

**Report to Housing Authority on Public Consultation:**  
**Green Paper on Housing Subsidy to Tenants of Public Housing**  
**November 1985**

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**Chapter 1**

**THE PUBLIC CONSULTATION PROCESS**

**A. INTRODUCTION**

1.1 This Report summarizes views expressed during the public consultation on the Green Paper on 'Housing Subsidy to Tenants of Public Housing'. The consultation period commenced from the announcement of the Green Paper on 5 August 1985 and ended on 31 October 1985. All the views expressed through the various consultative channels on every aspect of the Green Paper have been analysed, assessed and incorporated into this Report as far as possible.

1.2 Chapter 1 of the Report describes the technical arrangements for public consultation. The general public response and views expressed on the Green Paper are presented in Chapters 2 to 5, while Chapter 6 summarizes these views.

1.3 The general public concern over the Green Paper on Housing Subsidy has been reflected in the large volume of written submissions sent to the Secretary of the Committee on Housing Subsidy to Tenants of Public Housing (hereafter referred to as the Committee), the comments expressed in the media, and the number of public debates and meetings to discuss the Green Paper. Some of the written submissions requested that their contents be kept confidential and since the Department does not have the facility to provide for public inspection of all documents, it is suggested that all the information collected (including minutes of District Boards meetings, written submissions, newspaper cuttings, opinion survey reports, etc.) be on display in the Housing Authority Library at 101 Princess Margaret Road and will be available on request to Members only.

## **B. PUBLICITY FOR THE GREEN PAPER**

1.4 The Green Paper on 'Housing Subsidy to Public Housing Tenants' was made public at a press conference on 5 August, 1985. This press conference was hosted by Mr. Fred PANG Yuk-ling, ISO, JP, Chairman of the Hong Kong Housing Authority and Acting Secretary for Housing; the Honourable Mr. HU Fa-kuang, OBE, JP, Chairman of the Committee on Housing Subsidy to Tenants of Public Housing; and Mr. FUNG Tung, JP, Acting Director of Housing.

1.5 In presenting the Paper, it was pointed out that while the Housing Authority had generally endorsed the approach of the Committee, it had not yet adopted as policy the suggestions contained in the Paper. The consultation exercise was scheduled for three months, ending on 31 October 1985. The Housing Authority expected this public consultation to be as comprehensive as possible, particularly through the avenues of District Boards, Area Committees, residents' associations, interest groups and other organizations. Members of the public were invited to express their views on the Paper in writing to the Secretary of the Committee.

1.6 One hundred thousand copies (95,000 in Chinese, 5,000 in English) of the Green Paper were printed initially to be ready for distribution when the Paper was presented to the public. An additional 55,000 copies (50,000 in Chinese, 5,000 in English) were printed after the first week of the consultation in order to meet the demand. The Paper was made available free of charge at the public enquiry counters of District Offices, public housing estate offices and other Housing Department offices. Copies were also sent to Unofficial Members of the Executive and Legislative Councils (UMELCO), Urban Councillors, Provisional Regional Councillors, and members of the Heung Yee Kuk and District Boards. Furthermore, briefing sessions were arranged for UMELCO, Urban Council and other interested organizations. In late September, a summary sheet containing salient points of the Paper was prepared and 30,000 copies were distributed to members of the public (particularly public housing tenants).

1.7 The Housing Department also initiated a series of television and radio programmes in the first two weeks after the publication of the Green Paper. Participants included the Chairman of the Housing Authority, the Chairman of the Committee on Housing Subsidy, Members of the Committee and senior departmental staff. Two sessions were arranged for editors and senior journalists to brief them on the Green Paper suggestions and to clarify the more controversial points. Senior directorate staff also gave interviews to reporters who were interested in the Green Paper.

## **C. THE CONSULTATIVE CHANNELS**

1.8 To ensure that the public consultation covered as wide a cross-section of the population as possible, the Housing Authority made every effort to collect the views of the public. The consultative channels include:-

- i) attending District Boards meetings during which the Green Paper was discussed;
- ii) inviting the public to express their views through written submissions and through meetings of various organizations and groups;
- iii) monitoring media feedbacks; and
- iv) conducting opinion surveys.

## **D. GENERAL PUBLIC RESPONSE**

1.9 At present, about 45% of the population of Hong Kong live in public housing. Any change in public housing policy will not only affect public housing tenants, but also others who are in need of public housing, particularly the Waiting List applicant. The Green Paper on Housing Subsidy has generated enthusiastic response from a wide section of the community. This was reflected by the sustained interest in the Paper throughout the consultation period.

1.10 The suggestions made in the Paper relate both to the principle of reducing housing subsidy to those public housing tenants who are no longer in need of it as well as measure to achieve that objective. In assessing the views expressed on the Paper, it should be noted that people who claimed to support the Green Paper might, in fact, have reservation over the suggested measures of implementation while others who expressly rejected it might, in fact, support its principle. It is difficult to classify a particular view as either supportive or otherwise. Instead, the underlying reasons for making a view as well as the extent of the individual's feeling should be analysed and assessed. The above points have been noted in the compilation and analysis of public views, which are discussed in the following chapters.

## **E. ACKNOWLEDGEMENT**

1.11 The public consultation process would not have been so successful if not for the support and assistance rendered by the staff of the City & New Territories Administration. In particular, special thanks should be given to members of all the 19 District Boards who have spent much time in studying and commenting on the Green Paper, as well as collecting views from their respective constituencies. The mass media have also devoted much coverage to the Green Paper issue, as reflected in the number of editorials, feature articles and reports appearing throughout the consultation period. Various Area Committees, Mutual Aid Committees, residents' associations, interest groups and members of the public have also sent in their views to the Secretary of the Committee. Last but not least, appreciation should be given to Members of the Committee on Housing Subsidy, who have not only attended District Boards meetings and discussions with interest groups, but also helped explaining and clarifying points in the Green Paper.

## **Chapter 2**

### **VIEWS OF DISTRICT BOARDS ON THE GREEN PAPER**

#### **A. INTRODUCTION**

2.1 This Chapter is a summary of the discussions at the 19 District Boards on the Green Paper. In assessing the views collected through District Board discussions, comments expressed on each and every suggestion of the Paper have been analysed.

2.2 A briefing on the publication of the Paper was held on 2 August 1985 for the Chairmen of the District Boards (DBs). Following the announcement of the consultation process, teams of the Department's staff from the Estate Management Branch, each headed by a directorate officer, conducted briefing sessions for DB members. The purpose was to provide more information to amplify points contained in the Paper. Furthermore, they also attended meetings of all the 19 Boards to explain the suggestions of the Paper and to answer queries raised. Members of the Committee on Housing Subsidy were also present at most of these meetings. The official minutes of the Boards as well as notes taken at such meetings were subsequently compiled by the Secretary for assessment.

2.3 A number of DBs carried out opinion polls and surveys in their constituencies. Some of the DB members also carried out surveys in their personal capacity. The results of these surveys were sent to the Secretary and are presented in Chapter 5 of this Report.

2.4 Generally speaking, DB members coming from constituencies with public housing estates were keen on reflecting the feelings of public housing residents. As regards those members coming from constituencies with few or no public housing estates, most of them expressed their personal views on the issue while a few also took an active part in carrying out opinion surveys in private buildings.

2.5 The Green Paper was discussed at least once by each DB during the consultation period. Four DBs, namely, Tai Po, Sha Tin, Kowloon City and Tuen Mun held two discussions. At some of the meetings, the chairman of the Board gave a summary of the views expressed. In one DB, a vote was taken after 15 minutes' discussion to decide whether the Department representatives should be given a few minutes to introduce the Paper.

## **B. VIEWS ON THE PRINCIPLE OF THE GREEN PAPER**

2.6 Out of the 426 DB members, 247 spoke on the Green Paper. As stated in Chapter 1 (para. 1.10), it is difficult to classify a particular view as being for or against since members who claimed to support the Paper might have reservation on the suggested implementation details, whereas those who rejected the Paper might, in fact, support its principle. Moreover, some members might refrain from expressing their opinion on certain suggestions if similar views have already been put forward by other members in the DB discussion. Hence it is not very useful to make an assessment by relying solely on a numerical count of those who supported or rejected a certain suggestion. Nevertheless, if the view of the simple majority of those who have commented was taken as the stance of the Board as a whole, then the majority of the members of 11 Boards supported the principle and spirit of the Paper. Amongst these Boards, quite a few of the members not only endorsed the principle but also the suggested implementation details. The rest of the members suggested that the implementation details should be given more careful consideration. For instance, the level of the Subsidy Income Limit, the inclusion of 60% of the income of other earners and the need to provide more incentives to encourage public housing tenants to buy HOS flats should all be examined further.

2.7 Of the 8 District Boards which objected to the Green Paper, the greatest opposition came from Kowloon City, Wong Tai Sin, Kwai Chung & Tsing Yi and Southern District Board members. One of them passed a motion for the Green Paper to be shelved in its second discussion on the subject. For those members who objected strongly to the Paper, some of them expressed the view that the principle of the Paper was a tautology and it could not be "debated" or argued about. The grounds for objection are elaborated in paragraphs 2.13 to 2.14. A summary of the views from DBs on the principle of the Paper is at Annex A.

## **C. VIEWS ON SPECIFIC SUGGESTIONS**

### **(a) PUBLIC HOUSING TENANTS WHO HAVE IMPROVED THEIR FINANCIAL SITUATION SHOULD NOT BE EVICTED**

2.8 This suggestion was generally well supported. Only 3 members from North, Yau Ma Tei and Wan Chai DBs indicated that "over-qualified" families should be evicted to make room for those who were on the Waiting List. One member from Yau Ma Tei DB opined that tenants in possession of properties should vacate their units in public housing estates or buy HOS within a specific time. Four members proposed that the government should encourage prosperous tenants to give up their flats through civic education and publicity programmes.

### **(b) PUBLIC HOUSING SUBSIDY SHOULD BE REDUCED FOR THOSE TENANTS WHO ARE NO LONGER IN NEED**

2.9 This major principle of the Paper received considerable attention at DB discussions.

2.10 Of the 247 members who spoke specifically on this subject, slightly more than half agreed that housing subsidy should be reduced for those tenants who were no longer in need. Four members expressly stated that public housing was a social welfare provided only for the needy and tenants who could afford it should pay a higher rent. Another member in support of this principle from Sham Shui Po DB added that since the financial situation of tenants would change over time, the government should regularly examine and adjust its target of subsidy. One member from Wan Chai suggested that the government should compel public housing tenants to vacate their units by charging higher rents.

2.11 One Wan Chai DB member criticized the government for putting too much resources on public housing. He felt that this would deprive the community of further improvements in other areas. Another member from the same DB commented that subsidy for public housing tenants should be reduced so that the funds could be used for other social welfare purposes.

2.12 20 members felt that the suggestions of the Paper should not apply to existing tenants, nor those who had been

admitted through development clearances since public housing was offered to them as a form of compensation.

2.13 For those who disagreed with the principle of the Paper, 16 expressed that public housing, like education, was a social service to be enjoyed by all citizens as a right. They also pointed out that for the same type of service, it would be inappropriate to levy different levels of charges. Five members felt that the provision of public housing was a social investment which would help to maintain the stability of the community. They worried that the implementation of the Green Paper suggestions would lead to social unrest, thus outweighing any benefits obtained.

2.14 18 members commented that the amount of subsidy given to public housing tenants had not been clearly explained. The amount quoted in the Paper was actually overstated as it reflected only the deficits of the domestic sector but not the surplus from commercial lettings. They also felt that land used for public housing should not be valued at the market level as land only began to acquire value after the public housing estates became occupied. Another 18 members thought that public housing tenants who lived in the once remote estates had contributed to the subsequent prosperity of those areas. Three of them further opined that the occupation of public housing estates had facilitated local developments, resulting in a higher land value of the neighbouring areas. The proceeds from the sale of the Crown Land in the vicinity should have covered the subsidy given to public housing tenants. On the contrary, one member from Wan Chai DB felt that the amount of subsidy from the government as mentioned in the Paper was understated since the borrowing terms were unrealistically favourable. The interest rate on government loans (to be repaid over 40 years) at 5% per annum was too low.

**(c) THE SUBSIDY INCOME LIMIT SHOULD BE SET AT ONE AND A HALF TIMES THE WAITING LIST INCOME LIMIT (i.e. 50% ABOVE THE WAITING LIST INCOME LIMIT), WITH ALLOWANCE FOR DIFFERENT HOUSEHOLD SIZES**

2.15 This suggestion was widely discussed.

2.16 26 members commented that the Subsidy Income Limit, set at one and a half times the Waiting List Income Limit, was too low. Nine of them suggested that to be consistent with the 100% rent increase, the Subsidy Income Limit should be twice the Waiting List Income Limit. Eleven members considered it unfair to apply one Subsidy Income Limit across the board. They suggested that a sliding scale should be devised. One member from Kwun Tong DB expressly suggested the introduction of a 3-tier rent, whilst six among the rest were in favour of a progressive rent increase proportional to the household income of the tenants. One member from Yau Ma Tei also commented that the Subsidy Income Limit should be adjusted annually to make allowance for inflation.

2.17 Four members from Kwun Tong and Sham Shui Po DBs felt that the overall distribution of wealth in Hong Kong was not even since 50% of the Gross Domestic Product (GDP) was in the hands of the top 20% of the population and those who fell within the third decile from the top (i.e. 21-30%) only accounted for 11.5% of the GDP. They expressed that public housing tenants whose household income exceeded the Subsidy Income Limit were mostly in this category. Thus instead of reducing their housing subsidy, the government should impose heavier taxes on those with high income in order to achieve a more equitable distribution of wealth. The Green Paper suggestions, as indicated by two members, would only amount to "robbing the poor to subsidize the poorer".

2.18 28 members maintained that it would be inappropriate to apply the Subsidy Income Limit across the board because tenants moved into public housing through different procedures. Even for those who were means-tested, different income limits had been applied to different estates. For instance, So Uk and North Point Estate previously had a higher income limit than the then prevailing Waiting List Income Limit. Thus tenants there were already in a better financial position than tenants living elsewhere at admittance. If the Paper were implemented, tenants in these estates would be more likely to exceed the proposed Subsidy Income Limit.

**(d) THE FULL INCOME OF THE TENANCY HOLDER AND HIS/HER SPOUSE, AND 60% OF THE INCOME OF OTHER EARNERS SHOULD BE INCLUDED IN THE CALCULATION OF HOUSEHOLD INCOME**

2.19 This point was extensively discussed. Of the 60 members who spoke on this topic, 49 contended that it would not be realistic to assume that tenants' children would bring home 60% of their income. Instead, they favoured a lower

percentage of 20 -40%. In support of adopting a lower percentage, one member from Sham Shui Po DB pointed out that in assessing the household income of needy students who applied for loans or grants, the University and Polytechnic Grants Committee included only 30% of other earners' income.

2.20 One member from Central and Western DB was in favour of an income threshold for other earners. For instance, the income of other earners in the household would not be included if it was below a certain level, say \$1,500 per month. This seemed to allay the worry that youngsters who had just finished school might earn just enough for their living without making any contribution to the common housekeeping budget. On the other hand, one member from Yuen Long DB felt that the full income of all earners should be included when calculating the household income in order to keep in line with the method of calculation for the Waiting List Income Limit. Furthermore, since people living under one roof enjoy the same accommodation and facilities, they should all contribute an equal share towards meeting the rents. However, in order to be more lenient, he suggested perhaps the Subsidy Income Limit should be raised to two times the Waiting List Income Limit.

2.21 Five members envisaged that this measure would affect their harmonious relationship within the household as the amount of the children's income to be contributed to the common housekeeping budget might become a subject of dispute. Two other members from Wong Tai Sin DB worried that the implementation of this suggestion would discourage young earners from living with their parents so as to keep the household income below the Subsidy Income Limit, and social problems might arise if only the elderly were left behind.

#### **(e) IT IS FOR PUBLIC CONSIDERATION WHETHER OPTION A OR OPTION B SHOULD BE ADOPTED IN CALCULATING THE HOUSEHOLD INCOME**

2.22 The overwhelming majority of members who spoke on this topic preferred Option A. Three members, however, felt that items like overtime allowance, bonus, and other cash allowances, should not be included in the income calculation, or else, tenants might be discouraged from working hard. Eight members also worried that it would be difficult to assess the income of those tenants who were self-employed e.g. taxi-drivers, hawkers, etc.

2.23 Only two members from North and Tsuen Wan DBs expressed that Option B was equitable and assets belonging to the tenancy holder and his/her spouse, such as gold ornaments, stocks/shares etc., should be included in the household income. Apart from these two members, all the other 48 members who spoke on this suggestion objected to Option B. Two members from Wong Tai Sin and Mong Kok felt that non-income generating assets were normally bought with tenants' savings. Therefore, if 5% of the assessed value of those assets were to be included in the household income, it would amount to double counting. Twenty-one members objected to Option B on account of its disturbance to tenants and its infringement of personal rights. Four members from Sham Shui Po DB also commented that this would give the Housing Department staff excessive power.

#### **(f) AT THE EXPIRY OF THE INITIAL TEN YEARS OF RESIDENCE, HOUSEHOLDS WITH INCOME EXCEEDING THE SUBSIDY INCOME LIMIT SHOULD BE CHARGED TWICE THE NET RENT PLUS RATES, UNLESS THEY DECLARE AND CAN PROVE TO THE HOUSING AUTHORITY THAT THEIR INCOME DOES NOT EXCEED THE SUBSIDY INCOME LIMIT**

2.24 About 41 members (42% of those who spoke on the subject) accepted the suggestion of charging households who were no longer in need of housing subsidy a higher rent, but most of them considered doubling the rent slightly too harsh. They felt that a lower percentage of 30%-60% would be more acceptable. Four members commented that the rent in public housing estates should not exceed a certain percentage, say 66%, of the market level. A member from the Tai Po DB suggested that the rent level should be fixed according to the construction costs of the estate and subsequent maintenance and management expenses. As mentioned in para. 2.16, one member suggested, a 3-tier rent system and six were in favour of a progressive rent increase proportional to the household income.

2.25 Two members from Mong Kok DB stated that public housing tenants were paying only 20-30% of the market rent and they should be made aware that the government could not afford to subsidize them forever. Another member from Tsuen Wan DB suggested that certificates of honour should be issued to tenants who paid higher rents following the implementation of the Paper.

2.26 Of the 41 members who agreed to the suggestion, 13 members suggested that certain categories of public housing tenants should be exempted. Such included sitting tenants, tenants rehoused to public housing estates as a result of government clearances and those living in newer estates since the biennial rent revision might have already raised the rent up to the market level in 10 years' time.

2.27 56 members who disagreed with this suggestion held diversified views. Five members commented that this suggestion appeared to penalize public housing tenants with a higher income after residing in the estates for 10 years. Twelve members felt that it might discourage tenants from earning more so that they did not need to pay double rent. However, one member from Tsuen Wan DB did not think that the "double rent" suggestion would deter people from working hard because by undertaking additional work, they might earn several thousand dollars more, which could well cover the double rent charged. A member from Mong Kok DB said that the government should seek alternative ways of generating additional revenue instead of implementing the Paper.

2.28 Five members worried that by charging double rent, public housing rent levels would become excessively high. Another five feared that the implementation of the Paper would induce a rent increase in the private sector, and might result in overall inflation.

2.29 Ten members argued that the Paper created two tiers of rent for identical units in public housing estates and would be a divisive force amongst public housing tenants. However, one member from Northern DB held a different view. He considered that the difference in rent paid by families in the same block would not affect the relationship among tenants because existing families in public housing estates were already paying different rents in accordance with the size of their flats.

2.30 Ten members pointed out that the Paper gave no indication as to how tenants with a very high income would be treated, apart from making them pay twice the net rent plus rates. Consequently, those who were genuinely prosperous remained unscathed while those with an income marginally above the Subsidy Income Limit or those subject to frequent fluctuations in their income would be the hardest hit. On the other hand, some tenants who were only required to pay the existing rent might choose to pay double rent so as to avoid "losing face". This might create hardship in the households concerned.

2.31 Two members from Eastern and Tuen Mun said that in the tenancy agreement signed between the Housing Authority and the tenants at the time of intake, it was not mentioned that if the household income of tenants exceeded the Subsidy Income Limit, they had to pay double rent after 10 years of residence. The Green Paper suggestion, therefore, should not be given a retrospective application. It should only apply to future tenants.

2.32 Three members opined that youngsters at the age of 18 or 19 should still be attending schools or university and thus would not have any income. Some pointed out that for those tenants living in the new towns, the average age of their children at the time of intake was only two to three. They suggested that the review should not be conducted until the initial 15 years of residence expired.

### **(g) THE ONUS OF PROOF OF ELIGIBILITY FOR CONTINUING TO PAY THE EXISTING RENT SHOULD REST WITH THE TENANTS**

2.33 One Board Chairman suggested that tenants should declare their assets and the government should trust the truthfulness of such declarations. Tenants who made false declarations should be "criminally liable" and hence be evicted. One member from Mong Kok DB stated that it was more appropriate to encourage tenants whose household income exceeded the limit to report voluntarily to the Department.

2.34 On the other hand, five members found it inappropriate to rest the onus of proof on tenants because of the considerable disturbance imposed. It would not be worth the trouble to implement the suggestions as only about 10% of the households who had lived in public housing for ten years or more would exceed the Subsidy Income Limit. One of them from Sham Shui Po added that this measure would amount to punishing the innocent. Eight members felt that it might not be cost-effective to carry out the Green Paper suggestions as the administration costs might be exceedingly high.

**(h) TENANTS WHO SUBMIT FALSE INFORMATION SHOULD BE LIABLE TO TERMINATION OF TENANCY AND PROSECUTION UNDER SECTION 26 OF THE HOUSING ORDINANCE (CAP. 283)**

2.35 Discussion centred around the application and effectiveness of Sect. 26 of the Housing Ordinance.

2.36 One member from Mong Kok doubted the effectiveness of this provision as past records showed that few tenants had been prosecuted under this Section.

2.37 Another member from Wong Tai Sin DB worried that the suggested procedures would allure people to make false declarations while another member of the same DB felt that tenants might be easily accused of making false declarations due to their ignorance. Eight found it difficult to verify information provided by the tenants.

2.38 One Board Chairman suggested that new legislation should be enacted to make false declarations a criminal offence and to evict those who had done so. He felt that tenants themselves should also play a supervising role by disclosing the names of their neighbours who should pay double rent. This would help to reduce the workload of the Department.

2.39 One member from Central and Western suggested that an independent appeals committee should be set up to deal with all complaints arising from the calculation of household income.

**(i) IF THE INCOME OF HOUSEHOLDS PAYING TWICE THE NET RENT SHOULD SUBSEQUENTLY FALL BELOW THE PREVAILING WAITING LIST INCOME LIMIT, THEN SUCH HOUSEHOLDS SHOULD BE PERMITTED TO APPLY TO PAY THE LOWER RENT**

2.40 Fifteen members felt that tenants should be allowed to pay the existing rent once their income fell below the Subsidy Income Limit. They considered it unfair to require such households to continue paying double rent when their income fell below the Subsidy Income Limit but had not yet reached the Waiting List Income Limit.

2.41 Six members felt that for those households with a total income between the Subsidy Income Limit and the Waiting List Income Limit, they should pay a rent in accordance with a pre-determined sliding scale.

**(j) HOUSEHOLDS WHO CONTINUE TO PAY THE EXISTING RENT AFTER THE FIRST TEN YEARS OF RESIDENCE SHOULD BE REQUIRED TO DECLARE THEIR INCOME ONCE EVERY TWO YEARS**

2.42 Four members from Wan Chai, North and Southern DBs agreed that households which continued to pay the existing rent after the first ten years of residence should be required to declare their income periodically. However, they felt that the interval of declaration should be longer, i.e. between 2 to 5 years.

2.43 Two members from Sham Shui Po and Tuen Mun criticized that it would be unfair and disturbing to ask all tenants to declare their income periodically when only 10% of the households living in public housing estates had an income exceeding the Subsidy Income Limit.

**(k) MEASURES TO REDUCE HOUSING SUBSIDY TO THOSE PUBLIC HOUSING TENANTS WHO ARE NO LONGER IN NEED SHOULD BE REVIEWED PERIODICALLY**

2.44 Very few comments have been made on this point.

**D. OTHER VIEWS EXPRESSED DURING THE DB DISCUSSION**

2.45 Members of the public commended the Housing Authority for this large-scale consultation exercise. They expressed the view that as the Green Paper suggestions involved the re-distribution of resources in the community, it was advisable to consult the public extensively. This would smooth the path for future implementation of the suggestions.

2.46 The membership of the Committee on Housing Subsidy was, however, considered by two DB members as being



too restrictive. They felt that it should be expanded to represent a wider cross-section of the community. Four other members commented that the membership of the Housing Authority should also be enlarged to include more people from the grassroots level.

2.47 There were some members who felt that the Green Paper was too brief and did not provide sufficient details. For instance, information contained in the Interim Report of the Committee and the source of statistical data quoted in the Paper were not openly available. As a result, some readers found it difficult to assess the Green Paper suggestions and to decide whether they were acceptable.

2.48 Some members requested the Housing Authority to publicize its income/expenditure accounts, and to give detailed breakdowns on the extent of government subsidy on public housing.

2.49 A few members considered the suggestions as running contrary to the spirit of the Sino-British Joint Declaration which was to maintain the prosperity and stability of Hong Kong because friction would be created between residents in the private sector and public housing estates, thus resulting in a "confidence crisis".

2.50 Some members criticized that the Green Paper had not put forward any suggestions to help shortening the waiting time for Waiting List applicants.

2.51 Some members felt that the Housing Authority should await the outcome of the Domestic Rent Review Committee before considering the implementation of the Green Paper suggestions. Furthermore, the principle as to whether housing subsidy should be reduced for those who were no longer in need should be considered alongside with other major issues such as public housing construction programmes, domestic rent policy, etc. Whether this principle should be supported should only be decided after a debate in the Legislative Council on the future direction of overall public housing policies.

2.52 One member opined that all tenants should be means-tested before they were admitted into public housing. Another member was of the view that all the Waiting List applicants and public housing tenants applying for transfer should undertake an income test.

2.53 Several members recommended that the 285,000 households who had stayed in rental public housing for 10 years or more should be processed over a period of 10 years instead of 5 years. By doing so, families could be given more time to decide whether they wanted to pay double rent or purchase HOS.

2.54 A few members commented that instead of implementing the Green Paper suggestions, public housing tenants should be allowed to purchase the flats they were currently occupying. The revenue generated could then be used to construct more public housing estates.

2.55 A large number of members commented that tenants who had improved their financial situation should be encouraged to purchase HOS. Incentives suggested included lowering the price of the HOS flats; reducing the downpayment to a minimum level or waiving it all together; selling the ground floor shops in public housing estates and using the proceeds to subsidize tenants in paying the downpayment for HOS; building HOS at more central locations, preferably in the neighbourhood of existing public housing estates; granting more favourable mortgage terms such as lower interest rates; and giving public housing tenants absolute priority in the selection of flats.

2.56 Alternatives to reduce housing subsidy have been suggested. They include:-

- i) tenants should be charged a rent which had taken into account the full construction cost and subsequent maintenance costs;
- ii) rents in public housing should be set at a fixed percentage of the market rent;
- iii) a fund should be set up to collect donations from prosperous tenants and members of the public who were willing to contribute towards the public housing programme;

- iv) public housing should be let on fixed-term tenancies and renewal of such tenancies would be means- tested;
- V) public housing standards should be lowered to cut down the management and maintenance expenses.

2.57 Many members commented that the revenue generated from the implementation of the Green Paper suggestions should be used to construct more public housing estates and/or improve the existing ones.

2.58 It was noted that one DB member has prepared a White Paper on "well-off" tenants.

## **Chapter 3**

### **WRITTEN SUBMISSIONS MEETINGS WITH TENANTS' GROUPS AND INTEREST GROUPS, AND LETTERS TO THE EDITORS**

#### **A. INTRODUCTION**

3.1 This chapter summarizes the general response towards the Green Paper as reflected in written submissions received during the consultation period. These submissions came from Area Committees, residents' groups including Mutual Aid Committees (MACs), interest groups, other organizations as well as individual members of the public.

3.2 Apart from inviting the general public to send in their comments, the Housing Authority also encouraged Area Committees and various residents' groups to discuss the Green Paper. Housing Managers from the Department were instructed to make themselves available for meetings with interest groups, residents, student bodies, etc. in order to answer questions that might be raised and to clarify points associated with the document. They also assisted in collecting the views of these groups for reflection to the Authority. Interest groups which specifically asked for meetings with Members of the Committee on Housing Subsidy were received by both Members and senior officials of the Department. The purpose of such meetings was to listen to their comments and to clarify matters raised in connection with the Paper. Those interest groups included community bodies, public housing tenants' groups, educational or religious groups.

3.3 The Green Paper has generated sustained interest during the consultation period. In this consultation exercise, public housing tenants were, on the whole, more responsive than the private sector residents. They showed organized efforts to collect views on the Paper. Numerous local opinion surveys, petitions, open forums and public meetings took place. Large-scale signature campaigns and letter campaigns were also conducted. Many Area Committees, MACs and residents' associations held discussion sessions to express their views on the subject. Meetings were also organized jointly by neighbouring estates or various interest groups. The largest assembly took place on 26 September 1985 at Morse Park. About 1,500 people were present. In comparison, residents from the private sector appeared to be less forthcoming with their views. Comments were mostly given by individuals rather than by groups. This situation is understandable as public housing tenants are more keenly motivated by the Green Paper suggestions and are generally more organized to express their views.

3.4 Direct submissions from individuals, organizations and other groups were acknowledged and filed according to the source and the date of receipt. Views expressed in each submission were tabulated first in terms of acceptance of/objection to the principle of cutting housing subsidy to those public housing tenants who are no longer in need of it, and then in terms of specific comments on the suggestions listed in the Green Paper. At the conclusion of the public consultation, a total of 676 written submissions\*, 441 of which came from individuals and 235 from organizations/groups, have been received by the Secretary of the Committee. A breakdown of written submissions

according to the source is at Annex B. Written submissions came from all sections of the community, including individual District Board members, public housing tenants, residents in the private sector and temporary housing areas, professionals, academics, interest groups, Civil Servants' Unions, students from tertiary educational institutes as well as secondary schools, and housewives. These letters varied in length. Some of the letters from individuals just made a simple statement on the overall acceptability of the Green Paper. However, many submissions, especially those from organizations/groups, were very detailed. Comments on various aspects of the Paper and suggestions for alternative measures were presented.

3.5 Many estate blocks and MACs not only sent in their views individually, but also presented joint submissions together with MACs of neighbouring blocks, residents' associations or other interest groups. For the purpose of tallying the number of written submissions, each submission was counted as separate notwithstanding the fact that the comments made in these submissions were similar and that the same organization/group might be represented in different submissions.

3.6 In some cases, groups of individuals from the same area or with a common interest used stencilled proformas to present their comments. All these were treated as single group submissions. The Secretary has received 22 batches of stencilled proformas or compilations of signatures from signature campaigns carried out in local areas. This figure does not include batches of questionnaires submitted since the results of surveys have been analysed and are described in Chapter 5 of this Report. As for signature campaigns, all of them were carried out in public housing estates. The largest one has collected as many as 31 000 signatures whereas the one of the smallest scale has collected 6. In total, about 112 000 signatures have been submitted. The majority of these signature campaigns petitioned for the withdrawal of the suggestion that tenants should pay double rent after the initial ten years of residence in public housing estates. They also expressed the view that the construction of public housing was a social service and that the government had the responsibility of building more estates in order to meet the housing need of the public. Moreover, it was suggested that the Housing Authority should include elected representatives to monitor its financial performance and to help formulating public housing policies. It is noteworthy that most of the stencilled proformas only catered for those people rejecting the Green Paper, with no space left for those who might wish to support it to express their opinion. Some of the signatures submitted were only available in photocopy instead of the original. It has been found out that the signatures sent in by two campaigns contained duplicates. Since it is extremely difficult to check these signatures thoroughly, it should therefore be noted that the total figure of signatures given above may have included duplicates.

\* This number excludes duplicates from the same individual/ organization(s)/groups(s), but includes those submissions referred from Umelco Office, District Offices, Estate Offices, etc.

3.7 On the whole, letters from individuals focused on specific points of the implementation plan suggested in the Paper. Comments were often given out of individual concern for the immediate effects of the suggestions on households living in public housing estates. Organizations/groups, in contrast, were more interested in examining the underlying principle of the Green Paper, the supporting statistics for the recommended measures and the long-term significance of those measures should they be implemented.

3.8 Letters to the editors appearing in print were also assessed. A total of 180 letters coming from 102 individuals, and 78 organizations/groups were monitored. In many cases, copies of the same letter were sent to different newspapers. These letters from the readers were often sent to the Secretary of the Committee as well. Excluding such duplicates, 120 letters in total, with 108 from individuals and 12 from organizations/groups, were assessed in the same manner as direct submissions sent to the Secretary.

3.9 These letters to the editors generally commented on different aspects of the Green Paper or on what had been reported in the newspaper. The majority of these letters were in favour of the principle of reducing housing subsidy to public housing tenants who are no longer in need of it. Topics that have attracted most attention include the revision of some of the details of the suggested measures and more incentives for public housing tenants to buy HOS. These arguments, in fact, also appeared in written submissions sent to the Secretary of the Committee and will be described in length in Part C of this Chapter.

## **B. GENERAL VIEWS ON THE GREEN PAPER**

3.10 Response towards the Green Paper varied. Favourable response to the Paper ranged from total acceptance of the principle of limiting housing subsidy to only those most in need of it and of the suggested plan to achieve this end; to acceptance of the Green Paper as a temporary measure pending the introduction of more positive policies to bring about the equitable distribution of limited resources, such as more incentives for public housing tenants to buy HOS flats and the construction of more public housing; to qualified acceptance of the principle but reservation over the suggested measures. Adverse reactions ranged from criticism of certain aspects of the implementation plan, to doubts about the ambiguity over the possible use of the revenue accrued from the proposed scheme, to outright rejection of the Paper.

3.11 207 out of the 441 direct submissions from individuals supported the principle and spirit of reducing housing subsidy to public housing tenants who are no longer in need of it and 177 were against it. For those individuals who identified themselves as public housing tenants, 43% gave support and 43% indicated objection to the principle and spirit of the Paper. As for collective bodies, 34 out of the 133 Area Committees and MACs which have written in agreed to the principle of the Paper and 85 objected to it. Of the 102 written submissions from various organizations, interest groups and groups of individuals, 25 gave their support to the principle and 65 objected to it. It was noted that the majority of such submissions came from interest groups.

3.12 Some of the submissions were classified as having an unclear stance on the acceptability of the principle of the Green Paper. They were mostly minutes of meetings or discussions reflecting a diversity of opinions expressed by the participants, and letters which presented contradictory views.

## **C. COMMENTS ON THE SUGGESTIONS OF THE GREEN PAPER**

### **(a) PUBLIC HOUSING TENANTS WHO HAVE IMPROVED THEIR FINANCIAL SITUATION SHOULD NOT BE EVICTED**

i) whether eviction is acceptable and who should be evicted

3.13 Some 80% (67 letters) of written submissions commenting on this point were of the opinion that public housing tenants who had improved their financial situation should not be allowed to retain their tenancy rights. This particularly applied to shop-owners or tenants in possession of domestic properties. Among letters expressing views on this suggestion, 10 consisted of complaints about public housing tenants who were actually living elsewhere but continued to retain their units. A number of people opined that the policy of non-eviction ran contrary to the principle of equitable distribution of limited resources.

3.14 It was pointed out that tenants in centrally located public housing estates seldom moved out on their own initiative. Eviction would be an effective method to ensure that this group would buy HOS flats or move out to live in their own flats, hence increasing the stock of public housing units. Since Waiting List applicants in possession of domestic properties were not eligible for allocation to public housing, eviction of those tenants with domestic properties would be logical. About seven individuals suggested that ordinances concerning private domestic tenancies should be revised so that those public housing tenants with domestic properties could recover their own properties within a reasonable period once they were evicted from public housing. Ten individuals/ organizations also urged the Housing Authority to strive harder to identify those tenants who continued to retain their tenancy rights even though they had in fact been living elsewhere or had emigrated.

3.15 About 20% of letters expressing views on this suggestion supported this policy of non-eviction on the ground that eviction would disrupt the stability of the local community. Several people expressly stated that the Housing Authority was being lenient towards those tenants who had improved their financial situation. The latter should be grateful for being allowed to stay in their public housing units.

### **(b) PUBLIC HOUSING SUBSIDY SHOULD BE REDUCED FOR THOSE TENANTS WHO ARE NO LONGER IN NEED**

3.16 Written submissions from groups and individuals showed a different response pattern towards this suggestion, which is the focal point of the Green Paper. Among group submissions, this was one of the most extensively debated suggestions whereas among individuals, the interest was significantly less.

i) whether public housing was heavily subsidized

3.17 About 47% of letters from individuals and 25% from organizations/groups supported the principle of the Paper for various reasons. Some of them commented that since public housing was a social service, its continuous provision would depend on the financial capacity of the government and should be in accordance with the principle of equity. As Hong Kong was no 'Welfare State', citizens should not expect permanent subsidy from the government irrespective of their need. Given that the stock of public housing was limited, available units should be allocated to the most needy. Some indicated that housing subsidy should be reduced or even terminated for tenants with improved financial situation, for example, those running a business or in possession of properties, or those holding a certain amount of assets.

3.18 About a quarter of the group submissions objected to this major principle by arguing that public housing was "a social welfare" to which every citizen should have an entitlement as a civil right. Thus it was irrelevant to consider whether public housing subsidy should be reduced for those tenants who were no longer in need of it. As many as 25% of the groups which have written in suggested that the Housing Authority should further expand its public housing programme by channeling more public funds to this cause. They felt that the Green Paper suggestion amounted to asking public housing tenants to subsidize their fellow tenants. This in effect would be "robbing the poor to subsidize the poorer". In some 30 group submissions, views have been expressed that the implementation of the Green Paper suggestions would be comprehended as a sign of the government's withdrawal from its responsibility of providing indispensable social services.

3.19 Three submissions commented that if the government was short of funds, it should increase its resources by raising betting duty, entertainment tax and profits tax of large enterprises, etc. About 20 submissions were of the view that the Housing Authority should try to streamline its management and administrative structure in order to cut down unnecessary expenses. One group suggested the Housing Authority augment its revenue by installing more public car parks and shopping centres in public housing estates.

3.20 36% of the group submissions and 13% of the individuals who have written in were concerned with the definition of subsidy. About 60 submissions doubted whether the land value of all the sites for public housing estates, which accounted for \$19,000 million of the \$22,000-million government contribution, should have been included as an item of subsidy. It was said that when the public housing estates in remote new towns were first constructed, the land was hardly worth anything. Land became valuable only when the area was developed after the tenants had moved in. With the exclusion of land cost, the government has only contributed \$3,000 million to the financing of public housing. In comparison with other social services and considering the large demand for public housing, the amount of subsidy was not large.

3.21 32 submissions pointed out that housing subsidy did not exist since the government loans and the interests on these loans were repaid through rents collected from the tenants. Public housing tenants, in fact, shared the responsibility of providing accommodation for themselves. It was also suggested that each public housing estate should keep a separate account so that the deficits incurred by the redevelopment and improvement of Group B estates would not be confused with the surplus from Group A estates. Otherwise, the public might get the wrong impression that tenants in Group A estates were receiving substantial housing subsidy.

3.22 16% of all submissions expressed the view that the deficits mentioned in the Green Paper were incurred only by the domestic sector of the estate working account. Putting the accounts of the domestic sector and the commercial sector together, the Housing Authority was, in fact, making a profit. Thus they claimed that the statistics quoted in the Paper was misleading. It was pointed out that commercial premises in public housing estates were charged market rent. Business of these shops was sustained largely by tenants who made their purchases locally. Therefore, public housing tenants had indirectly contributed to the profits of the Housing Authority and subsequently generated their own "subsidy". About 1/4 of group submissions thus maintained that the estate working accounts should not be separated

into the domestic sector and the commercial sector.

3.23 Reducing housing subsidy to those public housing tenants who are no longer in need of it was mentioned in about 40 submissions as merely an excuse for rent increase. There were people who accepted that housing subsidy existed and that the need for public housing had not yet been fully met, but they claimed that the solution was not to reduce the subsidy to tenants but to build more public housing.

3.24 It was suggested in slightly over 50 submissions that the Green Paper created a big "gap" between estate tenants and the society at large. 20% of all submissions opined that the construction of public housing was a social investment and public housing had provided a stable community for the rapid growth of the economy. They believed that the main objective of the ten-year public housing construction programme initiated in the 70'S was to provide cheap housing for the low-income group. Some tenants' groups further said that when they first moved to live in the new towns, they had to put up with all the inconveniences, but the Green Paper did not give any recognition to their contribution.

3.25 Some submissions said that the Green Paper seemed to refer to the rent level in the private sector as a yardstick to justify the suggested rent increase. 61 groups and 43 individuals regarded it inappropriate to make such a comparison since the private sector was profit-making and its rent level reflected the profit margins of all parties involved. A few even mentioned that the rate of biennial rent increase was already above the limit set by the Rent Control on private domestic properties, not to mention the 100% increase suggested in the Green Paper. Some of these letters pointed out that the government should be held responsible for the exorbitant land prices and high rent levels in the private sector.

3.26 About 110 submissions rejected the idea that tenants who moved into public housing estates as a result of development clearances received substantial housing subsidy from the government. They insisted that they were forced to give up their accommodation when the government resumed the land for development purposes. The public housing units allotted to them was a form of compensation. Some of them totally denied the presence of any housing subsidy because until they came to live in the estates, they did not need to pay any rent at all.

ii) whether tenants who are no longer in need of housing subsidy should be allowed to continue receiving it

3.27 Different opinions were expressed. 47% of the individuals and 15% of the organizations/groups who expressed a view on this indicated that considering the heavy subsidy now given to public housing tenants, it was only fair that those who could afford to pay more should be expected to do so, and that they should have sympathy for those still on the Waiting List.

3.28 Several individuals commented that the introduction of a Subsidy Income Limit beyond which tenants were required to pay a higher rent for their accommodation was consistent with the policy of establishing a Waiting List Income Limit to decide on who should be eligible for public housing. By asking prosperous tenants to contribute more towards their accommodation, the Housing Authority could ensure that more resources would be available for those in urgent need of public housing. It was expressed that the Green Paper suggestions were not too harsh since the new rent would still be below the market rent level for comparable accommodation in the private sector.

3.29 About 20% of the submissions opined that the Green Paper gave no indication about the possible use of the additional revenue generated from the proposed implementation.

iii) ways in which a more equitable distribution of limited resources can be achieved

3.30 It has been pointed out that the idea of making some tenants pay double rent was a negative and short-term tactic. 47% of the submissions from organizations/groups and 22% from individuals suggested the Housing Authority provide more incentives for the prosperous group now living in estates to buy HOS e.g. charging a small down-payment, a lower interest rate for loans, etc. Other methods recommended included building more high-quality accommodation for sale, selling rental public housing units to sitting tenants, constructing more public housing for the benefit of those on the Waiting List and using the money generated from those suggestions to finance more public housing construction.

iv) Other comments:-

3.31 About ten letters, mainly from individuals, urged the Housing Authority to be cautious when assessing public comments on the Paper. Some stressed the importance of an objective and balanced report on the public response. A few said that the Secretary of the Committee should be careful with opinions expressed by public housing tenants, i.e. those whose interests were at stake, as well as opinions of those people with political ambitions. A few letters said that the Housing Authority should not consult the public housing tenants at all since they had vested interests. On the contrary, several public housing tenants opined that the Housing Authority should not consult those living in the private sector since the latter had no understanding of the circumstances of public housing tenants.

**(c) THE SUBSIDY INCOME LIMIT SHOULD BE AT ONE AND A HALF TIMES THE WAITING LIST INCOME LIMIT (i.e. 50% ABOVE THE WAITING LIST INCOME LIMIT), WITH ALLOWANCE FOR DIFFERENT HOUSEHOLD SIZES**

i) the level of the Subsidy Income Limit -

3.32 This suggestion has attracted a lot of comments. It was generally felt that the Subsidy Income Limit was set at too low a level and many of the so-called "well-off" - are in fact border-line cases. Several interest groups were of the opinion that since 50% of wealth was in the top 20% of income-earning households, those tenants whose income exceeded the Subsidy Income Limit actually did not lead a very comfortable life and should not be classified as being "well-off".

3.33 It was said that the Green Paper had failed to identify the genuinely prosperous tenants as it suggested only one base-line to determine whose housing subsidy should be reduced. It was suggested that households with members were elderly, handicapped, or in constant need of medical care should have a higher Subsidy Income Limit or a lower rate of rent increase.

3.34 For those submissions which included this point, 12% from groups and 27% from individuals suggested that to keep in step with the double rent to be charged, the Subsidy Income Limit should be twice the Waiting List Income Limit. An individual indicated strongly that the inclusion of 60% of the income of the other household earners would favour households with more than one earner because for a household whose tenancy holder and his/her spouse had retired, the Subsidy Income Limit amounted to 2-1/2 times the Waiting List Income Limit. But for households with only the tenancy holder working, the suggested Subsidy Income Limit was deemed to be too low and might lead to considerable hardship under certain circumstances e.g. in households with a high dependency rate (i.e. the ratio between the number of dependents and the number of earners) or with members who were chronically ill. It was suggested that the Subsidy Income Limit should be twice the Waiting List Income Limit but at the same time the income of all the household members should be counted in full.

ii) whether it is suitable to use the Waiting List Income Limit to define the Subsidy Income Limit

3.35 About 20% of the group submissions commented that though some of the households in public housing estates had improved their financial situation, this improvement was not substantial. They said that the living standard of the society as a whole had also risen over the past years. Hence the Housing Authority should carefully consider the real purchasing power of the augmented income of public housing tenants before fixing the Subsidy Income Limit.

3.36 15 submissions regarded the existing Waiting List Income Limit as unrealistically low and that it had failed to catch up with the inflation rate over the years. They suggested it be revised before the Housing Authority fixed the Subsidy Income Limit.

3.37 On the other hand, a few individuals and groups felt that the Housing Authority was being too lenient since for Waiting List applicants, once their household income exceeded the Waiting List Income Limit, they were immediately disqualified for application. But under the suggested scheme, even if the household income exceeded the Subsidy Income Limit, tenants would not be evicted if they agreed to pay twice their existing rent. As a result, the Housing Authority would fail to attain the objective of recovering public housing units from prosperous tenants for those who were in more urgent need for public housing.

**(d) THE FULL INCOME OF THE TENANCY HOLDER AND HIS/HER SPOUSE, AND 60% OF THE INCOME OF OTHER EARNERS SHOULD BE INCLUDED IN THE CALCULATION OF HOUSEHOLD INCOME**

3.38 Discussion on this point focused on the inclusion of 60% of the income of other earners in the household. Only about 10% of submissions commenting on this gave their full support. It was generally thought that it was unrealistic to calculate 60% of the income of earners other than the tenancy holder and his/her spouse. Some submissions expressed the view that if earners in the household were compelled to contribute 60% of their income towards the common housekeeping budget, disharmony among household members might arise. It might even lead to the artificial splitting of a household since earners with a high income might volunteer/be asked to move out in order to keep the household income below the Subsidy Income Limit. It was thought that this would result in an increase of small households which might put a further strain on the demand for public housing. There were also worries that once the economically active members moved out, only the elderly would be left in the estates, thus, creating a very unbalanced population composition. They thought that calculating 30 - 50% of the income of other earners would be more reasonable.

3.39 As for those who agreed to this suggestion (5% of all submissions), some of them argued that the income of all the earners in the household was counted in full for the Waiting List Income Limit. In comparison, the suggested Subsidy Income Limit was fairly generous. Two letters suggested that 100% of the income of all the earners should be included but the Subsidy Income Limit should simultaneously be raised to twice the Waiting List Income Limit.

3.40 A few people misinterpreted that members of the household who had got married and moved out would also have 60% of their income being calculated in the household income of their parental family. Some people were also unsure if "other earners in the household" referred only to the children of the tenancy holder or the other earners occupying the same unit.

**(e) IT IS FOR PUBLIC CONSIDERATION WHETHER OPTION A OR OPTION B SHOULD BE ADOPTED IN CALCULATING THE HOUSEHOLD INCOME**

i) minor revisions of option A and option B

3.41 This suggestion was widely discussed. The general opinion was in favour of option A which was already in use for the income calculation of Waiting List applicants. About 45 submissions opined that income sources other than regular earnings should not be included. They expressed that if overtime allowances, bonus and other cash allowances, which were rewards for diligence, were calculated, undesirable consequences like reluctance to work overtime and a lax working discipline might result. The inclusion of interests from deposits was also objected to. It was argued that such savings were put away for one's old age or for occasional periods of unemployment. Seven letters from individuals found option B acceptable. One of them suggested that when calculating the values of properties or private cars, only the instalments already made out of the full price should be included.

ii) technical difficulties in implementing option B

3.42 On the whole, option B gained very little support. The main reason was due to the difficulties arising from its implementation, which included asking the tenants to declare their non-income generating assets, and the valuation of such assets. Some felt that the definition of non-income generating assets was not stated clearly in the Paper. Some pointed out that gold ornaments were often acquired from the dowry of the wife rather than bought for speculation. Others opined that purchases of precious metals and properties were only small investments to counter inflation. Furthermore, it was said that the acquisition of those non-income generating assets was due to thrift and hard work and it would be unreasonable to calculate their value.

iii) adverse consequences that might result from the implementation of option B

3.43 Very strong opposition was directed against option B, which was seen as an infringement of privacy and a violation of civil rights. Many people regarded the detailed investigation mentioned in option B as a purge, which would inevitably upset the smooth relationship between the Housing Department staff and the tenants. It was also feared that the Housing Authority might gain excessive power once it was allowed to check the details of the financial



situation of its tenants.

**(f) AT THE EXPIRY OF THE INITIAL TEN YEARS OF RESIDENCE, HOUSEHOLDS WITH INCOME EXCEEDING THE SUBSIDY INCOME LIMIT SHOULD BE CHARGED TWICE THE NET RENT PLUS RATES, UNLESS THEY DECLARE AND CAN PROVE TO THE HOUSING AUTHORITY THAT THEIR INCOME DOES NOT EXCEED THE SUBSIDY INCOME LIMIT**

3.44 This suggestion has received diverse views from the public.

i) the stage at which this suggestion is to be implemented

3.45 It was expressed in a few submissions that in the newer estates, children were often only 4-5 years old when tenants were first admitted and by the time the suggested review took place, those children would still be at school. It was suggested that a 15-year review would be more appropriate.

3.46 11 individuals and 24 groups admitted that the household income did increase after 10 years of residence in the public housing estates, but this increase was largely due to a particular phase in the developmental cycle of a household when its younger members started to work. The prosperous phase was shortlived as the household income would drop once the younger members got married and left their parental household.

ii) the rate of rent increase

3.47 With regards to the extent of rent increase, the 100% increase was generally considered inappropriate. It was pointed out that rent control should be applied to not only the private sector but the public sector as well. They argued that should double rent be charged for public housing units, the rent level for the private sector would easily be surpassed. This would undoubtedly create greater hardship amongst public housing tenants. On the other hand, 20 submissions suggested "double rent" or even eviction be applied to tenants who ran a business or possessed properties. Since there was no mention of the double rent policy in the tenancy agreement, some felt that there might be a breach of contract if suggestions of the Green Paper were applied to the sitting tenants.

3.48 About 10% of the submissions raised the point that public housing tenants also paid tax, hence they were not just at the receiving end of taxpayers' money. To pay double rent would amount to "double taxation".

3.49 There were also worries that this suggestion would have undesirable chain-effects on inflation. A few felt that other government departments might follow the example of the Housing Authority by raising the fees for their services. Commodity prices would rise and rent increases in the private sector would be inevitable.

3.50 On the other hand, the suggested rate of increase was not without support from the public. A number of submissions expressed that for those households paying double rent, they would not experience any drastic lowering of their living standard since the new rent amounted to, at the maximum, two-thirds of the market rent, meaning that those tenants would still be enjoying housing subsidy. About 50 submissions suggested the Housing Authority consider the option of selling public housing units to their sitting tenants since a lot of tenants might have developed a sense of belonging in their own estates.

3.51 The application of two rent levels for identical units was discussed in 53 submissions. They said that neighbourhood relationships might be jeopardized as public housing tenants would easily be stratified into those paying the existing rent and those paying double rent. On the other hand, four submissions recommended a higher rent be charged for all public housing units and those tenants experiencing hardship could then apply for rent rebates or social welfare. A sliding scale of rent payment for households with different income was suggested by some submissions as being fairer.

3.52 Tenants in Mark I/II estates were strongly against this suggestion. As the facilities in those estates were poor, they felt it extremely unfair to be charged a higher rent.

3.53 Another point was brought up by some tenants who had applied for voluntary transfer to newer estates. They

pointed out that according to the Green Paper, their initial 10 years of residence would be counted from the start when they became public housing tenants and not from the time they moved to their new units. Since the rent of the new estates were fixed at a higher level, they worried that the suggestion would bring them hardship.

3.54 One of the purposes of the Green Paper is to motivate public housing tenants who have improved their financial situation to buy HOS. A few submissions doubted the effectiveness of the suggestions because for the "genuine rich" tenants, the extra rent they had to pay under the new scheme might be nominal. Hence they might prefer paying the new rent to giving up their units. Those who earned only slightly above the Subsidy Income Limit would be hardest hit. The latter group had not yet bought HOS largely because of financial constraints. This implied that following the implementation of the suggestions, they still would not be able to vacate their units, thus defeating the main purpose of the Paper.

### iii) Exemption

3.55 Tenants who moved into public housing through development clearances strongly opposed to this suggestion. They argued that the government had the obligation to rehouse them permanently and no income limits had been applied so far. Some tenants from So Uk, Oi Man and North Point Estates opined that when they were first admitted, a higher household income limit compared with the then prevailing Waiting List Income Limit was used.

3.56 The Model Scale I Staff Consultation Council (Staff Side) wrote to ask for exemption from the suggested scheme. They pointed out that they entered public housing estates through a special Civil Servants' quota which had a higher household income limit. Therefore, if they were also subject to the proposed treatment, they would be likely to exceed the Subsidy Income Limit. Also, they maintained that their priority in obtaining public housing was the only form of housing benefits they enjoyed as civil servants. A tenant who was physically handicapped also wrote to ask for exemption from the Green Paper suggestions.

3.57 A few people suggested the introduction of fixed-term tenancy at the expiry of which the household income of the tenants would be reviewed and the rate of rent increase would be fixed accordingly.

## **(g) THE ONUS OF PROOF OF ELIGIBILITY FOR CONTINUING TO PAY THE EXISTING RENT SHOULD REST WITH THE TENANTS**

### i) the rationale of letting the onus of proof rest with the tenants

3.58 Only a small number of submissions have commented on this suggestion. Some regarded it fair that those who wanted to be exempted from paying double rent should be responsible for proving that their household income was below the Subsidy Income Limit since they would be enjoying a continual subsidy. To minimize administration costs and to maintain efficiency, others agreed that it was preferable to let the onus of proof rest with tenants. Some submissions indicated that when potential tenants first applied for public housing, they were required to declare details of their household income. They felt that the suggestion would not infringe individual privacy.

3.59 The most frequently cited argument against this suggestion was that it caused a lot of disturbance to public housing tenants. Some even criticized this as being against one of the cardinal principles of the Common Law that "suspects were innocent until proved guilty", as it assumed that the household income of all public housing tenants had improved after the initial ten years of residence unless those tenants showed evidence to the contrary.

### ii) unfair situations that may arise

3.60 It has been pointed out that if the onus of proof fell upon the tenants themselves, those tenants with a steady household income would be at a disadvantage since the steady earners, with proofs of their exact income, have to pay the new rent once their household income is above the Subsidy Income Limit, whereas the self-employed and those with a fluctuation income can easily submit a false declaration so that they can avoid paying double rent even if their real income exceed the Subsidy Income Limit.

## **(h) TENANTS WHO SUBMIT FALSE INFORMATION SHOULD BE LIABLE TO TERMINATION OF**

## **TENANCY AND PROSECUTION UNDER SECTION 26 OF THE HOUSING ORDINANCE (CAP. 283)**

3.61 Few comments were given on this point. The main concern seemed to be over the stringency of prosecution in the case of submitting false information.

3.62 A few individuals urged the Housing Authority to set up an appeals committee after the implementation of the proposed measures to deal with any disagreements over the rulings of the Department. Another opinion was that termination of tenancy was sufficient punishment for those tenants who submitted false information. The threat of prosecution would impose a psychological burden upon public housing tenants who were worried that they might send in false information by mistake. Also it was regarded unfair that the tenancy holder should be held responsible for false information given by other household members.

### **(i) IF THE INCOME OF HOUSEHOLDS PAYING TWICE THE NET RENT SHOULD SUBSEQUENTLY FALL BELOW THE PREVAILING WAITING LIST INCOME LIMIT, THEN SUCH HOUSEHOLDS SHOULD BE PERMITTED TO APPLY TO PAY THE LOWER RENT**

i) the level below which the households paying twice the net rent should be allowed to pay the existing rent

3.63 Among those who have expressed views on this suggestion, the majority showed disapproval. It was said that this suggestion would create unfairness as two families of the same size with an identical income might end up in a situation in which one had to pay double rent simply because its income had once exceeded the Subsidy Income Limit. Even if the household income fell afterwards, unless the drop was so drastic that the income level was below the Waiting List Income Limit, that household still had to pay double rent.

3.64 It was suggested that an alternative would be to use the Subsidy Income Limit throughout to mark the level below which the tenant was eligible for housing subsidy. Once the household income fell below the Subsidy Income Limit, those tenants paying double rent should be allowed to pay the existing rent with immediate effect.

ii) undesirable consequences of the implementation of this suggestion

3.65 It was said that following the implementation of the Green Paper suggestions, tenants with a household income approaching the Subsidy Income Limit might become less motivated to work hard for self-advancement. Promotion with only a small increase in wage or salary might result in tenants having to pay double rent. Such a mentality was thought to dampen the speed of economic growth and the prosperity of the community.

3.66 Individuals/organizations supporting this suggestions argued that since there existed tenants with fluctuating income, it was sensible to wait till the drop in household income became steady before their applications were examined. They agreed to the need of setting up a buffer to avoid unnecessary workload due to small fluctuations in the household income.

### **(j) HOUSEHOLDS WHO CONTINUE TO PAY THE EXISTING RENT AFTER THE FIRST TEN YEARS OF RESIDENCE SHOULD BE REQUIRED TO DECLARE THEIR INCOME ONCE EVERY TWO YEARS**

i) whether households which continue to pay the existing rent after the first ten years of residence should declare their income periodically and frequency of such declaration

3.67 A few people found it fair that those tenants receiving substantial housing subsidy should declare their income periodically to ensure that they were still qualified for the benefit. 3 individuals pointed out that this measure was actually not stringent enough and income declarations should be made more frequently. One even suggested that every family which continued to pay the existing rent after the initial ten years of residence should immediately notify the Housing Authority once its household income exceeded the Subsidy Income Limit without waiting till the next biennial income review. Another suggestion was that the biennial income declaration could be synchronized with the 18-month flat inspection already carried out in some estates. Those who were against the biennial income declaration argued that it was very troublesome. Public housing tenants, being among the lower-income group, were already preoccupied with making a living. The frequent occurrence of such income declarations would create an unnecessary

psychological burden.

3.68 Since only about 10% of the total tenant population would have to pay double rent, a few doubted whether the Housing Authority was justified to put the Green Paper suggestions into practice. Interest groups opined that the vast administration costs incurred by the suggested scheme would be used for a better cause if they were spent on the construction of more public housing units.

**(k) MEASURES TO REDUCE HOUSING SUBSIDY TO THOSE PUBLIC HOUSING TENANTS WHO ARE NO LONGER IN NEED SHOULD BE REVIEWED PERIODICALLY**

3.69 Hardly any comment was given on this suggestion.

**D. OTHER VIEWS EXPRESSED**

3.70 A few submissions commended the Housing Authority for conducting this consultation exercise to collect public response on the Green Paper. Nine groups, however, cast doubts on the sincerity of the Authority. They worried that the Green Paper suggestions would be implemented regardless of the result of the consultation.

3.71 21 groups and 4 individuals opined that the composition of the Housing Authority was too restrictive. They thought that more public housing tenants should be included to help formulating policies on public housing. Some suggested that members of the public should be allowed to stand for election to the Authority and that the Authority meetings should be open to the public. It was also suggested that the Authority should provide the public with full details of its accounts.

3.72 24 submissions pointed out that the membership of the Committee on Housing Subsidy was not representative enough. They felt that even though there were public housing tenants on the Committee, they were appointed by the Authority. Two groups opined that the Committee had too much power for being allowed to make a policy which was so far-reaching.

3.73 A few tenants' group/interest groups mentioned that the report of the consultation exercise should be made public to ensure that the assessment of public response was objective.

3.74 Due to the financial implications and the far-fetched consequences of the suggestions in the Green Paper, 15 groups and 3 individuals expressed the view that it should be discussed and debated in the Legislative Council.

3.75 The issue of housing allowance given to civil servants was brought into discussion. Some suggested that if the housing allowance for civil servants were reduced, more money would be made available for the public housing programme.

3.76 A few of those individuals who supported the Green Paper expressed that the rent level for public housing were unrealistically low. It was therefore recommended that the Housing Authority should ask the Rating and Valuation Department to re-fix the rent level for public housing estates so that they would not fall far behind the market level.

3.77 It was generally felt that more positive incentives should be introduced to encourage tenants to buy HOS. Some of the incentives suggested included a reduced down-payment, a lower interest rate on loans, construction of more HOS in convenient locations, building more trident-typed HOS, allowing HOS residents to sub-let their flats, priority for HOS without having to go through the process of balloting, allowing ex-public housing tenants who encountered difficulties in paying HOS mortgages to resume their tenancies in public rental housing, etc.

3.78 Eight organizations/groups requested the Housing Authority to shelve the Green Paper till the Domestic Rent Review Committee had published its working report. 26 groups regarded the course of action suggested in the Green Paper as piecemeal. They demanded a comprehensive review of all public housing policies as the question of continuation/termination of housing subsidy was but one element in the overall allocation of resources within the Housing Authority.

## **Chapter 4**

### **VIEWS ON THE GREEN PAPER - MEDIA**

#### **A. INTRODUCTION**

4.1 This section outlines the general response of the media towards the Green Paper. Their comments on the specific suggestions contained in the Green Paper are also summarized. For the purpose of this chapter, the term "media" includes newspapers (including editorials and articles) as well as the electronic media, i.e. TV and radio.

4.2 Opinions expressed have been tabulated first in terms of acceptance of/objection to the general principle of the Green Paper i.e. reducing housing subsidy to those public housing tenants who are no longer in need of it, and then in terms of specific comments on various suggestions listed in the Green Paper.

4.3 20 Chinese and English newspapers were monitored daily from 6 August 1985 to 31 October 1985 to collect their views on the Green Paper suggestions. A list of the newspapers monitored can be found at Annex C. Comments which appeared in newspapers mainly came in two forms :

(a) editorials - written by writers instructed to expound on the newspapers' views on matters of public interests. They normally represent the stance of the newspapers;

(b) articles - written by contributors, journalists, and columnists and do not necessarily reflect the stance of the newspapers.

In the ensuing paragraphs, the comments put forward in both editorials and articles will be assessed. For each of them, they will be evaluated under the following headings :-

i) comments on the overall acceptability of the principle of the Green Paper;

ii) comments on specific suggestions; and

iii) other important points mentioned.

#### **B. EDITORIALS**

##### **B(I) OVERALL ACCEPTABILITY OF THE PRINCIPLE OF THE GREEN PAPER**

4.4 There were a total of 46 editorials written on the Green Paper during the period from 6.8.85 to 31.10.85. Out of these, 35 (76%) supported the principle of the Green Paper, i.e. housing subsidy should be reduced for those who are no longer in need of it. None objected to it and 11 (24%) did not indicate a clear stance.

4.5 For those who supported the principle of the Green Paper, they requested the public to examine it objectively and to put emphasis on the benefits of the whole community above that of sectional interests in evaluating the Green Paper suggestions. The reasons given for supporting the Green Paper can be summarized as follows : -

i) implementation of the Green Paper suggestions will benefit those who are not living in public housing estates. The money saved can be used for speeding up the provision of public housing for those who are on the Waiting List (6 newspapers);

ii) as a matter of principle, housing subsidy should only be given to those who have a genuine need. It is provided to enable people to tide over difficult times and should not be a life-long entitlement. Should the financial situation of

public housing tenants improve, the subsidy given to them should be reduced. In other words, for those who can afford, they should be expected to pay more (8 newspapers);

iii) it will deprive people on the Waiting List of the right to public housing if "well-off" tenants who have purchased properties continue to enjoy the existing heavy housing subsidy (2 newspapers);

iv) in providing welfare services to the community, it will be necessary to take into account the government's financial capacity (1 newspaper);

v) implementation of the Green Paper suggestions will lead to better utilization of scarce resources (2 newspapers);

vi) like Public Assistance, public housing is a welfare service and means-tests should be compulsory (1 newspaper).

4.6 While there was no writer who objected to the principle of the Green Paper, some had expressed reservations on the ground that it might lead to great discontent among public housing tenants and therefore affected the stability of Hong Kong (2 newspapers). Others objected to the methods of implementation on the ground that they were too harsh. One writer felt that the Green Paper would not succeed in reducing the number of "well-off" tenants as they could always afford to pay a higher rent. For this reason, the Green Paper suggestions would not shorten the waiting time of those on the Waiting List.

4.7 Several writers criticized certain specific suggestions of the Green Paper and requested the government to consider selling rental flats to residents or providing more incentives to tenants for purchasing HOS flats. All these are, in fact, measures of reducing housing subsidy and are in line with the general principle of the Green Paper.

4.8 Two writers worried that the implementation of the Green Paper suggestions would incur high administration costs and, as a result, made the whole exercise not worthwhile to carry out. One writer also felt that the government should construct more public housing estates instead of devoting its scarce resources to making the "well-off" tenants to pay more.

## **B.(II) SPECIFIC COMMENTS ON THE SUGGESTIONS OF THE GREEN PAPER :-**

### **(a) PUBLIC HOUSING TENANTS WHO HAVE IMPROVED THEIR FINANCIAL SITUATION SHOULD NOT BE EVICTED**

4.9 Two newspapers considered eviction a better alternative than just reducing housing subsidy given to "well-off" tenants. It was felt that tenants who had already purchased their own domestic properties should be evicted. By so doing, the waiting time of those on the Waiting List would be shortened.

### **(b) PUBLIC HOUSING SUBSIDY SHOULD BE REDUCED FOR THOSE TENANTS WHO ARE NO LONGER IN NEED**

4.10 Out of the 35 writers who supported the principle of the Green Paper, 21 explicitly supported the suggestion of reducing housing subsidy to those who are no longer in need. The grounds of support have already been put forward in paragraph 4.5 above.

### **(c) THE SUBSIDY INCOME LIMIT SHOULD BE SET AT ONE AND A HALF TIMES THE WAITING LIST INCOME LIMIT (i.e. 50% ABOVE THE WAITING LIST INCOME LIMIT), WITH ALLOWANCE FOR DIFFERENT HOUSEHOLD SIZES**

4.11 One editorial supported the proposed Subsidy Income Limit which was fixed at 50% above the Waiting List Income Limit and commented that this was already fairly generous. However, two objected to it on the following grounds :-

i) it has not taken into account all the factors, e.g. fluctuation of income;

ii) it will be unfair to those whose income is marginally above the Subsidy Income Limit.

**(d) THE FULL INCOME OF THE TENANCY HOLDER AND HIS/HER SPOUSE, AND 60% OF THE INCOME OF OTHER EARNERS SHOULD BE INCLUDED IN THE CALCULATION OF HOUSEHOLD INCOME**

4.12 Three editorials objected to this suggestion as children did not normally bring home such a high percentage of their personal income. Furthermore, some worried that this would discourage young people from living with their elderly parents.

**(e) IT IS FOR PUBLIC CONSIDERATION WHETHER OPTION A OR OPTION B SHOULD BE ADOPTED IN CALCULATING THE HOUSEHOLD INCOME**

4.13 All those who commented on this suggestion objected to option B (6 newspapers). The reasons given can be summarized as follows :-

- i) it will endow the Housing Authority with excessive power;
- ii) it will intrude on the privacy and the human rights of the tenants;
- iii) it will be difficult to assess the value of the non-income generating assets;
- iv) it will lead to double counting;
- v) it will discourage people from saving;
- vi) many non-income generating assets are actually expenditure items e.g. private cars, and therefore should not be taken into account when calculating the household income.

**(f) AT THE EXPIRY OF THE INITIAL TEN YEARS OF RESIDENCE, HOUSEHOLDS WITH INCOME EXCEEDING THE SUBSIDY INCOME LIMIT SHOULD BE CHARGED TWICE THE NET RENT PLUS RATES, UNLESS THEY DECLARE AND CAN PROVE TO THE HOUSING AUTHORITY THAT THEIR INCOME DOES NOT EXCEED THE SUBSIDY INCOME LIMIT**

4.14 Some considered doubling the rent too harsh, particularly for those families which had dependent members e.g. those who were chronically ill or mentally retarded. (2 newspapers)

**(i) IF THE INCOME OF HOUSEHOLDS PAYING TWICE THE NET RENT SHOULD SUBSEQUENTLY FALL BELOW THE PREVAILING WAITING LIST INCOME LIMIT, THEN SUCH HOUSEHOLDS SHOULD BE PERMITTED TO APPLY TO PAY THE LOWER RENT**

4.15 One writer considered this very reasonable as it could avoid causing undue hardship to tenants.

4.16 No comment was made on the other suggestions of the Green Paper.

**B (III) OTHER POINTS MADE :**

4.17 Other relevant points made include :-

- i) some writers criticized people who objected to the Green Paper in order to please the tenants of public housing estates;
- ii) income generated from the Green Paper suggestions should be used to expand the public housing programme, or to improve the living environment of public housing estates;

- iii) the government should encourage " well-off " tenants to purchase Home Ownership flats;
- iv) the government should encourage public housing residents to purchase the rental units they are currently living in;
- v) the government should set up an independent body to handle appeals arising from the implementation of the Green Paper suggestions;
- vi) all "well-off" tenants should be moved to a new estate to prevent them from being discriminated by the "non-well-off" tenants;
- vii) even for development clearances, they should not expect housing subsidy to be a life-long entitlement;
- viii) implementation of the Green Paper suggestions will divide public housing tenants into two categories (i.e. the "well-off " tenants and the "non-well-off" tenants). This would be detrimental to the building of a harmonious community;
- ix) public housing should be a means-tested welfare service and, as such, it will not be an infringement of human rights if tenants were required to submit information on their financial position;
- x) the Housing Authority should consult as widely as possible and assess the views of the public objectively;
- xi) while some commented that the survey carried out by the Survey Research (Hongkong) Ltd. was useful in collecting the views of the public (as the interviewees came from different segments of the society), others queried the degree of impartiality of this survey as it was commissioned by the Housing Authority; and
- xii) some felt that the Legislative Council should form a working group to examine the Green Paper.

## **C. ARTICLES**

### **C(I) OVERALL ACCEPTABILITY OF THE PRINCIPLE OF THE GREEN PAPER**

4.18 From 6 August to 31 October, a total of 55 articles have been monitored. Out of this number, 31 (56%) supported the principle of the Green Paper, 12 (22%) objected to it and 12 (22%) did not indicate a clear stance.

4.19 For those who supported the principle of the Green Paper, their reasons are summarized as follows:-

- i) the implementation of the Green Paper suggestions will benefit those who are not living in public housing estates. The additional revenue generated can be used to speed up the provision of public housing for those who are on the Waiting List (10 articles);
- ii) housing subsidy should only be given to those with a genuine need. Should the financial situation of the tenants improve, they should not be allowed to enjoy heavy subsidy from the tax-payers (11 articles);
- iii) it will deprive people on the Waiting List of the right to housing if "well-off" tenants who have purchased properties are allowed to continue to enjoy the existing heavy housing subsidy (1 article);
- iv) it will prevent "greedy" tenants from occupying a unit when they are no longer in need of it (1 article);
- v) even if the Green Paper suggestions were implemented, the rent charged would still be fairly low (1 article);
- vi) it will provide the much-needed stimulation for the property market of Hong Kong (1 article);
- vii) it is the best solution among all possible solutions (1 article);



viii) it will generate income to meet the recurrent costs of running the estates (particularly in the light of the current huge deficits) (2 articles);

ix) as Hong Kong is not a welfare state, it will not be realistic to expect the government to subsidize low-cost housing endlessly regardless of need, i.e. no "free lunch" (1 article).

4.20 For those who objected to the principle of the Green Paper, their reasons are summarized as follows :-

i) the implementation of the Green Paper may incur high administration costs which would, as a result, outweigh the benefits they bring (2 articles);

ii) some doubted whether the funds generated from the Green Paper suggestions would be used to construct more public housing estates or simply be channelled back to the General Revenue Account (2 articles);

iii) some cast doubts on the total amount of housing subsidy, i.e. \$22,000 million, quoted in the

Green Paper. It was felt that this was probably over-estimated due to the following reasons :-

- the government has paid only "\$9,000 million" over the years (i.e. the principal) and this has already been repaid by the tenants;

- the land value has been over-estimated because without the public housing estates and the people living there, the value of the land particularly that in the new towns, should have been very low (2 articles);

iv) it will discourage people from being diligent, e.g. avoiding to work overtime, because by doing so, their household income will exceed the Subsidy Income limit (3 articles);

v) it will divide public housing tenants into the "well-off" and the "non-well-off" with the latter being treated as inferior (2 articles);

vi) if the proposals were implemented, public housing tenants would be subject to close surveillance by the government (1 article);

vii) the number of "well-off" tenants is, in fact, quite small. Therefore, the disturbance caused by the implementation of the Green Paper will probably outweigh the benefit (1 article);

viii) rents should not be increased just because the living standard of the tenants has improved (1 article);

ix) the Green Paper uses the principle of reducing housing subsidy to those no longer in need as an excuse to increase rent (3 articles);

x) the living environment of some of the existing estates is very poor. It is inappropriate to further increase the rent without corresponding improvements (2 articles);

xi) this is a deliberate move of the government to create friction between public housing tenants and non-public housing tenants (2 articles);

xii) it will boost up the property market in the private sector and this will be most detrimental (1 article);

xiii) instead of implementing the Green Paper suggestions, the Housing Authority should eliminate redundant staff e.g. those responsible for collecting rents (1 article);

xiv) the implementation of the Green Paper will lead to social disturbance and hence affect the stability of Hong Kong (2 articles);

xv) the purpose of the Green Paper is to make profit. It is an indication of the government's wish to shed its

responsibility of providing housing to the public (2 articles);

xvi) though the income of the tenants has increased, their household expenditure has also increased significantly due to inflation. For this reason, it will be inappropriate to increase their rents (1 article);

xvii) it is inappropriate to compare the rental levels for public housing and the private sector (1 article);

xviii) it will create unnecessary inconvenience to public housing tenants (1 article); the "well-off" tenants have already paid a higher tax (1 article);

xx) even if the "well-off" tenants vacate their flats, people on the Waiting List may not wish to move in because of their poor conditions (1 article);

xxi) the aim of providing public housing is to improve the living standard of the Hong Kong people. It will, therefore, be illogical to penalize tenants after a higher living standard has been achieved (1 article);

xxii) the methods of implementation are too harsh (8 articles) .

4.21 There were 12 articles which could not be clearly classified as the writers had not taken any clear stance in respect of the Green Paper. Some concentrated on discussing issues such as the role of the Green Paper in the democratic process of public consultation, the publicity strategy of the Housing Authority, the methodology of the SRH survey, etc.

## **C(II) SPECIFIC COMMENTS ON THE SUGGESTIONS OF THE GREEN PAPER :**

### **(a) PUBLIC HOUSING TENANTS WHO HAVE IMPROVED THEIR FINANCIAL SITUATION SHOULD NOT BE EVICTED**

4.22 Two writers considered eviction a better solution of the problem of "well-off" if tenants.

### **(b) PUBLIC HOUSING SUBSIDY SHOULD BE REDUCED FOR THOSE TENANTS WHO ARE NO LONGER IN NEED**

4.23 Out of the 31 writers who supported the principle of the Green Paper, 14 explicitly supported the suggestion of reducing housing subsidy to those who were no longer in need. The grounds of support have already been put forward in paragraph 4.19 above.

### **(c) THE SUBSIDY INCOME LIMIT SHOULD BE SET AT ONE AND A HALF TIMES THE WAITING LIST INCOME LIMIT (i.e. 50% ABOVE THE WAITING LIST INCOME LIMIT), WITH ALLOWANCE FOR DIFFERENT HOUSEHOLD SIZES**

4.24 While one felt that the proposed Subsidy Income Limit was already fairly generous, six objected to it due to the following reasons:-

- it does not take into account the financial situation of individual families;
- for families which have dependent members e.g. those who are sick or mentally retarded, it will be inappropriate to charge them double rent;
- it is too harsh and unrealistic;
- it does not take income fluctuation into account;
- it will be unfair to those who are marginally above the Subsidy Income Limit.

4.25 The following counter-suggestions have been put forward :-

- to devise a 2-tier system, i.e. for those whose household income exceeds the Subsidy Income Limit (by less than 2 times), their rent should increase by 100%; and for those whose household income exceeds the Subsidy Income Limit by 2 times or more, their rent should increase by 150%; the Subsidy Income Limit should be set at 2 times the Waiting List Income Limit;

- a sliding scale, like the Public Assistance Scheme, should be devised for calculating the Subsidy Income Limit.

**(d) THE FULL INCOME OF THE TENANCY HOLDER AND HIS/HER SPOUSE, AND 60% OF THE INCOME OF OTHER EARNERS SHOULD BE INCLUDED IN THE CALCULATION OF HOUSEHOLD INCOME**

4.26 Six objected to this suggestion on the ground that 60% was too high and children normally did not bring home such a high percentage of their income. It was also felt that this would discourage children from living with their parents, which was contrary to the traditional Chinese concept of filial piety.

**(e) IT IS FOR PUBLIC CONSIDERATION WHETHER OPTION A OR OPTION B SHOULD BE ADOPTED IN CALCULATING THE HOUSEHOLD INCOME**

4.27 Two writers objected to it on the ground that it would intrude on the tenants' privacy and their personal rights.

**(f) AT THE EXPIRY OF THE INITIAL TEN YEARS OF RESIDENCE, HOUSEHOLDS WITH INCOME EXCEEDING THE SUBSIDY INCOME LIMIT SHOULD BE CHARGED TWICE THE NET RENT PLUS RATES, UNLESS THEY DECLARE AND CAN PROVE TO THE HOUSING AUTHORITY THAT THEIR INCOME DOES NOT EXCEED THE SUBSIDY INCOME LIMIT**

4.28 Three objected to the suggestion since it was too harsh and it failed to penalize those very rich tenants who could afford to pay double rent. It was also felt that a sliding scale should be devised to avoid penalizing those with a household income only marginally above the Subsidy Income Limit.

4.29 The other suggestions of the Green Paper have not received much attention and no comments pertaining to them have been made.

**C(III) OTHER POINTS MADE**

4.30 Other relevant points made in the articles include :-

- i) the ultimate solution to the problem of "well-off" tenants is to provide tenants with more incentives to buy HOS;
- ii) the Housing Authority should focus on tenants who own domestic properties;
- iii) as tenants were not given to understand that they would be charged double rent once their income exceeded the Subsidy Income Limit when they first moved into the estates, it will be unfair to apply this to them now. It is, therefore, suggested that future tenants should be informed of the new arrangements when they first enter into tenancy agreement with the Housing Authority;
- iv) the Housing Authority should consider selling rental units to the sitting tenants in order to recover the capital cost of constructing the estates quickly;
- v) one article cast doubt on the sincerity of the Housing Authority in consulting the public on the Green Paper suggestions;
- vi) the SRH survey may not be impartial in reflecting the views of the public as it was commissioned by the Housing Authority;

- vii) the Housing Authority should combine the accounts of its domestic and non-domestic properties;
- viii) one writer criticized the government for being too generous with its senior civil servants, thus resulting in the need to raise additional revenue by introducing the Green Paper suggestions;
- ix) development clearances should not be affected by the Green Paper suggestions because they had never been meantested;
- x) the accounts of the different types of estates e.g. Category A, Category B, etc. should be published for public information;
- xi) the Housing Authority should recognize public housing tenants as pioneers in helping to develop those remote new towns.

## **D. ELECTRONIC MEDIA**

### **TV and Radio**

4.31 A list of TV and radio programmes which have been monitored is at Annex D. These programmes were generally of an 'informative' nature. In addition, RTHK's "Talkabout" Programme in Chinese was monitored daily from 6 August to 31 October. 107 callers phoned in during this period to discuss the Green Paper. Of these, 66 (61.7%) spoke in support of the principle of the Paper, 39 (36.4%) objected to it and 2 (1.9%) did not make their stance clear.

4.32 Diverse views were given by the 39 callers who objected to the Green Paper. Most of them concentrated on the following points:-

- i) the proposed Subsidy Income Limit is too harsh. It should be raised so that only those tenants who are really very rich will be charged higher rents;
- ii) in calculating the household income, it is unrealistic to include 60 per cent of the income of other earners. However, no alternative suggestion was given;
- iii) quite a large number of callers found it inappropriate to calculate the value of those non-income generating assets as they felt that the tenants' human rights would be infringed upon;
- iv) the 100% increase rate would create a heavy financial burden on those tenants affected;
- v) the administration costs of implementing the Green Paper suggestions would be exceedingly high;
- vi) it would be unreasonable to implement the Green Paper suggestions as tenants were not informed of the need to pay double rent when they entered into tenancy agreements with the Housing Authority;
- vii) the suggestions in the Green Paper interfere with human rights;
- viii) it would be unfair to the border-line cases if all households with an income above the Subsidy Income Limit were charged double rent;
- ix) it would be inappropriate to put the onus of proof on the tenants as this was against the basic spirit of the Common Law;
- x.) some viewed the Green Paper as merely an excuse for rent increase;
- xi) only honest and law-abiding tenants would be penalized by the Green Paper suggestions. The others would find ways to evade them;

xii) public housing is a social service and the government should continue to subsidize public housing tenants so as to prevent social unrest.

4.33 Other relevant points made include :-

- i) the working accounts for commercial and domestic premises should be combined;
- ii) the revenue generated by the Green Paper suggestions should be used for constructing more estates as well as improving the environment of existing ones;
- iii) tenants should be allowed to purchase the rental units they were currently occupying;
- iv) domestic flats left vacant should be recovered as soon as possible; and
- v) development clearances should not be affected by the Green Paper suggestions.

4.34 In general, the response from the media shows that the principle of the Green Paper was well supported. This can particularly be illustrated by the massive support given by editorials. There was, however, much controversy over the details of implementation, particularly in connection with the suggested Subsidy Income Limit, the inclusion of 60% of other earners and the choice between Options A and B. Many felt that the suggested Subsidy Income Limited was too low and it had not taken all the factors, e.g. fluctuation of income, etc. into account. It would also be unfair to tenants whose household income was marginally above it. As regards the inclusion of 60% of other earners, 60% was generally considered as unrealistically high since children did not normally bring home that high percentage of their personal income. Lastly, all those who commented on Options A and B found Option B inappropriate and impractical as it would not only intrude into tenants' privacy but also pose threats to basic human rights.

## **Chapter 5**

### **VIEWS ON THE GREEN PAPER - OPINION SURVEYS**

#### **A. INTRODUCTION**

5.1 This chapter summarizes the results of various opinion surveys on the Green Paper. The large number of survey reports/results sent to the Secretary of the Committee in the form of written submissions reflected considerable attention on the Paper. When the consultation closed at the end of October 1985, a total of 41 survey reports/results had been received by the Secretary. In addition, the Secretary has extracted the results of four surveys which had been published in newspapers but not submitted to the Committee. The above 45 surveys have been conducted by individual District Boards, a private research company commissioned by the Housing Authority, academics, and other organizations such as Mutual Aid Committees (MACs), residents' associations, community bodies and interest groups during the consultation period. These surveys varied greatly in terms of survey method, sample size, sample selection, questionnaire design, response rate, quality control, and geographic and population coverages.

5.2 Almost all the surveys were designed to collect opinions on the Green Paper suggestions from households/people living in a local area or a particular estate, or from a specific group of individuals, e.g. Waiting List applicants for public rental housing. There was only one territory-wide survey which covered different types of housing in different districts of Hong Kong.

5.3 Most of the surveys did not mention the sampling frame and it is not known how quality control was done. A number of surveys used the self-administered questionnaire approach in which the respondents were required to complete the questionnaires themselves and send them back by mail to the organizers of the survey. Most of those surveys using such a method of data collection obtained low response rates. Annex E shows the views expressed by

the Hong Kong Statistical Society on the representativeness and reliability of such survey results. Some surveys employed a mixed method of mail return and personal collection. Some used a disproportionate sample for the districts concerned, but the final results were not weighted to reflect the actual proportions of households/persons living in the private and public housing sectors in those districts.

## **B. CATEGORIZATION OF SURVEYS CONDUCTED ON THE GREEN PAPER**

5.4 Five opinion surveys on the entire district or part of it have been undertaken or commissioned by the following District Boards (DBs) during the consultation period:

- Tuen Mun district
- Kowloon City district
- Sham Shui Po district
- Wong Tai Sin district
- Kwai Chung and Tsing Yi district.

As the above DBs' have a sizeable percentage of their residents living in public rental housing, the target group of some of these surveys consisted mostly of tenants from public housing. One of the surveys collected data by personal interviews while the others adopted the self-administered method. The planned sample size ranged from 1 063 households/persons to 113 639 households/persons. The response rates, which were not mentioned in 2 of the surveys, were below 20% in the other three surveys. In the following analyses, they will be classified as DB surveys.

5.5 Many opinion surveys were carried out by various collective bodies such as MACs, residents' associations, community bodies and interest groups. Many of these surveys were of the self-administered type and were restricted to either a local area, or a particular estate, or a specific group of people. A total of 38 such surveys were known to the Secretary. Of this number, the reports/results of 34 were submitted to the Secretary and those of the remaining four were extracted from newspapers. The planned sample size of the surveys were between 35 households/persons and 17 044 households/persons. The response rates of many of the surveys, excluding those surveys whose response rates were not disclosed, were under 50%. 13 of them had a response rate of less than 50%, while 9 had one between 50% and 80%. Only in 5 surveys did the response rate rise above 80%. The remaining 11 did not give their response rate. All these surveys will be classified as local/tenant surveys in the following discussion.

5.6 To find out the attitudes of the Waiting List applicants for public rental housing on the various suggestions of the Green Paper, a survey was conducted by two academics, namely Miss LEUNG Wai-tung and Dr. Joseph CHENG in September 1985. A sample of 226 applicants with stratification by waiting time was drawn systematically from the computerized Waiting List. Home visits were conducted by post-secondary students to interview applicants in the territory. The response rate of this survey rate was 88%.

5.7 In order to collect public views on the suggestions of the Green Paper on a territory-wide basis, a private research firm, Survey Research (HK) Ltd., was commissioned by the Housing Authority in July to conduct the opinion survey. The sample was scientifically selected from persons aged 21 or over and living in public, private and temporary housing in the territory. The weighted sample method was used, and the sample represented an accurate cross-section of the whole adult community. It only excluded the small number of people living on outlying islands, on boats and in the Walled-City. This survey used the personal interview method in which the enumerators visited the randomly selected households in person to interview respondents who had been scientifically selected. Of the 1743 persons selected for the survey, a total of 1509 were enumerated, representing a response rate of 87%. By its nature this will be called the territory-wide survey.

## **C. VIEWS ON THE PRINCIPLE OF THE GREEN PAPER**

5.8 Of the 5 DB surveys, only three collected opinions from respondents on the principle of the Green Paper. In one survey, it showed that about 85% of the respondents suggested that some forms of measures such as "charging higher rent" or "giving tenants priority to

buy HOS flats" should be introduced for public housing tenants who had improved financially. The other 2 surveys revealed that the majority of the respondents endorsed the principle of the Paper.

5.9 Of the 38 local/tenants surveys, seven showed that the majority of respondents were against the principle of the Paper, eleven were in support and the rest did not specifically collect views on this point.

5.10 The survey of the Waiting List applicants showed that an overwhelming majority (89%) of the applicants agreed to the principle of the Paper.

5.11 According to the territory-wide survey, the majority (71%) of the public supported the principle of the Paper. When analysed by the housing type, 91% of residents in private housing, 78% of residents in HOS, temporary housing areas and cottage areas, 72% of residents in private temporary housing and 55% of public rental housing tenants endorsed the principle of the Paper.

#### **D. VIEWS COLLECTED FROM SURVEYS ON SPECIFIC SUGGESTIONS OF THE GREEN PAPER**

##### **(a) PUBLIC HOUSING TENANTS WHO HAVE IMPROVED THEIR FINANCIAL SITUATION SHOULD NOT BE EVICTED**

5.12 Of the DB surveys, only two collected opinions on this suggestion. Results showed that the majority of the respondents endorsed the 'no eviction' approach.

5.13 Eight of the local/tenant surveys which sought views from respondents on this suggestion. Seven showed that the majority of the respondents supported it and the remaining one was against it.

5.14 In the survey of Waiting List applicants, no question was asked on this suggestion.

5.15 According to the territory-wide survey, 60% of the public agreed to the "no eviction" approach. There was a significant minority (especially in private housing residents) who considered eviction to be appropriate.

##### **(b) PUBLIC HOUSING SUBSIDY SHOULD BE REDUCED FOR THOSE TENANTS WHO ARE NO LONGER IN NEED**

5.16 Views on this major principle of the Green Paper collected from various surveys are presented in pairs. 5.8 - 5.11.

##### **(c) THE SUBSIDY INCOME LIMIT SHOULD BE SET AT ONE AND A HALF TIMES THE WAITING LIST INCOME LIMIT (i.e. 50% ABOVE THE WAITING LIST INCOME LIMIT), WITH ALLOWANCE FOR DIFFERENT HOUSEHOLD SIZES**

5.17 One of the DB surveys supported this suggestion. Three of them showed that the majority of the respondents regarded the suggested Subsidy Income Limit as too low and proposed a higher one. The remaining one did not collect opinions on this suggestion.

5.18 Of the local/tenant surveys, nineteen obtained opinions from respondents on this suggestion. Sixteen of them revealed that a large proportion of the respondents disagreed with it as it was too low. Three showed that the majority of the respondents were in support of it.

5.19 The survey of Waiting List applicants revealed that 53% of the applicants considered the suggested Subsidy Income Limit to be appropriate while 21% found it too low.

5.20 In territory-wide survey, 55% of the public thought that the suggested Subsidy Income Limit at 1.5 times the Waiting List Income Limit was about right while 41% said that it was too low.

**(d) THE FULL INCOME OF THE TENANCY HOLDER AND HIS/HER SPOUSE, AND 60% OF THE INCOME OF OTHER EARNERS SHOULD BE INCLUDED IN THE CALCULATION OF HOUSEHOLD INCOME**

5.21 The DB surveys showed that the idea of including part of the income of other earners in the calculation of household income was generally acceptable. However, the majority of the respondents regarded the inclusion of 60% of the income of other earners as too harsh. A large proportion of the respondents suggested a percentage of 40 or less.

5.22 A total of 28 local/tenant surveys asked a question on this suggestion. Results of 26 of them indicated that a large proportion of respondents were against it. Only 2 surveys showed that the majority of respondents gave their support. Of those who were opposed to the suggestion, the majority proposed to reduce the percentage of the income of other earners to 40% or below.

5.23 According to the survey of Waiting List applicants, the majority (75%) of the applicants agreed to the method of counting the full income of the tenancy holder and his/her spouse, and at least 60% of the income of other earners.

5.24 73% of the public, as revealed by the territory-wide survey, considered the suggested method of calculating household income as appropriate. 16% favoured the method adopted for the Waiting List applicants, i.e. counting the full income of all earners.

**(e) IT IS FOR PUBLIC CONSIDERATION WHETHER OPTION A OR OPTION B SHOULD BE ADOPTED IN CALCULATING THE HOUSEHOLD INCOME**

5.25 Of all the DB surveys, only two sought views from respondents on the choice between the two options. Both indicated that Option A was preferred by the majority of the respondents. These two DB surveys showed that over 90% of the respondents objected to the inclusion of 5% of the assessed value of non-income generating assets when calculating the household income.

5.26 In the local/tenants' surveys, no question was asked on the choice between Option A and Option B. However, in 29 of them, a question on the inclusion of 5% of the assessed

value of non-income generating assets when calculating the household income was asked. 28 showed that the majority of the respondents were opposed to it and considered it as unfair.

5.27 As indicated by the survey of Waiting List applicants, 66% of the applicants agreed to Option A, 14% preferred Option B, and 9% considered both options equally acceptable. Of those who were opposed to both options (4%), the majority suggested calculating the value of private cars in addition to Option A.

5.28 The territory-wide survey revealed that 71% of the public favoured Option A, 18% preferred Option B and 4% considered both acceptable.

**(f) AT THE EXPIRY OF THE INITIAL 10 YEARS OF RESIDENCE, HOUSEHOLDS WITH INCOME EXCEEDING THE SUBSIDY INCOME LIMIT SHOULD BE CHARGED TWICE THE NET RENT PLUS RATES, UNLESS THEY DECLARE AND CAN PROVE TO THE HOUSING AUTHORITY THAT THEIR INCOME DOES NOT EXCEED THE SUBSIDY INCOME LIMIT**



5.29 The DB surveys, in general, showed that a large proportion of the respondents were opposed to twice the net rent and considered the suggested rent increase as too high. In 2 surveys, the method of progressive rent increase in proportion to income was suggested by the majority of the respondents. However, only one DB survey enquired about the appropriateness of conducting the first income review after the initial ten years residence. The majority advocated 5 years instead.

5.30 In 23 of the local/tenant surveys, a question on the suggestion of charging twice the net rent was asked. This suggestion was regarded as appropriate by the majority of the respondents in 4 surveys. The other nineteen showed that the majority of the respondents objected to it and considered the suggested rent increase as too high.

5.31 In survey of Waiting List applicants, 45% of the Waiting List applicants said that the suggested rent increase was about right and 42% considered it too high. Regarding the initial 10 years' residence, 69% of applicants thought that it was appropriate.

5.32 According to the territory-wide survey, 71% of the respondents regarded it appropriate to conduct the review after the initial 10 years of residence. 54% of the public objected to paying twice the net rent while 43% were in support of it. Of the 54% who were against it, 17% were for 1.5 times, 12% for 1.3 times and 12% for 1.2 times.

#### **(g) THE ONUS OF PROOF OF ELIGIBILITY FOR CONTINUING TO PAY THE EXISTING RENT SHOULD REST WITH THE TENANTS**

5.33 This suggestion was not inquired in any of the DB surveys.

5.34 Six of the local/tenant surveys collected opinions on this suggestion. Three revealed that the majority of the respondents endorsed this suggestion and the majority of the respondents in the other three objected to it.

5.35 In the survey of Waiting List applicants, an overwhelming majority (89%) of the applicants agreed to this suggestion.

5.36 The territory-wide survey showed that 81% of the public were in support of this suggestion.

#### **(h) TENANTS WHO SUBMIT FALSE INFORMATION SHOULD BE LIABLE TO TERMINATION OF TENANCY AND PROSECUTION UNDER SECTION 26 OF THE HOUSING ORDINANCE (CAP. 283)**

5.37 The DB surveys did not collect views from their respondents on this suggestion.

5.38 Only two of the local/tenant surveys asked for opinions on this suggestion. Results indicated that the majority in both surveys were in support of it.

5.39 The survey of Waiting List applicants did not seek views on this suggestion.

5.40 The territory-wide survey revealed that the majority (81%) of the public agreed to the suggestion that tenants who submitted false information should be sanctioned by termination of tenancy and prosecution.

#### **(i) IF THE INCOME OF HOUSEHOLDS PAYING TWICE THE NET RENT SHOULD SUBSEQUENTLY FALL BELOW THE PREVAILING WAITING LIST INCOME LIMIT, THEN SUCH HOUSEHOLDS SHOULD BE PERMITTED TO APPLY TO PAY THE LOWER RENT**

5.41 Views were collected on this suggestion in one of the DB surveys in which the majority of the respondents considered it unfair that tenants had to continue to pay double rent until their income fell below the Waiting List Income Limit.

5.42 In ten of the local/tenant surveys, a question was asked on this suggestion. Seven revealed that a large proportion of the respondents agreed to this suggestion and in the other three, the majority were opposed to it.

5.43 The survey of Waiting List applicants indicated that almost all (97%) applicants were in support of this suggestion.

5.44 The territory-wide survey showed that an overwhelming majority (93%) of the public endorsed this suggestion.

**(j) HOUSEHOLDS WHO CONTINUE TO PAY THE EXISTING RENT AFTER THE FIRST TEN YEARS OF RESIDENCE SHOULD BE REQUIRED TO DECLARE THEIR INCOME ONCE EVERY TWO YEARS**

5.45 Two DB surveys collected opinions on this suggestion. The majority of the respondents showed objection and suggested a longer interval of 3-5 years.

5.46 A total of 14 of the local/tenant surveys sought views on this suggestion. Ten surveys showed that the majority of the respondents rejected this suggestion and the other four supported it.

5.47 According to the survey of Waiting List applicants, 66% of the applicants considered that the 2 year interval was appropriate while 22% found it too short.

5.48 The territory-wide survey revealed that 61% of the public considered re-declaration of income once every two years as about right, and 34% said that the re-declaration period of 2 years was too short. Of those who were opposed to this suggestion, the majority suggested an interval of 3 - 5 years.

**(k) MEASURES TO REDUCE HOUSING SUBSIDY TO THOSE PUBLIC HOUSING TENANTS WHO ARE NO LONGER IN NEED SHOULD BE REVIEWED PERIODICALLY**

5.49 No questions on this point were asked in the DB surveys.

5.50 Of all the local/tenants surveys, only two collected views on this suggestion. Results of both surveys indicated that the majority of the respondents agreed to it.

5.51 This suggestion was not enquired in the territory-wide survey and the survey of Waiting List applicants.

**E. OTHER VIEWS COLLECTED IN THE SURVEYS ON THE GREEN PAPER**

5.52 In some of the DB surveys, the majority of the respondents advocated using the additional revenue generated by the implementation of the Green Paper suggestions to build more public housing units. The majority thought that the implementation would not adversely affect the morale of the tenants concerned. Slightly over 50% of the respondents judged that older children in those households affected by the implementation might move out so that the household income could be kept below the Subsidy Income Limit.

5.53 In some of the local/tenant surveys, a major proportion of the respondents thought that the implementation of the Green Paper suggestions would reduce the tenants' incentive to work harder. 36% of the respondents in public rental housing answered that if their household income exceeded the Subsidy Income Limit after residing there for ten years, they would stay put and pay the old rent. 8% would pay the new rent, 30.1% would apply for HOS and the rest would make other attempts. On the use of the additional income generated from charging twice the net rent which was asked in a few surveys, the majority of the respondents advocated building more public housing units.

5.54 In the survey of Waiting List applicants, about 88% of the respondents advocated evicting public housing tenants who possessed domestic properties.

5.55 In the territory-wide survey, 51% of the public considered that those affected by the Green Paper suggestions should receive the same treatment as other green form buyers in purchasing HOS, and 43% of them favoured additional incentives. While only 31% of the residents in private housing agreed to introducing more incentives, 61% of the public housing tenants were in favour of such a move. The majority of the public preferred using the additional revenue generated through the implementation of the Green Paper suggestions for building more public housing units. As regards the overall acceptance of the suggestions of the Green Paper, 2% of the public considered them wholly acceptable, 35% found the majority of them acceptable, 52% considered some of them acceptable and only 6% indicated the suggestions to be unacceptable. On the supposition that they had been asked to pay twice the net rent, 40% of the public housing tenants said that they would pay what was demanded, 28% would petition, 23% would buy HOS, 5% would move to private housing, 2% would declare and prove their income to be below the Subsidy Income Limit, 2% would apply to pay lower rent and 1% replied "do not know".

5.56 The methods of the DB surveys, the local/tenant surveys, the survey of Waiting List applicants and the territory-wide survey; as well as their findings on the principle of the Paper are summarized in Annexes F - I for Members' reference.

## Chapter 6

### SUMMARY OF VIEWS

6.1 The public consultation process started on 5 August 1985 and ended on 31 October 1985. The following channels have been used to collect public views;

- i) open discussion at District Boards;
- ii) through direct submissions to the Secretary of the Committee on Housing Subsidy, and attending discussions with residents' groups, interest groups, etc.;
- iii) monitoring media feedback; and
- iv) conducting independent opinion surveys.

#### **A. DISTRICT BOARDS**

6.2 Out of the 19 District Boards, the majority of the members of 11 Boards were in support of the principle and spirit of the Green Paper. Amongst these Boards, a number of members expressed that the suggested implementation details should be given further consideration.

6.3 Of the 8 District Boards which objected to the Green Paper, the greatest opposition came from the Kowloon City, Wong Tai Sin, Kwai Chung & Tsing Yi and Southern District Board members. One of them passed a motion for the Green Paper to be shelved in its second discussion on the subject.

#### **B. WRITTEN SUBMISSIONS, MEETINGS WITH TENANTS' GROUPS AND INTEREST GROUPS, AND LETTERS TO EDITORS**

6.4 Altogether 676 submissions have been received. They represented the views of 441 individual members of the public (165 identified themselves as public housing tenants), and 235 organizations and groups. Mixed views were expressed through such submissions. It was noted that about half of the submissions (47%) from individuals supported the principle and spirit of the Paper. Submissions from organizations and groups mainly consisted of public housing MACs and interest groups. About 64 of the submissions from organizations and groups objected to the Paper. In

particular, some of the submissions from tenants' interest groups denied the existence of public housing subsidy. In addition, 22 batches of stencilled proformas containing 112 000 signatures collected from local areas (public housing estates) were received by the Secretary.

6.5 Indirect submissions consisting of views expressed through letters to the editors were also assessed in the same manners as those sent directly to the Secretary.

## **C. MEDIA**

6.6 Editorials and feature articles in newspapers, as well as programmes in the electronic media were monitored during the consultation period. The majority of the editorials were in support of the principle and spirit of the Paper, while mixed views were expressed in the feature articles and the electronic media.

## **D. OPINION SURVEYS**

6.7 The surveys conducted by the 5 District Boards (in either the entire or part of the district) showed that the respondents were generally in support of the principle but objected to some of the suggested implementation details.

6.8 Regarding the 38 surveys conducted by local/tenant groups, different patterns emerged from their findings. Six surveys rejected the principle of the Paper and in nine surveys, the majority accepted it. Because of the great variety of the contents and the scope of the surveys, no general statement on the suggested implementation details can be drawn.

6.9 A survey on the views of Waiting List applicants was conducted by two academics, and the results showed a general support of the Paper.

6.10 An independent territory-wide survey has also been carried out. The results showed that 71% of the adult population agreed to the principle and spirit of the Paper. As for the suggested implementation details, the majority of the respondents also supported them.

6.11 On the whole, feedback from the various consultative channels showed that the majority of the public, with the exception of organized tenants' groups and some interest groups, were in support of the principle and spirit of the Paper. However, some suggestions for the details of the implementation plan have been put forward as follows:

- (a) The level of Subsidy Income Limit should be set higher
- (b) A lower percentage of income from other earners of the household should be used
- (c) Option B should be abandoned
- (d) households paying double rent should be allowed to pay the lower rent once their income has dropped below the Subsidy Income Limit,
- (e) more consideration should be given to marginal cases (i.e. household with an income just above the (Subsidy Income Limit),
- (f) more HOS should be built and incentives to encourage public housing tenants to buy HOS flats should be further examined, and
- (g) the additional revenue generated as a consequence of implementing the Green Paper suggestions should be used solely on public housing.

