

**Minutes of the Meeting of the HONG KONG HOUSING AUTHORITY
held on Thursday, 5 March 1998**

PRESENT

Hon Rosanna WONG Yick-ming, JP	(Chairman)
Mr J A MILLER, JP (Director of Housing)	(Vice-Chairman)
Mr Victor SO Hing-woh, JP	
Mr HAU Shui-pui	
Hon FUNG Kin-kee	
Prof YEUNG Yue-man, JP	
Hon LEUNG Chun-ying, JP	
Ms HO On-nei, JP	
Mr CHAN Kam-man, JP	
Mr Nicholas BROOKE, JP	
Mr 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	
Dr Joseph LIAN Yi-zheng	
Ms SIU Yuen-sheung	
Mr Walter CHAN Kar-lok, JP	
Dr Anthony CHEUNG Bing-leung	
Mr WAN Man-yee	
Mr CHAN Bing-woon, JP	

Mr LAU Kwok-yu

Hon NG Leung-sing

Ms Iris TAM Siu-ying

Mr Andrew WELLS, JP (Deputy Secretary for Housing (2))

Miss Jennifer MAK (Director Corporate Services)(**Secretary of the Authority**)

ABSENT WITH APOLOGIES

Mr Peter WONG Hong-yuen, JP

Hon CHENG Kai-nam

Mr NG Shui-lai, JP

Mr K C KWONG, JP (Secretary for Treasury)

Mr R D POPE, JP (Director of Lands)

IN ATTENDANCE

Mr Macro WU, JP (Deputy Director/Management)

Mr Stephen S C POON, JP (Deputy Director/Works)

Mr R A BATES, JP (Business Director/Commercial and Services)

Mr Y L CHAN (Business Director/Allocation and Marketing)

Mr R J AVON (Finance Director)

Mr Joseph KONG (Business Director/Development)(Acting)

Mr C W C CHEUNG (Head of Corporate Strategy Unit)

Mr C C HUI (Assistant Director/Operations and
Redevelopment)

Mr H T FUNG (Assistant Director/Central Services and Management
Policy)

Mr Joseph K C LEE	(Assistant Director/Management 2)
Mr C H LEE	(Assistant Director/Commercial Properties)
Mr K T POON	(Assistant Director/Information and Community Relations)
Mr S C LEE	(Assistant Director/Works)
Mr Y K CHENG	(Assistant Director/Applications and Home Ownership)
Mr Bay WONG	(Assistant Director/Management 3)(Acting)
Ms Ada Y S FUNG	(Project Director/Project Management)(Acting)
Mr A C W LAI	(Senior Administrative Officer/Policy)
Mr L Y L CHOW	(Committees' Secretary) (Meeting Secretary)
Ms Vera Y Y CHAN	(Assistant Committees' Secretary 1)

Opening Address

The Chairman opened the meeting at 8:50 a.m. and welcomed Members to the meeting. On behalf of the Housing Authority (HA), she thanked Mr K C KWONG, who would assume the new post of Secretary for Information Technology and Broadcasting in May, for his contribution to the work of the HA.

AGENDA Item 1

Confirmation of the Minutes of the Regular Open Meeting Held on 22 January 1998

(Paper No. HA 9/98)

2. The minutes of the regular open meeting held on 22 January 1998 were confirmed and signed.

AGENDA Item 2

Matters Arising From the Minutes of the Regular Open Meeting Held on 22 January 1998

(Paper No. HA 10/98)

3. Members noted the report from the Department.

AGENDA Item 3

Long Term Housing Strategy White Paper

(Paper No. HA 11/98)

4. **Mr W C CHEUNG** briefed Members on the paper.
5. **Mr LAU Kwok-yu** urged the Department to report regularly to HA on the progress of and detailed plans for the Long Term Housing Strategy (LTHS) White Paper's initiatives which fell within HA's scope of work.
6. **Mr W C CHEUNG** said that some of the White Paper's initiatives were matters of principle and might not necessarily be reported to the HA. However, the Department would report to the respective business committees the progress of those initiatives which covered a wide range of areas.
7. **Mr LEE Wing-tat** doubted if the Authority could amend the recommendations in the White Paper which became government policies following endorsement by the Executive Council. He also queried the Housing Bureau's (HB) move in working out the details and specific arrangements for the LTHS, saying that it was an "infringement" of HA's autonomy in disguise.
8. **Professor YEUNG Yue-man** said that the public had misconceptions about the "passing-on" of public rental tenancies. He pointed out the issue had been discussed by the Ad Hoc Committee On Private Domestic Property Ownership By Public Rental Housing Tenants. Both the White Paper and the Ad Hoc Committee held the same view on this issue and he saw no inequity in abolishing the "passing-on" practice. Instead, it would be unfair if the "better-off tenants" were allowed to buy PRH flats.

9. **Mr FUNG Kin-kee** criticized the HB of taking over the authority from the HA. He said that traditionally the HB made policy proposals only. However, about 40% of the White Paper was now devoted to discussion on the details of housing policies, which actually went beyond HB's ambit. He also remarked that the Tenants Purchase Scheme (TPS) had made a great impact on the prices of Home Ownership Scheme (HOS) flats and the HOS secondary market. This had already aroused the discontent of HOS flats owners. He was concerned that the Buy-or-Rent Scheme, if put in place, would make an even greater impact on HOS flats.

10. **Mr FUNG Kin-kee** said when the question of "better-off tenants" was first raised, it was agreed after discussion that under the spirit of rational allocation of housing resources, "better-off tenants" were not required to move out but had to pay the market rent. He held that the same principle should be applied to the other policies as well. The Authority should not terminate the tenancy of the adult members of the household who failed the means test upon the death of the principal tenant on the one hand, but permit the "better-off tenants" to stay in their PRH flats by paying the market rent on the other. He further pointed out that the PRH flat was rented to the whole family of the principal tenant and not just the principal tenant and his/her spouse. The abolition of the "passing-on" practice thus ran counter to the original policy. He said some HD staff had actually suggested to PRH applicants that they could register on the Waiting List for public housing in their elderly parents' names in order to have the waiting time reduced. However, these tenants now had to face eviction. He opined that the HB had not taken the consistency of policies into consideration.

11. In response to the queries from Mr LEE Wing-tat and Mr FUNG Kin-kee, **Mr WELLS** said :

- (1) It was after a long period of consultation and thorough consideration of different views that the Government reached final conclusions on the LTHS. The HA had also discussed the Consultative Document in great length.
- (2) Initiatives set out in the White Paper were government policies which were not drawn up by the Housing Bureau (HB) unilaterally. In formulating a policy, the Government should not only set an overall direction, but also pay attention to the details. Otherwise, the policy would be criticized by the public as impractical and difficult to implement.

- (3) What the Government had done was incorporating the announced policies into the White Paper. Moreover, initiatives described in paragraphs 5(c)(ii), (iv) & (v) of the HA Paper had been announced by the Chief Executive in his Policy Address in October 1997. As such, the White Paper's initiatives were not new to the public.

12. **The Chairman** added that during their discussion on the LTHS Review Consultative Document on 19 May 1997, Members accepted in principle the recommendations therein. The Government accepted Members' views on PRH allocation standards, though recommendations on domestic rent policy were not adopted.

13. **Mr BROOKE** agreed with Mr WELLS that the White Paper should include details. He said this would help the Authority to focus on important issues so that it could meet the many challenges ahead.

14. **Mr CHAN Kar-lok** said that the new initiatives introduced in the past two years would affect the existing housing policies. To minimise the impact, the pace of implementation should not be too fast. However, he disagreed with Mr FUNG Kin-kee that the HA had neglected HOS owners' interests by introducing the Tenants Purchase Scheme. Quoting the flexible discount rates, the Concord HOS flats of higher quality and the reduction of alienation restriction period from 10 to 5 years, he said all these initiatives catered to HOS flat owners' interests and were well received by the public. Yet, he expressed concerns over the mixed development mode which, as stated in the LTHS White Paper, would take the place of Private Sector Participation Scheme(PSPS) in the long run. He said it would take a long time to tell whether such development mode could achieve its purpose. In the interim, the Government should ensure a good quality of the flats built under PSPS, but the White Paper made no recommendations in this respect.

15. **Ms SIU Yuen-sheung** said that there was much criticism about the practice of "passing-on" PRH tenancies from the community. She commented that as those living in private premises had to wait for many years for public housing on the Waiting List, tenants whose financial means had improved should not continue to occupy public housing resources. The Authority should review its policy to keep abreast of the times.

16. **Ms HO On-nei** shared Mr FUNG Kin-kee's view about the "passing-on" of PRH tenancies. However, she agreed to the rationale of asking the "better-off" tenants to declare their income and assets. She commented that the problem would vanish when "better-off" tenants had bought PRH flats or their children had applied separately for public rental housing.

17. **Mr FUNG Kin-kee** asked how the Housing Bureau could achieve the target of producing at least 85 000 new flats every year beginning in 1999/2000, as stated in the White Paper. He also asked what the Government would do to ensure the production of at least 35 000 new private sector flats every year and whether the Authority was obliged to make up the difference when this could not be met.

18. **Dr Anthony CHEUNG** suggested that the HB might consider allowing public rental tenancies to be passed on for just "one generation". He noted that it was stated in the White Paper that families who failed the means test could stay at the PRH flats for "not more than one year", which was quite different from what the Department mentioned in the paper that they were allowed to "stay in PRH for a limited period of time". Besides, it was clearly stated in the White Paper that the Government would implement the Buy-or-Rent Scheme "at a discounted price starting in 1998". However, this scheme had not yet been discussed and it was not clear whether it was feasible or not. He also criticized that the HB had overstepped its authority in giving too much details to the White Paper's initiatives.

19. Regarding the "passing-on" of PRH tenancies, the **Chairman** said that the recommendation in the consultative document and the White Paper was similar. It was stated in the consultative document that "their length of stay should be restricted to a limited period of, say, one year". She said the White Paper only set out the main policies while the Authority had to consider the feasibility of implementation and the compatibility with other policies. She remarked that the respective business committee would study the restriction imposed on the "passing-on" of PRH tenancies to see if there was any inconsistency with existing policies. It was incumbent on the Authority to advise the Government on any such inconsistency. She hoped the Housing Bureau would respect the Authority's opinions.

20. **Mr WAN Man-ye** said that the right to “inherit” PRH flats was actually overstated as tenants merely rented PRH flats from the Authority on a monthly basis and there was no such question of “inheritance” at all. He hoped that the new initiative would not discourage the adult family members from living with their parents.

21. On the question of “passing-on” public rental tenancies, **Mr WELLS** responded that the Government had to take equity into consideration. Descendants of “better-off tenants” had to wait for their turn for public rental housing on the same list with other families. He pointed out that the annual production target of not less than 85 000 public and private sector flats was based on the government forecast of average annual housing demand over the next 10 years as well as the statistics on the flat production of HA and private developers in the coming 8 to 13 years. He said that the Government had confidence to meet the production target of 85 000 flats a year beginning in 1999/2000. That the Government would build more than 50 000 public sector flats in 2001/2002 illustrated her determination to achieve the housing goals.

22. The **Director of Housing** added that there might be implementation difficulties if there were inconsistencies in the policies. The Department would align existing policies to smooth out the problems.

AGENDA Item 4

Preparation of the 1999 - 2000 Corporate Plan

(Paper No. : HA 13/98)

23. **Mr W C CHEUNG** briefed Members on the paper.

24. The **Chairman** said that the public would be able to know about the Authority’s objectives and results to be achieved from its business plans. When the 1999-00 Corporate Plan was prepared, it would be submitted for Members’ discussion.

25. **Professor YEUNG Yue-man** noticed that the annual budget was to be compiled in between July and October 1998 while the corporate plan would not be formulated until November. He asked why such an arrangement was made.

26. **Mr Eddy FONG Ching** agreed that a business plan was needed for carrying out HA’s work. He suggested that business committees should

review their work in the past year and see whether they had met their objectives.

27. **Dr Anthony CHEUNG Bing-leung** agreed that a corporate plan should be formulated and performance be reviewed. He suggested that the timetable for the 1999-00 corporate planning cycle should be published so that the public could give their views to the Authority accordingly. **The Chairman** and **Mr LAU Kwok-yu** supported Dr CHEUNG' s suggestion.

28. **Dr CHEUNG** further pointed out that Members could only review the performance in 1997/98 in between May and June 1998. He asked when Members would have a review on the performance in 1998/99.

29. **Mr W C CHEUNG** said that resource requirement and allocation would be considered by the Department in developing a strategic plan. As it would take some time to do this and to draft budgets, the strategic plan had to be developed first, followed by annual budgets and then the corporate plan. Besides, each core business committee had to make an year-end report on its business. It would therefore be more appropriate for the committees to review their yearly performance at the same time when the Department developed its strategic plan.

30. **Mr LEE Wing-tat** said that in the performance review in May 1998, the preparation of the 1999/00 business plans could only be based on the business performance in 1997/98, and there would be a one-year gap in the data used. He hoped that HA could provide a brainstorming session in between July and October 1998 for Members to participate in the development of business plans.

31. **Mr WAN Man-ye**e suggested that information such as construction costs, property prices, rent levels and changes of housing management quality in the private sector be provided for comparison with the Department' s figures in order to enhance accountability.

32. **Mr BROOKE** commented that the outline timetable for corporate planning cycle should be implemented with flexibility and be amended according to the changing environment.

33. **Mr LAU Kwok-yu** suggested that mid-term performance review be conducted in October 1998 since the progress of business in 1998/99 would have been known by then. A year-end review could be conducted in March 1999. Both **the Chairman** and **Mr W C CHEUNG** supported Mr LAU's proposal.

34. **Mr LAM Chun** said that the Building Committee could not review its business at the year end as a lead time of several years was required for construction and engineering planning. However, he suggested that review be conducted upon completion of every construction project or all such projects be reviewed together annually.

AGENDA Item 5

Provision of Housing for the Elderly in Public Housing Estates

(Paper No. : HA 14/98)

35. **The Chairman** said that Mr Peter WONG Hong-yuen had sent in a letter to express his views on the paper. (Mr WONG's letter at Annex A was tabled at the meeting.)

36. **Mr Stephen POON** presented the paper.

37. **Mr NG Leung-sing** said it should preferably be specified in which year the elderly would only need to wait for about two years before they were given access to PRH flats. He remarked that with efforts being directed to encourage more qualified elderly persons to register on the Waiting List, and with the expansion of the Housing for Senior Citizens Scheme, those who could afford private premises might be attracted to join the waiting queue. He also pointed out that elderly persons who were allocated PRH flats under the "Elderly Persons Priority Scheme" might kick up rows if they had no kinship. He suggested that separate facilities be provided for them to avoid any disputes. **Ms SIU Yuen-sheung** shared the same view with Mr NG on that point.

38. **Ms TAM Siu-ying** supported the paper. She said HA should, however, spell out that only good accommodation and comfortable environment but not all the social services would be provided. She agreed that vacant PRH flats should be leased to private operators for running homes for the aged since most private developers were not willing to develop such premises. She also suggested to provide medical and care facilities near the homes for the aged to facilitate the elderly living there. However, she cautioned that while implementing the “Elderly Persons Priority Scheme”, care must be taken not to discourage tenants from living with their parents.

39. **Mr LAU Kwok-yu** considered that priority allocation schemes should not just be carried out in public rental housing. He suggested that those willing to live with the elderly should be allowed to buy HOS flats at a special price or exempted from full premium payment upon resale of flats. The Government was committed to shortening the average waiting time for public rental housing to three years by the end of 2005, but it had to take 10 years to reduce the waiting time for the elderly to two years. He hoped that the number of flats provided for the elderly would be increased as soon as possible if resources permitted. He noticed that the projected demand and supply of 1P accommodation were very close to that of the elderly singleton units. He asked the Department to explain to him how the figures were worked out after the meeting. He noticed that the supply of 1P accommodation as at Annex VII included all singleton units and 12 431 non-elderly singletons in need of accommodation were anticipated. However, as far as he knew, there were more than 20 000 singletons on the Waiting List. He requested the Department to explain how the demand of non-elderly persons at Annex VII was worked out. He noted that non-elderly persons would have to wait longer if more HSC units were provided while supply of 1P accommodation did not increase. He asked the Department to explain how it would increase the supply of singleton units. He supported the proposal to let vacant estate flats for setting up private homes for the elderly but wanted to know if voluntary agencies were reluctant to provide the service. He hoped the Department would inform Members in due course whether the Estate Liaison Officer Scheme would be expanded and improved in light of the above development.

40. **Mr YEUNG Ka-sing** opined that the elderly should apply for PRH as early as possible. He noted that some old people and their children did not want to live together and it was necessary to provide more HSC units. He also pointed out that the Authority’s job was to build PRH flats, not to provide other social services.

41. **Ms SIU Yuen-sheung** hoped that the Special Scheme for

Families with Elderly Persons should be extended to urban areas subject to availability of resources. However, she was concerned that applicants would send away their aged relatives when they were allocated PRH flats. She supported the idea of having homes for the elderly in public housing estates but noted that suitable facilities and supporting services were needed.

42. **Mr FUNG Kin-kee** commented that the HD was not supposed to provide elderly services which should be the work of Social Welfare Department. However, he suggested that the Government should coordinate the efforts of different departments in providing elderly services such as housing, medical care and counselling. This would enable elderly persons to enjoy diversified but continuous services in the same district and help to develop a sound value of care for the elderly in the community. He also hoped that the facilities of older estates could be improved for the convenience of elderly tenants.

43. **Ms HO On-nei** supported the provision of suitable services for the elderly so that they could lead a comfortable life in their old age.

44. **Mr WAN Man-ye** commented that apart from the HA, private developers should also provide accommodation for the elderly. Furthermore, elderly housing should be so designed as to accommodate both able-bodied and frail elderly persons, saving them the need to find a new home when their health began to deteriorate. He considered the Housing for Senior Citizens Type 2 the best in design since it enabled the elderly to enjoy a shared community life as well as privacy. He also requested the Department to negotiate with the Planning Department and Town Planning Board for exempting HSC from the plot ratio calculation of superstructure. The reason was that the elderly living in such flats did not frequently use community facilities such as bus stops and schools. Mr WAN added that at the design stage of an estate, elderly housing should be seen as a main element of its composition, not a part to be added later on or even a barrier against noise. He did not object to the provision of more services for the elderly.

45. **Dr LIAN Yi-zheng** had reservations about the paper. He commented that well-off children should pay for their choice of not living with their parents, e.g. tax should be levied on them. Such a policy would be more reasonable. However, instead of doing so, the Department had given special concessions to those who lived with their parents. He also considered it inappropriate for the Department to provide welfare service beyond housing provision.

46. **Mr HAU Shui-pui** supported the various initiatives set out in the

paper. He suggested that families applying for PRH with members aged over 60 should be exempted from the 7 years' residence rule.

47. **Mr LEE Wing-tat** said that the attempt to expand Housing for Senior Citizens Scheme when housing resources were not increased would lengthen the waiting time of single persons aged under 60. He hoped this was not purely to fulfill the pledge made by the Chief Executive. He also queried if there were voluntary agencies not willing to run homes for the aged in vacant PRH premises, which caused the Department to consider leasing the premises to private operators.

48. **Dr Anthony CHEUNG** opined that elderly housing schemes should be considered from the standpoint of the needs of the elderly. Besides, elderly singletons also had housing need.

49. **Mr Stephen POON** said that he would pass the views of the Members to the Elderly Commission for its consideration when drawing up the policy on elderly. He added that some elderly persons were willing to live with their children but some were not. It was the long term target of the Department to take care of the needs of them all. Elderly persons who lived in new hostel-type homes for the aged needed not share the bathroom and the kitchen with too many people. Besides, the Social Welfare Department had plans in hand to enhance the medical and care services of the homes for the elderly. He also said that the aging problem in the older estates was serious and facilities provided for the elderly would be refurbished and improved. Proposals for improvement would be submitted for Members' consideration in due course.

50. **The Chairman** concluded that the respective business committees and the Department would study the questions and suggestions put forward by Members, including the following :

- (1) The division of labour between the Housing Department, the Social Welfare Department and the private sector in regard to the provision of elderly services.;
- (2) The need to develop a sound value of care for the elderly in the community and to provide continuous elderly services;
- (3) A review of the facilities and service for the elderly in old estates.

AGENDA Item 6

Any Other Business

The Best Estate Award

51. **The Chairman** said that in order to reward estate offices which had outstanding performance and acknowledge staff who maintained quality services, the Department had not long ago organized the “Best Estate Award Competition” to enhance the co-operation and team spirit of staff. It was hoped that this initiative would encourage staff to fully adopt the three core values of being “caring”, “customer-focused” and “committed”. The panel of judges took account of the “internal” and “external” beauty of the estates in their assessment. The following were the award-winning estate offices :

<u>Award</u>	<u>Estate Office</u>
Gold	Lai On Estate
Silver	Fu Heng Estate
Bronze	Lai King Estate
Merit	Yiu Tung Estate
Merit	Tin Yiu (I) Estate

52. **The Chairman** added that she was much impressed by the performance of the staff and the manner in which they carried out their duties when she visited Lai On Estate. She suggested that Members visited award-winning estates and other estates to give recognition to the awardees and staff for their work. She said visits could be arranged for them.

53. **Mr FUNG Kin-kee** considered that the Department had performed better than private management agencies in estate management. He hoped that the Department would have a comparison of the two and needed not hurry into contracting out the estate management service.

54. **Mr LAU Kwok-yu** noted that the award-winning estates were rather new. He suggested that the Department should evaluate the management quality of estates of different age so that the well-performed staff of older estates would also be commended.

55. **Mr CHAN Kar-lok** suggested that such incentive schemes should

be launched regularly and more resources be allocated for the purpose. Videos on the award-winning estates should be made as this would be a good example to other staff.

Petition

56. **The Chairman** asked Members to note the submissions from the Democratic Alliance for Betterment of Hong Kong, the Federation of Hong Kong, Kowloon and New Territories Public Housing Estates Resident and Shopowner Organisations and the Association of Prospective Owners of Charming Garden. (See Annexes B to E).

Date of Next Meeting

57. The next meeting would be held at 8:45 a.m. on 4 June 1998.

CONFIRMED on 4 June 1998.

Hon Rosanna WONG Yick-ming, JP
(Chairman)

Lawrence CHOW
(Meeting Secretary)