

Translation

File Ref.: HA/COM/2/2 VII
61/98

Paper No.: HA

(Revised)

Minutes of the Open Meeting of the HONG KONG HOUSING AUTHORITY held on Thursday, 17 September 1998

PRESENT

Dr the 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

Ms HO On-nei, JP

Mr CHAN Kam-man, JP

Hon LEE Wing-tat

Mr Daniel LAM Chun, JP

Mr YEUNG Ka-sing, JP

Mr Anthony WONG Luen-kin, 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-yee, JP

Mr CHAN Bing-woon, 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 Dominic WONG Sing-wah, JP

(Secretary for Housing)

Mr K T POON

(Director Corporate Services)(Acting)

(Secretary of the Authority)

ABSENT WITH APOLOGIES

Hon LEUNG Chun-ying, JP) out of Hong Kong
Mr Nicholas BROOKE, JP) out of Hong Kong
Mr Joseph CHOW Ming-kuen, JP) out of Hong Kong
Ms D YUE, JP Secretary for the Treasury
Mr R D Pope, JP Director of Lands

IN ATTENDANCE

Mr Marco M H 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 Vincent W S TONG (Business Director/ Management)(Acting)
Mr K H LAU (Business Director/Allocation & Marketing)(Acting)
Mr David LEE (Business Director/Development)(Acting)
Mrs Lily TSANG (Finance Director)(Acting)
Mr C C HUI (Assistant Director/ Operations and Redevelopment)
Mr H T FUNG (Assistant Director/Central Services and Management Policy)
Mr Joseph KONG (Assistant Director/Construction Services)
Mr Joseph K C LEE (Assistant Director/Management 2)
Mr C H LEE (Assistant Director/Commercial Properties)
Mr Y K CHENG (Assistant Director/Applications and Home Ownership)
Mr Simon LEE (Assistant Director/Legal Advice)
Mrs Doris MA (Assistant Director/Development)
Mr Andrew LAI (Head of Corporate Strategy Unit)(Acting)
Mr WONG Bay (Assistant Director/Management 3)(Acting)
Mr S K HO (Project Director/ Works)(Acting)
Ms Susanna WONG (Chief Architect/Vetting)(Acting)
Mr W K TANG (Chief Building Services Engineer/1)(Acting)
Ms Ophelia TSANG (Principal Assistant Secretary(Housing)2, Housing Buureau)(Acting)
Mrs Katherine YAU (Chief Publicity Officer/Corporate Affairs)
Mr Lawerance CHOW (Committees' Secretary) (**Meeting Secretary**)

Miss Patti HO

(Assistant Committees' Secretary/3)

Opening Address

The Chairman opened the meeting at 8:45 a.m. and welcomed Members to the meeting.

Congratulations

2. **The Chairman** congratulated those Members and Colleagues who were awarded honours or appointed Justices of the Peace in July. Among them, Mr CHAN Bing-woon was awarded Silver Bauhinia Star, Mr HAU Shui-pui, Mr CHAN Kam-man and Mr Stephen S C POON Bronze Bauhinia Stars and Ms HO On-nei Medal of Honours whereas Mr WAN Man-yee, Mr T C YUEN and Miss Jennifer MAK were appointed Justices of the Peace.

Valediction

3. **The Chairman**, on behalf of the Authority, expressed her gratitude to Mr Stephen S C POON and Mr C C HUI, who were about to retire. She also congratulated Mr R A BATES who would be promoted to Deputy Director and take over from Mr POON.

AGENDA Item 1

Confirmation of the Minutes of the Open Meeting held on 25 June 1998

(Paper No. HA 39/98)

4. The minutes of the open meeting held on 25 June 1998 were confirmed by Members and signed by the Chairman.

AGENDA Item 2**Matters Arising from the Minutes of the Previous Meeting held on 25 June 1998**

(Paper No. HA 43/98)

5. Members noted the Department's report.

AGENDA Item 3**Progress Report on the 1999-2000 Corporate Planning Cycle**

(Paper No. HA 46/98)

6. **Mr Andrew LAI** briefed Members on the paper.
7. **Mr CHAN Bing-woon** believed that the Department should not only encourage and help owners to set up Owners' Corporations but also encourage them to take a more active role in estate management. However, he noted that this might not be the major business of the Authority. Mr CHAN also suggested that the Department should work closely with the Home Affairs Department in the drive towards promoting owners' participation in estate management.
8. **Mr Vincent W S TONG** said all Tenants Purchase Scheme estates would be managed by HD in the first two years and efforts had been made to encourage owners to take an active part in estate management through the Estate Management Advisory Committees. Apart from assisting owners in the organization of Owners' Corporations, the Department also provided them with information on estate management. Besides, the Department and the Home Affairs Department met regularly to discuss the ways to assist owners in managing their own properties. Some staff members were seconded to the Home Affairs Department to follow up on the matter.

9. While encouraging public housing tenants to participate in estate management as outlined in the sixth key initiative, **Mr Walter CHAN Kar-lok** believed that the Department should expand the target groups to cover HOS flat owners, urging them to set up Owners' Corporations. The paper also mentioned 'one-stop public enquiry service' on which Mr CHAN requested the Department to expand.

10. **Mr K H LAU** responded by saying that the Department planned to offer in the new Wang Tau Hom office the services of both the Applications Section and the Home Ownership Centre, which were now located in the Housing Department Headquarters and Wang Tau Hom respectively. In other words, the new office would handle different kinds of applications such as public rental housing and HPLS loans applications and the letting of commercial premises.

11. **Mr LAU Kwok-yu** suggested that the scope of the key initiatives should be broadened. For example, the last point under Item 3 in the Annex should be modified as "To study policies and initiatives pertaining to the relaxation of resale restrictions imposed on Home Ownership Scheme flats." This would give the Committee greater flexibility in exploring different options. Both the **Chairman** and **Mr LAU Kai-hung** agreed with Mr LAU Kwok-yu.

12. **Mr LEE Wing-tat** enquired about the actual allocation of the 57 700 new rental/HOS flats and interim housing units stated in the paper. He said it was not explicitly mentioned in the paper that the waiting time for public rental flats would be shortened in 1999/2000. He hoped the Department would set a target so as to let the public know about the actual reduction in the average waiting time as against the current six and a half years.

13. In reply, the **Chairman** said that the paper aimed at briefing Members on the overall supply of units and the Department did not have any specific allocation plan yet. It would later submit a detailed plan to the Committees concerned after

taking the market demand into consideration. Furthermore, in keeping with the target of reducing the average waiting time for public rental flats to under five years by 2001, the average waiting time would be further reduced in 1999/2000.

14. **Ms TAM Siu-ying** suggested that the Department should consult the developers when drawing up the contract for the first mixed development project. In the future, the Department should also look into the various modes of cooperation. **Mr Stephen S C POON** explained that the Department had no intention of confining the mixed development project to certain mode of development, and developers were welcome to propose alternative modes of cooperation.

15. **Mr WAN Man-ye** commented on point 4 under Item 5 in the Annex, where it was stated that the HA would “rationalise the organisational structure to facilitate greater use of private sector opportunities in achieving HA’s objectives.” He opined that when rationalising the organisational structure, the Department should aim at providing one-stop services to private organisations. He added that ever since the Department created the post of Estate Liaison Officers to provide services for the elderly, the quality of life of the elderly had been substantially improved. As a result, the service was well-received by the public. He hoped that in the coming year, the Department could increase the number of Estate Liaison Officer posts in those estates where the elderly accounted for a relatively high percentage of the total estate population.

16. **Mr Vincent TONG** clarified that owing to limited resources, the Department was reviewing the service provided by Estate Liaison Officers to see if it could be classified as mainstream work before deciding whether the scheme would be extended to other estates. The Department would submit a progress report on the scheme to the relevant Committee.

17. **Dr CHEUNG Bing-leung** commented on point 3 under Item 3 in the Annex, where it was stated that the HA would “offer an option for eligible prospective tenants to buy instead of to rent their housing units.” He suggested that since the Buy-or-Rent Scheme had not yet been discussed in detail by Members, and the newly introduced asset test policy would reduce the number of Waiting List

Applicants who could afford to buy public housing units, this initiative should be worded with greater flexibility for Members' further deliberation. **Mr K H LAU** said the corporate strategies were developed to provide directional guidelines and detailed plans would be submitted to respective Committees for deliberation.

18. While supporting the strategic plan and key initiatives put forward in the paper, **Mr FONG Ching** stressed that in developing the corporate plan for the coming year, consideration should be given to the cost effectiveness of the implementation programmes and the financial implications. The decrease in the affordability levels of prospective HOS flat buyers resultant from the economic downturn, coupled with the freeze on rent to provide relief for HA tenants, had affected HA's income. He hoped that the Committees would carefully consider the financial implications for HA when making forward planning. The **Chairman** agreed with Mr FONG and remarked that constant monitoring and assessment of the HA's financial situation would be a major undertaking for the HA.

19. **Mr WAN Man-ye** expressed support for Mr FONG Ching's viewpoints concerning prudent fiscal management. Citing a contract on environmental improvement work for a shopping centre discussed at a BC meeting held two months ago, he said he objected vehemently to the spending of almost \$100 million to solve certain very insignificant environmental issues. But the Department explained that the decision to invite tenders for the project was made in June 1997 by the Commercial Properties Committee. He queried whether the Department should review decisions made before the economic recession, and suggested that the Building Committee should return such contracts to the Committees concerned for a fresh review.

20. **The Chairman** said that the Strategic Planning Committee (SPC) had discussed the issue. The existing commercial properties programmes were being consolidated for re-assessment by the SPC. The Department would inform the relevant Committees of the results. **Mr BATES** added that the existing

programmes were under review. He said cost-effectiveness was an important factor to be considered in the formulation of the strategic plan. As stated in the first initiative outlined in the Annex, one of the corporate strategic objectives was to facilitate the cost-effective provision of quality public housing. He further pointed out that in developing detailed business plans, relevant financial plans would also be submitted to concerned Committees for examination of the financial details.

21. **Mr LAU Kwok-yu** pointed out that, as mentioned in the HA's Performance Indicators for June, 62 000 new public housing units would be built in 1999/2000. However, a different figure, 57 700 units, was mentioned in the paper. He added that other papers also gave different figures for the number of rental housing units to be completed in the same year. Therefore, he hoped the Department could explain the discrepancy in respect of the said production target.

22. **The Chairman** replied that owing to the occasional project delays, supply of flats might vary from month to month. **Mr Stephen S C POON** added that the Department had been submitting to the Building Committee a monthly report on the number of new units, inclusive of the number of units built by the Housing Society. Since the number of units mentioned in the paper (Ref. : HA 46/98) only consisted housing units built by the HA, the figures contained in the two papers were different.

[Post Meeting Note : All figures concerning the production target were based on the Public Housing Development Programme published in June. However, discrepancies arose because different definitions for the composition of new housing units were adopted in different papers. The Department had given a detailed explanation in this regard to Mr LAU Kwok-yu.]

23. In conclusion, the **Director** commented that the strategic plan put forward in the paper could provide a framework for the development of business

plans for the coming year. Since all plans would be thoroughly discussed by the Committees, Members were welcome to put forward their proposals at the Committees meetings.

AGENDA Item 4

Interim Report-Initiatives on Quality Public Housing Production

(Paper No. : HA 47/98)

24. **Ms S F WONG** briefed Members on the paper.

25. **Mr Peter WONG** was concerned about how the Department could ensure contractors would comply with the contractual requirements. He pointed out that a large number of complaints were recorded last year against sub-contractors disposing construction waste away from construction sites. The Department should therefore monitor the performance of contractors and sub-contractors at the sites. The contracts should be looked at to deem the waste as that of the Authority so fly-tipping could be more easily traced and handled. In his opinion, as the largest housing development agency in Hong Kong, the Housing Authority, apart from providing housing effectively, should also ensure housing blocks were built in an environmental-friendly way, e.g. by setting energy efficiency goals to ensure those building materials would do no harm to the environment, and using HKB system to assess the environmental effectiveness of buildings etc.

26. **Ms HO On-nei and Mr CHOW Wai-kam** appreciated the Department's incessant efforts in improving the quality of buildings. Ms HO said that the design of PRH flats should be geared to the needs of tenants due to size limitation. She considered that there were too many doors for the living rooms of the Concord flats which needed some improvements to the partitioning.

27. **Mr CHOW Wai-kam** said that with the Department's continuous efforts to improve the quality of buildings and the monitoring system, there was now not much difference between public and private housing in terms of quality. He pointed out that a lot of design and supervisory work had been contracted out to new consultancy firms over the last two years. Fearing these consultants were unfamiliar with the existing monitoring system, he hoped that experienced supervisory officers would be deployed to assist them and monitor their performance. He also suggested that the Department should as far as possible rectify all defects of works before handing over the flats to tenants and avoid making remedies only after defects were detected.

28. **Ms SIU Yuen-sheung** supported the paper. She agreed with Ms HO On-nei's comment that the design of the Concord flats was impractical and said many tenants redesigned the doors and toilets. She urged the Department to cater to the needs of tenants in designing PRH flats so as to avoid wastage of resources. Besides, considering that there was still a difference of quality between public and private housing, she reminded the Department to pay more attention to the quality of buildings and tighten up the monitoring of contractors. Ms SIU continued to say that as the current provision of housing for singletons was not adequate, she hoped that more such flats would be provided so that applicants on the Waiting List could gain access to PRH earlier.

29. **Mr HAU Sui-pui** said that despite the Department's strict supervision of the construction works, there were still deficiencies that led to occasional problems found with the buildings. He supported the formulation of initiatives such as the setting up of No. 1, No. 2 and No. 3 checkpoints. However, it was also important to ensure the quality of the investigation and monitoring teams. He thus urged the Department to enhance staff training.

30. **Mr LEE Wing-tat** pointed out that about 90 000 to 100 000 flats were going to be completed in 2000/2001 which would be the double of the present

production. He reminded the Department not to sacrifice the quality for quantity. He said that the present situation of Hong Kong was similar to that of Singapore in the mid 80's. At that time, Singapore Housing and Development Board took much care to build public housing but many problems were still found with the buildings. Mr LEE continued that the Department had contracted out some work process like design and construction but not handover inspection. He suggested that the Department should contract out the service to independent professionals to obtain an objective assessment of the quality of the buildings so as to ensure that the quality would not be affected by the increase in the quantity. Comprehensive assessment criteria basing on the views of the tenants on the building quality could be developed to monitor the performance of the independent professionals.

31. **Dr Richard WONG** pointed out that the quality of public housing was the major concern of the public. It was suggested in the paper that stepping up supervision would be a means to improve the quality of buildings. However, he considered that the marginal efficiency of supervision would continue to decrease and the supervision function could not be fulfilled eventually. He suggested that the Department should stipulated in the contract that contractors were required to take absolute responsibility and set out a series of indicators, specifying that non-compliance of which was liable to prosecution. Besides, the performance of contractors should be used as the criteria for drawing up the contracts. For example, the Department could adopt the performance bond to minimise the need for supervision. Dr WONG continued that the existing selection criteria basing mainly on awarding contracts to the lowest bidders had to be revised since the adoption of absolute responsibility and performance bond would cause a higher tender price. In response to the comment made by Ms SIU Yuen-sheung concerning modification of flat design by tenants, he said the Department could consider including the expenses of modification works by tenants in the contract in order to encourage contractors to cater to customers' needs in the building design.

AD/CS

32. **Mr WAN Man-ye**e considered that quality assurance standard ISO 9000 was not as effective as expected and hoped that the Building Committee could review the quality assurance standard. He pointed out that there were 2 arrangements on building works : the Department provided the design, or the contractor concerned was responsible for both design and construction works. He hoped that the Department could exercise effective supervision over these two different arrangements. Besides, he considered that there are too many tiers of site supervision and it was hard to ascertain where the responsibilities lied when problems occurred. He hoped that the Department would pay more attention to human resources management when conducting a review on construction procedures. He further pointed out that some contractors contracted out the whole project, thus affecting the building quality.

33. **Mr LAU Kwok-yu** pointed out that some contractors wilfully delayed the rectification work on defects identified and those tenants who wanted to move in as soon as possible had to carry out improvement works at their own expenses. He asked the Department whether any punitive action would be taken against this kind of contractors. He also suggested that the Department should give consideration to contracting out the rectification works. Besides, he considered that tenants should be allowed to take part in flat design. He hoped that the Department could submit a report to the Authority on channels of collecting opinions from the public and the relevant follow-up work so that Members could have a clearer picture of the situation.

AD/CS

34. **Mr WONG Kwun** pointed out that the construction business and other public housing providers did not take ISO 9000 as the sole quality assurance standard. He wondered if this standard was flawless. He said that although the contractors had to meet the requirements of HA, it was hard to guarantee that the sub-contractors could also meet the standard under a multiple sub-contracting system. He asked if the Building Committee could follow the practice of the Rental Housing Committee to meet and hear the views of the public and concern

group regularly so as to improve the services. The Building Committee could also consult the decoration contractors of PRH and HOS flats.

35. **Mr NG Shui-lai** gave his strong support to the paper. However, he said although the Department had outlined many initiatives to monitor handover inspection, it was the actual implementation that counted. He also shared Mr LEE Wing-tat's views on contracting out the "handover" procedure and suggested that the Department should select 1 or 2 pilot estates to try out the proposal. He asked the Department through what channels tenants could take part in flat design.

36. **Mr YEUNG Ka-sing** said that the reason why public housing sometimes gave people a bad impression was that there was something wrong with the building materials. He suggested that the Department should use building materials that could be maintained in a easier way and put in more effort in respect of design and supervision.

37. **Mr Victor SO** said that as the quality of buildings would affect the future cost involved in estate management and maintenance, the estate housing manager should actively take part in the handover inspection to ensure the quality of buildings. He pointed out that the Department's design tended to be standardized to facilitate quality control and, as a result, block design became stereotyped. He suggested to adopt different kinds of building design in the same district since this would make the buildings look more attractive. He considered that the quality of HOS courts was acceptable but many people regarded PSPS courts as HOS courts and therefore considered the quality of HOS courts below average.

38. **Mr Daniel LAM** said that the Building Committee understood that a building could not be changed once it was built and therefore they would not tolerate buildings of bad quality. He said that quality, which was a form of culture, could not be enhanced just by contract requirements, introduction of penalty or supervision system, but also required the cooperation between all the parties

concerned. He pointed out that the paper was only a mid-term report without any proposal on design. He added that the Building Committee would consider Members' comments but building design was subject to legislation and site area. He also suggested the Department make a study of the housing design that the public wanted in the next century.

39. **D of H** considered that to ensure the quality of building, we had to let contractors know our demand on building quality. Contractors could get to know the standard of building quality through show flats set up by the Department and comments given by customers during handover inspection. He reiterated the decision made in the last meeting, that is, the Department would let a project slip rather than condone acceptance of shoddy work.

40. **Mr Stephen POON** responded to Members' inquiries and comments in terms of environment protection, block design and supervision :

(1) Environment Protection

A steering group had been set up this year to co-ordinate environmental protection efforts and 2 meetings had been held. The Department had started to work on the building design, reduction of construction waste and waste disposal. Publicity would also be stepped up to enhance the environmental awareness of the staff.

(2) Block Design

After considering Members' comments, the Department would prepare a report detailing the features of new harmony public housing blocks in due course. The number of doors and toilets of the newly designed harmony PRH flats would be reduced. Every time when a new design was introduced, show flats would be set up and opened to the public.

Valuable comments would be received from the public. Efforts had been directed to improve the quality of buildings at the basic level of design, such as the building structure and seepage proofing. To avoid putting too much effort on the structure of buildings while neglecting the appearance of buildings, the Department would focus more on the materials, fittings and fixture in order to meet the customers' requirement. The Department would also consider awarding turnkey contracts by which contractors would undertake all the procedures, including design, construction and supervision etc. With respect to the PRH design, the Department would follow-up on Mr Daniel LAM's suggestion.

(3) Supervision

Mr POON considered that 2 major stages of construction which needed supervision were construction and handover. Any problem identified during construction should be dealt with immediately instead of leaving it over until the "handover" stage. The Department would convey this message to the front line staff and contractors. The existing "handover" procedure was supervised by a third party. After completion, inspection of buildings would first be carried out by HD construction services staff and then by the estate management staff. The Department would assess the need to contract out the inspection work and then make a decision. As for the multiple sub-contracting system which affected the quality of buildings, the construction association had encouraged direct employment of labour in order to reinforce quality control.

AD/CS

41. **The Chairman** thanked Members for their concern over the quality of buildings. She agreed with Mr LEE Wing-tat's comment of not sacrificing quality for quantity. She said that Members' comments on building design, consultation of tenants, supervision of consultants, contracting out the handover inspection work

and supervision system would be put forward to Building Committee for consideration.

AGENDA Item 5

Provision of Automated Refuse Collection System for Domestic Blocks in Public Housing Estates and Home Ownership Scheme Courts

(Paper No. : HA48/98)

42. **Mr Vincent TONG** briefed Members on the paper.

43. **Mr Peter WONG Hong-yuen** referred to the fifth paragraph of the paper which stated that refuse would be sucked by an automatic system to a central plant where it was separated. He queried how this system could separate different kinds of refuse collected by the central plant. He said the adoption of the system ran contrary to the refuse reduction scheme going to be discussed in Legco because the Legco-advocated scheme was aimed at separating the refuse at source in the collection process. There were some systems with separation function which were comparably expensive yet catered to the need of Hong Kong. He further said that he had reservations about the paper in consideration of the fact that public housing provided by the Housing Authority housed half of the population in Hong Kong, and a refuse collection system without separation function would give a wrong message to the public.

44. **Mr Vincent TONG** explained that the “separation” mentioned in the paper referred to the separation of exhaust air during the process of compacting refuse, in which the exhaust air would be discharged to the outdoor through dust and carbon filters or other mechanical means. He further said that the Department had been encouraging refuse separation on tenant’s own through education. After the implementation of the new system, the Department would still have to hire cleansing

contractors for refuse separation for a long period of time until tenants had such an awareness and separated the refuse themselves.

45. **Mr LAU Kwok-yu** shared that same viewpoint with Mr Peter WONG Hong-yuen. He said the refuse separation experience in the two pilot scheme estates were good reference for the department. He asked if the system would be installed in new estates built on reclaimed land which had a probability of subsidence. He queried whether the system would be installed in the shopping centres and how the expenses could be split between the department and tenants. He also pointed out that the life-span of the system had not been mentioned in the paper. He wanted to know whether the Department had made provision in the estates maintenance budget for system renewal since the maintenance fee would affect the tenants, in particular the Tenants Purchase System flat owners.

46. **Mr NG Leung-sing** supported the paper. He said he had visited those estates installed with the system and believed that the system would improve the living environment of the estates. The main consideration was whether the increase in expenses would be accepted by tenants. He supported the installation of the system in estates of medium or large size. He said it was mentioned in the paper that cost savings would be achieved with the installation of the system, and asked the Department to provide concrete supporting figure. Referring to “the costs” of the systems in Wah Sum Estate and Shek Yam East Estate which had been absorbed in the rents as mentioned in the paper, he wanted to know whether all the costs were covered, including installation, operation as well as maintenance costs. He asked who, i.e. whether the tenants, the department or the system supplier, found the costs “reasonable”.

47. In response to Members’ comments and inquiries, **Mr Vicent TONG** said,

- (1) The operation and maintenance of the system and daily cleansing work in the 2 pilot estates were contracted out to 2 contractors respectively in the conventional way. Currently, the Department still counted on the cleansing contractors to separate and dump refuse into the refuse chute. However, the Department hoped to educate tenants to separate the refuse by themselves in order to save the need of commissioning cleansing contractors for the purpose and reduce the cost.
- (2) Refuse from shopping centres such as waste from restaurants, was quite different from household refuse. The Department worried that shopping centre refuse would affect the operation of the system. Therefore, in the initial stage, only domestic blocks would be installed with the system.
- (3) The system should have a life time of not less than 25 years and the Department was confident that it could be used for a least 25 years under normal operation.
- (4) The Department had not yet calculated the cost-benefit achieved from the reduction of floor areas for refuse chambers after the installation of the system. However, it was certain that some floor areas could be spared for other purpose.

48. **Mr Anthony WONG** considered that it would not be very effective if it only depended on cleansing workers for refuse separation. He hoped that the Department could step up publicity to encourage tenants to separate the refuse. He appreciated the Department's efforts to reduce the cost of the system, and asked if there was any problem encountered in the implementation of the 2 pilot schemes. He also enquired about the contingency measures in the event of subsidence or system breakdown.

49. **Mr CHENG Kai-nam** expressed concerned that the system proposed in the paper might not meet the legal requirements in respect of refuse separation when environmental policies became more developed. He pointed out that there were a lot of restrictions on the installation of the system and asked how many estates needed to have the refuse disposal facilities improved yet could not be provided with the system. **The Chairman** responded that the system was mainly provided in the new estates. Installation in completed estates would not be considered for the time being as there were still a number of complicated problems that remained unsolved.

50. **Mr NG Shui-lai** shared the view of educating tenants to separate refuse. He was also concerned that unruly elements might make use of the refuse room to conduct unlawful activities. He said that he had received complaints about large-sized refuse being left unattended and asked what action would be taken to address the issue.

51. **Ms TAM Siu-ying** had reservation about refuse separation by tenants themselves. She was concerned that some tenants would dispose of the refuse in a haphazard way, thus causing blockage to the refuse chute. She also expressed concern about the security of refuse chambers.

52. **Mr WONG Kwan** queried if it was the right time to introduce the scheme as the new system still needed a great deal of manpower for refuse separation. Saying that the introduction of the new system could save the Government some expenses on refuse disposal, he asked if the Authority would consider seeking subsidy from the Government. As tenants could not choose whether to use the new system or not but were required to pay additional fee, he was afraid that this would arouse dissatisfaction from tenants.

53. **Ms SIU Yuen-sheung** said that she had visited estates with the new system and found that the sanitary condition of these estates had been improved.

However, she was concerned about the security of the system. Besides, she also considered that there would be some difficulties in teaching tenants to use the system properly. She asked if there was any contingency measures in the event of system breakdown. She considered the installation and operation costs very reasonable and it would be even better if the system could provide for automatic refuse separation.

BD/M

54. **Mr Vincent TONG** responded that :

- (1) The pilot systems had been operated for almost 2 years. The main problem was that users were not familiar with the operation of the system in the initial stage and dumped some large-sized refuse into the refuse chute which caused blockage. In fact, there were discharge valves at the conveying pipe for removal of refuse blocked in the pipe. Also, valves were installed at the refuse chamber of every block and refuse disposal could be operated manually if necessary.
- (2) The purpose of introducing environmental policies was to improve the environmental hygiene. The new system could replace the manual procedures which met the basic requirement for environmental improvement. The system would not be outdated or unadaptable to future environmental protection laws.
- (3) As most of the estates to be built by the Department would have 2 400 or more flats, it was most likely that the system would be installed in new estates. Besides, the Department was making a study on how to improve refuse disposal in old estates, for example, updating the list of cleansing contractors, reinforcing supervision, replacing major contracts for cleansing works of several estates with several individual contracts, etc. A paper would be submitted for Members' deliberation in due course.

- (4) With respect to the security issue concerning the inlet of refuse chutes, the Department had intensified the lighting in refuse chambers, installed glazed doors and kept the refuse chambers clean. Besides, the Department would pay special attention to the height and size of refuse chutes in order to avoid accidents.

55. **D of H** added that the installation and operation cost of the system was very reasonable. He understood Members' concern on the security of the system and considered that the aforementioned problems could be solved through estate management talks and contract specifications. With respect to refuse separation, he agreed with Mr Peter WONG that refuse should be separated at-source and it was very important to educate tenants on environment protection and enhance their environmental awareness. He continued that a fully automatic system might be provided some day with the breakthroughs in technology. He asked Members to support the proposals in the paper because the new system could eliminate the nuisances, such as noise and smell, engendered in the existing manual process of refuse treatment.

56. **Mr Peter WONG** said the Friends of the Earth had encountered great difficulties in promoting refuse separation in the Authority's estates for lack of funding from the Authority. Unless substantial resources were made available he doubted whether separation at source could be achieved. He therefore had reservation on the paper. **Mr Vincent TONG** responded that the Department had started refuse separation in 84 estates, mainly by refuse bins of different colours. The Department had provided additional resources and hoped that the refuse separation scheme could be extended to other estates shortly.

57. After voting, Members approved the paper on agenda item 5 and only Mr Peter WONG held a dissenting view. **The Chairman** said that the Department would follow up Members' opinions.

58. **Mr Peter WONG** invited staff of HD to explain about the refuse separation carried out in the public housing estates to the Advisory Committee on Environment. **D of H** accepted the invitation with pleasure.

AGENDA Item 6

Any Other Business

(I) Procedures for Examination of Papers by the Housing Authority and its Committees

59. **Mr Daniel LAM** asked whether the papers on Agenda items (4) and (5) should be discussed by the relevant Committees first and under what circumstances papers should be submitted directly to the Authority for discussion. **The Director of Housing** said that the scope of work of various Committees had been well defined. It was appropriate to discuss these two papers at the HA meeting since both of them involved cross-cutting issues. **The Chairman** added that the quality of buildings had always been a concern of Members. It would be useful to the future discussions of the Committees if Members' views raised at the HA meetings could be heard. She continued to say that the ARCS, which was part of the "Healthy Living into the 21st Century" programme, should be discussed at the HA meeting.

II. Asset Test on Prospective PRH tenants

60. **Mr LEE Wing-tat** said that on 16 September, the Housing Panel of Legislative Council (LegCo) had discussed the policy of imposing income and asset test on prospective PRH tenants recently endorsed by the Rental Housing Committee (RHC). The Panel commented that the policy which was rushed through RHC was unfair to the people affected as the proposed asset limits had not been open to public for discussion. The Panel therefore hoped that the policy could be withdrawn and implemented only after the public had been widely consulted.

61. **The Chairman** said that she noted there were great response from LegCo and the community towards the policy on income and asset test. She considered that the Department and RHC could explain the process of policy formulation to the public again. The Chairman suggested and the Meeting agreed that Mr Andrew LAI should explain the policy background first and then Mr CHAN Kam-man should explain the main considerations taken by the Committee in endorsing the policy.

62. **Mr Andrew LAI** briefed Members on the background and concept of the policy. He said that HA had been studying the inclusion of the asset test element in the allocation of public housing resources for 4 years. In 1994, an ad hoc working group was set up to study the implementation of the Safeguarding Rational Allocation of Resources Policy on PRH tenants. The asset test system was first identified and a public consultation on the matter was held. With the general support of the public, the policy was endorsed in 1996. The proposal of implementing asset test on PRH applicants was included in the Long Term Housing Strategy Review and a public consultation exercise was conducted by Housing Bureau (HB). In the White Paper on Long Term Housing Strategy published in February this year, HB also

suggested that HA should impose asset test on PRH applicants. He pointed out that Housing Society also conducted asset test on its Housing Subsidy Schemes applicants. He said that the asset test policy had gone through extensive consultation and been given due consideration by RHC. As for the implementation details, it was devised according to the current practice in determining the income limit of PRH applicants and the asset limits were derived with reference to market rent.

63. **Mr CHAN Kam-man** said that RHC had discussed the matter at length. Members held an unanimous view that prospective PRH tenants should go through an asset test. He said that Members had taken account of the following factors in formulating the policy :

- (1) The Department suggested to set the limit at a level of 5 years of private rental. However, the Committee considered that 6 years might better meet the average waiting time currently required for allocation of a PRH flat.
- (2) Although the implementation of the policy would affect the existing PRH applicants, Members thought that the new policy could ensure the rational allocation of public housing resources by allocating PRH flats to those households in need.
- (3) The policy was more relaxed on PRH tenants when compared with PRH applicants mainly because they had lived in PRH flats for many years and their living conditions had improved significantly. The vetting criteria therefore should not be compared with that for PRH applicants.

- (4) There were currently 140 000 households on the Waiting List for PRH. The Committee considered that those below the asset limit were in more pressing need for PRH than those above.
- (5) More relaxed measures were already adopted in formulating the policy. For example, residents of squatter areas/Temporary Housing Areas (THA) due for clearance who were registered in 1984 and 1985, residents of Interim Housing (IH) or THA who moved in before September 1995 and those applicants on the Waiting List who had been invited to vetting interview were all exempted from the asset test policy.

64. **Mr LEE Wing-tat** said that asset limit was the most controversial part of the whole policy. He commented that the wide gap between the existing asset limit for PRH tenants of \$1.8m and that for the 4p-households on the Waiting List of \$0.48m was suggestive of a double standard. The introduction of asset test might therefore invite resentment from Waiting List applicants.

65. **Mr LEE Wing-tat** made a motion that “HA withdraw the new policy of imposing asset test on prospective PRH tenants and reopened it for discussion by the public and extensive consultation.” With no objection from Members, the Chairman agreed to let Members discuss the motion and then put it to a vote. However, the Chairman pointed out that the Committees were empowered to formulate their own policies and HA normally respected the decisions made by the Committees unless under very exceptional circumstances.

66. **Mr CHAN Kam-man** considered that the asset test policy did not deviate from the policy objectives of HA. He reminded Members to respect the meeting procedures and said that RHC would review the policy some time

after implementation to study its impact and whether the desired effects could be achieved. Besides, asset limit was not unchangeable and was subject to annual adjustment along with income limit to reflect the actual situation.

67. **Ms SIU Yeung-sheung** pointed out that according to the rational allocation of public housing resources, PRH applicants were required to undergo an asset test so that priority would be given to those most in need. Concerning the exemption of residents of squatter areas under the announced clearance programme and those of THAs who moved in before September 1995 from the asset test, she observed that many protesters were not aware of such arrangement. She urged that publicity would be enhanced in this aspect.

68. **Mr NG Shui-lai** and **Mr CHAN Kar-lok** both said that RHC had thoroughly discussed LegCo's comments. They saw no reasons why they should be convinced to support the withdrawal of the new policy. **Mr CHAN Kar-lok** added that unlike the existing asset test on PRH tenants, the determination of asset limit for PRH applicants was based on their affordability of housing rents in the open market. He also said that the public queried the new policy as it might affect the interest of those tenants who would be barred from PRH due to the asset limit. They however neglected that the new policy also enabled those who passed the asset test to gain a quicker access to PRH.

69. **Dr Anthony CHEUNG** agreed that RHC's decision should not be overturned rashly. However, given the big repercussions from the community and the controversial nature of such an asset-related issue, it was advisable for HA to re-examine the policy.

70. **Mr WONG Kwun** objected to the asset test policy, saying that squatters always believed that residents without private properties would be rehoused into PRH upon clearance of squatter areas. It was unfair to impose an asset test on them when they had opportunity to be allocated a PRH flat.

71. **Mr CHENG Kai-nam** considered that the asset test policy was endorsed in great haste. He hoped there would be a chance to deliberate the matter again.

72. After taking a vote, Mr LEE Wing-tat's motion was rejected with 5 votes for and 14 votes against it. Members who supported Mr LEE's motion were Mr CHENG Kai-nam, Mr WONG Kwun, Dr Anthony CHEUNG and Ms TAM Siu-ying.

Closure of Meeting

73. The Chairman declared the meeting close at 12:10 p.m.

Confirmed on 28 January 1999.

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

Lawrence CHOW
(Committees' Secretary)