## 立法會 Legislative Council

LC Paper No. CB(1) 1742/99-00

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# Report of the Panel on Housing for submission to the Legislative Council

#### **Purpose**

This report gives an account of the work of the Panel on Housing during the Legislative Council session 1999-2000. It will be tabled at the meeting of the Council on 21 June 2000 in accordance with Rule 77(14) of the Rules of Procedure of the Council.

#### The Panel

- 2. The Panel was formed by resolution of the Council on 8 July 1998 for the purpose of monitoring and examining Government policies and issues of public concern relating to private and public housing matters. The terms of reference of the Panel are at **Appendix I**.
- 3. The Panel comprises 18 members, with Hon LEE Wing-tat and Hon Gary CHENG Kai-nam elected as Chairman and Deputy Chairman respectively. The membership list of the Panel is at **Appendix II**.

#### **Major Work**

#### Building quality of public housing flats

- 4. The spate of incidents involving deficiencies in the quality of public housing flats which ranged from piling faults, sub-standard materials and works to leakage problems had been a cause for grave concern to the Panel. The Panel conducted a series of special meetings in December 1999 to discuss measures to improve building quality in public housing flats and to receive views from the construction industry, professional bodies and government authorities, in particular, on construction management and building quality assurance.
- 5. Based on the views gathered, the Panel identified a number of aspects which should be further addressed and improved. Members considered that immediate actions should be taken to push for reforms in the tendering system, reinforcement of

site supervision, tightening of the control of the sub-contracting system, revamping of the piling procedure, provision of reasonable construction time, and improvements in work culture and ethics. Noting the conflict of interest in the role of the Housing Authority as the developer, designer, project manager and building control, members had called for a review on the role of Housing Authority on the construction as well as the quality control of public housing.

- 6. Following the publication of Housing Authority's consultative document entitled "Quality Housing: Partnering for Change" in January 2000, the Panel examined with the Administration the various measures put forward in the consultation document. There was consensus between the Panel and the Administration that vigorous actions should be put in place to enhance building quality through building up a partnering framework, assuring product quality, investing for a professional workforce, and striving for efficiency and productivity.
- 7. Pursuant to the outcome of the consultation exercise, the Administration announced its plans in April 2000 to undertake a series of reforms to address the immediate problems in public housing quality. The Panel noted that most of the problem areas which the Panel had identified at the early part of the session were addressed. To enhance quality control, the Housing Authority would provide a tenyear structural guarantee for all new and existing Home Ownership Scheme (HOS) developments from the date of completion and would extend the Defect Liability Period in respect of tenders returned from March 2000 from one to two years. On revamping the piling process, the Housing Authority would establish its own lists of piling and ground investigation contractors and would tighten control on subcontracting. It would revise the specifications of piling contracts and conduct final acceptance tests by its own testing specialists. Site supervision would be reinforced through the deployment of sufficient and properly experienced site staff. would also be made to the listing and tendering practices with a view to facilitating the development of a closer partnership with consistent good performers. In order to ensure objectivity of its building control standard, the Housing Authority had agreed to consider putting public housing under the scrutiny of the Buildings Ordinance.

#### Cases examined

8. Among the complaints about the quality of public housing, the Panel followed closely a number of cases which indicated structural defects arising from construction problems. The Panel was amazed to note the extent of piling faults in two cases, namely Tin Chung Court, Tin Shui Wai and Shatin Area 14B Phase 2 (Yuen Chau Kok). The Panel was disappointed that the investigating panels appointed by the Housing Authority to look into these two cases did not have statutory investigative powers. The Panel therefore passed a motion on 20 March 2000 urging the Chief Executive to appoint a statutory committee to undertake a review of the entire construction industry and to follow-up on the investigations. On 5 April 2000, the Administration announced its decision to set up an independent committee to review and improve the operation of the construction industry. In the meantime, the Housing

Department also undertook to conduct a comprehensive review of the Department's production process from planning, construction to occupation. To take account of the complex geological conditions of the area of Tin Shui Wai, the Administration announced the extension of the 10-year structural guarantee period to 20 years for all existing and new Tin Shui Wai HOS projects from the date of completion.

- 9. The two investigation reports on Tin Chung Court and Yuen Chau Kok were published on 3 March and 25 May 2000 respectively and both identified incompetence and malpractice in the production process. Members were of the view that apart from the developers and contractors, the staff of the Housing Department should also be held accountable. The Administration assured members that appropriate disciplinary actions would be taken against officials guilty of misconduct and that an independent disciplinary committee would be set up for this purpose. The Housing Authority and Housing Department were requested to review their working guidelines and procedures with a view to improving their work culture.
- 10. As a result of the piling incidents and in response to members' concern about the adequacy of foundations in all other Housing Authority projects, the Housing Authority had endorsed the implementation of a Preventive Foundation Enhancement Programme to review the adequacy of the foundations of 364 housing blocks in 105 projects under construction to ensure structural safety of the blocks. While acknowledging the Administration's assurance that all the blocks under construction had no structural safety concern caused by their foundations, except for preventive works which would be performed on a few of these blocks, the Panel had requested that the situation be closely monitored.
- 11. The Panel also requested the Administration to conduct thorough investigations on the impact on structural safety of the public housing flats under construction arising from the use of non-compliance building materials at the housing development at Tung Chung Area 30 Phase 3 and at the Shek Yam Estate Phase 2 Redevelopment project.

#### Problem of site settlement in housing estate in Tseung Kwan O

12. The complaints about site settlement problems in housing estates at Tseung Kwan O (TKO) also gave rise to grave concern. The Panel paid a site visit to two of the affected housing estates, namely, the Beverly Garden and the Tong Ming Court, to obtain a better understanding of the extent of the problem. Jointly with the Panel on Planning, Lands and Works, the Panel received briefings from the Administration on the site settlement situation and monitored the progress of remedial works that were taken. At its meeting on 4 May 2000, the Panel passed a motion urging the Administration to, inter alia, extend the structural guarantee and defect liability periods as well as the buy-back period for HOS/Private Sector Participation Scheme (PSPS) developments in TKO, It also sought an interim report on the investigation of the site settlement problem in TKO, and urged for a review of the current policy and methodology of reclamation to prevent the occurrence of site settlement.

#### Rehousing arrangements

- 13. Members of the Panel continued to monitor the rehousing arrangements for residents affected by clearance of squatter and cottage areas as well as redevelopment programmes. A Subcommittee on Rehousing Arrangements for Residents Affected by Clearance of Squatter Areas was set up under the Panel with a view to providing necessary assistance to the affected residents. Members noted with concern the difficulties faced by affected residents who were forced to surrender their homes as a result of clearance operations and who would have to be rehoused to interim housing units which were far away from their existing accommodation and place of work. The Subcommittee reiterated the need to provide interim housing units in urban areas for the squatter clearees and urged that a choice of urban interim housing units be As for Cottage Areas Clearance, members had expressed strong dissatisfaction over the Administration's refusal of the payment of a special ex gratia allowance to affected residents. They had passed a motion at the Panel meeting on 5 June 2000 expressing support that residents of Cottage Areas should be reasonably compensated and urging the Administration to freeze the clearance of Cottage Areas until reasonable compensation arrangements had been worked out.
- 14. The Panel was concerned that residents affected by the redevelopment of North Point Estate were not given adequate notification of the redevelopment project. A motion was passed by the Panel requesting the Housing Department to suspend the redevelopment of North Point Estate until the arrangements for redevelopment were finalized. The Administration had subsequently agreed to defer the redevelopment programme and provide affected residents with special ex gratia allowance. Members were particularly concerned about the housing needs of the elderlies and passed a motion urging the Housing Department to stop allocating small flats of 16 to 17 square metres to two-person elderly households and to review the space allocation standards.
- 15. The Panel was aware of the problems associated with shared accommodation in public housing flats and therefore urged the Administration to review the present policy and to bring the matter to the attention of the Rental Housing Committee of the Housing Authority. As regards the policy on the splitting of tenancy upon redevelopment the Panel noted that a review would be conducted by the Administration and requested that the review be subject to public consultation. Noting the difficulties encountered by some tenants in meeting the requirement to surrender their units within one month after the acquisition of another form of subsidized housing, the Panel sought the Administration's assistance in reviewing the time frame for the surrender of public rental housing. The Administration had subsequently agreed to extend the time frame from one month to 60 days.

#### Supply and demand for housing

In order to have an overall picture on the supply and demand for housing, the Panel examined the overall supply of public housing flats and the results of the 1999 Survey of Housing Aspirations of Households. Members noted the Administration's assertion that the concept of mixed development and the proposed partial replacement of subsidized home ownership flat production with the provision of loans, if implemented, would not affect the overall number of households benefiting from Government's housing assistance. However, they had pointed out that the proposed partial replacement of subsidized home ownership flats production with loans should be implemented gradually and cautiously to ensure that this would not unduly affect the financial situation of the Housing Authority. In addition, members also discussed the implications of the relaxation of the residence requirement for allocation of public The Administration's advice was that the changes to residence housing flats. requirement would not increase the total housing demand but would only advance the demand for public rental housing of new arrivals in the next seven years as the original assumption was that their demand would have emerged seven years after their entry to Hong Kong.

#### Others

- 17. The Panel continued to study measures to improve the living conditions in bedspace apartments, including comparing the minimum standards of living space and living standards of private dwellings in various countries. A research on the laws and regulations governing the housing standards of local domestic buildings in Hong Kong was also conducted.
- 18. The Panel also set up a Subcommittee to study the Sales Descriptions of Uncompleted Residential Properties White Bill. The Subcommittee examined the provisions of the White Bill to ensure that adequate and accurate information on uncompleted residential properties was supplied to prospective purchasers by property developers. Representatives from the Consumer Council, professional institutes and real estate developers' associations were invited to give their views.
- 19. On the environmental side, the Panel noted the public's concern about the wastage of resources arising from the removal of fixtures in HOS flats. The Panel exchanged views with the Administration in providing purchasers of HOS flats a wider choice of fittings and provisions to meet their individual needs.
- 20. The Panel was briefed on the reorganization of the Housing Department and its establishment requests. Jointly with the Panel on Public Service, the Panel received a briefing from the Administration on the greater private sector involvement in Housing Authority estate management and maintenance services and met with the Alliance of Housing Staff Unions. The Panel had requested the Administration to regularly report on the progress of the contracting out of management and maintenance services

- 21. On the legislative side, the Panel was consulted on the Landlord and Tenant (Consolidation) Amendment Bill 1999 before its introduction into the Council. It had also met with representatives from the real estate agencies' associations prior to the implementation of the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation (Practice Regulation) on 1 November 1999.
- 22. From October 1999 to June 2000, the Panel held a total of 22 meetings, including one joint meeting with the Panel on Planning, Lands and Works and one joint meeting with the Panel on Public Service.

<u>Legislative Council Secretariat</u> 8 June 2000

## **Legislative Council**

### **Panel on Housing**

#### **Terms of Reference**

- 1. To monitor and examine Government policies and issues of public concern relating to private and public housing matters.
- 2. To provide a forum for the exchange and dissemination of views on related policy matters.
- 3. To receive briefings and to formulate views on any major legislative or financial proposals in the relevant policy areas prior to their formal introduction to the Council or Finance Committee.
- 4. To examine and to report on any major issues of wide public concern in the relevant policy areas as referred by the Council or House Committee or as raised by the Panel itself.

## 附錄 II Appendix II

## 立法會 房屋事務委員會 Legislative Council Panel on Housing

## 委員名單 Membership list

李永達議員(主席) Hon LEE Wing-tat (Chairman)

程介南議員(副主席) Hon Gary CHENG Kai-nam, JP (Deputy Chairman)

朱幼麟議員 Hon David CHU Yu-lin 何世柱議員 Hon HO Sai-chu, SBS, JP

何承天議員 Hon Edward HO Sing-tin, SBS, JP

何俊仁議員 Hon Albert HO Chun-yan 李卓人議員 Hon LEE Cheuk-yan

李華明議員 Hon Fred LI Wah-ming, JP

吳亮星議員 Hon NG Leung-sing

周梁淑怡議員 Hon Mrs Selina CHOW LIANG Shuk-yee, JP

夏佳理議員 Hon Ronald ARCULLI, JP 涂謹申議員 Hon James TO Kun-sun 陳婉嫻議員 Hon CHAN Yuen-han 陳鑑林議員 Hon CHAN Kam-lam 梁耀忠議員 Hon LEUNG Yiu-chung

黃宏發議員 Hon Andrew WONG Wang-fat, JP

楊 森議員 Dr Hon YEUNG Sum 司徒華議員 Hon SZETO Wah

合共 : 18 位議員 Total : 18 Members

日期 : 1999 年 10 月 7 日 Date : 7 October 1999