

(Translation)

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Paper No.HA 39/98

Minutes of the open meeting of the HONG KONG HOUSING AUTHORITY held on Thursday, 25 June 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	
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	
Ms SIU Yuen-sheung	
Mr Walter CHAN Kar-lok, JP	
Dr Anthony CHEUNG Bing-leung	
Mr Wan Man-yee	
Mr LAU Kok-yu	
Hon CHENG Kai-nam	
Hon NG Leung-sing	
Ms Iris TAM Siu-ying	
Mr WONG Kwan	
Prof. Richard Wong Yue-chim	
Mr Dominic WONG Shing-wah, JP	(Secretary for Housing)
Mr R D Pope, JP	(Director of Lands)
Miss Jennifer MAK	(Director Corporate Services)
	(Secretary of the Authority)

ABSENT WITH APOLOGIES

Hon LEUNG Chun-ying, JP
Mr Nicholas BROOKE, JP)
Mr Raymond CHOW Wai-kam, JP) Out of Hong Kong
Dr Joseph LIAN Yi-zheng)
Mr CHAN Bing-woon, JP

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Mr Peter WONG Hong-yuen, JP
Mr NG Shui-lai, JP
Miss Denise YUE, JP (Secretary for the Treasury)

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 & Services)
Mr T C YUEN (Business Director/Development)
Mr R J AVON (Finance Director)
Mr Joseph K C LEE (Business Director/Management)(Acting)
Mr K H LAU (Business Director/Allocation Marketing)(Acting)
Miss Sandy CHAN (Principal Assistant Secretary for Housing/2)
Mr Clement CHEUNG (Head of Corporate Strategy Unit)
Mr C C HUI (Assistant Director/Operations &
Redevelopment)
Mr H T FUNG (Assistant Director/Central Services & Management
Policy)
Mr C H LEE (Assistant Director/Commercial Properties)
Mr K T POON (Assistant Director/Information & Community
Relations)
Mr Y K CHENG (Assistant Director/Application & Home
Ownership)
Mr Joseph KONG (Project Director/Project Management)
Mr Simon P S LEE (Assistant Director/Legal Adviser)
Mr Andrew S K KWOK (Assistant Director/Management 1)(Acting)
Mr S Y MA (Assistant Director/Management 2)(Acting)
Mr B WONG (Assistant Director/Management 3)(Acting)
Mrs S M LAI (Chief Manager/Management(Supporting
Services))
Mr Deryk YIM (Chief Estate Surveyor/Commercial
Properties)(Acting)
Miss May CHAN (Senior Administrative Officer/Administration)
Mr Patrick LAU (Administrative Assistant to Director)
Mrs Katherine YAU (Chief Publicity Officer/Corporate Affairs)
Mr LO Wing-bun (Administrative Assistant to Deputy
Director/Management)
Mr Lawrence CHOW (Committee Secretary) (Meeting secretary)
Mr Bosco CHAN (Senior Assistant Committee Secretary/1)

Opening Address

The Chairman opened the meeting at 8:48 a.m. and welcomed Members to the meeting.

AGENDA Item 1

Confirmation of the minutes of the previous meeting held on 5 March 1998

(Paper No. HA 23 / 98)

2. The minutes of the previous meeting were confirmed and signed.

AGENDA Item 2

Matters arising from the minutes of the previous meeting held on 5 March 1998

(Paper No. HA 25 / 98)

3. Members noted the Department ~~的~~ report.

AGENDA Item 3

Confirmation of the minutes of the Annual Special Meeting held on 4 June 1998

(Paper No. HA 30 / 98)

4. The minutes of the annual special meeting were confirmed and signed.

AGENDA Item 4

A. Chairman's response to Members' comments made at the Annual Special

Meeting on 4 June 1997

5. Members and Colleagues,

At the Special Meeting of the Housing Authority on 4 June, Members expressed different views on the Authority's various areas of work. Their views are worth considering and following up as far as our future work is concerned. Today I am going to focus my response on several areas including the long-term housing targets, Safeguarding the Rational Allocation of Public Housing Resources, measures regarding commercial tenants' application for rental re-assessment and the quality of public housing.

Long-term Housing Targets

First, let me talk about our long-term housing targets.

At the Special Meeting on 4 June, I pointed out that it was appropriate and necessary to progress in the direction of the declared long-term housing targets and maintain a stable supply of public housing. Members including Mr LEE Wing-tat, Mr YEUNG Ka-sing, Mr Anthony WONG Luen-kin, Ms SIU Yuen-sheung, Dr Anthony CHEUNG Bing-leung, Mr LAU Kwok-yu, Mr NG Shui-lai and Mr WONG Kwun also expressed the same opinion at the meeting.

However, Mr Nicholas Brooke considered that we were unwilling to recognise market realities and were incapable of flexibility by sticking to the production target in spite of the current market sentiment. I cannot agree with this. In fact, there is still a great demand for public housing. Besides the 150,000 families on the Waiting List, which many Members and I mentioned at the last meeting, population growth, the rehousing of residents affected by redevelopment programme and the inflow of new immigrants from the mainland all add to the demand for public housing. As I said at the last meeting, public housing plays a very important role both in meeting the housing needs and in stabilizing the housing market. We should not give up these long-term targets easily. None the less, we will exercise flexibility as appropriate while maintaining a long-term stable supply of housing. One of the measures is to adjust the length of the pre-sale period of

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uncompleted HOS flats in accordance with the market demand so as to ensure the flexibility of supply.

Mr Brooke also suggested that the best way to meet our production target was to work in close partnership with private developers. I totally agree with him on this point. I always believe that we need not and should not build houses single-handedly to satisfy demand in this respect. I pointed out at the last meeting that the Housing Department should make an active and detailed study of the proposal on building subsidised home ownership flats in conjunction with private developers by way of mixed development. As I know it, our housing staff have responded promptly and conducted in-depth studies and discussions on the suggestion.

I also proposed at the last Special Meeting that consideration be given to an increase in loan quota to assist the public to buy flats in the private sector. On Monday this week the Chief Executive announced a number of measures to alleviate the hardships of the public which, inter alia, included our intention to increase the quota for the Home Purchase Loan Scheme (HPLS) from the present 4 500 to 10 000. It is indeed a good opportunity for us to expand the HPLS to enable more families to buy private sector flats when property prices are falling. If the proposal of increasing the quota is endorsed by Members, the HA will have to set aside \$5.4 billion for loan fund under the current policy. I believe that this is an effective way to help the public achieve home ownership. Apart from an increase in quota, we can also consider enhancing the flexibility of the HPLS by other means such as adjusting the quota allocation ratio between White Form and Green Form applicants, increasing the loan amount and offering different options of repayment period. By providing applicants with greater flexibility, the HPLS facilitates better utilization of private sector resources and offers an effective way to help the public attain the goal of home ownership and improvement of their living conditions.

It has long been the objectives of the HA to provide the public with more choices, enhance the flexibility of various policy measures, promote the turnover of the public housing flats and help the public upgrade their living conditions. I therefore support the proposal of Mr CHAN Kar-lok in expanding the eligible target group for the HOS secondary market. Our HD colleagues will submit later a paper on this proposal and that for increasing HPLS quota to the Home Ownership Committee for deliberation.

With regard to housing production target, Mr WONG Kwun remarked that the HA should increase the supply of public housing when

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the private sector failed in its part. As I have mentioned earlier, public housing production should remain stable while frequent changes, whether increase or decrease, will be of no benefit to the market. Besides, we have already shortened the average lead time for housing projects to 47 months and any further reduction to accelerate public housing production is impossible indeed.

At the last meeting, Mr NG Leung-sing proposed that to ensure continuous and stable development of public housing, the Authority should request the Government to produce a large quantity of land for public housing development to increase the land reserves. In the past, unstable supply of land did affect the housing programme of the Authority. However, as the Director said at the last meeting, the situation has greatly improved since an inter-departmental steering committee led by the Financial Secretary was set up to coordinate the supply of land for housing development. The Government has pledged to ensure sufficient and stable supply of land for the Authority. In addition, the Authority itself also possesses large land resources. We will continue the redevelopment of existing estates to maximize the use of land so as to provide adequate public housing to meet the housing needs of the public.

At the meeting on 4 June, quite a number of Members proposed that the Authority should concentrate resources on providing rental housing for those on the Waiting List. In fact, shortening the waiting time is exactly one of our declared long term housing objectives. We have pledged to reduce the average waiting time to 5 years by 2001, to 4 years by 2003 and to 3 years by 2005. The Authority is working hard to achieve these objectives. A major aim of increasing the supply of public housing is to facilitate early allocation of public rental housing flats for those on the Waiting List with a view to improving their living conditions. It is estimated that more than 17 000 flats will be provided in 1998/99 for the families on the Waiting List, representing an increase of over 40% on last year. We will closely monitor the demand and supply of public rental housing to ensure that the intended target is met.

Mr WONG Kwun suggested at the meeting that rent assistance should be offered to eligible families in private housing if no public housing was allocated to them after the average waiting time. I have reservations about this. Some members have put forward similar proposal in the past. However, it may bring about uncontrollable problems. First, families eligible to apply for rent assistance may take this opportunity to split up and submit separate applications. This not only leads to possible abuse and wastage of resources but also further increases the number of families on the Waiting List, delaying the

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allocation of flats to needy families. Second, this kind of rent assistance may create a greater demand for rentable private housing, resulting in a rise in rents. Moreover, it will not be easy for us to make accurate provision for such additional expenses which are difficult to estimate.

We should not rush ourselves into providing rent assistance before the above-mentioned problems are resolved. As I have just said, we have set specific targets for shortening the average waiting time for public housing. I am confident that we can realize the Government's pledge to shorten the waiting time by increasing the supply of new PRH flats and refurbished flats and the volume of loans to assist families to purchase their own homes in the private market.

Safeguarding the rational allocation of public housing resources

At the meeting on 4 June, a number of Members commented on the current policies of the Authority. Mr CHAN Kam-man took the view that the policy on transfer of PRH tenancy as proposed in the White Paper on Long Term Housing Strategy was inconsistent with the existing policy on the better-off tenants. He also made the point that for those clearerees eligible for PRH, even though their income exceeded the limit, the Authority should allocate PRH flats to them as long as they were willing to pay the extra rent. Ms SIU Yuen-sheung, however, opined that tenants with income exceeding the limit should move out of the PRH flats. On the transfer of PRH tenancy, Mr WONG Kwun proposed that the arrangement for transfer of tenancy to a family member should be retained. Regarding overcrowded families, he proposed an increase in the transfer quota of PRH flats for overcrowding relief, a relaxation of criteria for overcrowding relief and a review of priority. Ms Iris TAM Siu-ying commented that giving splitting priority to seriously overcrowded families was unfair to the long suffering overcrowded families and those on the Waiting List. After the meeting, Mr LEUNG Chun-ying wrote to ask the Authority to review the relevant policy in view of an earlier case in which the household was split because of family disputes.

Despite the different views of Members on policy issues, I think all will agree that the policies of the Authority must be in line with the principle of rational allocation of public resources. Public housing is a valuable resource of society. It has been the established policy of the Government and the Authority to rationally allocate public housing resources to those in urgent need. To put this thinking into practice, we have to strike a proper balance from a wider perspective in making use of the limited resources. It is paramount that we should work out an effective mechanism to prevent the abuse of public housing resources by

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unacceptable means as it would indirectly cause those with a greater need to wait even longer. On the other hand, we have to ensure that such resources are used on those most in need and that the priorities of allocation are fair and reasonable.

Members' concerns are all-embracing. Those concerning the transfer of tenancy in PRH, splitting of households, addition of members to tenancy and overcrowded families have long been the subjects of general discussion in the community. Many Members also endorse my proposal earlier that the Department should take the opportunity to conduct a comprehensive review of the whole package of policies once and for all in order to identify as soon as possible any discrepancies. A case in point is the interface between the existing policy on the better off tenants and that on transfer of PRH tenancy as proposed in the White Paper on Long Term Housing Strategy.

I am pleased that the Department has made preparations for a comprehensive review and the working group headed by Assistant Director Mr FUNG Ho-tong already conducted its first meeting on 17 June. In thanking the Department staff for their resolution and responsiveness, I hope the officers concerned will carefully make an in-depth study of the policies to identify any loopholes or incompatibilities with a view to formulating policies that meet the actual needs of and keep pace with the community today.

I expect the Department to complete the review later this year and submit the findings to the relevant Committees so that the public will know at an early date the requirements of each policy and the rationale behind.

Rent Re-assessment for Commercial Premises

To help ease their difficulties in running business, I proposed at the June 4 Meeting that commercial tenants with tenancies granted or renewed in 1996 and 1997 be allowed to apply for rent re-assessment. If the re-assessed rent was lower than the rent stipulated under the existing tenancy, they should be allowed to pay the re-assessed rent for the residual term of the tenancy. This proposal, which was supported by a majority of Members at the meeting, was endorsed by the Commercial Properties Committee on 5 June.

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Mr LEE Wing-tat, however, took the view that the HA should introduce an 全面cross-the-board' rent reduction of 30%. I cannot agree with this suggestion. We are different from other organizations in that our commercial tenants running a great variety of business have been affected in different degrees under the financial turmoil and economic downturn and their commercial premises also vary in area. In handling the situation the HA should not be compared with other organizations of totally different backgrounds. Commercial rent has never been a benefit. The introduction of rent re-assessment is aimed at tiding commercial tenants in need over the slump and avoiding large numbers of closures resulted from their inability to pay the rent. Despite sympathy for tenants, observance should be made to normal commercial principles under which the revision of rent level is determined by the market. As I have already mentioned at the last meeting, an 全面cross-the-board' rent cut could respond no more realistically to the market situation than by rent re-assessment based on current market levels which appears to be fairer to commercial tenants in real hardship.

Some commercial tenants are worried that they will have to pay more after rental re-assessment. I would like to take this opportunity to stress that this proposal aims to tide commercial tenants over the difficulties, not to seek more revenue for the Authority. If the assessed rent is higher than the rent specified in the current tenancy, the commercial tenant only has to pay the current rent for the residual term of his tenancy. As I understand, the Department will make extra efforts to ensure the completion of the re-assessment within one month after receipt of the commercial tenants' application.

Some commercial tenants say that if the Authority does not agree to reduce the rents by 30% at one go, they will go on strike or refuse to pay rents. I will be very sorry if things really come to that. This is an absolutely irresponsible suggestion, disregarding the well-being of the residents. I want to reiterate that rental re-assessment of commercial premises is a positive move to help our tenants. It shows that we are concerned with their predicament and are willing to exercise our discretion to help them. It is a special arrangement made taking account of the need to maintain the competitiveness of the Authority 的 commercial centres while ensuring that estate residents' life will not be affected and that they can continue to enjoy the commercial facilities. The details of the proposal were thoroughly discussed at the Commercial Properties Committee meeting on 5 June. We believe this move can effectively ease commercial tenants' predicament without violating the principles of equity. I hope that all commercial tenants will appreciate our efforts to overcome difficulties jointly with them. We are not taking

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steps to make needy people short of assistance while those not very needy get more than their due.

Refund of Rate for the First Quarter

Besides commercial tenants, the Authority is also concerned about the public housing tenants. One of the Government's relief measures is to refund the rates for the first quarter. Although rates due to all public housing tenants and some commercial tenants are paid by the Authority on their behalf, I suggest that the Authority should return in full the rates to be refunded by the Government to concerned tenants in view of the present difficult times. As a large number of tenants are involved, I propose that the Department should speed up the relevant arrangement so that the rates to be refunded by the Government in the third quarter can be returned to the tenants as soon as possible.

Quality of public housing

Finally, I would like to talk about the quality of public housing again. I have mentioned the subject at the last meeting during which several Members including Mr Daniel LAM Chun, Mr Anthony WONG Luen-kin, Mr NG Shui-lai and Ms Iris TAM Siu-ying also spoke on it, indicating that it is a matter of general concern. I would like to reiterate that we must address the problem seriously, understand the ever-rising public expectations for housing, and with one mind adhere to the principle of putting a high premium on quality. Again, I would like to call upon the Department to seriously consider my suggestion at the last meeting to study the feasibility of hiring private companies to take over the final stage of quality inspection.

Conclusion

On closing my speech, I would like to thank all Members and staff of the Department for their effort and time. In the days to come, housing will certainly remain a major item on the agenda of livelihood issues. We must continue to make a concerted effort to strive for continuous improvement in the provision of public housing and related services

Thank you.”

B. D of H 樓 response to Members' comments made at the Annual Special Meeting on 4 June 1997

6. 主席 Adam Chair,

With your indulgence, I would like to make a couple of comments of my own, in addition to those you have already made, regarding housing production and commercial rents, before turning to the questions of quality of both housing construction and housing management, the environment and home ownership.

Housing Production

When I addressed Members three weeks ago, I said that I was much reassured on the land supply front. Thanks to the work of colleagues in other departments under the Chairmanship of the Financial Secretary, land supply for both public and private housing has been clearly identified for the next 10 years. Today I wish only to re-emphasize that the assurance of a steady and sufficient supply of land remains the key to alleviating Hong Kong 樓 housing problems. It is the absence of such certainty which over the last quarter century, has prevented the Authority from reaching and then maintaining a high level of production.

I am grateful to Members for their support for the annual production target of 50,000 public housing units. This is not an arbitrary figure. It is based on a clear-eyed assessment of demand which projects a population of 7.5 million in 2007. To those who think that 50,000 units a year is too much, I would add only that it is a gross figure. Net out some 15,000 units needed on average each year to house existing HA tenants affected by redevelopment. Net out the nearly 10,000 units required for development clearances and the like. And then spare a thought for the nearly 150,000 families, not people but families, currently on the waiting list for public housing who currently face a 6½years wait.

Commercial Rents

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On commercial rents, Madam Chair, I would like simply to reinforce what you have said. The fact that commercial premises are situated in public housing estates does not mean that they are subject to the same rental policies. These are commercial premises and the Housing Authority runs them on commercial lines. Our tenants are no different from those outside our estates. They bid in the market place for the right to operate their business in our shopping centres. They charge market prices for their goods regardless of who purchases them. No subsidy is given and none is justified. Indeed, over the years, we have used revenues from commercial premises to offset the operating losses in our domestic estates and to fund other programmes including, for example, the Home Purchase Loan Scheme.

We recognize, nevertheless, that completely unpredictable, changes in the wider economic environment have impacted on business. Some of our tenants, who tendered for shop premises when the economy was booming are therefore in difficulty. Given their different sizes and locations, and the wide variety of trades —Members are aware that the Housing Authority is responsible for 12% of all Hong Kong 零售零售 space — the only equitable way of assisting them is to invite those who feel their rents no longer represent real market values to apply for a review. We offer this opportunity without any penalty, not however, with the intention of offering any subsidies but rather to ensure that our shop tenants retain their competitiveness and that services to our domestic tenants are as far as possible uninterrupted.

Quality

Turning now to quality, I am grateful to Daniel Lam and his colleagues in the Building Committee for their continuing pressure for quality in construction. I am also grateful too, to WONG Luen-kin, NG Shui-lai and Iris Tam, who have offered their own suggestions for improvement.

Over the next two to three years, we face a production peak. In the past, such peaks in production have been accompanied by problems with quality. We cannot afford to let that happen again.

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Let me assure Members that I and my staff take quality very seriously. We will not tolerate shoddy construction, poor workmanship or substandard materials. We are building for the future and, quite apart from satisfying our customers, we want our successors to be able to look back at our work with admiration and pride. That demands a partnership with the industry which has an unequivocal commitment to quality.

As Daniel Lam said “this is not a problem with any single government, organization, profession, contractor and supplier”. So that partnership and that commitment must embrace all parties. That partnership must embrace not just the HA as client and the contractor, but also consultants, developers, surveyors and suppliers. Quality cannot depend on the HA swamping each project with site supervisors. It must start with a sincere commitment coupled with professionalism, accountability and a clear understanding of expectations.

So let me set out clearly what we expect from our partners. We want compliance with contract no more no less. We want the product we are paying for. We want the standards which we set to be the norm the industry achieves, not something it shoots for on a good day. Staff of the department at the sharp end of production have very clear instructions. Failure to ‘let it right first time’ will result in a firm requirement to rebuild. And any contractor who thinks that the 31 March is a magic date for project completions would be well advised to consider the overall volume of production. We will let a project slip rather than condone acceptance of shoddy work.

During the coming year we will be bringing to the BC the recommendations flowing from studies undertaken following recent quality failures, together with proposals for improvements to the existing tender system and the monitoring of the entire construction process, as well as the way in which flats are handed over on completion and defects made good thereafter.

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A number of Members, Anthony CHEUNG Bing-leung, SIU Yuen-sheung, CHAN Bing-woon and NG Shui-lai, have provided us with valuable suggestions and food for thought on the question of enhancing management and maintenance. I am grateful to all for their suggestions. I do not intend to respond point-by-point today. Please be assured, however, that your ideas will be fed into the ongoing programme of internal review and reform.

The only point that I would re-emphasize here is that staff in the department are already on the sharp end of a very fundamental change in relationship between the Authority and its customers. This change has been building up, gradually as the number of home ownership scheme flats has increased, but will rapidly gather momentum with the implementation of the TPS.

Today we are the landlord collecting rents and enforcing our rules on tenants. Tomorrow they will be the owners and they will decide whether they like the services we provide and the prices we charge. This is not simply a change in legal relationship as many of our Housing Managers already serving Home Ownership courts have learned. We have to regard ourselves as a service company, and if we are to retain our market share, we need to become more like private management agencies, offering quality service at a price the owners are willing to pay.

Home Ownership

I am grateful to CHAN Kar-lok, LAU Kwok-yu, Anthony CHEUNG Bing-leung and NG Leung-sing for their supportive comments on home ownership and the TPS. The suggestions will of course be fed into the ongoing review of the various means by which we facilitate home ownership. I would comment here on only two specific items.

LEE Wing-tat has made a number of suggestions on HOS pricing. In particular, he suggested that we reduce the 40% mortgage income ratio to 30%. Although the reasoning behind this suggestion is a little unclear to me, I think it worth reminding ourselves that the HA settle on this 40% ratio as a measure of affordability, primarily in order to ensure that none of our customers over-reach themselves. Measured against this objective the 40% ratio has served us well. The default ratio on HOS mortgages whether by White or Green Form purchasers has been exceedingly low —0.15% (218 out of 150,000 in the past 5 years), so I see no reason to tighten it. Indeed, tightening would simply disadvantage those with lower incomes.

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Secondly, CHAN Kar-lok has proposed relaxing our rules under the Home Ownership Scheme to allow applicants to purchase HOS flats in the secondary market. I am entirely in agreement with him on this. Members are familiar with my views on the need to thaw out the bottom end of the housing market. The development of a secondary market is a key part of this and we will therefore be including this proposal in the paper to the HOC next month recommending an increase in the quantum of loans made available by the HA under the HPLS. As I have said before, it is my belief that the Authority should move progressively towards a finance-driven approach to housing assistance. Loans are the most effective, efficient and least market distorting means for this.

Environment

Last but not least, the environment. Madam Chair, I note with some regret that I have not succeeded in making Peter Wong a happy man. I hope, however, that I have not made him more miserable. His remarks on our collective responsibility for protecting environment and conserving were well made and well taken. I am confident that measures which we put forward in the Strategic Planning Committee paper circulated recently to Members will provide a firm basis for progress in this area.

Lastly, Madam Chair, I am grateful to all of those Members who raised other subjects which I have not commented today. I look forward to working with you all over the coming year with our common endeavour.

Thank you.”

Item for Discussion

AGENDA Item 5

Healthy Living Into The 21st Century

(Paper No. HA 34/98)

7. **Ms Katherine YAU** briefed Members on the paper.
8. **Mr WAN Man-ye** hoped that the Clean Neighbourhood Committee would include representatives from private property management agencies, cleansing agencies and cleansing staff so that they could have a better understanding of the importance of promoting clean neighbourhood.

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He also suggested that activities be organised to help the elderly singletons in household cleaning.

9. **Dr Anthony CHEUNG Bing-leung** supported HD 僱 participation in the “Healthy Living Into The 21st Century” Campaign. Apart from organising promotional and educational activities, he considered that the Department should also take this opportunity to look into the cleanliness of its estates and shopping centres. If necessary, studies should be conducted to identify the causes for environmental hygiene problems of individual estates, such as their relevancy to the environment of estates, so as to offer the right solutions to the problems and achieve the desired results.

10. **Mr LAU Kwok-yu** said that punitive measures should also be considered apart from the award initiatives introduced in the Clean Neighbourhood Campaign. He suggested that the Clean Neighbourhood Committee give some thoughts to the matter.

11. **Mr CHENG Kai-nam** supported the promotion of healthy living with a view to changing the daily habits and living culture of the public. He however considered that the activities as proposed in the paper, albeit having promotional effects, might not be able to achieve the intended goal and it was difficult to evaluate their effectiveness. He agreed to Mr LAU Kwok-yu 僱 suggestion of introducing punitive measures. He added that the environment would also have an effect on the way in which residents acted. They would think twice before littering if they were in a clean place.

12. **Ms SIU Yuen-sheung** found this cleansing campaign very meaningful and supported the drive towards improving the living environment and hygienic conditions. She hoped that in organizing the programme of activities efforts should also be made to step up publicity in the community. She suggested that posters be put up outside every block to remind the residents of the importance of environment hygiene and advise them against splitting.

13. **Mr CHOW Ming-kuen** suggested that views from outside professionals be sought and heard when planning and developing the activities and ceremonies of the cleansing campaign.

14. **Ms HO On-nei** said the appointment of D of H as the chairman of the Clean Neighbourhood Committee showed that HA and HD, which provided housing for more than half of the population of Hong Kong, had an important role to play in the campaign. She suggested that the Committee should consider launching “Model families” contest as a boost to those tenants who cared about the living environment and hygienic conditions.

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Besides, she urged HD to tackle the rats problems in estate refuse rooms in conjunction with USD. She suggested that HD staff be mobilised to help the elderly, disabled, singletons and those in need to remove refuse from their home.

15. **D of H** responded that “**鑄**Healthy Living Into The 21st Century” was a 3-year campaign which would not be a cosmetic gesture. He pointed out that publicity and civic education were important, but it was no easy task to change the daily habits of the residents. He said the Clean Neighbourhood Committee would study some long-standing and practical issues such as whether the problems arising from estate design and facilities were related to the tendering and monitoring systems. It would at the same time examine the possibility of improving estate design and facilities and look into the cleanliness of estates. He thanked Members for their valuable views and said consideration would be given to Mr WAN Man-yeet’s suggestion to invite representatives from the cleansing agencies to sit on the Clean Neighbourhood Committee.

16. **The Chairman** also thanked Members for their views. She said that HA strived to achieve practical results by spending money, efforts and time on promoting clean neighbourhoods and healthy living. She hoped that the Clean Neighbourhood Committee would focus on the overall effectiveness and results of the campaign in planning and implementing the activities.

AGENDA Item 6

Any Other Business

17. **The Chairman** said that she had received 2 questions from **Mr LAU Kwok-yu**. The first one was about the impact on HOS flat production and the waiting time for PRH flats as a result of the Chief Executive’s recent decision to suspend the tender of 6 PSPS sites. The second was the financial and staffing implications of the increase of HPLS quota from 4 500 to 10 000 on HA and HD respectively.

18. **Mr LAU** added that the Government’s suspension of the tender of PSPS sites would reduce the supply of about 19 000 HOS flats. Given the great demand for HOS flats, the Government should conduct a review to see how the demand of the public could be met. He also noted that flats had to be set aside for rehousing the tenants affected by the redevelopment of public housing estates located at the precious land in urban area. He suggested that the Government should reconsider the land use of PSPS sites and study the possibility of rehousing the affected tenants through a mixed development programme.

A. Suspension of Tender for the 6 PSPS Sites

19. In response to Mr LAU Kwok-yu 劉 的 question, **Mr D WONG** confirmed that the recent decision of the Chief Executive to suspend the tender exercise of 6 PSPS sites would affect about 20 000 public housing flats. These flats were scheduled to be completed in 2001/02 and 2002/03. However, the Government would increase the quota of Home Starter Loan Scheme by 6 000 to assist families to purchase flats in the private sector. He also understood that the Housing Authority was going to consider the proposal to increase the annual quota of Home Purchaser Loan Scheme (HPLS) from 4 500 to 10 000. He hoped members of the relevant committee would give approval to this proposal. He further pointed out that the public housing flats to be built on sites provided by the Government in the coming 1 to 2 years actually exceeded the annual production target of 50 000 flats. At the same time, the increased loan quotas could offset the effect caused by the suspended PSPS projects. He added that the staff of HD would continue to monitor the progress of every site to avoid any slippage. He believed that the supply of public housing 3 or 4 years later would not be affected.

B. Increase of Home Purchase Loan Scheme Quota

20. In response to Mr LAU Kwok-yu 劉 的 inquiry, **Mr LAU Kai-hung** said that the increase of Home Purchase Loan Scheme quota would cost the Authority \$5.4 billion extra. As the Authority was financially stable, it could well afford this additional expenditure. As to staffing, Mr LAU anticipated that additional staff would be needed, but the increased workload could be absorbed by internal redeployment of staff. He said that the Home Ownership Committee would discuss this issue in detail at the meeting to be held in mid-July.

21. **Mr LEE Wing-tat** pointed out that assuming half of the HOS flats were purchased by public rental housing tenants, a reduction of 19 000 HOS flats would indirectly result in a reduction of 9 500 PRH flats vacated by tenants having purchased HOS flats. He hoped that the Department would assess the impact of the decreased supply on the waiting time for public rental housing. He also hoped that the Housing Department and the Lands Department would study the possibility of relaxing the plot ratio of land sold recently so that the supply of housing would not drop considerably as a result of the government 的 suspension of land sale.

Action

22. **The Chairman** suggested that the Department should assess the impact of the Government 偶 suspension of land sale on the Authority, including the effect on the waiting time for public rental housing, and submit a paper to the relevant committees for discussion. She also hoped that the Department would at the same time appraise Mr LEE Wing-tat 偶 proposal for revising the plot ratio and make a report to Members.

CLOSURE OF MEETING

23. The meeting closed at 9:52 a.m.

DATE OF THE NEXT MEETING

24. The next meeting would be held at 8:45 a.m. on Thursday, 17 September 1998.

CONFIRMED ON 17 September 1998.

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

Lawrence CHOW
(Meeting Secretary)