立法會 Legislative Council

LC Paper No. CB(1) 2116/99-00

(These minutes have been seen by the Administration and cleared by the Chairman)

Ref: CB1/PL/HG/1

LegCo Panel on Housing

Minutes of special meeting held on Monday, 19 June 2000, at 4:30 pm in the Chamber of the Legislative Council Building

| Members present | : | Hon LEE Wing-tat (Chairman) | | |
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| - | • | Hon Gary CHENG Kai-nam, JP (Deputy Chairman) | | |
| | | Hon David CHU Yu-lin | | |
| | | Hon HO Sai-chu, SBS, JP | | |
| | | Hon Albert HO Chun-yan | | |
| | | Hon LEE Cheuk-yan | | |
| | | Hon Fred LI Wah-ming, JP Hon NG Leung-sing Hon James TO Kun-sun Hon CHAN Yuen-han Hon CHAN Kam-lam | | |
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| | • | Hon LEUNG Yiu-chung | | |
| | • | Dr Hon YEUNG Sum | | |
| | | Hon SZETO Wah | | |
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| Members attending | | Dr Hon LUI Ming-wah, JP | | |
| | | Hon LAW Chi-kwong, JP | | |
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| Members absent : | | Hon Edward HO Sing-tin, SBS, JP | | |
| | | Hon Mrs Selina CHOW LIANG Shuk-yee, JP | | |
| | | Hon Ronald ARCULLI, JP | | |
| | | Hon Andrew WONG Wang-fat, JP | | |
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| Public officer | : | For items II and III | | |
| attending | | Housing Bureau | | |
| | | Housing Duicau | | |
| | | Mr Dominic WONG, JP, Secretary for Housing | | |

Miss Elaine CHUNG, JP, Deputy Secretary for Housing

Housing Department

Mr J A MILLER, JP, Director of Housing

Mr LAU Kai-hung, Business Director (Allocation and Marketing)

Mr Andrew LAI, Head, Corporate Strategy Unit

For item IV

Housing Bureau

Miss Elaine CHUNG, JP, Deputy Secretary for Housing

Housing Department

Mr J A MILLER, JP, Director of Housing

Mr R A BATES, Deputy Director (Works)

Mr LAM Sze-chuen, Chief Structural Engineer

Mr Andrew LAI, Head, Corporate Strategy Unit

For item V

Housing Bureau

Miss Elaine CHUNG, JP, Deputy Secretary for Housing

Housing Department

Mr J A MILLER, JP, Director of Housing

Mr R A BATES, Deputy Director (Works)

Mr LAM Sze-chuen, Chief Structural Engineer

Mr Andrew LAI, Head Corporate Strategy Unit

| Clerk in attendance | : | Mrs Mary TANG, | Chief Assistant Secretary (1)6 |
|---------------------|---|----------------|---------------------------------|
| Staff in attendance | : | Ms Pauline NG, | Assistant Secretary General 1 |
| | | Miss Becky YU, | Senior Assistant Secretary (1)3 |

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Confirmation of minutes of previous meeting

(LC Paper No. CB(1) 1870/99-00)

The minutes of meeting held on 20 March 2000 were confirmed.

II Cottage Area Clearance

(LC Paper Nos. CB(1) 1871/99-00(01) and CB(1) 1879/99-00(01) — information papers provided by the Coalition on Safeguarding the Rights of Cottage Areas in Hong Kong)

2. The <u>Chairman</u> referred members to the discussion on 5 June 2000 on the subject of Cottage Area (CA) clearance whereby a motion was passed by the Panel urging the Administration to reconsider members' request for the granting of a special ex gratia allowance to affected residents of CAs and to freeze the clearance of CAs until reasonable compensation arrangements had been worked out.

3. At the invitation of the Chairman, the <u>Secretary for Housing</u> (S for H) explained the Administration's stance on the CA clearance. <u>S for H</u> said that, pursuant to the motion passed by the Panel at its meeting on 5 June 2000 and in the light of the additional information provided by Ms Ada WONG, District Council member who attended the meeting, the Administration had reconsidered members' request for the granting of ex gratia allowance to CA residents. The Finance Bureau, the Department of Justice, the Lands Department and the Housing Department (HD) had been consulted. They all agreed that the Administration should maintain its stance since there was no legal basis for using public funds for paying ex gratia allowance to CA residents upon clearance.

4. <u>S for H</u> pointed out that CA residents had no legal entitlement to the land on which their structures were erected. They were first permitted to live in the areas by virtue of the 1952 Emergency (Resettlement Areas) Regulations under the Emergency Regulations Ordinance. The CA residents were in effect licensees who were permitted to reside on designated land by paying licence fees. Under the licence conditions, they were allowed to erect structures at their own costs and were obligated to vacate their structures upon receipt of the three-month Notice-To-Quit. There was no legislation which provided for compensation for the demolition of cottage structures.

5. <u>S for H</u> drew members' attention to the judgement of the Court of Appeal delivered on 27 September 1999 in respect of the Tiu Keng Leng Cottage Area judicial review which ruled that neither the Government nor the Housing Authority (HA) was legally liable to pay any compensation to CA residents for demolishing their structures. Nevertheless, the Administration did recognize that CAs were an early form of public housing, and that the overall position of CA residents was unique. It was therefore prepared to offer relaxed rehousing arrangements for CA residents. The Government had pledged in the 1997 Policy Address to clear the remaining five CAs by 2001, in order to provide a more satisfactory living environment to resettled households.

6. The <u>Chairman</u> enquired about the legal basis for granting ex gratia allowance as he was aware that these allowances were granted by some Government departments to persons affected by natural disasters. <u>S for H</u> advised that under the existing legislation, there were no provisions for paying ex gratia allowance to CA residents upon clearance. Other concerned departments consulted also confirmed that there was no legal basis for granting ex gratia allowance to CA residents. Noting S for H's advice, the Chairman further referred to an earlier decision made by the Administration in providing an extended "short-term tenancy" on another location for affected clearees of Tsing Yi Shipyard Clearance to continue their operation, which showed that special consideration could be accorded by the Administration in its clearance operation to meet the needs of the clearees. He queried why the CA residents, with their unique historical background, could not be accorded special consideration. <u>S for H</u> explained that there were separable policies in dealing with compensation for commercial undertakings and with rehousing arrangements The Business Director/Allocation and Marketing (BD/AM) for affected residents. supplemented that HD had cleared 11 CAs and had evacuated 70,000 residents in the past, based on the terms and conditions of the occupation permits. The affected residents were rehoused accordingly and their living environment had consequently been improved. To illustrate the situation, <u>BD/AM</u> provided some photographs for members' reference. He hoped that by the year 2001, all the remaining CAs would be cleared to provide a more satisfactory living environment to the affected households.

7. <u>Miss CHAN Yuen-han</u> said that the subject of CA clearance had been discussed at several meetings of the Housing Panel. All the political parties had expressed unanimous support for the granting of ex gratia allowance to CA residents and were of the view that CA residents should be treated differently from squatter area residents due to their unique historical background. She expressed regret over the Administration's decision to refuse a request which was unanimously supported by all members and opined that this would seriously undermine the relationship between the Executive and the Legislature. Sharing the same concern, the <u>Chairman</u> added that special consideration for an ex gratia allowance should be granted to CA residents who did invest a substantial amount of their savings on their cottage structures when they first moved in the 1950s.

8. <u>S for H</u> said in response that CA residents were well aware that they were occupying the designated land on licence conditions and were required to vacate their structures upon a three-month Notice-to-Quit by HA. They had no legal entitlement to the land, nor would they be compensated for the loss of their self-owned structures. These contractual obligations were clearly stated in the licence conditions which were binding on both residents and HA. As to the decision to maintain refusal of granting ex gratia allowance to CA residents, <u>S for H</u> said that this was not based on the decision of the Housing Bureau alone but was a joint decision made together with the concerned bureaux and departments in the Government.

9. On the Chairman's enquiry about the funding arrangements for the clearance of CAs, <u>S for H</u> replied that the demolition of Tung Tau CA would be funded by HA while the funding for the clearance of the remaining three CAs would be sought from the Finance Committee.

10. <u>Mr CHENG Kai-nam</u> was of the view that the policy on CA clearance was not a long standing policy. The policy was only worked out when the need for clearance and the question of compensation arose. <u>S for H</u> did not agree with Mr CHENG. He pointed out that the history of CA dated back to decades ago. There were clear policy and management procedures for clearance of CA structures. Owing to deterioration of living conditions, coupled with the risk of slope failure, there was a need for more urgent action to deal with CA clearance. <u>BD/AM</u> added that the Emergency (Resettlement Areas) Regulation which provided for the resettlement of CA residents were in existence since 1952. The Resettlement Ordinance enacted in 1958 sought to consolidate the Emergency (Resettlement Areas) Regulations then in force. The Resettlement Ordinance was subsequently repealed in 1973 by the Housing Ordinance, which empowered HA to manage these CAs and enforce the condition of licences. All along, the policy on CA clearance had worked well and had provided rehousing arrangements for people affected by the clearances, and had succeeded in improving their living conditions.

11. <u>Members</u> noted that at the Panel meeting on 5 June 2000, the Panel had agreed to report the situation of CA clearance to the House Committee at its meeting on 9 June 2000. Pursuant to its decision, the Chairman of the House Committee had written to the Chief Executive on 13 June 2000 requesting for the granting of ex gratia allowance to residents affected by CA clearance. The <u>Chairman</u> said that since the Administration had decided to maintain its stance of not paying ex gratia allowance to CA residents despite members' persistent requests, he would have no other recourse except to report the matter to the House Committee again at its next meeting on 23 June 2000.

III Review of the Home Ownership Scheme policy and its impact on the private property market

(LC Paper No. CB(1) 1879/99-00(02) -- list of concerns raised by the Chairman)

12. At the Chairman's invitation, <u>S for H</u> briefed members on the private property market situation. According to S for H, the volume of transactions had shrunk from 6,400 sales a month last year to about 5,300 sales a month this year. Of these, 80% involved transactions in the second-hand property market. The property prices in May 2000 showed a decrease of 49% from their peak in October 1997, but an increase of 5% if compared to the prices at the lowest ebb in October 1998. <u>S for H</u> pointed out that over 99% of the buyers were now purchasing properties for their own occupation and speculation in property was no longer a trend in the present market situation. There were now about 59,000 unoccupied flats in the private property market, representing 5.9% of the total number of private units. The supply of private property units would be about 27,000 in 2000 and 30,000 in 2001 according to the Rating and Valuation Department. Judging from these figures, there would be an optimum supply of units in the private property market for the years 2000 and 2001.

13. <u>S for H</u> further stated that the package of measures proposed by the Chairman of HA on 16 June 2000, which included the transfer of 16,000 Home Ownership Scheme (HOS) flats to public rental housing (PRH) units, the shortening of the waiting time for applicants on the Waiting List (WL) for PRH, the provision of loans for the Home Purchase Loan Schemes and the use of flexible designs for HOS were technical

adjustments in response to market demand for HOS flats temporarily.

14. The Director of Housing (D of H) added that the plans announced by the Chairman of HA on 16 June 2000 were proposals and not decisions. These proposals would have to be first considered by the Home Ownership Scheme Committee in late June and HA in early July. By way of background, <u>D of H</u> informed that there were three factors which came into play since the promulgation of the Long term Housing Strategy. These were the increase in housing production, the regional economic recession, and the impact of various housing measures. As a result of the increased production of public housing, the waiting time for PRH units had been brought down from 7 years to 5.2 years. There were 107,000 families on WL. On the home ownership side, the Administration introduced the Tenants Purchase Scheme, the Buy or Rent Option and more home With the plunge in property prices in the private sector, the number of purchase loans. HOS applicants, in particular those living in PRH units, had been decreasing significantly. The over-subscription rate dropped from eight times in 1997/98 to three times this year. If 16,000 HOS flats were taken out of the HOS market and transferred to PRH over a fouryear period, the waiting time of WL applicants would be further shortened to three years by 2003, two years ahead of the original plan for achieving the target in 2005. During this period, more housing loans would be offered to compensate for the decrease in HOS flats so that more people could enter the second-hand property market, in particular, in the purchase of second-hand HOS flats.

15. <u>Mr CHAN Kam-lam</u> was concerned that HA's proposal of transferring 16,000 HOS flats into PRH might not be able to benefit the lower income group. This was because with the decrease of HOS supply, the lower income group would have less choice and might need to turn to the more expensive private property market. He suggested that instead of transferring HOS flats to PRH units, consideration should be given to allowing more flexibility by providing options to buy or rent HOS flats. <u>S for H</u> said that the proposals by HA to transfer HOS flats to PRH aimed to adjust the over-supply of HOS flats. The proposed transfer would also shorten the waiting time of PRH applicants on WL. <u>D of H</u> added that the Administration would adopt more flexible designs for new housing flats so that they could be used more flexibly, providing options to buy or rent.

16. <u>Miss CHAN Yuen-han</u> expressed concern about the mismatch between supply and demand of HOS flats. She pointed out that with the reduction of HOS supply, families in the low income group, who might wish to purchase HOS flats when they were able to secure a more stable income upon economic recovery, would have fewer choices. In reply, <u>S for H</u> said that since the sale of HOS flats was confined to an income group, it had a different sales market from that of private properties. Families within the HOS income limit would tend to buy HOS flats rather than private properties. Therefore, the proposed transfer would unlikely affect the private property market. He went on to say that since the handover of sovereignty in 1997, the SAR Government had more control over the land supply and was therefore in a better position to regulate supply and demand for housing production. The provision of more housing loans by HA also provided the means and the flexibility to enable lower income families to purchase properties of their choice. The measures proposed by HA would provide a wider choice of options for the prospective home buyers.

17. Referring to the points made by S for H, <u>Mr LEE Cheuk-yan</u> remained concerned that the prospective HOS purchasers, who were not eligible for PRH and who could not afford to buy properties in the private sector, would be deprived of their chances of owning HOS flats as a result of the decrease in HOS supply. He opined that the proposed measures would not help in boosting the market but would only adversely affect these people. <u>S for H</u> said that the existing housing policies and the measures proposed were meant to benefit different income groups. By transferring HOS flats to PRH, the waiting time for WL applicants would be shortened. The provision of housing loans would provide the choice for homebuyers to purchase properties in the private sector. The relaxation of the 70% mortgage ceiling had also facilitated homebuyers in home purchase.

18. Responding to Mr LEE Cheuk-yan and Mr Albert HO's concerns regarding the affordability of lower income groups in the purchase of private properties, $\underline{D \text{ of } H}$ said that there was a large stock of quality second-hand private (and previously public) accommodation. These would include second-hand HOS flats as well as Private Sector Participation Scheme flats. It would be perfectly possible for these lower income groups to purchase flats with home purchase loans.

19. Mr LI Wah-ming recalled that the Administration had made it clear not too long ago that it would adhere to its housing production schedule despite the reduced demand. He questioned whether the proposals announced by the Chairman of HA were meant to boost the property market, in an attempt to assist those who owned negative property assets. He also enquired about the impact of these proposals on other public housing developments under construction. In response, <u>S for H</u> said that the Administration considered that the HOS policy was an effective means to provide affordable housing to low income families. Therefore, provision of HOS flats would continue unless there was The proposals, according to the Chairman of HA, were not meant to no longer a demand. boost the property market but were intended to adjust the HOS supply against demand. <u>S for H</u> considered that the proposed transfer of 16,000 HOS flats to PRH would unlikely have a significant impact on the private property market. On some members' perception that the package of measures announced was yielding to pressure from property developers, <u>S for H</u> denied the allegation. He reiterated that the measures were a series of technical adjustments made in response to falling home ownership demand.

20. <u>Mr HO Sai-chu</u> welcomed the package of measures which was aimed at adjusting the falling demand for HOS flats. He stressed the need to review the situation regularly in the light of prevailing home ownership demand. <u>S for H</u> said that the Administration was regularly monitoring the supply and demand situation and would adjust its land disposal programme to meet the changing housing demand.

21. The <u>Chairman</u> said that the provision of more PRH flats had been persistently pursued by legislators over the years and he was glad that the request had finally been accepted. He hoped that in adjusting the supply and demand for public housing, sufficient housing resources would be made available to rehouse residents affected by the clearance of rooftop structures, who might not be on WL. <u>S for H</u> said in response that since 1995, the Administration had made numerous public announcements urging eligible residents, including rooftop dwellers, who wished to be rehoused to PRH to register on WL. Therefore, rooftop dwellers who had registered on WL should be qualified for PRH

upon clearance.

22. In view of the over-supply of HOS flats, <u>Mr Albert HO</u> enquired whether the Administration was prepared to reconsider the requests of some HOS owners who wished to sell their flats to PRH tenants in exchange for larger HOS flats. <u>S for H</u> said that the priority for allocating HOS flats was given to first time home buyers. Therefore, it might take quite a while before the Administration could consider a change in policy of allowing an exchange of HOS flats, although he did not rule out such a possibility.

23. <u>Mr LEUNG Yiu-chung</u> enquired about the number of people who would be affected by the proposed package of measures in reducing the supply of HOS flats. <u>D of H</u> said that it would be difficult to make such an assessment since the number of applicants in each phase of HOS sales differed. Given the clear slowdown in the propensity of Green Form applicants for HOS flats, it would make sense to transfer part of the HOS flats to PRH to shorten the waiting time for WL applicants who were in dire need for public housing. <u>Mr LEUNG</u> further queried why the announcements for the proposals were made hastily, when the approval from HA had yet to be sought. <u>D of H</u> reiterated that the recommendations were formulated on the basis of three changes occurred last year, namely the increase in production, the economic slowdown and the impact of a wider number of choice. Over the last year, there had been a steep decline in the number of Green Form HOS applicants which had reinforced the need for this review.

IV Report of the Investigation Panel on Accountability (Piling Contract 166/1997 Shatin 14B Phase 2) (LC Paper No. CB(1) 1871/99-00(03))

Actions taken in response to the Report of the Investigation Panel on Accountability

24. The Chairman invited the Administration to brief the Panel on the latest progress of actions taken in response to the Report of the Investigation Panel on Accountability (Piling Contract 166/1997 Shatin 14B Phase 2) (the Report), which was last discussed by the Panel on 25 May 2000. D of H informed that the Building Committee (BC) of HA met on 7 and 10 June 2000 to hear representations by some of the parties identified in the Report, and to consider follow-up actions. As a result, the Zen Pacific Civil Contractors Ltd had been suspended from tendering for HA works. In response to the Zen Pacific Civil Contractor Company Ltd and its parent company, a small team, comprising representatives from BC and HD had been formed to consider further approaches by the company. In the interim, HA had reserved its position on whether or not to pursue arbitration, litigation, or the imposition of sanctions proposed by the Investigation Panel. Separately, BC had decided that it would not permit the five key personnel of the former Hui Hon Contractors Ltd to work on any HA site or project in future. HA had also barred the Registered Structural Engineer for the project from working on HA projects and had initiated action against a number of other parties named in the project. Meanwhile, the Works Bureau had suspended Zen Pacific Civil Contractors Ltd from tendering Government public works contracts.

25. <u>D of H</u> further advised that BC had accepted in principle all the 13 recommendations made by the Investigation Panel. 11 of them had been implemented with immediate effect and were incorporated into the reform under Quality Housing - Partnering for Change. The other two recommendations which would require further consultation with the Government. These included the consolidation of HA and Government's list of approved contractors and consultants and the imposition of criminal sanctions under the Housing Ordinance on persons executing works for HA.

The Investigation Panel on Staff Discipline in the Yuen Chau Kok and Tin Chung Court Incidents

26. Noting that the Government had appointed Mr Stephen SELBY, Director of Intellectual Property, as the Chairman of the Investigation Panel on Staff Discipline in the Yuen Chau Kok and Tin Chung Court incidents (the Panel), the <u>Chairman</u> enquired whether there was a need for the setting up of the Panel as he was concerned that it might duplicate the efforts, giving rise to a delay in implementing the recommendations of the Report made earlier. He was also concerned about the lengthy proceedings which the Panel would need to go through before taking disciplinary actions against the staff concerned.

27. The <u>Deputy Secretary for Housing</u> (DS for H) confirmed the need for setting up a further disciplinary panel to establish and collate evidence of misconduct to enable consideration of disciplinary proceedings against any staff member concerned in HD. The Panel would conduct more detailed investigations with a view to identifying specific acts of misconduct. The staff concerned would be invited to appear before the Panel. He or she could be legally represented. Where there was prima facie evidence of misconduct, the Panel would present the case to the Department of Justice for consideration. After completing the investigation, the Panel would make recommendations to S for H on whether administrative or disciplinary actions should be taken against the staff concerned. Any such action would be taken in accordance with the Civil Service Regulations.

28. <u>Mr LI Wah-ming</u> enquired whether the Panel would also look into the role and performance of HA and its BC. <u>DS for H</u> replied in response that the Panel would be responsible for collating evidence of misconduct to enable consideration of disciplinary proceedings against HD staff in the Yuen Chau Kok and Tin Chung Court Incidents. As such, it would not be responsible for assessing the performance of HA. She informed that the role and responsibility of HA had been under constant review by the Housing Bureau. In response to members, she agreed to provide the terms of reference of the Panel for members' reference.

(*Post-meeting note:* The terms of reference of the Panel were circulated to members vide LC Paper No. CB(1) 1914/99-00.)

Compensation for damages

29. As regards the compensation for damages, <u>Mr Albert HO</u> was concerned whether the contractors at fault could be able to pay off the damages which might involve huge

sums of money. He considered it necessary for HA to require a performance bond or some form of bank undertaking before assigning projects to contractors in future. <u>D of H</u> said that the Administration had been looking at a range of reforms in the construction process. One of these would be the equitable sharing of risk and the possibility of redress in the event of misperformance. The <u>Deputy Director of Housing (Works)</u> (DDH(W)) supplemented that the Administration did require piling contractors to undertake performance bonds. It was also looking into the possibility of parent company guarantee as well. However, care had to be taken to avoid exerting excessive financial pressure on contractors such that there was pressure to cut corners. For this reason, and having regard that contractors were responsible for any delays in the contracts and consequential costs, HA had already reduced the level of liquidated damages by half. If piling contractors encountered unexpected ground conditions, extension of time would be granted if justified. The combination of these measures would help relieve pressure both financially and in terms of time.

30. Regarding Mr Albert HO's further enquiry about whether HA would have to bear the full cost if the damages were not recoverable from the defaulting contractor, $\underline{D \text{ of } H}$ said that the Administration would try to pursue every avenue of redress that was available. It would liaise with the contractor before going for arbitration.

V Suspected use of rejected substandard reinforcement in the Home Ownership Scheme development at Tung Chung Area 30 Phase 3 (LC Paper No. CB(1) 1871/99-00(03))

31. DDH(W) updated members on the progress of the investigation on the suspected use of rejected substandard reinforcement in the HOS development at Tung Chung Area 30 Phase 3. He stressed that there was no concern about the safety and durability of the buildings concerned and therefore strengthening works were not required. The batches of substandard steel reinforcement bars constituted 2 to 3% of the total delivery. Some of these had failed by yield stress or mass density by a small margin. The location of some of the substandard reinforcement bars had been identified. The investigation would take some time before a conclusion could be drawn because of the technical complexity in removing the reinforcement bars from existing structures and testing them. Actions had been taken to seek compensation from the contractor. The contractor had since been suspended from tendering and disciplinary action would be taken against the Meanwhile, HD had tightened its procedure in handling rejected contractor. reinforcement bars with a view to preventing any rejected materials from being reemployed.

32. Responding to Mr LEE Cheuk-yan on the measures to prevent the re-employment of substandard reinforcement bars on site, DDH(W) advised that HD would be keeping track on the reinforcement bars which had been rejected. Efforts would be made to obtain more information on steel suppliers' performance. Alternative ways of marking reinforcement bars would be examined while security cameras would be tried out on site with a view to keeping track of what was happening after office hours.

33. On Mr LI Wah-ming's enquiry on whether a 20-year structural safety guarantee would be extended to the concerned blocks, <u>DDH(W)</u> said that since there was no concern about the safety and durability of these buildings, a 10-year structural safety guarantee in line with other HOS blocks would be provided.

34. The <u>Chief Structural Engineer of HD</u> advised that since the substandard reinforcement bars only constituted 2 to 3% of the total delivery and that these had only failed by a small margin, their use would unlikely affect the safety of the buildings, since a much wider safety margin was allowed in the design process and the number of steel bars provided was normally more than what was actually needed to suit construction requirements. Detailed checks of the building structure had affirmed that the structural safety of the blocks had not been compromised, even if the rejected substandard reinforcement bars had been re-employed for construction and used in the same area of the building. The results of these checks had been verified by an independent consultant.

35. On the location of the substandard reinforcement bars and whether such information would be made available to prospective buyers, DDH(W) said that there would be no difficulty of making the information available to the public. The important message was that there was no concern about the safety and durability of the buildings. <u>D of H</u> added that HD had been working with the Independent Commission Against Corruption in investigating and exposing construction problems. He stressed that HD had been taking a proactive and transparent approach in uncovering corruption and malfeasance within the area of work of HA and all of those who did business with it. A careful dialogue with the construction industry was maintained to prevent recurrence of problems. The reforms had been consolidated in a consultative document and the Administration was committed to taking the reforms forward.

VI Any other business

Clearance of Temporary Housing Areas (THAs)

36. <u>Mr LI Wah-ming</u> said that as Duty Roster Members, he and Miss CHAN Yuenhan had met with the affected residents of the THAs at Kai Yiu, Kai Wing and Kai Lok. These residents were affected by the 923 policy and were about to be allocated to PRH flats. However, according to the clearance programme, they would have to be temporarily rehoused to Interim Housing flats pending allocation. They had therefore requested that clearance of the THAs to be deferred to tie in with the allocation of PRH flats.

37. <u>Mr LI</u> tabled the following motion for members' reference -

"That the Panel strongly requests the Housing Authority and the Housing Department to consult the new Legislative Council to be established after the election on 10 September 2000, and to discuss with the residents concerned on the proper rehousing arrangements before proceeding with any clearance of temporary housing areas" Mr LEE Wing-tat, Mr LEE Cheuk-yan, Mr Fred LI Wah-ming, Mr Albert HO Chun-yan, and Mr LEUNG Yiu-chung.

39. The meeting ended at 6:30 pm.

Legislative Council Secretariat 6 November 2000