, HA and relevant government departments should explore how such commercial initiatives and activities would be beneficial to public housing residents and introduce measures to enhance such benefit.

36. Mr Michael TIEN suggested that HA should request its stall tenants to adopt contactless payment as a condition for tenancy renewal, and simultaneously reduce the stall rent by 5% upon tenancy renewal to offset the service fees that they needed to pay to their contactless payment service providers. DD(EM), HD (Atg.) replied that most HA's existing stall tenants had operated small businesses at the premises concerned for many years, and it would be more appropriate for HA to continue promoting the use of contactless payment through encouragement at this stage.

37. Mr SHIU Ka-fai said that HA might give further consideration to Mr TIEN's suggestion which provided economic incentives to promote the use of contactless payment in its markets. He opined that the implementation of the Consumer Voucher Scheme would bring positive impact to the relevant industries, and HA should step up efforts to foster its stall tenants' understanding of the benefits of contactless payment. The Chairman said that apart from considering the suggestion of Mr TIEN, HA might also consider allowing its stall tenants to choose not to adopt contactless payment but granting rent reduction to the stall tenants who were willing to adopt it. The Chairman further said that given the considerable number of retail tenants in HA's commercial facilities who were prospective users of contactless payment facilities, HA should have bargaining power to negotiate for better

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terms in the contactless payment service contracts offered to its tenants, such as reduction in service fees and more efficient payment settlement services in order to address its tenants' concerns on the level of fees for usage of contactless payment devices and the cash flow problem arising from adopting such electronic payment in future.

Parcel lockers

38. In response to Ms Alice MAK's enquiry on whether HA would provide more parcel lockers in its estates for on-line purchase delivery services and allow more companies to take part in the relevant services, DD(EM), HD (Atg.) replied that HA would continue to identify suitable locations in its estates for setting up more parcel lockers, taking into account the demand for such facilities and the technical feasibility including spatial requirements and whether the provision of such facilities would compromise safety or obstruct public access, etc. After identifying new locations for setting up parcel lockers, HA would invite tender for provision of the facilities.

Promotional venues

39. Noting that according to paragraph 8 of LC Paper No. CB(1)842/20-21(05), HA had arranged short-term letting of promotional venues in its shopping centres for roadshows, pop-up stores and trade fairs, etc., Mr KWOK Wai-keung opined that these activities might provide members of the public, including the unemployed, with opportunities for starting up small businesses. He enquired about the number of hours involved in such activities over past years, and whether and to what extent HA would allow more such activities in future. DD(EM), HD (Atg.) replied that HA had all along been arranging short-term lettings of promotional venues in its shopping centres for such activities in order to broaden shopping choices for residents and the community as well as provide business opportunities for small and medium enterprises and business start-ups. The Chairman requested the Administration to provide supplementary information on the number of activity hours under short-term lettings at its promotional venues in the past to address Mr KWOK's enquiries.

(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)954/20-21(01) on 27 May 2021.)

Rent concessions for non-domestic tenants

40. The Chairman and Mr SHIU Ka-fai expressed commendations on the rent concessions granted by HA to non-domestic tenants since October 2019 which had assisted tenants in its shopping centres to tide over the economic hardship caused by the social incidents and the pandemic, and in contrast to retail operators in other premises, tenants in HA's shopping centres had less difficulties to stay afloat during the difficult time. The Chairman said that he had opposed the proposal to divest HA's retail and car parking facilities in 2005, and HA should continue managing its existing and newly developed commercial facilities in future and should not put any of these facilities on sale.

V. Any other business

41. There being no other business, the meeting ended at 10:21 am.

Council Business Division 1
Legislative Council Secretariat
15 July 2021