

(Translation)

Paper No. HA 43/99

File Ref. : HA/COM/2/2 VII

**Minutes of the Annual Special Open Meeting of the HONG KONG HOUSING
AUTHORITY held on Thursday, 3 June 1999**

PRESENT

Dr the Hon Rosanna WONG Yick-ming, JP (Chairman)
Mr J A MILLER, JP (Director of Housing) (Vice-Chairman)
Hon LEE Wing-tat
Mr Daniel LAM Chun, JP
Mr YEUNG Ka-sing, JP
Mr Anthony WONG Luen-kin, JP
Mr Joseph CHOW Ming-kuen, JP
Mr Eddy FONG Ching, JP
Mr Raymond CHOW Wai-kam, JP
Ms SIU Yuen-sheung
Mr Walter CHAN Kar-lok, JP
Dr Anthony CHEUNG Bing-leung
Mr WAN Man-yea, JP
Mr CHAN Bing-woon, SBS, JP
Mr LAU Kwok-yu
Mr Peter WONG Hong-yuen, JP
Hon CHENG Kai-nam
Hon NG Leung-sing
Mr NG Shui-lai, JP
Ms Iris TAM Siu-ying
Mr WONG Kwun
Prof Richard WONG Yue-chim
Mr Philip Trevor NUNN
Mr Michael CHOI Ngai-min
Mr Alex CHOY Kan-pui, JP
Hon HO Sai-chu, JP
Mr IP Kwok-him
Mr George NG Sze-fuk, BBS, JP
Mr Dominic WONG Shing-wah, JP (Secretary for Housing)
Miss Jennifer MAK Yee-ming (Director Corporate Services)
(Secretary of the Authority)

ABSENT WITH APOLOGIES

Hon CHUNG Shui-ming, JP
Miss Denise YUE, JP (Secretary for the Treasury)
Mr R D POPE, JP (Director of Lands)

IN ATTENDANCE

Mr CHAN Ka-kui, BBS, JP (Member of Commercial Properties Committee)
Mr FUNG Kwong-chung, (Member of Complaints Committee)
Mr Stewart CHENG Kam-chiu (Member of Complaints Committee)
Mr WONG Che-ngai (Member of Complaints Committee)
Mr Andy LAI Siu-tong (Member of Complaints Committee)
Mr Kenneth YUNG Kai-tai (Member of Finance Committee)
Mr Paul CHAN Mo-po (Member of Finance Committee)
Mr Albert SO Chun-hin (Member of Complaints Committee)
Mr Francis CHEUNG King-fung (Member of Building Committee)
Mr Raymond LAI Wing-cheong (Member of Finance Committee)
Mr Bruce LIU Sing-lee (Member of Finance Committee)
Ms Anna KWONG Sum-yea (Member of Building Committee)
Mr Peter LEE Hoo-tim (Member of Commercial Properties Committee)
Mr LIU Sing-cheong (Member of Commercial Properties Committee)
Ms KO Po-ling (Member of Rental Housing Committee)
Mr Marco M H WU, JP (Deputy Director/Management)
Mr R A BATES, JP (Deputy Director/Works)
Mr T C YUEN, JP (Business Director/Development)
Mr Vincent TONG (Business Director/Management)(Acting)
Mr Joseph K C LEE (Business Director/Commercial and Business Development)(Acting)
Mr Y K CHENG (Business Director/Allocation & Marketing)(Acting)
Mrs Lily TSANG (Finance Director)(Acting)
Miss Sandy CHAN (Principle Assistant Secretary (H) 2, Housing Bureau)
Mr H T FUNG (Assistant Director/Management 3)
Mr Joseph KONG (Project Director/Central) (Development and Construction Branch)
Mr David LEE (Assistant Director/Development)
Mr John CHIU (Project Director/East)(Development and

Mr Simon LEE	Construction Branch)
Mr S K KWOK	(Assistant Director/Legal Advice)
Mr WONG Bay	(Assistant Director/Management 1)(Acting)
Mr K N CHEUNG	(Assistant Director/Management 2)(Acting)
	(Assistant Director/Operations and Redevelopment) (Acting)
Mr Andrew C W LAI	(Head, Corporate Strategy Unit)
Mr Albert K W LEE	(Assistant Director/Business)(Acting)
Miss May CHAN	(Senior Administrative Officer/Administration)
Miss Angelina KWAN	(Senior Administrative Officer/Policy)
Mr Lawrence CHOW	(Committees' Secretary)(Meeting Secretary)
Miss Patti HO	(Assistant Committees' Secretary/3)
	(Assistant Meeting Secretary)

The Chairman opened the meeting at 8:45 a.m. and welcomed Members of Housing Authority and the HA Committees, in particular new Committee members Ms Anna KWONG Sum-ye, Mr Peter LEE Hoo-tim and Mr LIU

Sing-cheong, who attended the meeting for the first time.

Vote of Thanks

2. The Chairman informed the meeting that Mr Victor SO Hing-woh, Mr HAU Shui-pui, Hon LEUNG Chun-ying, Ms HO On-nei, Mr CHAN Kam-man and Mr Nicholas BROOKE, who had served the Housing Authority for years, retired in April 1998. On behalf of Members, she thanked them for their valuable contribution all these years.

Reports for the year 1998/99 by HA Committee

3. The Chairman remarked that the reports of the Committees for the year 1998/99 were sent to Members before the meeting. These Committees are :

Building Committee
Commercial Properties Committee
Complaints Committee
Finance Committee
Home Ownership Committee
Human Resources Committee
Rental Housing Committee
Special Committee on Clearance of Kowloon Walled City

4. The Chairman thanked the Committee Chairmen for their valuable contribution towards the formulation of housing policies.

AGENDA Item 1

Address by the Chairman (English translation) :

5. **“Change Amidst Stability and Strive for Improvement**

Members and Colleagues,

Relieve Pressure on the Public and Tide over Difficult Times

Hong Kong faced unprecedented challenges in the past year. In the wake of the financial turmoil in Asia, the adjustment period for Hong Kong has been longer than expected. Against the economic downturn, the continuous rise of the unemployment rate, the fragile consumer sentiment and the business environment, the Authority is deeply concerned about the difficult situation of many of the tenants and shares their feelings.

To tide over these difficult times with members of the public, the Authority has adopted a number of policies. One of them was approved earlier this week. We shall freeze the rental levels of 107 estates for one year and defer the rental review of 128 estates. As a result of this, 600 000 public housing tenants in Hong Kong can continue to pay low rents although the Authority's rental income will decrease by more than 1.6 billion dollars for the year. As to commercial tenants, over 10 000 of them have already benefited from our rental re-assessment. We believe that these measures will have positive impacts on relieving people's economic pressure.

Moving Closer to the Objectives

Over the past few years, the Authority has been working hard to ensure a more stable supply of public housing. We have reviewed and improved our housing policies with a view to moving closer to our two major objectives. The first is to provide needy families with affordable housing. The second is to encourage people to purchase their own homes.

The measures we have taken have positive implications on improving people's livelihood and promoting prosperity of the society. These implications include a more stable supply of public housing, safeguard of the rational allocation of public housing resources, availability of more options, improved circulation of public housing tenants to property owners, more means of home purchase, assistance to those in need of housing subsidy, encouragement of more resident involvement in estate management, improved transparency of the Authority's policies and accountability as well as improved service quality of the Housing Department.

As to land supply, we have improved our production efficiency and with the government's consent set up a land supply monitoring mechanism so that the Authority can have a more stable and better land supply to meet the

ever-increasing demand for housing.

To safeguard the rational allocation of public housing resources, we have followed the principle of the policy formulated earlier by introducing income and assets tests for prospective public housing tenants and reviewing the practice of inheritable public housing tenancy. In this way, limited public housing resources can be used to cater for families that have genuine needs.

In order to improve circulation of public housing tenants, offer more choices of housing and encourage home purchase, we have expanded the Home Purchase Loan Scheme and introduced the Tenants Purchase Scheme, the Mortgage Subsidy Scheme and the Buy or Rent Option. We have also developed the HOS secondary market and relaxed the resale restrictions of HOS flats. With all these measures, we aim at providing our existing tenants, prospective tenants or owners with more options and opportunities for home purchase so that they can make the most suitable decisions for themselves according to their affordability and economic conditions.

To improve our residents' involvement and enhance the quality of management services, the Authority has rolled out the Estate Management Advisory Committee project and formulated and put into practice corporate plans of the Housing Department subsequent to the review of various policies and reforms in different aspects in recent years.

Because of the various adjustments mentioned above, the Authority has a sound foundation in terms of its policies and services and move towards its objectives. However, the establishment of a foundation is not enough. To meet the ever-increasing expectations and demands of the public, we must have an executive arm that can keep abreast of the times to work for us.

Change Amidst Stability and Strive for Improvement

Any organization seeking progresses for its own survival must always be vigilant and have the readiness for changes and improvements. There is already deep concern and extensive discussion on various sectors of the society about how the cost effectiveness and quality of services of government departments and public organizations can be further enhanced. To make use of talents and resources of the private sector has become the major trend both in Hong Kong and over the world. In view of these developments, we must prepare

ourselves in advance and respond proactively to ensure continuous improvements of our productivity and competitiveness.

As early as some two years ago, the Housing Authority launched the Management Enhancement Programme in order to keep itself abreast of the times through changes of the corporate culture and enhancement of the quality of management and services. I have all along been very appreciative of the proactive attitude of our staff. Their efforts over the years have been approved and recognised by residents. One of the key objectives of the many reform measures is to achieve cost control and improved effectiveness to meet the changing needs of the society. In the face of the host of challenges that Hong Kong has recently experienced, the Housing Authority must make more long-term preparation under the two premises of cost control and cost effectiveness improvement to avoid falling behind of the development of circumstances.

After thorough and prudent consideration, the Housing Authority endorsed in early May a two-pronged approach to map out the general direction and principles of the next phase of the corporate reform. In view of increasing competition and high cost, it has decided to contract out the estate management and maintenance services to the private sector by means of phased transfer. The pace and scale of the transfer, though, would require further study. On the other hand, in order to further streamline the organizational structure and achieve cost control and improve effectiveness, we have also commissioned an independent consultancy for an in-depth study of the issue. It is expected that a detailed implementation plan and work schedule can be finalised six months later.

The undertaking of reform is an important decision. All reform programmes should aim at introducing changes amidst stability. In no case should they be carried out in a hasty manner. In the past few weeks, I talked face to face with a number of staff members. I appreciate that they are anxious about and have mixed feelings of the uncertainties ahead. I would like to take this opportunity today to share with you some of my feelings.

First, all staff members that I have met recognise the need for reform and self-strengthening. They have no objection as to the target of cost saving and effectiveness enhancement through reform. I think that this consensus is very important.

Second, the Department and its staff should maintain close contact and dialogue during reform. It is essential that for both sides maintain trust and communication. There may be divisions of opinions. Differences, however, can be resolved with openness, sincerity, and a rational and lucid

mind.

While the Housing Authority is determined to carry out reform, we shall do our best to take into account the impacts of reform and dissipate any uncertainties or doubts as soon as possible. We shall try to provide our staff with more options and make proper arrangements for them.

Finally, let me once again call upon you to continue to move forward since it is not easy at all for you, either as reformers or subjects of reform, to make up your mind and to start. Continuous improvements require contribution. I believe that as long as we joint hands to look for new opportunities and directions with a reasonable and gradual approach, we would eventually bring our corporate reform to the road of success and benefit the whole society and our tenants.

Commitments and Pledge for Better Quality

Looking ahead, one thing will remain unchanged in our quest of reforms and innovations. And this is the commitment of the Housing Authority to public housing development. We shall always remember those important pledges we have made in public and dedicate ourselves to their fulfillment, which include less waiting time for public housing, completion of new public housing projects as scheduled, and continuous improvement of the quality of construction and other services. Last year, I requested the Department to review the policies on compassionate housing, splitting of households, overcrowding households, divorcee tenants, etc. I am aware that the Department is formulating a set of clear guidelines to reduce the chances of deviation in the exercise of discretion. I believe that proposals will be submitted to the relevant committees very soon.

In what is to follow, I would like to take the opportunity to address to the issue of building quality, a subject that has caused much concern recently.

The quality of buildings is an area to which the Housing Authority has always attached great importance. It is also a subject that has commanded my long-standing concern. In my speech last year, I mentioned the importance of quality inspection and urged the Department to tighten the procedures of acceptance inspection. I know that the Department has already implemented some related proposals and will further consider tightening the inspection measures at the building hand-over stage. It will also specify acceptance standards with the use of model flats and model trade samples, and the score of different types of work will be treated as indicators of acceptance. With all these measures, we expect that the situation will be greatly improved. The next two years will be the Housing Authority's peak production period,

with some 63 000 and 93 000 units to be constructed for the current and next year respectively. Given the gravity of the task, we shall not be lenient towards and compromise with quality control and implementation of inspection procedures.

Regarding the issues of “short piles”, “jerry-building” and defective prefabrication of exterior wall components that have aroused public concern recently, the Housing Authority must learn from the experience and further strengthen the supervision and examination of each phase of works. With a more stringent monitoring mechanism, problems can be identified at an earlier stage. Contractors in breach of contract terms should be punished and be held responsible for their misconduct.

To ensure the quality of contractors, I know that the Department is actively studying the implementation of a series of specific measures, including the introduction of “preferential tendering”. Basically, the Housing Authority has been contracting out projects to the bidders who offer the lowest tender prices. To encourage contractors to improve their standards, apart from tender prices, I think the Department should also consider their past performance. These two factors should be scored and assessed with reference to a suitable distribution of proportion.

It has been a common practice for contractors to subcontract the projects awarded by the Housing Authority. Occasionally, this gives rise to problems about quality supervision. Hence, I propose that the Department should do more to encourage the contractors to employ their own workers and have direct supervision on key items of works to enhance the quality and stability of site workers.

On the other hand, I believe that more monitoring in the construction process is an important part of quality assurance. For example, clearly defined roles and responsibilities of contractors, professionals and site supervisors; “milestones” for all project items; establishment of inspection mechanisms to enhance monitoring and rectify irregularities. Moreover, consideration should be given to commissioning third party verification. Apart from quality assurance, staff performance can be verified to determine their competence.

In my view, the measures outlined above should be implemented as soon as possible so that the Housing Authority can ensure the construction quality of building more effectively.

Vision of the Millennium

Fellow colleagues, the year 2000 is around the corner. For the new millennium, the Housing Authority has put in place clear targets and forward-looking plans. There will be continuous improvements of its existing policies and measures, as well as reviews of the effectiveness of its organisational structure. In its decision making the Housing Authority will bear in mind that it should have a vision to meet the development and needs of the times.

The foundation we have today is the result of the efforts of our Members and colleagues over the years. Looking ahead, we could visualise that the supply and demand of public housing will move closer to equilibrium; that people with housing need will be allocated with public housing within a shorter period of time; that the percentage of home ownership will continue to rise; and that public housing will gradually turn from tenant oriented into owner oriented. Moreover, with a streamlined organisational structure and more private sector involvement, the organisation will be better equipped to face competition with enhanced cost effectiveness and work efficiency. Residents will in turn have better value-for-money services and living environment. With the concerted efforts of Members and colleagues, I believe that these expectations will realise very soon.

Before concluding my speech, I would like to take this opportunity to thank once again all Members, Mr. Tony Miller, the Director of Housing, and all staff of the Department for their forbearance and contribution over the year. After all these years working with you, I have come to realise that most of the staff in the Department are hardworking and dedicated. Though the community may not be able to know and understand you as I do, they treasure very much your contribution to the work of housing. Hong Kong is proud of you and I am grateful to you.”

AGENDA Item 2

Address by the Director :

6. “Madam Chairman and Members,

In some six months, we will enter the twenty-first century. This is perhaps the right time for us to review what the Department has done in the area of public housing development in recent years. Let me present to you from two perspectives: firstly, how, through the implementation of housing policies, we are working on the goals outlined in the Government’s Long Term Housing Strategy (LTHS); and secondly, how far we have got with our corporate reforms to align ourselves with the new housing initiatives.

Matching Resources with Needs

The White Paper on LTHS has reiterated the two key housing goals of the Government. That is, to help all households in need to gain access to affordable housing and to encourage home ownership.

Since the LTHS was approved, the Housing Authority has implemented a series of new initiatives. We have on the one hand facilitated greater home ownership, and on the other hand ensured a more rational allocation of housing resources. The measures are, in fact, mutually reinforcing.

More Options and Greater Benefits

At the beginning of 1998, the Tenants Purchase Scheme (TPS) was announced and was warmly received by the public housing tenants. Of the 26 000 families covered in Phase I of the scheme, 70% took the opportunity and became home owners. Phase II of the scheme was announced early this year. In the next ten years, we will see to the realization of the Chief Executive's housing pledge by putting not less than 250 000 public housing units up for sale.

July 1998 saw the debut of our Mortgage Subsidy Scheme (MSS). This scheme helps those tenants affected by the Comprehensive Redevelopment Programme to buy flats in the public sector by the provision of a mortgage subsidy. To date, over 1 000 such families have opted to buy their flats in this manner.

Following the overwhelming success of the TPS and the MSS, we have recently added to our housing portfolio a scheme called the Buy or Rent Option, which allows prospective tenants on our waiting list to buy homes directly without having to go through the public housing tenant stage. Initially, 2 000 units will be set aside under the scheme for purchase by eligible prospective tenants by invitation.

In the area of the Home Ownership Scheme (HOS), we have developed an HOS secondary market. Under existing policy, HOS flat owners may sell their flats to an existing or prospective public housing tenant starting from the third year of their purchase. This secondary market is slowly gaining momentum, with something like 4 000 transactions recorded in the past two years. That aside, we have also relaxed the resale requirements for HOS flats, shortening the resale restriction period from the original 10 years to the current five years. This will have a positive effect on the HOS secondary market and will provide choices for the prospective

purchasers.

Moreover, in mid-1998, we increased the loan granted under the Home Purchase Loan Scheme. The quota was raised to 10 000. Since December last year, about 8 300 households have successfully applied for loans/subsidies. Nearly 30% of them have bought in the secondary HOS market.

Revised Criteria for Rational Allocation

Apart from the many initiatives in place to encourage home ownership, we have also enhanced our housing allocation mechanism to ensure that scarce public housing resources are only allocated to those most in need.

Since September 1998, we have required all prospective public housing tenants to go through a comprehensive income and assets test to establish whether they have a genuine need for public rental housing. From the beginning of this year, we have also required that, on the death of the principal tenant, surviving members of the household have to undergo a means test that covers both income and assets, so that the Department may determine whether they have a genuine need for public rental housing.

To summarise, we have implemented all measures proposed in the LTHS. In the process, we have provided four things. First, to provide a range of choices tailored to the individual circumstances of those families in need of owning a home. Second, to ensure the rational allocation of public housing resources by allowing people greater choices. Third, to enhance the mobility of the public rental housing population through loan schemes and secondary market. Fourth, to establish a more complete and consistent housing ladder for those in need of assistance.

I would like to thank Members for their patience and advice in helping us devise these many complex reforms. The Chairman has already outlined issues which we will confront in the coming years. I agree that these issues require our urgent attention.

Hand in hand with our efforts to implement these new initiatives, we have rolled out the corporate reform of the Department.

Striving for Excellence through Corporate Reform

To facilitate rational use of resources, we have adopted a corporate

planning process to plan our work. We now have a system which is producing harder financial information. We have to look for the hard information before we take hard decisions. We have discovered that at the corporate level, the overheads of the Department are relatively higher and indeed disproportionately high when compared with other public organisations. In this connection, we have already commissioned an independent consultant to conduct a study on establishing of service costing information and streamlining of the Department's organisational structure. At the business level, we have realised a need to further study how the Housing Authority could get better value for money. The consultant will submit a report to the Housing Authority within six months.

On the quality of building, reforms have been put in place. The Department has conveyed a clear message to the consultant that sub-standard buildings will not be accepted.

There is a particularly close relationship between the reforms to housing policies and the reforms within the Department, that is in the rights of the ownership. As more and more of our tenants become owners, then progressively the right to choose who manages their properties will pass out of the hands of the Authority into the hands of those owners. There are some obvious potential consequences which flow from that. We have a quite narrow window of opportunity in which to make arrangements with private sector management agencies and to make arrangements with the Government Secretariat for our staff which would allow those who wish to transfer to the private sector to do so. I stress those who wish to. The consequences of the ownership in the longer run are quite clear. They are unsettling for staff. This is not an exercise in mass redundancy. This is an exercise in opening the door of opportunity for those who wish to make the change. There are complex issues involved. I look forward to working with Mr Chan Bing-woon and his colleagues on the Task Force on Private Sector Involvement in examining the scale and the timing of the phase transfer and the arrangements for staff who wish to make that change.

Conclusion

The Housing Department prides itself on decades of achievements. With the challenges of the new millennium ahead, we must carry on our reform with determination and persistence so as to keep abreast with the ongoing development of public housing. Before ending my speech, I would like to share with honoured Members and fellow colleagues of our

Department a few words of encouragement handed down from an ancient sage - 'It is doggedness that does it. For just like carving, if you cut and stop, even decayed wood will not yield, but if you work unflaggingly, even metal and stone can be carved.'

Thank you.”

AGENDA Item 3

Address by Individual Members

Mr Peter WONG Hong-yuen delivered his speech as follows :

7. “Madam Chairman,

Getting the Authority to have a change of heart on environmental matters is more difficult and certainly takes longer than the gestation of an elephant. I have been in the Authority for over three years now for the express purpose of greening that heart, if there is one. I think that I have found at least one, and there are others who are green at heart but are hesitant to show it. We need a clear lead that you Chairman, have one, a green heart that is. I also need to be convinced that the Director have one as well and he is not burdened with the baggage of yesteryear.

One consolation with elephants is that once they start to move, the sheer momentum of all that bulk will ensure that it becomes unstoppable.

Two years ago, the Director made a promise that I would not be disappointed at the progress of greening. Well, I was totally disappointed in the first year and am only a little less unhappy today.

In Hong Kong, it is all too easy to castigate the property developers who make unconscionable profits for ignoring the plight of the common people. You do not hear much when there are whooping loses. However, the Hong Kong Housing Authority is the largest property developer and landlord in Hong Kong, what sort of environmental leadership has it given?

Its Steering Committee on Environmental Performance has met four

this last 12 months. It has initiated a consultancy on Environmental Strategy Study but I am still awaiting a credible Environmental Policy Statement. There has been discussion over the use of recycled paper and the development on HK – BEAM is promising. However, from the Authority's viewpoint, it is less than half-hearted as I would wager that not more than 20% of the Authority members or Housing Department staff would know what HK – BEAM is.

What I really want to say is that the Hong Kong Housing Authority could and should set an example of what good environmental practice can do to make Hong Kong a better place to work and live in. The Authority is very much in a position to influence that.

Take our domestic housing stock. We have no internal standards for efficient use of energy. In fact, the only standard exists for commercial building and that is for thermal insulation of the walls or windows. There has never been any systematic pressure by the Building Committee to improve the designs for energy efficiency.

Recently, we have adopted a Scandinavian system for the vacuum collection of garbage. It will still take a while before this system becomes standard for all new buildings – the prospect of retrofit is nil. In the meantime, practically all the garbage in our Estates (remember those estates house over half our population) remains unseparated and hence have to be buried in our expensive landfills. We are working with green groups to drum up environmental education in the Estates, but separation has hardly made a dent on the total rubbish we produce.

It has taken much urging before money could be found to hold educational campaigns within the Estates to improve the environmental hygiene and awareness of the inhabitants. Our systems and thinking are so rigid that unless it was specifically authorized by Head Office, nothing can be done. Initiative will not be rewarded – is that the message we want to give out?

There have been complaints that construction waste originating from Authority sites have been found illegally dumped in quite sensitive ecological areas. Instead of really trying to catch the culprits and stopping the problem, there has just been denials of responsibility.

The Authority is the largest user of timber in Hong Kong and in fact one of the largest individual user in the world because of the sheer scale of our activities. Although there has been improvement in the way we specify its

usage and it is reused, we still use an amazing amount of it every year. Very regrettably, too much of that wood is of the non-renewable type.

There is now certified timber or green timber. This is timber from a source which is based on renewable trees and felled by methods which are sustainable. It does cost a little more, but for certain applications, a little more makes very little difference.

I feel that this litany of problems has gone on far enough. We can turn them into opportunities for doing something right and I will but mention one example where the Housing Authority is in a position to get other Government Departments to make the necessary changes and make a significant contribution to Hong Kong's environment.

Everyday, some 16,000 tonnes of construction waste goes into our public dumps and landfills. By no means is the Authority to be held responsible for all of it, but a goodly part come from the refurbishing of brand new apartments just handed over to new tenants or owners.

I recommend that the Director of Housing convene a multi-departmental working party to examine what changes it will take so that the new occupant will only be supplied with what is needed and a fair rebate is given for the parts not supplied. I am certain that the logistics can be handled with information technology just as you can order in advance the exact car that you want. It will save a lot of waste and get the new occupants into their dwellings that much earlier. No doubt there will be many problems to overcome, but it can be done. I am certain that even our maligned legislators will support such an effort. May be they also have a good idea or two!

I also wish to recommend a more pro-active form of planning. At present the Planning Department makes plans which everyone have to comply with. However the Department is totally powerless to actually make anything happen. I am advocating an Authority that is charged with the "plan" – more a vision of how our Hong Kong Metropolis should be now and what it should be in the future. This Authority will plan, scheme, cajole and convince potential developers to build or not build certain projects in certain places or replace outdate buildings so that the Metropolis will be a good place to work and live in. Our present haphazard control of developments is no way to achieve a sustainable city.

The Hong Kong Housing Authority, if it has shared in that big vision of what the Hong Kong Metropolis should be, then as the largest developer in Hong Kong and taking its rightful place in the super-Authority, it will avoid

some of the compromises that we continuously have to make today, such as – housing with no windows facing the traffic side of the development.

Madam Chairman, if you, your Director and all the staff under you were to take the environment as an opportunity, if only you seize it as such, the Authority can lead Hong Kong to build buildings that are truly fit for Hong Kong people to work and live in. It can also influence its tenants to behave in a much more environmentally friendly way.”

Mr LEE Wing-tat delivered his speech as follows (English translation) :

8. “Against a continuous negative growth of our economy and an unemployment rate as high as 6.2%, the Housing Authority as a large public organization can take the lead and do something to speed up the process of economic recovery. Among others, the rents of public housing estates that affect as many as 648 000 households would be the most far reaching. The Democratic Party sees many reasons for the Housing Authority to reduce rents. To begin with, our economy is suffering from a 5% negative growth, and the unemployment rate is at 6.2%. In the midst of salary cuts and lay-offs, many people are struggling to make ends meet. If the Housing Authority does not take the lead to reduce rents, life will become more difficult to them. The median household income of the tenants in the fourth quarter of 1998 has decreased significantly compared with the same period in 1997. For 4-person families, the median household income has dropped by 5.6%. For 6-person families, it has plummeted by 11%. Their affordability has evidently decreased. As the Housing Department has been stressing that rents are set according to the affordability of the tenants, it should take the lead and reduce rents to help boost the economy because the affordability of tenants has weakened. Rental reduction will increase the disposable money of the PRH tenants who in turn will spend more and contribute to the recovery of the economy. According to the findings of the reassessment just completed by the government, rates on domestic properties in the territory have dropped by an average of 20% compared with the previous year. Information from the Rating and Valuation Department indicate that the rateable values of public rental housing estates in 1999/00 have also dropped by about 20% compared with last year. The Housing Authority should therefore refund the excess rates charged to the tenants. According to the Census and Statistics Department, the income of PRH tenants has decreased by an average of 10% from 1997 to 1998. The Democratic Party therefore holds that at these hard times, the Housing Authority should appreciate the difficulties of those at the lower

stratum of society and help residents ride out the crisis by reducing 10% of their rents.

I would like to say a few words on the issue of estate management. Both the information provided by the Department and the Consultancy report indicate that estate management by external contractors is less costly than by the Department and can curb the continuous growth of civil servants. In principle, I support the general direction of further development of private sector involvement in estate management and maintenance. However, the Department seems to have worried its staff by rushing through a concrete proposal that would bring tremendous changes and have far-reaching impacts on them. In the absence of adequate psychological preparation, it is unfair to staff and lacks due consideration to their sentiments for the Department to transfer the estate management staff to private companies in five to seven years. The Department should let its staff prove their competitiveness and give them sufficient time to improve themselves. Notwithstanding the premise of reform, there should be more flexibility in respect of time, models and transitional arrangements. At the meeting of the Housing Authority held on the sixth of May, Mr LAU Kwok-yu, Mr CHEUNG Ping-leung and I proposed an amendment for the Housing Authority Task Force on Private Sector Involvement to study the sixth option put forward by the housing staff. Our proposal was accepted. I hope that the Task Force would take into account the views of staff and other parties concerned as far as possible to ensure the steady implementation of reform.

Lastly, I would like to talk about building quality. The Housing Department is going to build some 60 000 and 90 000 housing units respectively in each of the coming two years. While the Department has improved its building quality monitoring system, contractors keep on making mistakes. This has caused public concern about the quality of our buildings and tarnished the image of the Housing Authority. Some of the supervisory duties have been taken up by consultants but cases of faults continue to occur. This should not be tolerated. Apart from improving the supervisory system of the Housing Department, imposition of more drastic and stringent penalty would be an effective way to send a strong and clear message to the industry.

Madam Chairman, I so submit.”

Mr Eddy FONG Ching delivered his speech as follows (English translation) :

9. “ **Harmony and Opportunity**

We are all aware that the recent proposal by the Housing Authority to introduce private sector participation in estate management and maintenance services has given rise to both debate and apprehension.

The main concerns at present are focused on the level of privatisation and the pace at which it will be introduced, and the future organisation of the Housing Authority. Clearly, the Authority's task is far from simple and it faces a complex exercise requiring great care and attention to both logistical and human issues.

With Hong Kong still in the midst of an economic recession, people's fears regarding their welfare and job security are quite understandable. So too are the feelings of the existing Department staff. These loyal, hard working civil servants have served Hong Kong for many years, and they anticipate having their promised jobs and benefits until and after they retire. Clearly, they would feel more secure with the status quo.

Nevertheless, the reform of the Authority must go on if it is to achieve its mission to become a strong and efficient provider of public housing in Hong Kong in the coming decades.

As a major public institution, the Authority must respond quickly to the changes demanded by general public. The customer is calling for better quality and more choice, while the taxpayer demands cost effectiveness, efficiency, and transparency in the use of public funds. So we must be prepared to adopt new strategies and abandon old ideas.

Until a new consensus is reached, it is impossible at this stage to predict exactly how things will work out. But surely, even in the Private Sector, there will be abundant opportunities for all concerned and there will be need for the special skills and knowledge of our existing staff. In the Private Sector, a person's individual performance may also bring higher rewards at a faster rate than when working for government. The private sector also offers people opportunities to run their own businesses. Some are already service providers to the Authority and more will follow them.

Moving forward, what is needed is a single vision that does not

emphasise leaders and workers, nor seniors and juniors, but one that encourages a team effort dedicated to the future success of the Authority and sharing in the process of achieving it. This is a WE approach, not a THEM and US approach.

However, despite our very best intentions and concerns for the welfare of all, some will still resist the change. This too is inevitable, and so we should face this issue from the outset and build the solution into the equation of the success that we seek. Above all, amid any discord and uncertainty we must find harmony.

Hong Kong needs a highly efficient, unified Housing Authority that is streamlined and competitive, able to deliver quality housing as demanded by the market, and which - above all - is a credit to the Special Administrative Region.”

Mr Daniel LAM delivered his speech as follows (English translation) :

10. “I have spoken consecutively for four years in this same Open Meeting on quality and safety. I recognise that the Department is vigorously following this pursuit and I hope that the efforts will be continuing and escalating.

In a recent meeting of the Building Committee, the non-official members of the Committee voted unanimously to abstain from a decision to approve the planning of two sites in which we were forced to erect a concrete jungle. We believe this can be improved through an integrated planning exercise with the cooperation of the owners of adjoining sites which do not belong to the Housing Authority. We are often forced to make maximum use of the land whilst being pushed into building dense high blocks by the circumferential artery roads etc. In the two particular cases we have a number of sites for schools adjoining and each school has its own individual ball courts and open yard. The Building Committee was very concerned that had these schools integrated their requirements for ball courts and open space together we would have been able to provide full size track-and-field facilities instead of carving up valuable land assets. I hope that the Department will take this matter up at the appropriate level so that a better urban design can be achieved without sacrificing density.

I would also like to draw the Department’s attention to better packaging on some of our products. We have discussed so much the waste of finishing materials and sanitary ware immediately after handover of Home

Ownership Scheme and Private Sector Participation Scheme (HOS/PSPS) flats. On the one hand we certainly would not like to circumvent the Buildings Ordinance, despite the convenience of exemption. On the other hand the savings in materials, labour, correspondent consultants' fees can all be better employed to reach the pockets of our purchasers. I urge the Department to accelerate the discussions with the Building Authority.

The other product packaging I refer to is a more flexible differential pricing policy on sale of HOS / PSPS flats. I believe, like the private sector, that specific auspicious block, floor or flat numbers can command slightly higher prices. We may even consider canceling floor numbers that are not welcomed by residents and purchasers.

Finally, I would like to take this opportunity to respond to two issues. First, there were cases recently in which some residents objected to the construction of more PRH blocks nearby for fear that the size of green zones and sitting-out areas would be reduced. Their worries are quite understandable. However, I hope these residents can be considerate of those still on the PRH queue whose living environment is not even up to standard. Second, I would like to respond to Mr Peter WONG Hong-yuen's comment to improve energy efficiency. I do not agree with his view. Actually the Committee has been considering the issue of energy efficiency all the time. I hope Mr WONG will refer to the Committee's work first before he makes any more comments."

Mr Anthony WONG Luen-kin delivered his speech as follows (English Translation) :

11. “ **Stepping Up Actions to Deal with Problems of Building and Environmental Hygiene**

Madam Chairman and Members,

Most of the complaints against the Housing Department in recent years are about building and environmental hygiene in public housing estates. For 1997/98 and 1998/99, such complaints amount to 5 969 and 4 424, accounting for 69.4% and 69.8% of the total number of complaints in the respective years. Though the number of complaints against the Department has dropped gradually from 10 483 in 1997 to 8 598 last year and to 6 341 this year, undoubtedly an achievement of the improved quality of service by staff of the department, problems of building and environmental hygiene are still the major causes of complaint. Further improvements are therefore necessary.

Public complaints about estate buildings fall into two areas. The first area is about services in buildings such as poor air-conditioning in commercial centres, inconvenience caused by lift repairs, overloading of electricity capacity and problems of salt water supply. The second area is about building repairs like spalling concrete, ceiling and bay window seepage, replacement of water pipes and main doors, fitting-out standards of new flats related to skirting rendering, bay window seepage and drain blockage. As regard environmental hygiene in housing estates, the complains are related to poor performance of cleansing contractors, accumulation of repair materials and wastes, dripping air-conditioners and cleaning practices of tenants. Trivial as they may be, they have caused a lot of complaints and considerable impacts to the living of residents. In our services reform, due consideration should be given to these issues.

I know that the Department would follow up promptly upon receiving a complaint. It would carry out improvement measures to the relevant building, arrange for repairs, keep tenants informed of the progress, and step up monitoring of environmental hygiene and enforcement actions. In addition to these effective measures and in order to have better results and further reduce the number of complaints from residents about building and environmental hygiene, I would like to propose the following measures for the consideration of the Department:-

In the field of services and repairs of buildings in public housing estates:

1. The Department should exercise effective supervision during the construction process to ensure that the relevant works are up to standard;
2. The Department should be cautious during acceptance inspections to avoid accepting substandard flats;
3. The Department should put in place in its management procedures for effective inspection of public facilities and measures for fast and effective repairs so that inconvenience to residents can be minimized;
4. Effective communication with tenants in respect of improvement and replacement of facilities so that the relevant programmes meet the actual needs;
5. In case of resources shortage, the date of review should be worked out and made known for the understanding of residents.

In the field of environmental hygiene:

1. Details of cleansing services (including the required manpower) to be contracted out should be worked out and made available to tenderers for their comprehensive understanding.;
2. Existing supervisory measures, including comments of the Estate Management Advisory Committees, grading, use of opinion boxes, that proved to be effective should continue to encourage residents to participate in the supervision and to express their views;
3. Stepping up of environmental hygiene monitoring and improving communication with contractors and making comments on their performance;
4. Regular civic education to strengthen residents' awareness of environmental hygiene;
5. Review of Estates that are subjects of most of the complaints to identify their problems and look for improvements.

Apart from the efforts of the existing managing staff, I believe that further improvement in services of building and environmental hygiene of public housing estates would rely on responsible building designers and users for maintaining and improving a favourable environment in public housing estates. I hope that my remarks would encourage more valuable comments. I also hope that the management could complement to my remarks and make progress in estate management to further reduce the number of complaints from residents.”

(Mr Eddy FONG Ching left the meeting at this juncture.)

Ms SIU Yuen-sheung delivered her speech as follows (English Translation) :

12. “ **Reforms on the Design, Construction and Monitoring System of Public Housing**

With the development of our society, people cherish higher expectations of the quality of housing. How can we ensure the optimum use of land, the delivery of customer-focused services and provision of flats which are both good-looking and practical? The public will rightly expect HA to strive for

continuous improvement in the design, construction and quality control of public housing.

- (1) With the emphasis on landscaping in the design of public housing, there are more open areas in our estates. In view of the increasing demand for housing and the stringent supply of land, we should not only seek to provide a pleasant external environment, but also pay attention to maximizing the use of land in the design so as to increase public housing production.
- (2) The design of both PRH and HOS flats, in addition to being environmental friendly, should be customer-focused, meeting the actual needs of customers. For example, the internal layout and decoration of HOS flats should be geared towards a more open style. More options should also be made available to ease the financial burden of purchasers and achieve environmental protection by avoiding wastage arising from the removal the partition and fixtures.
- (3) Production of housing for the elderly (or singletons) should be increased and improvement be made to the design. Although there are Homes for the Elderly with a pleasant environment, many elderly people refuse to move in because they do not want to share a flat with others. Housing for the elderly should preferably be redesigned to allow one flat for one person (or two) in order to reduce conflicts among tenants.
- (4) The monitoring of the construction of public housing projects, especially on structural safety, should be stepped up. Contractors who fail to observe the regulations as well as irresponsible supervisors should be severely punished. This will assure the quality of our buildings and reduce the construction lead time.

A successful reform will eliminate the difference in quality between public and private housing, boost the people's confidence in public housing and make public housing more popular with the people."

(Mr Peter WONG Hong-yuen left the meeting at this juncture.)

Mr Walter CHAN delivered his speech as follows (English translation) :

13. “The Home Ownership Committee (HOC) has launched a number of initiatives in recent years, including the HOS Secondary Market Scheme in 1997, Tenants Purchase Scheme and Mortgage Subsidy Scheme in 1998 and the recently introduced Buy-or Rent Option. While Home Purchase Loan Scheme is enhanced with more loan options, the resale restrictions of HOS flats have also been relaxed to a large extent. The Housing Authority has no doubt offered its clients more choices, more subsidies and more channels through which people can climb up the ladder of home ownership. With the removal of some resale restrictions, there is a greater mobility of housing resources which can be flexibly employed and better utilized. However, the Authority is criticized for confusion in policy, overlapping and changing too much too fast. Such views are not necessarily without prejudice though.

In fact, the Authority devised different initiatives with different target groups in mind and different objectives to achieve. The formulation of these initiatives involves a prolonged process of deliberation and discussion. Users may have a lot of questions and queries at the beginning but once they get hold of adequate information, they will be able to make the most suitable choice according to their circumstances and preference.

Criticism against the overlapping of initiatives provides some food for thought. However, competition among different initiatives is inevitable if users are to be offered more choices. Anyway, now is the time for the Authority to review and consolidate these initiatives. I have identified three areas in which we should put in more efforts :

(1) Dissemination of information

At present, information of initiatives being promoted is disseminated to users through leaflets and posters etc. A task before us is to consolidate such information to make it clear at a glance to users and facilitate their access to more detailed information. Publicity efforts which have all along been “initiative-oriented” may have to be “user-oriented” in future. Another challenge is to make it easier for users to understand the information or even to compare different initiatives. I really appreciate the Department’s approach to juxtapose gross and saleable areas in the sale of HOS flats to facilitate comparison with flats in the private sector. The Department also gives details of monthly mortgage repayments in the HOS publicity materials which help users to assess their own affordability.

I notice that the webpage of the Housing Authority has been

much enriched than before, with new policies and initiatives put on in a very short time. The Housing Development Board (HDB) of Singapore has gone even farther in this respect. They have database storing all the information about the “estate flats” for sale and resale. Steps are also taken by HDB to explore the use of internet to verify eligibility criteria and submit applications. Of course, the conditions of each place might be varied, but computerization, no doubt, is the general trend all over the world.

(2) Business Process Re-engineering

The Housing Authority has adopted different processes and standard forms for various schemes. Some of the processes in fact can be streamlined, flexibly undertaken, contracted out or even computerized. Solicitors told me that the current contracts, title deeds and mortgage deeds for HOS flats and the secondary market which are all standard documents prepared by the Authority have to be strictly applied by the buyers and their lawyers or their transactions will become void. In case of amendments, they have to apply to the Authority for consent (and the HD staff will have to verify the documents concerned word by word), but this is rather unnecessary. The standardization of documents aims to safeguard the interests of the Authority and comply with the requirements under the Housing Ordinance. This can be achieved simply by stipulating the important and related clauses as mandatory clauses while the unrelated ones be left to the deliberations of both parties. In so doing, the efforts in applying for consent and verifying documents can be saved, which is beneficial to buyers in terms of greater efficiency for the processes of the whole transaction.

With the relaxation of the resale restrictions on HOS flats, the applications for resale, or even early redemption, transfer of title and refinancing, whether in free market or the secondary market, are bound to increase. The Department has already prepared itself for the additional workload by contracting out the process of valuation, but there are still some processes which can be transferred to banks. I believe that there should be quite a number of such cases which deserve a full examination by the Department.

(3) Study and Investigation

The responses to a policy can be reflected by the numbers of application or subscription. Very often this is but a superficial

phenomenon, and the rationale behind or the full picture can only be revealed by more in-depth investigation and analysis. We need to know not only the rate of successful subscription but also the reasons for non-subscription cases. To take another example, there is no storage of white form applicants' information in existing computer systems. But in the recent two HOS sale exercises, all the white form applications have their information verified, and the rate of successful subscription has also increased. It is therefore necessary to keep such information for analysis. This will provide the Authority with more objective data and information when reviewing its current policies or formulating new ones and help develop policies or initiatives that will be well received by customers.”

Dr Anthony CHEUNG Bing-leung delivered his speech as follows (English translation) :

14. “Madam Chairman and Members,

At its special meeting early last month, the Housing Authority endorsed the phased service transfer approach for greater private sector involvement in Estate Management and Maintenance (EMM) services. Although the transfer is not supposed to cover all the services and the progress and scale of transfer have yet to be worked out by the newly established Task Force, the resultant changes will, no doubt, affect the staff of the Housing Department as well as the longer-term role and business functions of the Authority.

The Department will soon commission a consultancy study on the staffing structure of the top management. Although the study aims to streamline the organizational structure and ensure achievement of cost-effectiveness, any reform on the structure of the management will inevitably affect the corporate functions and roles.

Over the past years, the Authority has endorsed some new initiatives

such as Tenants Purchase Scheme and Buy or Rent Option in response to the long-term housing strategy of the SAR Government. The introduction of these initiatives is a positive move in itself as it widens the range of “products” offered by the Authority in provision of public sector housing and provides more options for the public. However, it also requires the Authority to rationalise the possible overlappings and conflicts between different products in respect of policy objective, coverage and social impact. For example, if the provision of public rental housing is based on the principle that those from the grass-roots passing the means test should be given access to cheaper rental accommodation, why is it necessary to “attract” them to become home owners under the Buy or Rent Option? The Tenants Purchase Scheme is also criticized for having an impact on the Home Ownership Scheme which has been in place for years, not to mention the Sandwich Class Housing Scheme and Home Starter Loan Scheme implemented by the Government through the Housing Society.

The Authority is now providing services for quite a number of target groups :

- temporary housing residents
- PRH tenants
- BRO flat owners
- TPS flat owners
- HOS flat owners

and it seems that the initiatives of HA are directed to speed up home ownership. I wonder if this has something to do with the Chief Executive’s commitment on achieving a home ownership rate of 70%? Every initiative seems to have its own justification and urgency at the time of implementation. But, what will be the overall picture when all the initiatives are put together?

I have no intention to negate the goodwill of encouraging financially capable tenants to purchase their own homes, but one question that I would like to ask is : is the Authority intentionally or unintentionally transforming itself into a public developer under a two-pronged strategy of home ownership

and contracting out EMM services? In other words, the Authority only concentrates its efforts on selling flats while rental housing business is ‘residualized’, and its role in the latter will further fade out with the minimizing of direct involvement in EMM services. Does the Authority have an overall strategic plan on these developments? Has the Authority been led by individual policies or a series of administrative arrangements to ‘revolutionize’ its organization and mission passively and unwittingly? Or should we avail ourselves of the opportunity to conduct a comprehensive review on the future role and function of the Authority as a major statutory organization responsible for the enhancement and management of public housing development?

It may be necessary and timely to carry out an institutional reform; or it may not be the case. Nevertheless, such reform should start with a clear definition of the mission and role of the corporation. If we only focus on staffing and administrative changes, we may fail to see the wood for the trees. From a viewpoint of rational reform, this seems to have put the incidental before the fundamental.”

Mr CHAN Bing-woon delivered his speech as follows (English translation) :

15. “ **Moving into a New Era of Property Management**

Madam Chairman and Members,

At its meeting held on 6 May, the Housing Authority (HA) decided to adopt the phased service transfer approach as the broad direction for expanding private sector involvement in estate management and maintenance services, and to set up a task force to consider implementation details. This decision will have far-reaching consequences. Not only does it change the mode of management of properties which involves one-third of the population of Hong Kong, it also marks a new era for the overall property management development of Hong Kong.

Speaking as someone who is engaged and experienced in property management, I hope the government and the HA could introduce complementary measures at all levels to facilitate the smooth and effective implementation of this reform.

Firstly, at the policy level, I hope the government could amend the Building Management Ordinance as soon as possible to expressly require owners of new buildings to form Owners’ Corporations (OCs) and take up building

management duties. Furthermore, the procedure for forming OCs should be streamlined, and the rights and responsibilities of OCs clearly defined. By so doing, owners will have greater initiative to take part in property management.

Secondly, it must also be understood that property management is a profession which calls for expertise of various fields. The Home Affairs Branch (HAB) should therefore allocate more resources for encouraging and assisting owners in forming their own OCs. More importantly, the HAB should continue to provide operational support to OC members after an OC has been formed. For example, District Offices can provide more guidance for the OCs and organise more training courses, workshops etc on property management. In mid-1998, the Home Affairs Department (HAD) established a 'Building Management Resources Centre' in Yau Ma Tei. Besides providing general consultation services, the Centre also makes arrangements for voluntary professionals to answer enquiries from owners. These services turn out to be very popular among owners. I hope the HAD could extend the services to other districts as well. I also believe that owners who make good use of such services will be able to manage their buildings more efficiently.

As far as HA is concerned, the task force to be set up is charged with heavy responsibility. In this regard, I would like to make a few points as follows:

In the first place, PRH tenants are accustomed to having the Housing Department as the Manager of their estates. Their attitude in this respect is rather passive. As the Department introduces the reform, it must spend more resources to change the passivity of both tenants and owners, to imbue them with more property management knowledge and to give them all the necessary advice and assistance in the establishment and operation of OCs. As a matter of fact, the success of the reform hinges on the involvement of the Estate Management Advisory Committee (EMAC) and the Estate Management Owners' Committee (EMOC).

Secondly, for PRH residents to manage their estates effectively, the Department needs to review the system whereby estate management services are contracted out, in particular the criteria employed in the selection of contractors, the involvement of residents, and the performance appraisal mechanism for contractors. An improved outsourcing system will provide residents with rules to follow and a sound basis for operation when they take over the property management.

Lastly, while it is totally understandable that the staff of the Housing Department may feel concerned over the reform, I hope they could rise to the challenge ahead of them positively. With their rich experience in property

management and their diversified professional knowledge, there is no doubt they could assume a leading role amid the upcoming changes. I am confident that the task force would adopt an objective and practical approach in weighing up the respective interests and concerns of residents and Departmental staff, and identifying an option satisfactory to both parties.

The torrent of reform is irreversible. I wish to continue to work together with HA Members and colleagues of the Department to usher in a new era of property management for public housing.

Thank you.”

Mr LAU Kwok-yu delivered his speech as follows (English translation) :

16. “The New Management Model should be recognised and promoted

Since the launch of the Tenants Purchase Scheme (TPS) by the Housing Authority (HA) in 1998, on average over 70% of the tenants in the six estates under TPS Phase I have become owners. With the assistance of the Housing Department (HD), five out of these six estates have established their Owners’ Corporations (OCs). According to the Deed of Mutual Covenant, estate management in the first two years will still be carried out by HD staff under the new management model, with property management and maintenance services and tenancy enforcement and control undertaken by the Property Management Unit (PMU) and Tenancy Control Unit (TCU) respectively. Two years after sale, OCs will decide whether to retain PMU’s service or not. Under the new management model, the manpower levels for TPS estates are reduced by 40%; management fees are set at \$10.5/m² saleable area, or \$0.73/ft² gross area, comparable to those of the privately managed HOS courts.

The consultancy report released by HA on 4 March highlights that an annual saving of \$1 billion can be achieved if estate management is transferred from HD to the private sector. The report also assumes that surplus staff will arise in the Department after the implementation of TPS since OCs will choose not to retain PMU’s service.

I think the assumptions made in the report have overlooked the fact that the operating costs of TPS estates under the new management model are 10% lower than the average costs of the four privately managed PRH estates. In recent months, I have collected from HD information on the income and

expenditure of these six TPS estates. The results of analysis show that the monthly staff costs for each flat of these estates average \$132 as at end of March 1999 (including \$107 direct staff costs and \$25 indirect staff costs), lower than the average monthly staff costs of \$148 (including \$122 direct staff costs and \$26 indirect staff costs) for each flat of the four privately managed PRH estates as quoted by the consultant. Please see **Table 1 and Table 2 (Annex)** for details.

In the income and expenditure accounts for management services of TPS estates, there are some eye-catching items (see **Table 3 at Annex**). Take for example Kin Sang Estate and Cheung On Estate which consist of the smallest and the largest number of flats respectively. The Maintenance Fund and the sum transferred from monthly management fees to the sinking fund for maintenance purpose, together with the accrued interests, amount to \$41.22 million (Kin Sang) and \$114.14 million (Cheung On) as at end of March 1999. The operating surpluses are close to \$2.14 million (Kin Sang) and \$9.75 million (Cheung On).

I hereby urge the Authorities concerned to develop the necessary guidelines and monitoring mechanism as soon as possible so as to ensure that the OCs and management bodies of TPS estates will properly manage and make good use of such a big sum of money to improve the living environment for both owners and tenants.

Of course, lower costs do not necessarily mean a higher standard of service. Even if the quality of services provided by the HD's PMU is comparable to or better than the quality of services provided by private agencies, it does not imply that OCs of TPS estates would continue to hire the HD's PMU for provision of services. To ensure that owners will accept services provided by the HD and continue to hire the PMU, there are, in my opinion, two things that warrant serious and immediate consideration by staff of all ranks of the HA and the HD.

First, we ought to give owners and the public a correct idea about the cost effectiveness of the PMU. Second, we should set a clear objective and take positive measures to assist both the front-line workers of the PMU and the headquarters' supporting staff in their efforts to win over the OCs of TPS estates to continue hiring the PMU for management services. However, implementation of these two initiatives is easier said than done.

During the past few months, the notion that the costs of management

and maintenance services provided by the HD are higher than those of the property management agencies (PMAs), as contained in the consultant's report, has been widely reported by the media and become firmly rooted in the minds of the public. To give TPS estate owners and the public a correct idea about the cost effectiveness of the HD's property management, the senior management of the HD should draw up public relations and publicity strategies for ensuring a correct understanding of the facts.

The proposal to transfer the estate management and maintenance duties to PMAs is primarily made on the assumption that management of public housing estates by PMAs would be more cost effective. Surprisingly, the costs of managing the six TPS estates by HD staff during the first year was, under the new management model, lower than those of PMAs. As indicated in a survey carried out by the HD in 1997 of the PRH tenants' level of satisfaction pertaining to the management services, the HD scored an average of 3.7 out of 5 points, which was slightly higher than the 3.6 points scored by PMAs. It is hoped that the Department would take positive measures to streamline its organizational structure and encourage staff to give of their best so as to further demonstrate the cost effectiveness of the new management model of TPS estates. This will boost the morale of all staff, in particular the middle management and low-ranking staff, who are concerned about their jobs. Only when they are reassured will they exert themselves and uphold the 3Cs - caring, committed and customer-focused - so as to provide quality services for owners and PRH residents.

I do not object to contracting out some of the EMM services to PMAs but I do object to the across-the-board approach. Considering the facts mentioned above, I believe that the results of the new management model should be acknowledged and made known to the public.

We should be practical and realistic and must not one-sidedly overrate or underrate the cost-effectiveness of service provision of the PMAs and the HD. In a diversified community like Hong Kong, we should have EMM service providers from both the public and private sector so as to give consumers more choices. Competition encourages improvement. Only when there is competition between public and private sector management service providers will tenants and owners be able to get money-for-value services.

Finally, I suggest that the Authority and the Department should take immediate action and do four good deeds: (1) make the TPS owners and the public realize that under the new management model the PMU of the HD can provide cost-effective services comparable to or better than those of the private sector; (2) set the objectives, develop the strategies and take positive

measures to streamline the structure of the Department and gain TPS owners' support so that they will continue to hire the PMU's service upon completion of the management service provided by the HD for the first two years; (3) encourage HD staff of all levels to try out different methods under the new management model in order to enhance the cost-effectiveness of management and maintenance services and to give a new impression of the Department's services to the public; (3) provide guidelines and develop a monitoring mechanism to ensure that the maintenance fund and surplus from management fee are well managed and utilized.

In the face of corporate reform, the way ahead is no doubt full of difficulties. With keen competition and challenges from the private sector, the HD staff of all levels must demonstrate their determination, perseverance and zeal in their work. Otherwise, they will lose even without competing. I certainly do not wish to see this happen.

Madam Chairman, you are commended for your determination and capability in leading the Authority to serve the community and solve the problem of housing. I hope my fellow HA members and the senior staff of the Department will follow your lead and give the best of themselves with the resolution to make the new management model of TPS a greater success.

I would like to take this opportunity to express my sincere thanks to the HQ staff and the front-line staff of TPS estates for their timely assistance in providing me with the necessary information for the preparation of my speech.”

Mr CHENG Kai-nam delivered his speech as follows (English translation) :

17. “The functions of the Housing Authority can be divided into two main areas, namely, the implementation of housing policies and the cascading of corporate reform. The implementation of housing policies is, in simple terms, the work to shorten the waiting time for PRH and achieve the target of 70% home ownership.

The Authority has offered a number of home ownership options in response to both the Government's policy and the demand of residents. When the property market is booming, property becomes a symbol of wealth. In purchasing a flat, people not only look for a comfortable accommodation, they also consider the potential of value appreciation of the flat. The provision of diversified options has inevitably given rise to a comparing phenomenon in the community. For example, the Tenants Purchase Scheme (TPS) has created

an impact on HOS and Sandwich Class Housing Scheme owners while the Buy-or-Rent Option has aroused resentment among short-time PRH residents or those living in younger PRH estates. Recently, the Authority has shortened the resale restriction period of HOS flats from ten years to five years. This would be most welcomed if the property market was prosperous. However, while we are in the midst of economic recession, some HOS owners are worried that the period in which they can resell their flats to the Authority may be shortened. I would like to point out that the Authority must make adjustments from a wider perspective in order to deter the comparing phenomenon. In particular when the number of owners increases, problems related to property management and ownership will also proliferate. The problem concerning Owners' Corporations has already emerged with the implementation of TPS. In view of this, I hope the Authority will urge the Government to amend the legislation on Owners' Corporation as soon as possible and the Department will step up the education of owners to protect their rights and interests.

I would also like to bring up the question of the operation of the Authority. Although there is ample opportunity every year for the Authority to discuss the overall housing strategy of Hong Kong, we need to look into the housing policies from a wider perspective more often as the diversified options of home ownership have given rise to the comparing phenomenon in the community. Since reforms and initiatives are implemented simultaneously in various businesses of the Department, as members of one of the Committees, we must keep ourselves informed of the developments of other Committees. I therefore suggest that reports be submitted regularly, say, on the review of procedures of handling overcrowding, split or divorced households, or the issue of building quality, as just mentioned by the Chairman. It will be useful to both the Members and the public if a clear indicator to the progress of various housing initiatives can be established.”

(Mr CHAN Bing-woon left the meeting at this juncture.)

Mr NG Leung-sing delivered his speech as follows (English translation) :

18. “Madam Chairman,

It has been forty-five years since Hong Kong started its public housing programme. As a book of historic value on public housing that you presented me says, “While a lapse of ten years sees changes in every walk of life and aspect of affairs, the public housing development in the last forty-five years witnesses the transformation of early make-shift resettlement areas into modern well-planned

housing estates and new towns. Despite the vicissitudes, some of those who took part in the planning, construction, management and maintenance are still in active service...”. Reading these, I cannot help having the deepest respect for those policy makers or practitioners, whether they have retired or are still contributing at their posts.

Public housing development has been around for almost half a century. According to the figures of the Census and Statistics Department, as at the end of 1998, the Housing Authority has a housing stock of some 650 000 public rental units and over 250 000 home ownership units which accommodate more than 3.1 million people or about 46% of the population of Hong Kong. Without doubt, this constitutes a key ingredient for the steady development of the society. With such a task, the Housing Authority must keep abreast of the times. Since its formation on 1 April 1973 under the Housing Ordinance (Cap 283), the Housing Authority has been dedicating to performing its statutory functions. Reviews and renewals of its responsibilities taking into account the changes and developments of the society have become increasingly important for the Authority. Only by keeping abreast of times can it tie in with such developments in a better manner and fulfill public expectations.

Thus, the Housing Authority and its executive arm have to cope with new social responsibilities and work strategies, organisational and personnel changes, management reforms and continuous improvements. As long as reforms are made in response to social development and public needs, as long as effective communication is strengthened among staff at all levels to channel and analyse views of all parties, it is believed that through rational and lawful endeavors and discussions based on public interests the Housing Authority and staff of the Housing Department can achieve the objective of addressing the demands of the public. The public housing policy, especially in the two main areas of the supply and the allocation of housing, would be better implemented to benefit all those who have genuine need.

To ensure a constant supply of public housing to cater for the need in the development of the society, including the need of ordinary waiting list applicants, elderly persons and various special needs resulting from population growth, the government departments concerned have to co-operate on the formation of more land to provide building reserve for the Authority. Usefulness is essential as far as the building quality of public housing is concerned. Public housing should be practical but not flashy so that resources are used for the interests of waiting list applicants. Efficiency should be emphasized in the renovation and rebuilding of flats with due consideration to proposals of the Audit Commission and the Public Accounts Committee of the

Legislative Council. With rational use of time and public resources, an optimum flow of public housing usage can be achieved.

Lastly, I would like to take this opportunity to express my gratitude to Members of the Housing Authority for giving me a chance to learn from taking part in the service of the Commercial Properties Committee. I shall do my best to continue the good work of my predecessor and work closely with members of the Committee. Under its current terms of reference, the Committee and the Department would continue to provide ample public commercial properties to operators of all trades and professions with a view to achieve the social objective of reasonable commercial effectiveness and convenience to the living of residents.

Thank you.”

Mr WONG Kwun delivered his speech as follows (English translation) :

19. “Madam Chairman, Members,

In the Hong Kong Housing Authority Annual Report 1995/96, the Chairman has expounded on the topic of “Towards Greater Openness and Accountability” that “The Housing Authority is fully committed to the principles of openness and accountability and has taken steps to increase our fulfillment of these principles”. However, over the years, apart from the provision of telephone hotlines, adoption of the Code on Access to Information, regular contacts with the three-tier councils, admission of the public to the Housing Authority meetings, the Housing Authority has apparently made no headway towards enhancing openness and accountability these years.

It has been the practice of the Housing Authority that all members of the Authority, with the exception of the Chairman, shall serve on a voluntary basis. Members’ accountability lies in their attendance of meetings, discussion and formulation of housing policies. To the dismay of the public, however, an incredibly low or nil attendance at meetings has been recorded for individual members in the previous year. Measures should be taken by the Authority to improve the situation.

To achieve greater accountability, enhanced openness is a prerequisite. This is the principle that our Chairman has been upholding. For greater openness and better monitoring of Members, the Housing Authority

should open its Committee meetings to the public unless confidential discussion on commercial matters and tenders is involved.

At last year's annual meeting, I put forward four proposals, one of which called for the increase of the yearly quota for transfer of overcrowded households to 6 000, the relaxation of the eligibility for overcrowding relief and a review on the order of priority.

As at 30 April this year, there are 25 093 households living at a density below 5.5 m² per person and 7 459 households at a density below 4.5 m² per person. The corresponding figures for March last year were 29 003 and 8 645 respectively.

In response to Members' questions, the Chairman revealed that the Department had set up a working group to conduct a comprehensive review of policies on splitting, addition and overcrowded households, etc. in an one-off exercise to identify any mismatches. Now one year has passed but the problem of overcrowded households is still outstanding, and the HA has not received any progress report. It is believed that the public will make their judgement on this issue against the principles of openness and accountability. I urge Madam Chairman to respond to this issue. Thank you."

Mr Philip Trevor NUNN delivered his speech as follows :

20. "Introduction

I have read and generally concur with the report made by Mr. Daniel Lam, the Chairman of the Building Committee. As Daniel has said the Building Committee has a wide range of functions and the past year has been a very busy year for the Committee.

I would like to expand on three areas which have been briefly touched upon by Daniel in his report. The three matters which concern me are the quality of our buildings, risk management and site safety. I believe that the Housing Authority must look at ways of improving the performance of contractors and consultants in these areas.

Quality of Buildings

The Authority is undertaking a huge construction programme at present. The Authority has also shortened the standard contract period to speed up production. Whilst speed of production is obviously of importance, this should not in my view be at the expense of quality.

There have been many instances over the last year of poor quality work by our contractors. This may be due to shorter timescales for contracts, it may be due to the expanded workload of contractors, it may be due to bad supervision and control of sub-contractors by main contractors, it may be due to bad supervision and control of main contractors by consultants or site staff. Whatever the reason, we must take steps to attempt to improve quality.

Whilst the Performance Assessment Scoring System (PASS) has been reviewed and improved, I still believe that further emphasis needs to be put on improving quality. The PASS system itself is not sufficient to ensure quality. More severe conditions of contract are necessary in my view to deal with recalcitrant contractors. In addition improvements are required to contract supervision. Whilst it is impossible for everything to be checked, some of the problems which have occurred on our sites over recent months could not have occurred if normal standards of supervision had been implemented.

I would therefore like to see the Authority's construction contracts strengthened to ensure that quality is given much higher priority. For example, greater power to withhold interim payments if quality is not achieved could be imposed and stricter criteria implemented so that the issue of completion certificates is not possible unless adequate quality standards are achieved. I would also suggest stricter criteria regarding supervision be incorporated into consultancy contracts. Supervisors should not be immune from action if they fail to perform. The Authority should not be afraid to take strong action against consultants for poor performance.

Risk Management

As Daniel has indicated, the economic downturn has led to several major building contractors going into liquidation over the last year. Whilst financial vetting of contractors is implemented by the Authority, I believe that this is not all that is needed. When contractors are getting into financial difficulty, there are often early warnings given such as deteriorating performance standards, sub-contractors disappearing or material suppliers refusing to deliver. Greater steps must be taken to recognise these early warning signs so that positive steps can be taken before a contractor actually goes into liquidation. From my experience, the private sector normally has detailed knowledge of ailing contractors well before the public sector and usually takes positive steps to do something about it at a much earlier date.

In addition, I would like to see performance bonds introduced for building contractors. Those performance bonds must be effective to assist the Housing Authority not only when contractors go into liquidation but also when their performance is inadequate.

On demand performance bonds (if properly and reasonably utilised) can lead to not only greater security to the Housing Authority in situations where a contractor is in financial difficulties but also to a greater incentive to contractors to perform. In particular, rectification of defects after completion of the works is much easier to enforce if the contractor knows that the Authority is holding a performance bond. A performance bond will normally not expire until the end of the defects liability period at the earliest.

In addition, I would like to see greater use of the default provisions in the construction contract in cases other than liquidation. In the private sector, it is quite common for parts of the works to be taken out of the control of a contractor and given to other contractors if he fails to perform. In addition, default action is often taken for failure by a contractor to proceed with due diligence or for regularly failing to comply with instructions given by the consultants. These powers are in the Housing Authority contract but are rarely used effectively.

Site Safety

There has been an increase in both fatalities and serious accidents on Housing Authority sites over the last year. This is despite site safety

campaigns of various types and frequent reminders to contractors regarding safety procedures. Site safety standards in Hong Kong are well below those of other developed countries.

In my view, the Housing Authority must set the lead in improving site safety. Site safety campaigns and briefings of contractor's management are all very well but they will not succeed unless they are reinforced by strong action and strong penalties against contractors who do not achieve the required standards.

Again, I would like to see the conditions of contract significantly strengthened with regard to site safety so that contractors are penalised financially if they control unsafe sites. Contractors can also be penalised more severely in terms of opportunities for new work if their safety records are poor. We must give more priority to safety and the time has come to take strong and positive action in this respect.

Conclusion

In summary, quality of our buildings must not be sacrificed by speed of production. Quality can be improved I believe by better and stronger contract terms and better and stronger contract management and supervision.

Risk management can be improved by greater commercial awareness, better use of contract provisions and the introduction of performance bonds.

Finally, but most importantly, site safety must be a top priority and the Housing Authority should make it known that it will not tolerate contractors who fall below the required standards.

Mr IP Kwok-him delivered his speech as follows (English translation) :

21. “ **No Rush for Privatization of the Housing Department**

Madam Chairman and Members,

I am glad to join you in this Annual Special Open Meeting for the first time as a Member of the Housing Authority. I would like to say a few words about the increase of private sector involvement (PSI) in the Estate Management and Maintenance (EMM) services of the Housing Department, which, no doubt, has aroused heated discussion among Members recently.

Being the largest landlord in Hong Kong, the Department provides housing for nearly half of our population. The increase of PSI in EMM services will affect the quality of life of more than three million people and the livelihood of over 9 000 Department staff. Now, as the Department has arbitrarily introduced the reform initiative before any consensus is reached with staff, it bodes ill for the success of the reform. I am afraid that disadvantages will emerge before any advantage can be seen.

Is there actually such a great urgency for increasing PSI? At present, residents of over 100 HOS courts have the right to choose who to manage their properties but only a few of these courts are managed by private management agencies (PMAs). This reflects the contradictory feelings of the residents who are caught between their dissatisfaction with the Department and the wish to stay with it. I wonder whether the Department has ever noticed this and whether any effort has been made to study and analyse the issue. This will provide a very useful reference when considering whether or not PSI should be increased and the pace of implementation.

The Department has repeatedly stressed that it faces higher costs in the provision of EMM services and does not have adequate flexibility in manpower deployment while PMAs strive to further cut costs and enhance service quality by integrating various services, building international cooperative relationships, adopting flexible work practices and investing heavily in a range of technologies. The public are brought to believe that only by employing PMAs can management services be greatly enhanced. I do not deny the positive effects of increasing PSI. However, owing to the poor performance of individual PMAs, many privately managed buildings suffer from confused accounts, overcharging of management fee, sluggish attitude of management staff and even corruption and fraudulence. Moreover, there is no well-developed monitoring system for PMAs and loopholes are found in the existing penalty system. If we do not conduct a review and make improvement now, we can hardly find a solution to the problem. Actually, the key to enhancement of cost-effectiveness lies not in privatization, but in the introduction of competition. We must not overplay the significance of corporatisation, taking it as the panacea for all ills.

Madam Chairman, I understand that HA has set up a Task Force to

follow up on and examine the feasibility of PSI. In my opinion, the Task Force should consider giving staff an opportunity to prove their worth, providing an avenue for dialogue to gauge the views of staff and conducting a detailed study and comparison on the relative merits of the management services of PMAs and HD. It is hoped that before the reform is implemented, a consensus and understanding can be reached with the staff and proper transfer arrangement be made so as to ensure that their morale will not be affected by the change of policies.

Madam Chairman, I have joined the Authority for just two months and I am not yet fully familiar with its operation. However, with greater openness in Hong Kong now than before, I firmly believe that the Authority should take steps to enhance its openness and transparency. Clothing, food, housing and transport are people's major concerns. The Authority is responsible for planning, building and management of housing that accommodates half of the population of Hong Kong. I believe that the public have the right to know more about the Authority's activities and how their living condition is being improved. On the other hand, the Authority may gauge opinions from different sectors of the community and this will facilitate the formulation and implementation of housing policies. Meetings of the Legislative Council are now open to the public. All papers except the confidential ones are available for public inspection and retrieval. The practice has been well in place for many years and has never created any problem that affects the normal operation of the LegCo. I hope that the Authority, in response to the development need of society and the need of the community, will work towards greater openness and make information on matters discussed in its meetings more accessible to the public.

Thank you."

Prof. Richard WONG delivered his speech as follows:

22. "Very soon we will enter a new century. To look ahead, the SAR Government is devising a long-term economic development strategy for Hong Kong, which also has far-reaching effects on the local housing policy.

In Hong Kong, financial business flourish in growing prosperity and wealth, and their derivatives have great impact on housing management and policy formulation. Over the 45 years of public housing development, the Housing Authority has developed from an infant organization into a gigantic concern with a wide variety of services. If the Authority is listed, it may be

the biggest company in the world in terms of net asset value. But can such a giant operate with great efficiency? This is rather dubious. On the principles of business administration, a big company must focus on core businesses to gain success. By the same token, the Authority, taking advantage of the maturity of the market and financial services, had better step up its review on core businesses and consider whether the non-nuclear ones should be reduced or even cut off to cater for the needs of social development.

In meeting the housing needs, the Authority should consider whether it should be responsible for devising policies for provision of better housing facilities or act as a direct provider of housing, management and supervisory services. We should adopt various means available in the market to achieve the target of providing the best service for the public.

Let me reiterate, in the light of the start of a new century and the transformation of Hong Kong economy, we should review two issues. First, whether non-nuclear businesses should be stopped or not? Second, how are we going to provide core services? I understand that the Housing Department has already kept these two issues under constant review. But at this opportune moment for economic progress in Hong Kong, it is really necessary for us to undertake a more in-depth review on the streamlining of our businesses for better service.”

23. The Chairman thanked Members for their valuable views. She said a response would be given by herself and the Director of Housing at the Authority’s next meeting to be held on 8 July 1999.

CLOSURE OF MEETING

24. There being no other business, the meeting was adjourned at 10:50 a.m.

DATE OF NEXT MEETING

25. The next meeting would be held at 8:45 a.m. on Thursday, 8 July 1999.

CONFIRMED on 8 July 1999.

Dr. the Hon Rosanna WONG Yick-ming, JP
(Chairman)

Lawrence CHOW
(Meeting Secretary)

Table 1: Staff Costs of Tenants Purchase Scheme(TPS) Phase I Estates from 14 April 1998 to 31 March 1999 (HKD)

TPS Phase I Estates	(A) Salary of Estate Staff	(B) Costs of Security Service	(C) Share of HQ Administrative Overhead	(D) Total Staff Costs
1. Cheung On	3,762,045	3,799,831	2,162,156	9,724,032
2. Heng On	3,666,522	2,700,341	1,819,929	8,186,792
3. Fung Tak	3,959,300	2,916,648	1,496,454	8,372,402
4. Wah Kwai	3,150,119	2,214,061	1,063,663	6,427,843
5. Wan Tau Tong	2,642,529	1,190,506	771,436	4,604,471
6. Kin Sang	2,683,845	1,622,196	763,211	5,069,252
Total :	19,864,360	14,443,583	8,076,849	42,384,792

Table 2: Comparison of Staff Costs per month per flat of TPS Phase I Estates with those of the Private Sector (HKD)

TPS Phase I Estates (Number of flats)	(A) Salary of Estate Staff	(B) Costs of Security Service	(C) Share of HQ Administrative Overhead	(D) Total Staff Costs
1. Cheung On (7,338)	44	45	25	115
2. Heng On (5,932)	53	39	27	119
3. Fung Tak (5,336)	64	47	24	136
4. Wah Kwai (3,715)	73	52	25	150
5. Wan Tau Tong (2,675)	85	38	25	149
6. Kin Sang (2,652)	87	53	25	165
Six Estates (27,648)	62	45	25	132
Four Estates managed by private property management agencies (Account for 1997/98)	91	31	26	148

Table 1 and 2 are prepared by HA Member LAU Kwok-yu basing on the income and expenditure accounts of the six TPS estates from 14 April 1998 to 31 March 1999 provided by the Housing Authority.

Note : Columns (A) and (B) show the direct staff costs.
Column (C) shows the indirect staff costs.

Table 3: Maintenance Fund and Operating Surplus of TPS Phase I Estates from 14 April 1998 to 31 March 1999 (HKD)

6 TPS Phase I Estates (Number of Flats)	(A) Maintenance Fund			(B) Operating Surplus	(C) Total Disposable Capital =(A) + (B)
	(1) Appropriation from HA (\$14 000 per flat) and interest accrued	(2) Amount transfer from the monthly management fee to Sinking Fund for maintenance and interest accrued	(3) = (1) + (2)		
1. Cheung On (7,338)	110,664,067	3,473,585	114,137,652	9,749,803	123,887,455
2. Heng On (5,932)	89,460,244	2,923,829	92,384,073	10,619,474	103,003,547
3. Fung Tak (5,336)	80,532,254	2,401,627	82,933,881	5,017,671	87,951,552
4. Wah Kwai (3,715)	56,025,713	1,707,048	57,732,761	2,377,002	60,109,763
5. Wan Tau Tong (2,675)	40,341,528	1,238,061	41,579,589	3,254,912	44,834,501
6. Kin Sang (2,652)	39,994,666	1,224,862	41,219,528	2,138,572	43,358,100