

Urban Renewal Strategy (URS) Review Public Engagement Stage Gist of Public Forum Discussion

Date: 30th May 2009 (Saturday)
Time: 2:30p.m. – 5:00p.m.
Venue: Hong Kong Heritage Discovery Centre, Kowloon Park, Haiphong Road,
Tsim Sha Tsui, Kowloon
No. of participants: 53 (including 2 members of Steering Committee, 2 from Development Bureau and 5 from URA)

Ms. Sandra S.C. Mak of A-World Consulting Ltd., the public engagement consultant, briefly introduced the background of URS Review and major discussion topics. Subsequently, Dr. C.K. Law, senior lecturer of Department of Social Work and Social Administration, University of Hong Kong, was invited to moderate the public discussion. The key points of discussion were as follows:

Gist of public discussion

1. The vision and scope of urban renewal

For the vision of urban renewal, many participants considered that whether the residents could enjoy the fruits of renewal and the “people-centred” approach employed in the Urban Renewal Strategy (URS) are the most important issues. They believed that the URS review should not only be led by economic interests, but should place the long-term benefit of Hong Kong first together with social interests. On the other hand, there were participants who pointed out that the crucial problem of urban renewal was that Hong Kong people treated old properties as potential redevelopment projects only in a utilitarian manner. The Government also appeared to have a similar attitude, thus worsening the problem.

Regarding the scope and scale of renewal projects, some participants considered that it was better to have redevelopment in smaller scope and scale. For instance, a small-scale redevelopment project with a single building block which did not involve redevelopment of the whole district or street could minimize the impact on the completeness and sustainability of the social network. On the other hand, large-scale redevelopment plans might bring about negative impacts to the owners of small businesses or even strangle opportunities for business start-ups. In addition, there were

opinions that less redevelopment projects should be carried out.

On the other hand, some other participants doubted that small-scale redevelopment could hardly achieve comprehensive urban renewal. They considered that the “4Rs” strategy of urban renewal should be integrated and reviewed at district level and that redevelopment should be carried out under the “district-based” approach so as to facilitate the comprehensive and healthy development of the district.

2. 4Rs strategy of urban renewal

Redevelopment

Some participants pointed out that the current redevelopment projects destroyed the social network. Therefore, community regeneration should be considered first before redevelopment. They believed that old buildings should be graded and only dilapidated buildings should warrant redevelopment. The definition and criteria of “dilapidation” should also be established. The reasons and criteria for redevelopment should be made known to the public. There were also suggestions that the proportion of redevelopment in the 4Rs should be reduced to 25%.

Rehabilitation

Some participants pointed out that the Government should encourage owners to rehabilitate and refurbish buildings for the purpose of sustainable development of Hong Kong. Buildings with good quality should not be demolished early. Many opined that owners should be responsible for building maintenance and the Government should regulate the maintenance matters by legislation.

There were suggestions that the Government could establish a “Maintenance Authority” to provide technical advice and funding to owners on maintenance. Some concerned about the way that the Government and Urban Renewal Authority (URA) handled the projects which might influence residents’ wishes on building rehabilitation indirectly. Taking the projects of Graham Street and Staunton Street as examples, the participants expressed that some owners lacked the incentive to carry out rehabilitation after the districts where they lived were announced as redevelopment target areas, thus deteriorating the living environment. Therefore, a premature announcement of redevelopment plans would have negative effects on building rehabilitation.

Some participants pointed out that it might not be the best arrangement to carry out rehabilitation only. They also doubted that some non-owners made a loud appeal for rehabilitation simply because they did not need to bear any responsibility.

Preservation

Some participants were concerned that the Government should preserve not only the buildings, but also the social network.

Integrated review

Some participants welcomed a comprehensive review of the URS by the Development Bureau. They also believed that 4Rs should be integrated and considered at district level in order to benefit most of the stakeholders.

3. Role of stakeholders (Public and private sector participation and owner participation in redevelopment)

The participants considered that the affected parties (i.e. residents or tenants) should have the right to decide on redevelopment. Some suggested that the Government should encourage and support owners on the issue of maintenance. The mechanism of redevelopment should also be discussed.

Regarding the work of URA, some participants considered that there was a lack of regulation. The URS did not have a constitutional or legal status and there was no disciplinary mechanism to check and balance URA's work. Also, some pointed out that URA should carry out urban renewal in public interest. Commercial benefits should not be the sole concern and transparency should be maintained.

Some participants pointed out that the then Land Development Corporation and subsequently the URA had been established for 20 years, but there was still no improvement in urban decay. URA should be dissolved to allow other organisations to carry out the concerned projects. There were opinions on the overlapping functions of URA and other government departments such as Buildings Department and Housing Authority. URA should not be responsible for housing welfare policies and there was a need to improve the accountability and transparency of all organisations. Some also considered that redevelopment projects should be carried out by private developers.

Some participants did not wish URA to compete for redevelopment projects on behalf of developers. Many participants considered that the role of URA should be changed from an active implementation agent to a facilitator and arbitrator. In so doing, URA would be able to facilitate rehabilitation or redevelopment by private developers and owners, assist redevelopment through assembly of property ownership and provide legal and financial assistance, etc.

Moreover, some opined that URA could identify room for improvement by carrying out SWOT (Strength, Weaknesses, Opportunities and Threats) or similar analysis. The actual functions of URA could be identified by comparing the similarities and differences between URA and the private market.

4. Public Engagement

Concerning public engagement, some participants raised that meaningful public engagement should involve not only a few public forums or consultation, but also comprehensive and continuous community participation. A participant quoted a study undertaken after a riot in London in 1981 and pointed out that should the Government not allow the masses to participate in community planning effectively, the society would remain unstable. As such, the Government should have prescribed policies so that people would have the chance, the right and the resources to participate in community planning, thus paving the way for implementation of effective public engagement policy.

5. Compensation and rehousing policy

Some participants welcomed the acquisition carried out by URA, which allowed owners to receive compensation. Some participants, however, mentioned the difficulties encountered by residents and tenants in past redevelopment projects. For example, the locals in Tai Kok Tsui rented new shops after redevelopment but their businesses were never the same again. As a result, they suffered high rent and their quality of life had not been improved. Similarly, the businesses on ‘Sneakers’ Street’ in Mong Kok could hardly be continued after redevelopment. Therefore, the participants considered that further discussion should be carried out and “flat-for-flat” and “shop-for-shop” exchange mechanism should be implemented so as to enable the tenants and owners to choose instead of forcing them to move out or rehousing them compulsorily. Some noted that there had been discussions on this approach in the past, but it was never implemented. They believed that “flat-for-flat” and “shop-for-shop” arrangement could prevent building costs from going up unreasonably and result in social harmony. Some

participants suggested allocating a number of residential flats in the district for on-site rehousing to preserve the social network.

Moreover, some participants considered it unfair that under the current policy, owners did not have the right to make a bid or negotiate on the amount of compensation. All properties, no matter whether they were for self-occupation or for lease, should entitle the same amount of compensation.

6. Social impact assessment and community service teams

Regarding the social impact assessment (SIA), some participants opined that irrespective of the assessment result, URA could apply to resume properties under the Lands Resumption Ordinance and the owners would have to move out. The SIA hence could not reflect the impact of redevelopment on local residents and it in turn became an evidence in support of redevelopment. Moreover, some participants pointed out that currently no government department was responsible for reviewing the methods and results of the SIA. The first phase of the assessment was not open to the public, and the questionnaires were further simplified such that it was doubtful whether the assessment could come to a reliable and comprehensive conclusion. There were also opinions supporting that the SIA should cover the whole district rather than the affected residents only. Quoting the example of Sai Wan, the participants pointed out that although the redevelopment involved a small area only, many new chain stores were attracted to the vicinity of the project, which greatly affect the quality and way of life of the entire district.

At the forum, URA's representative clarified the following on the conduct of the (SIA):

- (i) The first phase of the SIA was translated as 'non-open' in Chinese. However, this simply meant that there would be no interviews with each of the households under this phase. The report would still be submitted to Town Planning Board (TPB), and would be vetted by the relevant government department. However, unlike the traffic impact assessment, the SIAs were not required to meet statutory standard.
- (ii) Regarding the scope of the questionnaire, all questions were devised based on the requirements in the URS.
- (iii) All data / cases collected in the SIA were to be followed up by the social service teams.

Regarding the social service teams, there were views that they should be detached from URA and operate independently.

Some participants opined that without tracking studies, the Government was unable to keep track of the residents after their moving-out, e.g. whether they stayed in the same district and whether there was improvement in their quality of life. The Government therefore had little idea of whether the existing redevelopment mechanism could enable the local residents to enjoy the benefits of redevelopment. Some considered that confidentiality agreements between URA and residents also hindered the implementation of tracking studies by community organisations. URA's representative stated that URA had launched a tracking study for the Hai Tan Street project which was well-received by tenants, yet most owners did not wish to be interviewed. URA would continue to follow up with the residents.

7. Financial arrangement

Some participants pointed out that the method of increasing plot ratio and floor area to encourage redevelopment might not be able to achieve the aim of sustainable urban renewal.

8. Others

Some participants expressed that urban renewal could not be separated from housing and planning policies. Under the current organisation of the policy bureaux, these two policy areas were under the purview of the Development Bureau and the Transport and Housing Bureau respectively. This arrangement affected the actual implementation and planning. Others pointed out that no matter how comprehensive the URS might be, it was still influenced by the TPB. The TPB should therefore be reviewed together with the URS.

Moreover, some participants hoped that the Government could provide assistance to residents so that the latter would have an opportunity to experience fair and affordable legal proceedings, as they would be under extremely high pressure when dealing with legal issues.

Some participants wished that public consultations could be carried out with adequate background information including, for example, the supply and demand of housing in Hong Kong, the definition and nature of urban decay and the area concerned

(including the whereabouts of the 225 urban renewal projects); the performance of the private sector in urban renewal; the views of URA and the Government on URS and the problems they faced, as well as the improvements they would like to see.

A-World Consulting Limited
June 2009

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Urban Renewal Strategy (URS) Review
Public Engagement Stage
Gist of Public Forum Discussion 2

Date: 18th July, 2009 (Saturday)
Time: 2:30 p.m. to 5:00 p.m.
Venue: Room 101, The Boys' and Girls' Clubs Association of
Hong Kong, 3 Lockhart Road, Wan Chai, Hong Kong
Number of Participants: 91 (including 2 members of the Steering Committee,
also 2 representatives from the Development Bureau
and 7 from the Urban Renewal Authority present as
observers^{Note 1)}
Moderator: Hon Fred Li Wah-ming, JP

Ms. Sandra S.C. Mak of A-World Consulting Ltd., the public engagement consultant, briefly introduced the background of the URS Review and major discussion topics. The registered speakers were invited to give public presentations. Special thanks were offered to the collaborating organisations, which included the Central and Western District Council, the Wan Chai District Council and the Housing Management Working Group of Eastern District Council. The key points were as follows:

Gist of Public Presentations

Presentation 1

Topic: The Role of URA
Speaker: Mr. Topher Wong

The speaker pointed out that Urban Renewal Authority (URA) used the Land Resumption Ordinance to carry out urban redevelopment, and partnered with the developers and shared the profit with them afterwards. He questioned that URA was transferring wealth to the developers. He compared the urban renovation in Guang Zhou with the urban redevelopment in Hong Kong. The affected residents in Guang Zhou could choose cash compensation, relocation on-site or outside the district. This reflected a humanised approach which URA should take into consideration. The

¹ The observers are the representatives of the Development Bureau and the Urban Renewal Authority. They are present to listen to the opinions and clarify or supplement certain facts and information. Their comments would not be regarded as valid opinions.

speaker also criticised some of the redevelopment projects like Vision City, which obstructed local creative initiatives and development.

Presentation 2

Topic: Citizen Participation and Community-led Development

Speaker: Mr. Desmond Sham, Community Cultural Concern

The speaker opined that public engagement meant empowering the public and the community. When the Government released its decision making power and increased the right of participation, the society could reach a higher degree of public engagement. Public engagement embraced information sharing, consultation, collective decision making, collective actions and a supportive and independent community driven planning model etc. The speaker criticised that even information sharing was not good enough in Hong Kong.

The speaker took the case of Cooper Square, the first community planning initiative in New York in the 60's, as an example to illustrate "bottom-up" advocacy planning. At that time the government was planning to demolish 11 buildings in Cooper Square. Due to community resistance, 5 buildings could be preserved and the remaining 6 buildings were demolished and redeveloped in different phases. Also, most of the residents could be rehoused in the same district. The inspiration from this case was that we should stop redevelopment and focus more on rehabilitation and revitalisation. We could develop a sustainable community and democratise the planning process. The Government should coordinate and facilitate different stakeholders in order to achieve a "community-led" planning model.

Presentation 3

Topic: Strange Phenomena under URA's Compensation Policy

Speaker: Ms. Roxanne Wan

The speaker used the example of her relative who had properties in Sham Shui Po to demonstrate that the current compensation for the owners of tenanted residential properties could not cover rehousing expenditures, especially when the owner needed to pay the rehousing decoration fees, stamp duty, commission, insurance premium and counsel fees, etc. Currently it was not civilised that the URA could acquire the properties compulsorily. The URA should provide more options to the affected residents (e.g. flat for flat).

Presentation 4

Topic: Big Market, Small Government

Speaker: Mr. Tony Lam

The speaker pointed out that the Chief Executive Donald Tsang Yam-Kuen indicated we should pursue the principle of “big market, small government”. However URA was actually pursuing the principle of “big government, small market”. The speaker used his company’s experiences in Ma Tau Kok Road and Hai Tan Street to compare the acquisition processes carried out by private developers and the URA. (1) The private developers could offer a higher and uniform acquisition price and handled the process in a sincere manner. Thus the acquisition process was relatively smooth. URA instead used a relatively low price to perform the acquisition in Hai Tan Street. (2) Private developers needed to assemble at least 90% of the ownership before they could apply for compulsory purchase; however URA’s power was excessive as it was not subject to this constraint. (3) The affected residents could choose not to sell the property to the private developers but they lacked this option in the case of a URA project. He suggested that the URA should follow the principle of “big market, small government” and reduce participation in property acquisition.

Presentation 5

Topic: Compensation and Rehousing Policies of URA: Case Studies of the Hai Tan Street/ Kweilin Street and Pei Ho Street Project

Speaker: Mr. Greg Lam, Registered Town Planner

The speaker believed that the Development Bureau was hoping to discuss the issue of urban renewal with the public with no predetermined agenda. He suggested that the URA should adopt more comprehensive and inclusive redevelopment guidelines and strategy. For example in the Hai Tan Street redevelopment project, three old buildings which were near the site area should also be included. In addition, he had contacted about 50 affected residents and analysed their cases, and considered that some of their cases appeared inequitable. For example, (1) Two couples respectively owned two properties in the same buildings. The compensation for the couple who hold the property right in their separate names was a million dollars more than that of the couple who shared the properties in joint names. (2) The compensation for the tenanted residential properties was far less than that for the owner-occupier properties. The compensation value of tenanted residential properties amounted to about 40% of the value of owner-occupiers properties. In addition, the compensation per square foot was one thousand dollars lower than the market price in Sham Shui Po.

Therefore, the cash compensation was not enough to buy a 7-year old flat in the same district. (3) Compensation for ground floor property owners was less than that for domestic property owners. He suggested that URA should refer to the values in the private market and that compensation policies should be open and standardised.

Presentation 6

Topic: Urban Renewal Improves the Living Environment?

Speaker: Ms. Cheng Lai King, Central & Western District Council Member

The speaker began by referring to the redevelopment projects in Central and Western District since 1987 carried out by the Land Development Corporation (LDC). At that time, the LDC mainly sold the land to private developers after acquisition. She pointed out that the general public could not afford to buy a new flat after the redevelopment nor a 7 year old flat in the same district. The residents were forced to move further away and their living conditions did not improve. In addition, the Landlord and Tenant (Consolidation) (Amendment) Ordinance 2004 resulted in less protection for tenants. Some tenants were forced to leave by the owners. Moreover, redevelopment could not provide large public or recreational open spaces.

Presentation 7

Topic: Industrial Buildings Redevelopment in Sai Wan Ho

Speaker: Ms. Amy Hui

The redevelopment project in Sai Wan Ho was planned to redevelop the industrial premises into residential buildings. This project began in 1998 and was carried out by the Hong Kong Housing Society (HKHS). The site area contained both residential and industrial buildings. In 2005, HKHS offered HK\$5,000 compensation per square foot for the residential properties, whereas owners of the industrial properties only received compensation of HK\$500 per square foot. In 2008, the compensation for industrial properties per square foot was increased to HK\$700. The speaker questioned that if the industrial buildings were located in the residential land and would be redeveloped into residential buildings, why was the compensation for industrial properties so much lower than the residential properties? Why was the 7-year-old building compensation principle not applicable to industrial buildings? Also, Hong Kong still lacked a sensible guideline for the redevelopment of industrial buildings that were located in residential areas. She opined that this project should be opened up to the market as she opposed to HKHS's monopoly in the redevelopment project.

Presentation 8

Topic: NA

Speaker: Ms. Helen Wong, Alliance of Kwun Tong's Urban Renewal

The speaker opined that the compensation for the Kwun Tong Town Centre redevelopment project was too low and she urged the URA to disclose financial information to prove the financial loss that the URA had stated for different redevelopment projects. She also suggested sale of the land by public auction to reflect the true land value. Furthermore, she stated that the Development Bureau, URA and private developers needed to respect private property right, allow neighbourhood participation with property ownership and provide “flat for flat” and “shop for shop” options for the owners. Moreover, the Legislative Council (LegCo) or the Development Bureau should set up an independent monitoring panel to monitor the work of URA.

Presentation 9

Topic: Social Impact Assessment (SIA)

Speaker: Ms. Sin Wai Fong, H15 Concern Group

The speaker stated that no social impact assessment (SIA) had been done at the time of the LDC and now all the URA projects were required to carry out two different stages of SIA. The SIA had two main purposes: (1) when determining whether an area needed to be redeveloped or not, the URA had to submit the report to the Government or Town Planning Board. (2) When the URA decided to commence a redevelopment project, it needed to submit a SIA report to the Development Bureau to prove that they were aware of the potential social impact of the project and the mitigation measures required.

The speaker however referred to the recently announced URA projects as examples to illustrate the insufficiencies of the URA in conducting SIAs. The speaker pointed out that most of the affected residents did not recognise their rights and the usage of the SIA. The social service teams and the URA staff even told the affected residents that they did not need to take any action while the SIA was being conducted. However this was in fact the time for the affected residents to express their opinions and difficulties. In addition, the SIA reports mainly suggested letting the social service teams handle all the problems. The speaker questioned how the social service teams could solve problems with regards to the amounts of compensation or the aspirations of the affected residents.

Gist of Public Discussion

Hon Fred Li Wah-ming, JP moderated the public discussion. The key points of discussion were as follows:

1. The Vision and Scope of Urban Renewal

Some of the participants emphasised that the purpose of urban renewal was to improve the living quality of the general public and not to provide new properties for investors. However, most of the redevelopment areas became some form of high-priced property and mega mall which the general public was unable to afford (e.g. the Hanoi Road project and Lee Tung Street project). Often, it was almost impossible for the affected residents to move back into the redevelopment area and instead they were forced to move further away.

Lots of participants concurred that the other main purpose of urban renewal was to achieve sustainable development in Hong Kong. Some participants believed that development of our urban area had reached the saturation level, and we should suspend development. Furthermore, the density in the urban area was already high enough. Therefore we should not demolish low rise buildings and replace them with high rise buildings. There should be more open space. Urban redevelopment was destroying the community's intangible assets and characteristics. It also further polarised the rich and poor which in turn was against the purpose of sustainable development.

2. 4Rs Strategy of Urban Renewal

Many of the participants agreed that the priority of 4Rs should be: revitalisation, rehabilitation and then preservation. Redevelopment should have the least priority. They believed that revitalisation and rehabilitation could improve the living conditions and quality and could preserve the local culture and sense of community. In contrast, when redevelopment occurs, only the private developers could benefit and the local residents would be forced out.

Taking Staunton Street in Central & Western District as an example, a number of owners had rehabilitated and refurbished their buildings, and tried hard to preserve the buildings. Nevertheless, URA still insisted on demolishing the buildings and planned to replace them with high rise buildings. It seemed like the URA only cared about profit so ultimately it destroyed the environment.

Some participants hoped that the 25 projects which had been frozen since 1997 could begin as soon as possible. For example, the redevelopment projects in Wan Chai, Tai Kok Tsui and Sham Shui Po had been on hold for too long. Many elderly owners and tenants could not wait any longer.

3. Role of stakeholders

3.1 Private vs Public Sector Participation in Redevelopment

There were advantages when private developers participated in redevelopment. The threshold for the compulsory auction (under the Land (Compulsory Sale for Redevelopment) Ordinance) had set up some parameters for private developers. It encouraged private developers to discuss more creatively with affected residents. As a result, the affected residents could receive a higher acquisition price in a fairer manner. The whole process could also be speeded up.

Some participants agreed with the relaxation of the threshold to 80%. A lot of the buildings only had a few households. The private developers might not be able to reach the compulsory auction threshold even when only one household refused to sell its property. Thus, lowering the threshold for the compulsory auction could help to deter speculators. However, some participants were against the relaxation of the threshold. They opined that it would be unfair to small property owners.

3.2 The Role of the URA

If the properties were acquired compulsorily, some participants considered this method of enforcement as inappropriate behaviour.

The mission for URA should be to work for rather than exploit the public for profiteering. Every year, the URA acquired a few projects. The discontent among residents had become enormous.

3.3 The Role of Legislative Council

One of the participants who lived in Tsim Sha Tsui had tried to contact a LegCo member and URA Board member several times. However, the

LegCo member did not respond to her. Thus, she was pleased to see that this public forum was moderated by a LegCo member. She hoped that LegCo could monitor URA and protect the interest of the general public.

3.4 The Role of the Owners

The participants considered that the URA should allow property owners to participate in community planning which could help to avoid social conflict. They pointed out that the Government should remind the public about the risk of participation with property ownership but the public could make their own decision.

4. Compensation and Rehousing Policy

Some participants opined that the compensation for the owners of tenanted residential property and owner-occupiers should be similar or even standardised. Compensation calculation based on the saleable area was also not reasonable.

The participants used the Kwun Town Centre redevelopment project as an example to indicate that the compensation per square foot offered by URA was actually a lot lower than the market price. The compensation per square foot for the rooftop was even worse. They were not satisfied with the current valuation method which used as reference areas without good transportation networks like Tsz Wan Shan and San Po Kong. Affected residents were unable to find a replacement flat of similar status and suffered mentally. As the housing market kept going up, the compensation was not enough for the affected residents to find rehousing in the same district. Therefore, many participants asked for the option of “flat for flat” and “shop for shop” which they believed could also help maintain the social network.

Some participants expressed that some owners might force out the tenants when they knew that redevelopment was coming. In addition, the public housing units for the affected tenants were far away from their original district of residence. (For example, some needed to move from Central and Western District to Chai Wan)

5. Finance Arrangement

Some participants stated that the URA should have a financial surplus otherwise it would be losing public funds. On the other hand, some participants did not believe the URA post a loss. If the URA decided not to undertake projects like Kwun Town, they believed a lot of private developers would be willing to do so.

Some participants said they understand that the URA was operating on the self-financing model. However, that was not a reason for the URA to exploit the public while handing out bonuses after making a profit.

Some participants questioned whether the URA's bond issue meant that its profit making mode would continue. Also, other participants were worried about the risk of the bond issue. The company credit rating was determined by some international organizations. If the credit rating went down, it might affect Hong Kong's reputation and even the Hong Kong dollar.

6. Other Comments

- A participant was planning to sue the URA for breach of the Basic Law Article 105 and the Hong Kong Bill of Rights, and he would apply for a judicial review of relevant redevelopment projects.
- Some participants complained about their own situations. For example: The chairman of an industrial building owners' corporation in Sai Wan Ho stated that the HKHS had already set up a ceiling for compensation with no room for discussion. His building started leaking while the building right next to his was being demolished. The owners complained to HKHS but were asked to provide evidence first. Furthermore, one owner had a property in Hai Tan Street for his father but the URA evaluated his property as vacant. He questioned that URA made this evaluation in order to reduce the compensation.
- An elderly participant had expressed the dissatisfaction of her family on the compensation and their worries and anxiety caused by this issue.

Closing Remarks by the moderator, Hon Fred Li Wah-ming, JP:

In the public discussion section of the forum, 26 participants had spoken. The topics and concerns included: Cases of residents affected by URA redevelopment in different districts, dissatisfaction with the LegCo and the URA, and dissatisfaction with the URA's bond issue. The moderator added that issuing of bonds did not require LegCo approval, but this matter would be discussed by the LegCo.

A-World Consulting Limited

July 2009

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Urban Renewal Strategy (URS) Review
Public Engagement Stage
Gist of Public Forum Discussion 3

Date: 12th September, 2009 (Saturday)
Time: 2:30 p.m. to 5:00 p.m.
Venue: Auditorium, 1/F, Christian Family Service Centre, 3 Tsui Ping Road, Kwun Tong, Kowloon
Number of Participants: 121 (including 1 member of the Steering Committee, also 3 representatives from the Development Bureau and 5 from the Urban Renewal Authority present as observers ^{Note 1})
Moderator: Mr. Yip Moon Wah, JP
Mrs. Sandra S.C. Mak

Mrs. Sandra S.C. Mak of A-World Consulting Ltd., the public engagement consultant, briefly introduced the background of the URS Review and the major discussion topics. Special thanks were extended to the collaborating organizations including Kwun Tong District Council, Wong Tai Sin District Council and Kowloon City District Council. The gist of public presentations was as follows:

Gist of Public Presentations

Presentation 1

Topic: Announcement and Handling of Compensation for Acquisition of Properties
Speaker: Mr. Lee Chi Hang, Central and Western District Council Member

The speaker pointed out that the valuation assessment of the old buildings by the Urban Renewal Authority (URA) was based on the average value of the seven-year-old buildings assessed by seven surveyors. The assessed value would then become the average acquisition price per square foot in the district. The assessment however did not take into consideration factors affecting the building value such as the orientation and the floor number of the unit. The speaker queried whether this was fair. Moreover, since the compensation amounts obtained by different types of owners (for example, those of owner-occupied, non-owner-occupied, commercial and rented properties) were different, the speaker proposed that the URA should specify accordingly for each type when announcing the acquisition price and should not announce only the highest compensation

^{Note 1} The observers were the representatives of the Development Bureau and the Urban Renewal Authority. They were present to listen to the opinions and clarify or supplement certain facts and information. Their comments would not be regarded as valid opinions.

amount. Property prices would otherwise rise in the vicinity which would make it even more difficult for those living in the neighborhood to buy units in the same district.

He also alleged that after the announcement of the acquisition, many owners would force their tenants to move out. Those owners did not understand that the compensation amount would still be calculated on the basis of a rented property as recorded in the freezing survey, and then no compensation would be offered to the tenant. He proposed that the URA should make the details clear when conducting the freezing surveys.

The speaker was of the opinion that the public, particularly those intending to continue to live in the redeveloped district, should be allowed to participate more in redevelopment. They should not just be allowed to sell their property or be subject to compulsory acquisition by the URA. For urban renewal, emphasis should be placed on resettling the affected people, as the community network would be destroyed.

Presentation 2

Topic: Not Provided

Speaker: Mr. Chan Ying Wing

The speaker queried the management of bankruptcies in Hong Kong by presenting his own experience. He lived in a dilapidated building with several tens of owners. The owners' incorporation of the building indicated that it was on the verge of bankruptcy because some owners had not paid the management fee. Later on, the residents raised a total of some HK\$100,000 for the costs of repairing the building. A few months later, however, the Official Receiver's Office ordered the owners' incorporation to be liquidated. The chairman of the owners' incorporation did not convene any owners' general meeting.

In particular, the speaker asked Mr. Leong Kah Kit, Legislative Councillor present at the forum, why the Official Receiver's Office had the liquidation proceeding outsourced to a legal firm. The letter issued by the lawyer did not specify the accounts in detail but merely requested each of the eighty odd owners to pay HK\$30,000 for the disbursement fund. This was very puzzling for the residents.

Presentation 3

Topic: Both Parties Should Have Equal Rights to Employ a Surveyor

Speaker: Ms. Wong Yat Man

The speaker was of the opinion that the assessments made by the surveyors employed by

the URA were far from satisfactory. She requested that the owners be allowed to negotiate the price according to the principle of fair trade. Under the current policy, even the Chief Executive of Hong Kong was unable to change the acquisition price. Taking Kwun Tong as an example, the speaker thought that the URA had not assessed the compensation amount based on a district with a similar location and transport network, but had taken reference from other districts such as San Po Kong and Tze Wan Shan. As a result, the surveyor firm's assessed value of properties at market price was HK\$2,200 per square foot only. The price of recent property transactions in the district was however HK\$4,300 per square foot. This far exceeded the assessed price. She pointed out that the compensation amount was merely enough for the affected residents to buy back twenty-six-year-old units.

She said that the URA and the residents should have equal rights in employing a surveyor. Last December, some owners in Kwun Tong district employed a surveyor who put forward an assessed price of HK\$8,000 odd per square foot, whilst the URA's compensation amount was merely HK\$5,937 per square foot. Therefore, she queried whether the surveying firms employed by the URA were operating in a 'black-box' and she requested the Secretary for Development to look into this problem.

Presentation 4

Topic: Urban Renewal for Whom?

Speaker: Mr. Desmond Sham

The speaker proposed to review the positioning of urban renewal in Hong Kong, including: whether to integrate it with town planning and housing policies or to remain as a single policy; whether to make sustainable development or balancing the budget the top priority; whether urban renewal should be based on need or to consider it as an opportunity to make profit; whether social costs had been calculated and whether it would lead to urban regeneration or aggravate imbalances.

The speaker cited foreign examples of public participation in redevelopment: (1) The New York government originally intended to apply the "bulldozer approach" to redeveloping Cooper Square. With the efforts of the citizens, eventually some buildings were retained and the redevelopment was implemented in stages. Public housing, middle and low income residences and apartments for artists were developed to provide local rehousing for most of the residents. Social and economic value were sustained. (2) As for the redevelopment project of Yerba Buena in San Francisco, initially the city's urban renewal authority refused to construct buildings for local re-housing in the

redevelopment district. The community association took legal action against the authority and finally both parties reached an agreement. Later on, the association became the Tenants and Owners Development Corporation (TODCO) to both guide the construction works and own the new buildings. The project had provided local rehousing, and construction started prior to demolition. Later on, the area became a diversified community with beautiful low-income residences and homes for the elderly, as well as commercial buildings and cultural facilities. (3) The Greater London Council and a developer considered the Covent Garden in London to be a good development opportunity and intended to demolish and redevelop it. The community association with the assistance of professionals proposed a feasible scheme to make the government compromise and order the drafting of a scheme with comprehensive public participation. The government set up a special district panel to, in cooperation with the community association, implement a community-oriented scheme which included more public space and safeguarded the original residents, traditional industries and small shops. Community facilities were constructed but not hotels or commercial buildings. This campaign eventually changed the government policy.

The speaker cited the Urban Renewal Authority Ordinance and the Lands Resumption Ordinance which specified that resumed land must be used for public purposes and based on public interests. Redevelopment projects, however, often turned into luxury flats. The Kwun Tong Renewal Project also included land originally assigned for public purposes. He queried for whom urban renewal was undertaken.

Presentation 5

Topic: Not Provided

Speaker: Mr. Leong Kah Kit, Legislative Councillor

The speaker said that urban renewal was necessary to address urban decay. He illustrated by way of a short story set in Kwun Tong district that the rights of the local residents were very important. The objective of the URS was people-based and should not cause the residents to move out to various other districts. He mentioned that community participation was carried out in countries such as the U.S.A. and Britain because the government was responsible to the people. The Hong Kong Government, however, had in fact, made its decision in the very early stage despite holding many consultation meetings and setting up many committees. Nevertheless, citizens should take the opportunity to participate and be proactive in the decision-making process of redevelopment.

The speaker proposed that the URA should change its role and should not simply be engaged in acquisition, demolition, redevelopment and property sales just like a real estate developer. On the other hand, he said that the public must consider how much public money should be spent on urban renewal in order to achieve a balance. He also thought that the Hong Kong Government should undertake overall town planning, and study the undeveloped land which made up 80% of the total land area of Hong Kong.

Presentation 6

Topic: The Five-Element Diagram of Redevelopment -- Law

Speaker: Mr. Tam Kei Dik

The speaker analyzed the URA by means of five elements: “Law” means legislation, judiciary and administrative law. “Dao” means the intent or request of the society, “Method” means technology and strategy. “Life” means resources. “Sentiment” means the relationship between the URA and the citizens or the District Council.

He said that at present there was no clear definition in law for the rights of the “stakeholders” in urban renewal. Issues such as the negotiation process to reach a consensus and the level of participation were decided by the URA. He thought that the URA hoped to establish a relationship with the public through public engagement activities, but the URA’s actions had upset the public. Therefore, its relationship with the citizens was very bad. Moreover, the URA did not provide enough resources for public participation. The speaker also queried what collateral was used by the URA for issuing bonds. He thought the URA was most likely to make use of the existing projects as collateral, which was a very bad approach.

Presentation 7

Topic: Not Provided

Speaker: Mr. Lau Wai Chung

The speaker said that the URS was quite perfect. However, the problem was that the URA needed to be self-financing. As a result, the URA was not market-oriented on acquisition but was very market-oriented on property sale. For instance, it acquired the land in Wan Chai district for HK\$3,000 odd per square foot to construct high-priced buildings at up to HK\$10,000 per square foot. The beneficiaries were the URA and the real estate developer. Of course, the affected residents felt this was unfair. Many other renewal projects of the URA had resulted in the construction of luxury flats, which were difficult for the residents to enjoy.

He said that if the threshold for acquisition was lowered to 80%, many forty-year-old or fifty-year-old dilapidated buildings would be acquired and demolished by private developers. The speaker thought that the URA, in the face of market competition, could only carry out projects which the real estate developers were unwilling to handle, or projects which the Government compelled them to implement.

Presentation 8

Topic: Neighbourhood Voices of Kwun Tong District

Speaker: Mr. Yuen Yun Fai

The speaker thought that as the URS Review had held many consultation meetings, he hoped that the authorities could respond to and solve the problems. Furthermore, many in the neighbourhood pointed out that since the compensation amount was not sufficient for purchasing properties of seven-year-old in the vicinity, they had to move to remote districts. This would not help them improve the standard of living and was not people-based. From the beginning of the year up to date, the Centa-City Leading Index had soared by more than 20 points. Consequently, the URA should adjust the compensation amount. Years ago, when the Government developed the Kwun Tong district, the original residents were re-settled into public housing. At present, the compensation scheme stipulated that those owners who had public housing tenancies were granted only half of the home purchase allowance. The speaker thought that such policy was arguable.

Presentation 9

Topic: Experience-sharing by Old Wan Chai Revitalization Initiatives Special Committee

Speaker: Mr. Ng Kam Chun, Vice-Chairman of Wan Chai District Council

The speaker said that prior to the return of sovereignty, the land strategy in Hong Kong was usually guided by real estate developers. It was regrettable that many buildings with historical value were then demolished. The Old Wan Chai Revitalization Initiatives Special Committee wished to retain buildings and scenic spots with historical and cultural value or of unique style in the Wan Chai district and to provide more resources to this end including (1) retention of the old buildings with historical characteristics in Mallory Street with a view to developing cultural and creative industries; (2) preservation of the Blue House buildings; (3) revitalization of St. Francis Yard, which had a special historical background as the gateway for the introduction of a new religion

into the territory; (4) preservation of Pak Tai Temple and Nam Koo Terrace; and (5) revitalization of the open street markets such as the one at the junction of Tai Yuen Street and Cross Street.

The Committee hoped to preserve the historical and cultural buildings systematically and link the historic sites and scenic spots to form heritage trails to attract tourists and citizens to understand the characteristics in the district. He thought that revitalization was not beautification and should not be standardized. It should bring out different styles and characteristics flexibly.

Presentation 10

Topic: The URA Should Safeguard Tenants during Acquisition

Speaker: Ms. Chu Ju Ying – Old Urban Tenant Alliance

The speaker, representing the Old Urban Tenant Alliance, made three requests to the URA: (1) The lead time for property acquisition proposed by the URA was too long and since the removal of the security of tenure provisions, an owner had the opportunity to force the tenant to move out by increasing the rent. The tenant was not compensated and the home purchase allowance entitlement for the owner was also reduced. The only beneficiary was the URA. (2) It was hoped that the URA would adopt a strategy of “acquisition ahead of planning”. (3) It was proposed that the tenants should be safeguarded after registration.

Presentation 11

Topic: Old Urban District in Protest against Urban Development

Speaker: Mr. Ng Wing Shun – Member of the Steering Committee of the URS Review

The speaker said that many forces were driving urban development and change. These were not necessarily led by the URA. Urban change however, would sometimes destroy the original buildings, history, culture and so on, such as the Queen’s Pier. With the gradual disappearance of community characteristics, people would become concerned with urban development, participate in discussions and even protest. As a result, certain buildings had been kept, such as the Blue Houses where both the buildings and their occupants were retained. Other buildings had their “shell” retained, such as the Wan Chai Market. Some buildings, such as those at Tai Yuen Street, had originally faced partial demolition but were successfully retained after some endeavour.

The streets in the old urban district were characterized by permeability. Walking through these areas, one might pass places where many people dwelled. There was space for a diverse way of life, with various kinds of large and small shops. These were the district characteristics, local economy and culture. Preservation did not only mean retaining the characteristics of the district. For example, an open street market offered both cheap and quality goods and attracted tourists. More importantly, it ensured that the ‘grass roots’ people could earn a living. However, due to dense population, lack of public facilities, poor hygiene and traffic congestion, many streets in the old urban areas were demolished and redeveloped.

In the old urban districts, there was originally a lot of public space such as podia, staircases, and beneath trees where local people could stay cool and spend their leisure time. Redevelopments often privatized, commercialized and even fortified the public space, limiting the citizens’ activities. The Centre and Times Square were some of the examples.

The speaker concluded that the urban development of Hong Kong was driven by the following factors: digital planning, quantity being more important than quality, high density, high land price, pedestrian-vehicle separation, and a car-based approach. Consequently, all redevelopment projects were on large sites with podium style buildings. There were only commercial centres and no streets. The urban permeability was lost.

Gist of Public Discussion

Mr. Yip Moon Wah hosted the public discussion. The key points were as follows:

1 Vision of Urban Renewal

Some participants said that the goal of urban renewal should be to improve the citizens’ living environment and quality of life. Some proposed that ventilated breezeways and public spaces should be reserved at the planning stage.

Other participants considered that the current mode of redevelopment created adverse effects in Hong Kong. The original characteristics of the community disappeared. Demolition of a market to build a commercial centre deprived operators with small capital of business opportunities. The citizens could not afford the luxury flats after redevelopment. The environment also deteriorated. For instance, the heat island effect and traffic congestion were social costs to be borne by the taxpayers. Some

noted that Hong Kong continued to build large shopping centres with standardized shops. However, tourists actually wanted to shop in the street markets and explore the history, culture and streets with special characteristics. Others also pointed out that the process of urban redevelopment neglected the quality of life of the citizens. The original public services or community facilities were often relocated to distant locations, which caused inconvenience to the ‘grass roots’ people in the district. There were, however participants who supported the new town planning of pedestrian-vehicle separation and hated the way pedestrians and cars competed for roadspace in the old urban districts.

Some proposed that as the URA adopted a “people-based” approach to urban renewal, therefore the culture and traditions of different hometowns and races should be preserved and displayed in the community. Some also proposed that reference should be made to the experience of business improvement districts implemented in the old urban districts of Britain and the U.S.A. By undertaking local revitalization and renewal, the community and the neighbourhood would be improved, including the retention of the community network and upgrading the people’s quality of life.

A participant said that the planning of the industrial districts were not entirely satisfactory. Taking Kwun Tong as an example, in the 1960s and 70s, the industrial areas and the residential areas were developed together. Subsequently, in the 1980s and 90s, the Government announced its intention to redevelop the residential areas. He proposed to merge the development of the industrial and old residential districts, with the former developed into a hub for cultural and creative industries. He did not however agree to expand the mandate of the URA to the industrial areas, as it would extend the “bulldozer approach” to redevelopment. He proposed that other Government departments should take up the responsibilities.

2 The 4Rs Strategies of Urban Renewal

Some participants were of the opinion that redevelopment should be the last choice because it would destroy the residents’ original way of life. Hong Kong should broaden its interpretation of urban renewal to include district-based renewal.

There were also participants who said that redevelopment was not the only choice. One example was that the URA had subsidized the rehabilitation of 110 buildings in Wan Chai. Moreover, buildings with historical and cultural value should be retained. The authorities should review the relevant policy.

Some participants said that the URA should redevelop those buildings which really needed redevelopment but should not demolish those whose owners were capable of rehabilitating the buildings by themselves. For instance, the owners of some tenement buildings in Graham Street and Staunton Street in Central had carried out building rehabilitation very effectively and the value of the buildings had risen. Recently, some owners had applied to the Town Planning Board to have their buildings excluded from the redevelopment area so that the buildings could be retained. The Town Planning Board said that they would consider the case, however, the URA revealed its intention to sue the Town Planning Board.

On the other hand, some participants urged that redevelopment should be expedited. They were dissatisfied that a project in Shum Shui Po had been postponed for five years due to litigation, as it brought the progress of the entire community to a standstill.

There were also some participants who proposed that owners should have the right to choose whether or not to accept acquisition or redevelopment.

3 The Stakeholders' Roles

3.1 Government and Private Participation in Redevelopment

Some participants thought that private participation was very important. The URA should not be relied on alone. They urged the Government not to implement the policy of “big government and small market”, and they supported the lowering of the threshold for compulsory property auction to 80% to expedite acquisition for redevelopment. However, some participants said that if there was no “flat for flat” or “shop for shop” arrangement, the lowering of the threshold to 80% would cause an even greater adverse impact on the affected residents in the neighbourhood.

3.2 The URA's Role

A participant pointed out that the URA was entitled to an interest-free Government loan of HK\$10 billion and to resume land under the Lands Resumption Ordinance. However, it supplied land to private developers for speculative sale, which caused rents and commodity prices to keep rising. This

had weakened Hong Kong's competitiveness. He proposed that the URA should provide citizens with affordable housing. He was of the opinion that the current annual supply of housing units was insufficient in Hong Kong.

Some participants thought that the URA should change its role, such as taking up the responsibility for supervising the redevelopment projects and tendering the works etc.

Some participants pointed out that the quality of land for auction listed by the Government was not so good. However, the URA had the right to acquire quality sites in the town centre and then handed them over to major real estate developers for development. Both the URA and the developers enjoyed the benefits after redevelopment.

3.3 Owners' Participation

A participant said that the URA often alleged that it was unlikely that owners would participate in redevelopment in Hong Kong because: (1) The risk was high, however, many owners in the neighbourhood had made it clear that they were capable of bearing such risk. (2) The plot ratio of the existing building for redevelopment was already very high, leaving no room for rewarding those owners who participated in the redevelopment. Present-day redevelopments however, usually increased the plot ratio. He thought that this increase could readily be a reward for owners who participated in redevelopment. Some participants also indicated that a share-holding arrangement could be adopted in lieu of compensation to allow the owners to share the profit from the increase in the value of the buildings.

4 Compensation and Resettlement Policy

Many participants proposed that opportunity should be taken to formulate a new compensation scheme under the current review.

Some participants said that the ground floor shops were becoming more expensive in Hong Kong and that the rent was also rising. The market was monopolized by the consortiums, which deprived business operators with little capital of their livelihood. Therefore, the authorities must allow "flat for flat" and "shop for shop" arrangement.

Moreover, regarding the comment by a URS Review Steering Committee member that the “flat for flat” and “shop for shop” arrangement would cause a substantial increase in compensation costs, some participants thought that the affected people in the neighbourhood only demanded a home of common quality or comparable to sandwich class housing. Some participants also doubted the Steering Committee member’s saying that the compensation obtained by the neighbourhood in Kwun Tong was sufficient for buying a unit for self-occupancy as well as a unit to let.

Some participants said that the owners had property titles which they purchased with their own money. Hence the same standard of reasonable compensation should be offered to all owners. Some participants considered that since the URA had commenced several projects simultaneously, this had led to a substantial increase in property prices in the district. In addition, the compensation was too low. Perhaps the owners could only afford to buy units in Shenzhen. Some participants said that even though owners were dissatisfied with the compensation, it was useless to appeal for review because all the committee members were from the URA. It was proposed that the acquisition price should be fixed and the date of valuation made known to the public. The acquisition price should be calculated based on the land value divided by the number of undivided shares of the building. The current compensation criteria based on a seven-year-old flat had not taken into account the location of the flats. It was proposed that the owners of affected flats in better locations should be given higher compensation. There were also participants who considered that the compensation criteria based on the seven-year-old building was acceptable, it was just that the URA was not being supervised.

Some stated that the URA had placed money-making as its top priority, and had obtained the affected residents’ property titles by misleading them and luring them with money. The URA also discredited the conservationists by alleging that their action would affect the compensation to the neighbourhood.

5 Public Participation

Some participants urged the Government not to launch false consultation and that the Government should carry out a real URS Review. He hoped there would be more consultation meetings to enable more communications between the authorities and the public, and to allow the authorities to respond.

Some pointed out that the neighbourhood and owners of the relevant districts should have the right to participate including the right to speak.

6 Financial Arrangement

Some participants queried whether the URA had really suffered losses for the following reasons: (1) The compensation amount was comparatively low. Some participants said that for instance, years ago the affected owners of Hanoi Road in Tsim Sha Tsui were compensated at HK\$2,000 per square foot. For vacant units or units where the owners possessed more than one residential unit, the compensation allowance for the owners was reduced. (2) The Government provided the URA with HK\$10 billion in funding and granted it an exemption of land premium. (3) Government land was granted as part of the redevelopment area. (4) As pointed out by the research report prepared by the consultant appointed recently by the URA, the original plot ratio of a district in Hong Kong needed for redevelopment usually ranged from 4 to 6 times, and the average plot ratio after redevelopment ranged from 9 to 12 times with the highest ranging from 14 to 15 times. (5) The property price kept on rising. For instance, The Masterpiece was sold at HK\$40,000 per square foot. A participant said that the URA had a surplus of HK\$6.7 billion in the 2008/2009 financial year. As for the Kwun Tong Redevelopment Project, the participant estimated that the profit would reach HK\$40 billion.

Nevertheless, some participants were of the opinion that the URA had little surplus and that the majority of redevelopment projects suffered losses. If the compensation amount increased, the URA's assets would be split and shared. If however the URA had no surplus, the compensation must be borne by the taxpayers. There were however some other participants who pointed out that since the URA refused to disclose its detailed accounts to the public on the grounds of privacy, then the public could not know the details of its losses.

7 Miscellaneous

- Some pointed out that the URA controlled the actions of the social service teams, making it difficult for them to assist the residents.

At the meeting, the representatives of the URA^{Note 2} and the Development Bureau^{Note 3} had responded and made clarifications.

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September 2009

-- End --

^{Note 2} Ms. Tam Siu Ying of the URA responded and clarified as follows: since the beginning of the URS Review, the URA had always listened to and considered the citizens' opinions carefully. It was stated clearly in the URS published in 2001 that the URA had to implement 225 redevelopment projects, including 25 announced by the former Land Development Corporation, within twenty years. The announced projects included Kwun Tong, Staunton Street, Lee Tung Street and Graham Street. The URA did not " earmark" the land for redevelopment in order to make money. In the first few years after its establishment, URA's redevelopment pace was comparatively slow. Many residents kept on requesting it to launch the announced 25 projects as soon as possible.

All the projects were included in the appendix of the URS. Since the documents included sensitive information, therefore it was not disclosed to the public. The Urban Renewal Authority Ordinance also specified clearly that the URA must submit annually the business plan to the Government for examination and approval prior to the launch of any projects. However, in order to avoid speculation and situations where the owners would force the tenants to move out, the projects must be kept confidential. Before preparing the business plan, if the URA became aware that the single title within a building had expanded over several years, it would not include such a building in its business plan.

Some owners might hope to rehabilitate the building by themselves. After a period of time, however, they might re-consider whether they could accept spending money and moving out temporarily once several years to proceed with rehabilitation. By that time, they might hope to proceed with redevelopment.

^{Note 3} Ms Winnie So of the Development Bureau responded to the speaker's viewpoint that the conclusion of the Government's consultation was predetermined. She reiterated that the two year URS Review had not pre-set any agenda or conclusion. As the Public Engagement Stage of this review would not be completed until the end of the year, the Government would not be able to respond to the various opinions raised by the citizens at the current stage. Ms. So hoped that the citizens' discussions could continue to deepen, and said that the Government would listen to the relevant opinions. Ms. Winnie So pointed out that apart from redevelopment, urban renewal also included rehabilitation, preservation and revitalization, and the work of the URA included all four modes. She hoped that the public could raise opinions and discussions concerning these issues as well. In the next stage after the Public Engagement Stage, i.e. the Consensus Building Stage, the Government would sum up the mainstream opinions for the Steering Committee of the URS Review to study and to put forward suggestions to address issues of utmost concern for the optimization of the URS. Furthermore, the authorities would proceed with urban renewal District Aspiration Studies to be conducted by the seven district councils within URA Target Areas to explore the issues of revitalization and redevelopment etc. in these districts.

Urban Renewal Strategy (URS) Review Public Engagement Stage Gist of Public Forum Discussion 4

Date: 24th October, 2009 (Saturday)
Time: 2:30p.m. – 5:00p.m.
Venue: Cultural Activities Hall, 2/F, Tsuen Wan Town Hall,
72 Tai Ho Road, Tsuen Wan
No. of participants: 95 (including 2 representatives from Development Bureau, 4
from the Urban Renewal Authority and 1
from the Hong Kong Institute of Asia-Pacific Studies present
as observers^{Note 1})
Moderator: Mr. Lee Wai-man, JP
Ms. Christine Hung

Ms. Christine Hung of A-World Consulting Ltd., the public engagement consultant, briefly introduced the background of the URS Review and the major discussion topics. Special thanks were extended to the Tsuen Wan District Council for co-organising the forum. The gist of public presentations was as follows:

Gist of Public Presentations

Presentation 1

Topic: Not provided
Speaker: Ms. Ling Fung Ha

The speaker stated that amongst the thirty-plus redevelopment projects carried out by the Urban Renewal Authority (URA), most of them required invoking the Lands Resumption Ordinance for compulsory acquisition which resulted in strong discontent among the affected residents. Taking the Kwun Tong project as an example, the URA was suspected to be “controlling” 14 surveying companies, resulting in quite a low acquisition price per square foot. With the deduction of allowance due to various reasons, the affected property owners could not even afford to buy a flat in nearby estates of 18 or even 30 year old. She opined that this was a seizure of private property. Property owners and residents had no choice but to fight to protect their homes till the end.

^{Note 1} The observers were the representatives of the Development Bureau and the Urban Renewal Authority. They were present to listen to the opinions and clarify or supplement certain facts and information. Opinions collected in the URS Review were analysed by the Hong Kong Institute of Asia-Pacific Studies. The presence of the Institute’s representative was to facilitate analysis. Their comments would not be regarded as valid opinions.

Moreover, she pointed out that the URA misled the media and the public, as it refused to disclose its financial position using the excuse of commercial confidentiality. She thought the URA had too much power and lacked supervision. The speaker opined that although the URA claimed to be incurring a loss in every redevelopment project, a HK\$6 billion profit had been made from “The Masterpiece” project on Hanoi Road alone. It was unbelievable that the URA could claim a deficit with its redevelopment projects.

Presentation 2

Topic: Not provided
Speaker: Ms. Pang Yim Ling

The speaker gathered a group of residents from a redevelopment area and unfurled some banners on the stage. They requested the Government to establish a statutory and independent commission to monitor the URA. The commission should be formed by elected members of the Legislative Council, professionals, Government officials from relevant departments and members from the public. They would be responsible for monitoring the URA in the execution of policies, arbitrating and mediating disputes caused by redevelopment, conducting audits of the URA financial reports, and arbitrating valuation disputes between the URA and residents. In addition, the speaker proposed property owner participation through “flat-for-flat” and “shop-for-shop” compensation arrangements, so as to preserve the community network. The speaker also urged the URA to return to society the profits accumulated over the past years through redevelopment. She opined that the URS review should not only be a “show” and she appealed to the Development Bureau to uphold the “people-centred” approach, in order to achieve a genuine review. The speaker then led all participants on the stage to shout slogans, stating that the URA had cheated the public, was lawless and “money-centred”. “Flat-for-flat” and “shop-for-shop” arrangements were requested strongly. The URA’s control of the valuation process and results was also protested against.

Presentation 3

Topic: Equal rights for both parties in employing surveyors
Speaker: Ms. Helen Wong

The speaker claimed that the URA had been making huge profits from every redevelopment project. For example, the URA acquired the site for “The Masterpiece” on Hanoi Road for HK\$350 million and was roughly estimated to have made a HK\$6 billion surplus. She therefore stated that the URA could not falsely claim that they had deficits and misled the media, the public, and even the members of the URS Review

Steering Committee as well as the Government. The URA had created a misunderstanding that it used public funds to subsidize property owners in redevelopment projects and that people in the redevelopment areas were greedy.

The speaker indicated that property owners and residents in redevelopment areas understood that redevelopment was a complex issue. She supported the Government to improve the environment of the community through redevelopment. However, the URA had deducted compensation or subsidies unreasonably, which put constant pressure on the affected property owners and residents.

She believed that the greatest flaw was the URA's control over the surveying companies, resulting in an unfair and unreasonable valuation. She announced that the valuation report made by the surveying company employed by Kwun Tong residents would be made public in Topical Discussion 8. She appealed to the Development Bureau for the establishment of a committee, allowing both parties to employ their own surveyors for a fairer valuation. The speaker also appealed to the Development Bureau for genuine service for the people to achieve the real aim of the review.

Presentation 4

Topic: Opinions on the 7 Major Issues regarding the URS Review

Speaker: Mr. James To Kun Sun, Member of the Legislative Council

The speaker first stated that he had been a Member of the then Land Development Corporation' Board for 6 consecutive years before 2000, and was appointed as a Member of the URA Board in December 2008. He hoped that he could represent the residents and study how URA could do a better job from the residents' perspective. He had two observations: firstly, the arguments at present mainly focused on the measurement of the saleable area of flats and the valuation report from the surveyors. He suggested solving the issues through legal arbitration, otherwise each party might maintain their own stance and could not reach a compromise, eventually leading to "compulsory acquisition".

Secondly, many buildings had already reached their maximum plot ratio, especially in West Kowloon. According to records of the URA and Land Development Corporation, buildings already at the maximum plot ratio might not be taken forward for redevelopment, even though these buildings were very dilapidated and were in urgent need of redevelopment. He suggested that should a certain percentage of owners of a building agree and request to prioritize their building for redevelopment, the URA should then consider redeveloping the building. The issue was to reach a reasonable percentage of owners who agreed to redevelopment. He pointed out that residents and

owners in certain districts had already had such thoughts. They hoped the URA could acquire the properties and provide compensation as soon as possible. They would even accept a compensation criterion based on the value of a 10-year-old building, as the properties were too dilapidated and costly to maintain.

Moreover, the speaker pointed out that many URA redevelopment projects would take years to complete. After their completion, the price of flats had already risen. Local residents could not afford to resettle in their original district and even Hong Kong citizens at large could not afford such prices. Ironically, only investors from the mainland could buy the flats. He hoped that urban redevelopment could be “people-centered”.

Presentation 5

Topic: How to protect tenants’ interests in urban redevelopment

Speaker: Mr. Au Kwok Kuen, Community Cultural Concern

The speaker quoted section 28 of the URS regarding the objectives and functions of the social impact assessment, and analysed the current situation: (1) tenants eligible for public housing were rehoused in flats under the Hong Kong Housing Authority (HKHA) or the Hong Kong Housing Society (HKHS), however they were always located in remote areas; (2) property owners who rented out their flats could only receive part of the grant and subsidy. Such a policy had led to conflicts between property owners and tenants; (3) in the past, except under special circumstances, a property owner must renew the lease as long as the tenant paid the market rates. Since the Landlord and Tenant (Consolidation) (Amendment) Ordinance 2004 had taken effect, a property owner now only needed to give one month’s notice and the tenant would have to move out. Currently, the URA had no mechanism to offer rehousing and compensation to tenants who were forced out of their flats after the Freezing Survey. The rights of tenants were unprotected. The speaker suggested reviewing the above-mentioned Ordinance, as well as the issues of compensation and rehousing for tenants.

The speaker provided two examples of foreign experience for reference: (1) Cooper Square, New York: a scheme that was implemented after years of civil endeavours under which most of the affected residents received local rehousing by building new public housing, residential blocks for middle and low income citizens, and mini apartments for artists. Community renewal had been carried out with the legacy of humane, society and economic values being protected at the same time. (2) Yerba Buena, San Francisco: at first, the local redevelopment agency refused to build

rehousing blocks in the original district. However, after being sued by the community, the agency finally agreed to build 400 flats for low income citizens in the original district. The property owners and tenants in the community organized a development association under which they had the rights to select architects, and to decide on the design and financial arrangements etc. The new buildings were even owned and managed by the development association. In the late 1970s, the development association built residential buildings for low income people and the elderly by phases. The redevelopment agency also constructed commercial buildings and cultural facilities. This case demonstrated to the redevelopment agency and the government the importance of cooperating with non-profit making community organizations in the provision of affordable and decent residential flats for low income tenants.

Presentation 6

Topic: Redevelopment strategy

Speaker: Mr. Yeung Chun Yu, Research Department, Hong Kong Association for Democracy and People's Livelihood

The speaker represented the neighbourhood of To Kwa Wan district to express their views on the redevelopment of the vicinity of "13 Streets". He hoped that the URA would reconsider the promises made by the Land Development Corporation regarding redevelopment in the Ma Tau Kok area, as the buildings in the area were very dilapidated. Under the Operation Building Bright launched by the URA, Development Bureau and HKHS, maintenance had been carried out in many dilapidated buildings of this kind recently. The residents worried that the authorities had replaced redevelopment with building rehabilitation, but the structural problem of old buildings must be solved through redevelopment.

He proposed that the URA should review the renewal strategy of old urban areas as a whole, and should not carry out piecemeal redevelopment. Otherwise, the outcome of redevelopment would either be small, toothpick-like buildings, or screen-effect buildings constructed on large areas of land.

Currently, as the purchase price of flats continued to rise, many small property owners or residents were concerned about whether the compensation option based on a 7-year old building age approved by the Legislative Council in 2001 was already outdated and had to be reviewed. Affected residents in recent redevelopment projects were all unable to buy flats in 7-year-old buildings in the same district for residence. This had led to tenants and property owners being forced to move to the New Territories or to the so called extended urban area and satellite cities, causing the neighborhood to lose its community network and depriving people of their livelihood. He urged the

authorities to review the URS as soon as possible and to take care of the lives and livelihoods of the affected and disadvantaged groups. In particular, the speaker pointed out that people from the lower class usually would not sign an official lease with the property owner. However, according to the current compensation policy, tenants without a lease would not be compensated. The URS should protect the interests of these tenants in the old urban areas.

Presentation 7

Topic: Not provided

Speaker: Mr. Yuen Yun Fai

The speaker hoped that the public would not label property owners and residents in redevelopment areas or Kwun Tong District as “troublesome”, as they were only expressing their pleas and their disadvantaged situation and fighting for fair treatment.

He stated that upon acquisition, the URA could deduct as much as one-third of the total compensation amount for different reasons, hence many property owners were not willing to sell their properties. In fact, many property owners in Kwun Tong District did not mind the pace of the URA’s acquisitions. The URA had announced that there would be a second round offer in 2013, but at the same time announced that they would then acquire early according to the Lands Resumption Ordinance. This had confused the property owners. The speaker hoped that the URA would carry out acquisition fairly and justly, not only in Kwun Tong District, but also in To Kwa Wan and other future redevelopment areas.

Gist of Public Discussion

Mr. Maurice Lee moderated the public discussion. The key points of discussion were as follows:

1 The Vision and Scope of Urban Renewal

Some of the participating District Councillors opined that the URS Review should focus on the comprehensive consultation of the strategy itself and not arguments about particular redevelopment projects. Representatives from the Development Bureau, the Town Planning Board (TPB) and the Planning Department etc. should therefore participate more in such public engagement activities and listen to the public views in person. The moderator believed that society should study closely the incentives for redevelopment. For example, the incentive for redeveloping Kwun Tong was that it was an old district whereas for Kowloon City, there was

originally an incentive, but it was limited by the outline development plan and the conditions stipulated by the TPB and Planning Department which discouraged developers, and therefore the area had to wait for the URA's acquisition.

Some pointed out that redevelopment should be a good deed, as the old buildings (especially the 'salt water buildings') had already become dangerous, and should be rebuilt. A representative of certain Tsuen Wan property owners brought along a letter from the owners requesting the URA to carry out redevelopment as soon as possible. Some participants however opined that many old buildings in old urban areas were occupied by 'grass-roots' citizens due to the small unit size and low rent. The redeveloped areas were usually transformed into high cost areas, leaving 'grass-roots' citizens with no living space. The Development Bureau should draft an outline of the vision of urban renewal, and allow locals of the affected areas to understand clearly the post-redevelopment planning, including the supply of buildings and their types etc.

Some participants said that the objective of the URS should be to strengthen Hong Kong's competitiveness and should be "people-centred". Redevelopment had however demolished old urban areas and built luxury apartments which no ordinary citizen could afford or consider buying. This was equivalent to subsidising the future interests of property developers with public interests, which was against the original objective, and had led to a suspicion of collusion between the business sector and the Government. Property prices had been lifted by speculation from investors and mainlanders. People from the middle class could not afford to move their homes or to improve their living environment. This had gradually weakened our competitiveness. 'Grass-root' citizens were marginalized, and could only move to less costly but remote areas.

Some pointed out that redevelopment caused prolonged disturbance such as noise and pollution to the affected residents. Small proprietors and local features in the community were also disappearing gradually. These were issues that had to be tackled.

2 Role of Stakeholders

2.1 Participation from Property Owners

Some suggested adopting a collective market share system that allowed property owners to buy shares of their related projects and participate in

redevelopment. Some suggested that the URA should consider allotting a certain percentage of the profits from redevelopment to affected property owners in the redevelopment projects. This would allow the owners to receive their rightful benefits from development of the land.

Some participants opined that the construction of luxury residential properties was not an issue. If participation (in redevelopment projects) by property owners were allowed, both parties could be mutually benefit.

2.2 The Role of the URA

Some stated that the current role of the URA was the same as an intermediary. Land was sold to property developers at high prices after acquisition. Should the redeveloped buildings be sold at a good price, the URA could even receive a bonus. This might raise the purchase price of flats.

Being a public organisation, the URA should not utilise money from taxpayers for acquisition and investment, nor should it issue bonds to cover related expenses. The sale of flats after redevelopment at high prices was also against the public interest.

The role of the URA should be to revitalise old urban areas, and assist the affected property owners and residents in the redevelopment process.

2.3 The Role of the Legislative Council and District Councils

One participant opined that one of the biggest issues on the current system was that the URA was not under the supervision of the Legislative Council or the District Councils, even though its redevelopment projects had a profound impact to the redevelopment areas. She claimed that she had tried contacting Legislative Councillors and Yau Tsim Mong District Councillors many times but in vain. Only a few Legislative Councillors and District Councillors had attended the public engagement activities of the URS Review. For example, in Yau Tsim Mong District, many redevelopment projects had commenced already or were going to commence, but the District Councillors concerned did not attend these activities to listen to opinions from the neighbourhood. The District Council must bear responsibility as they had endorsed the redevelopment project, and should not rely only on residents or voluntary parties to supervise and handle issues. She thought that the District Council

should establish a committee on urban renewal, which should be responsible for project supervision and opinion collection, and should support and represent the local residents.

3 Compensation and Rehousing Policy

Some participants suggested that the URA should refer to the market purchase price index when setting the compensation amount on acquisition. For example, it might refer to the price per foot of several large estates in the relevant district. Such open and transparent mechanism could reduce arguments significantly. A participating District Councillor also agreed that transparent and fair rules and mechanisms should be adopted for compensation.

A ground floor shop owner stated that in many communities, the shops represented the local culture and economy, and allowed citizens to enjoy low-cost spending. The shops were also the means for small shopkeepers to make a living, and the situation was very different from residential property owners. The compensation amount proposed by the URA deviated a lot from the valuation he made and he would rather compensate the URA than sell his shop, as the URA's compensation amount was insufficient to buy a comparable shop.

A self-employed participant pointed out that her flats, which were neither leased nor unoccupied, was subject to a deduction of subsidy. The URA carried out compulsory acquisition but she could not afford renting in other locations. She could not change her occupation either, and her livelihood was seriously affected. The biggest problem was that she did not have the rights to decide whether to sell her property or not.

Some participants were dissatisfied with the commercial way of redevelopment implemented by the URA. The URA acquired, demolished and rebuilt the resident's buildings and then sold them at high prices, but the acquisition compensation was much less than those offered by property developers acquiring old properties. With the deduction of compensation for reasons such as "leased property" and "not the sole residence", the compensation was insufficient for property owners to buy a flat nearby. Some people pointed out that whether the flat was self-occupied or not, it was bought with the owner's hard-earned money. The compensation policy should not be split into different grades, otherwise the property owner's rights on the utilisation of the flat would be seriously affected.

Compensation should be enough for owners to afford a nearby flat and should ensure tenants the right to rent with approximately the same amount of money.

Some participants stated that the acquisition policy and the relevant provisions formulated in the past had become outdated, and had hindered the pace of redevelopment. They called for amendments to be made by the Government.

A Kwun Tong resident stated that when the Land Development Corporation (LDC) carried out a Freezing Survey for Kwun Tong residents in 1997, there was no distinction between owner-occupied, tenanted or unoccupied flats. The LDC claimed that once the flat was to be sold and vacant possession was delivered, then the owner would receive a certain amount of compensation. Thus most residents had been waiting for compensation from the URA. As a result, half of the residents felt that they had been ‘cheated’, and some had applied for a judicial review. The judgement of the judicial review was for the public interest and did not affect redevelopment in the Kwun Tong District. The court could not over-ride the compensation ordinance cited by the URA.^{Note 2}

Some participants urged the URA to provide “flat-for-flat” and “shop-for-shop” compensation, as these were very reasonable schemes. Another participant suggested that the URA should provide the affected property owners with a rent allowance before the completion of the redevelopment. The URA could also consider selling back some of the flats in the redeveloped buildings to the original owners at a discounted price. Should the property owner move out, the URA should repurchase the property. This could ensure that the affected residents would be rehoused in the original districts and could prevent speculation.

Some participants opined that the purchase price of flats was sky-rocketing currently. The redevelopment compensation was too low. The terms offered by the Government according to the Lands Resumption Ordinance would not be worse than the offers made by the URA. Some however pointed out that the Lands

^{Note 2} URA representative Ms. Tam Siu-ying responded as follows: the compensation policy was enacted by the Legislative Council in 2001. Its major principle was to allow owner-occupier in old urban areas to repurchase a property and improve their living environment with the compensation. These owners would therefore receive an amount equalling the purchase price of the flat plus a Home Purchase Allowance, i.e. the price of a 7-year-old flat. As for non-occupier owners, i.e. the property was rented or unoccupied, the Legislative Council at that time thought that the investment owners would not need to repurchase property for self-occupying purpose, and therefore in addition to compensation of the purchase price of the flat, the Home Purchase Allowance was only half of the amount of the former. She stated that such information could be found on the Legislative Council website.

Resumption Ordinance should not be invoked; otherwise it would only benefit property developers at the expense of the interests of citizens.

4 Public Engagement

A participant pointed out that residents in old urban areas actually supported redevelopment. They understood the advantages of redevelopment and knew that there was not in the interest of the wider community for private developers to redevelop single building blocks. He thought, however, that redevelopment need not be carried out by the URA as it lacked flexibility and was poorly managed. He suggested setting up a more flexible mechanism to allow residents to express their opinions to the URA. The directors of the URA should also communicate more with residents.

5 Social Impact Assessment and Social Service Teams

Some participants explained that the problems of social service teams were: (1) The lowest tenders would be awarded, which meant that the social service teams would have low salaries and would receive insufficient resources. The service quality would be affected; (2) The social service teams were employed by the URA and worked in the URA's office. They were always under a lot of pressure and constraints imposed by the URA, hence they lacked independence; and (3) Tenants were forced to move out and could not enjoy the benefits of redevelopment. Since social service teams could not promote any change to the policies, they could not provide any help. Some suggested that social service teams could be funded by the URA, but could be managed and audited by the District Councils. It was not necessary for social service teams to report to the URA.

The URA should complete the social impact assessment well and actually solve the residents' problems. It was necessary to set up a mechanism to assess the effectiveness of the social impact assessments. There would be fewer voices of opposition and fewer complaints from affected parties if the Social Impact Assessment was done well.

Some participants expressed dissent over the way in which reports were published by the core group on the planning of the Western District Harbourfront Promenade by the social service team (Caritas Mok Cheung Sui Kun Community

Centre) ^{Note 3} in Western District: in July 2009, the report published by the core group stated that the cargo handling area and Western Wholesale Food Market would be redeveloped into a Harbourfront Promenade. The social service team however only interviewed residents in Sai Wan and did not interview workers in the handling area. The clearance of the handling area might lead to unemployment for more than a thousand people. In addition, there were six Islands District transportation routes now in the handling area, which took up 80% of freight capacity of household necessities to the Islands District. Clearance would affect the life of residents on the Islands. Some participants pointed out that this might be related to the Government funding of the social impact assessment. This incident posed a query that the current criteria for the social impact assessment were not comprehensive.

Some tenants in Kwun Tong expressed that most property owners in their district had accepted the acquisition offer and moved out. Those remaining in the district were mainly elderly tenants. They felt trapped in a “dead city” and had to suffer poor hygiene and public order problems. Moreover, they were not able to receive rehousing or compensation. Fortunately, the social service team helped the remaining tenants in Kwun Tong District to set up an elderly tenants organization to appeal to the URA for rehousing and compensation as soon as possible.

Some participants considered that social impact assessment was an invasion of privacy. For example, even family and spouse relationships were examined.

6 Others

- Some participants expressed that property owners always had to deal with the URA. The owners were under a lot of stress and even their health was affected. The URA should send more staff to discuss with them and offer assistance.
- Some pointed out that the Kwun Tong redevelopment project had lasted for 20 years. The URA did not think of the pain that the project brought to the residents but just oppressed them with policies. As a result, many elderly residents suffered from depression.

^{Note 3} The URA social service team of Central and Western District should be Urban Renewal social service team of St. James' Settlement.

- The Kwun Tong redevelopment project had led to a deterioration in public order. The URA however shirked its responsibilities and the residents were always anxious.
- Some residents in Sham Shui Po stated that redevelopment caused them to lose their homes. Although they received assistance from social service teams, the Social Welfare Department could do nothing to help other than to encourage them to rent a flat which they were unable to afford. He expressed that he just wanted to be rehoused in the neighbourhood. If injustice in society could not be dealt with by legal means, the emotional instability of the affected residents was understandable.

A-World Consulting Limited
November 2009

-End-

Urban Renewal Strategy (URS) Review

Public Engagement Stage

Public Forum 5

Date:	21 st November, 2009 (Saturday)
Time:	2:30 p.m. to 5:30 p.m.
Venue:	Multi-function Hall I, 25/F, Hong Kong Federation of Youth Groups Building
Number of Participants:	118 (including 2 members of the Steering Committee, also 2 representatives from the Development Bureau, 1 from the Planning Department, 10 from the Urban Renewal Authority (URA), and 1 from Hong Kong Institute of Asia-Pacific, Chinese University of Hong Kong present as the observer ^{Note 1)}
Moderators:	Prof. Bernard, W. F. Lim Mrs. Sandra S.C. Mak

Public Presentations

1. Topic: Not provided
Speaker: Ms. Wong Yat Man

The speaker advocated the “flat for flat” and “shop for shop” compensation option, since it could safeguard the owners’ private property rights. She cited that Mr. Stephen Fisher of the former Planning and Lands Bureau sent a letter to the Legislative Council Panel on Planning, Lands and Works on 8th March 2001 to show the Government’s willingness to accept the “flat for flat” exchange plan, and would propose to the URA that the number of flat units available under the “flat for flat” exchange plan should not be less than 1.2 times of the number of owners participating in the plan. She opined that the citizens affected by the redevelopment in Kwun Tong and all other places in Hong Kong urged for: (1) the overall fulfilment of this undertaking; (2) the thorough fulfilment of the ownership participation scheme because the Basic Law protected private property rights.

She also thought that without supervision, the URA had become the beneficiary of urban redevelopment. The Government had to solve this problem. After the presentation, certain participants shouted the slogan “flat for flat” and “shop for shop” together.

^{Note 1} The observers were the representatives of the Development Bureau and the Planning Department, and the personnel of the Urban Renewal Authority. They were present to listen to the opinions and clarify or supplement certain facts and information. Hong Kong Institute of Asia-Pacific, Chinese University of Hong Kong, would analyse the effective opinions collected in the “Urban Renewal Strategy” Review. Its representative was present to facilitate the analysis work. Their opinions or comments would not be regarded as valid opinions

2. Topic: Conclusion for the Redevelopment Policy
Speaker: Ms. Yiu Siu Yung

The speaker pointed out that the redevelopment strategy had committed a serious breach of the “people-oriented” objective. The Government had used urban redevelopment to compete for profits with the general public. She pointed out that the Government drew up the redevelopment area at random without having obtained the owners’ consent, which took away their rights to trade their properties freely. The URA even divided the owners of residential flats and the owners of ground floor shops by luring the residential flat owners in financial terms to agree to the redevelopment, while the ground floor shop owners were compelled to accept the acquisition price offered by the URA. Those who did not comply with it would then be subject to compulsory land resumption. The ground floor shop owners relied on their properties for their livelihood or pension. The Government should not compel them to sell their shops. She quoted the “Sneaker Street” and “The Masterpiece” examples to point out that the URA was robbing and conspired with businesses to make “enormous profits”. She said that the original owners there should share the fruits of redevelopment.

Most old buildings were owned by investment owners, however with their compensation deducted, the owners were unable to buy back premises in the same district. Therefore, the community network was destroyed. Moreover, she considered it inappropriate to enact before the completion of this review the 80% threshold for the compulsory auction of the remaining properties within a lot which would result in the transfer of interests to property developers, monopoly and a soaring price index which affected all industries and business sectors and caused unemployment.

She agreed that the URA should change its role to assist the owners in organizing a redevelopment cooperative society to set the property price, provide the owners with various choices and let them participate in the development.

3. Topic: Video Sharing on Redevelopment Issues
Speaker: Phoebe Fan, Lee Wai Yi (V-Artivist)

The speakers played two video recordings. The theme of the first one was “Urban Renewal Strategy – Review by the General Public (Sincerity Better than the Financial Secretary)”. This was a publicity video clip produced for the green paper “Urban Renewal Strategy – Review by the General Public” advocated by the H15 Concern Group. In the clip, a resident affected by Shanghai Street Conservation and Development Project indicated that he had been barely entertained when he made an inquiry to the Urban Renewal Social Service Team (SST) about rehousing issues. A member of the H15 Concern Group said that the SST was employed by the URA and therefore considered the URA as its service target. She proposed that it would be better should the SST be operated independently instead.

The theme of the second video was “Urban Renewal Kills Small Businesses”. This documentary comprised several interviews of citizens affected by urban renewal, for the purpose of understanding the effects on their daily lives, businesses and community network. Interviewees included stall vendors of the open market place at Graham Street in Central, the former ground floor shop owners at Lee Tung Street, as

well as the commercial and residential tenants in Sham Shui Po redevelopment area. They agreed that it was necessary to redevelop the old districts, but pointed out that Government officials in charge of planning and decision-making did not understand the residents' lifestyle and the community function, and consequently were unable to plan from the residents' perspective. The interviewees in Central and at Lee Tung Street indicated that the community network and the neighbourhood relationship had already changed when the redevelopment commenced. The interviewees in Sham Shui Po District indicated that the local economy was able to meet the needs of the elderly in the district and was therefore quite important.

As indicated by several shop owners, the URA often acquired the properties suddenly without detailed explanation. Moreover, business dropped drastically after relocation of their shops. Insufficient compensation or fast rising rent after redevelopment, meant it was unlikely that the shops could remain in the original district. Small business operators had profound influence on the street culture, the community network, the district characteristics and even the local economy. The current means of executing redevelopment had however not taken their needs into consideration.

4. Topic: Future Direction of Redevelopment
Speaker: Mr. Ng Kam Chiu / H15 Concern Group

The speaker urgently demanded the fulfilment of the "flat for flat" and "shop for shop" exchange. He considered these options as helpful in maintaining the community's sense of belonging and harmony in society. He criticized the URA for acting in the contrary. For instance, the freezing survey actually encouraged owners to force tenants to move out. Moreover, the transfer of interests between the URA and property developers encouraged the latter to reserve premium urban land lots in Hong Kong.

He summarised the views of the H15 Concern Group on the "Urban Renewal Strategy" Review and reiterated their proposals and demands, including the fulfilment of "flat for flat" and "shop for shop" exchange, owner participation, improvement of neighbourhood living standard, preservation of district characteristics and maintenance of the community network, as well as minimizing the "bulldozing" redevelopment approach of the URA and instead reinforcing its roles in rehabilitation, conservation and revitalization. Moreover, he did not agree that owner participation was equivalent to taking risks, because the URA acquired properties at a low price and sold them at a high price after redevelopment. There would be no risks to the owners.

In the first instance, the URA should conduct a social impact assessment, and study how more residents could stay behind before proceeding with redevelopment.

5. Topic: "Urban Renewal Strategy" Review
Speaker: Mr. Ho Kin Chung

The speaker said that there had long been many arguments and criticism in society against urban redevelopment and the URA. In his opinion, most people agreed that the aging old urban areas had to be improved. With regard to redevelopment, he suggested either (1) doing nothing and allowing the community to keep on aging, or (2)

let private developers or the URA proceed with redevelopment. He pointed out that private developers only considered economic benefits. Therefore, it was not good for the community residents, tenants, shops or owners. The URA was a public organization with more statutory power such as compulsory acquisition. Therefore, it must perform its social responsibilities to take care of the needs of the people in the community and even the wider society. He mentioned the example of “flat for flat” and “shop for shop” exchange, which helped to preserve the community network. The URA and residents could explore these aspects in detail.

Moreover, though the URA placed greater emphasis on consultation than in the past, its financial status should have greater transparency. On the other hand, the speaker felt uneasy that the URA, as a public organization, participated in the development of luxury flats on the basis of self-financing. He pointed out that it was not necessary for projects to be developed as luxury flats. The URA should think over how to make use of the huge profit to do something beneficial for the society.

6. Topic: Consolidated Views of the “Urban Renewal Strategy” Review
Speaker: Mr. Lau Wai Chung

The speaker noted that the URA sent a letter ^{Note 2} to the Director of Broadcasting, Radio Television Hong Kong to complain about the recent broadcast of an untrue report on the Kwun Tong Redevelopment Project in “Hong Kong Connection”. He doubted the URA’s reason for sending a letter to Radio Television Hong Kong. He mentioned again that during his visit to Kwun Tong District in the past, Mr. Stephen Fisher of the former Planning and Lands Bureau had promised the residents that even a towel or a bed could be evidence of occupation and entitlement for compensation. Ultimately however, this was not the practice.

Moreover, he said that when the URA applied to the Town Planning Board for the approval of the Kwun Tong Redevelopment Project in the past, the former senior management of the URA told the residents that as long as they supported the project design with taller buildings and more spacious area, it would be good for the Kwun Tong residents after approval by the Town Planning Board. The compensation by the URA however, was finally based on the value of the seven-year-old buildings in the same district. He indicated that this was his understanding because the URA sought the approval for the project from the Town Planning Board as soon as possible at that time.

He opined that in recent years, what the URA had done worst was to lack sincerity in seeking the support of the residents in the neighbourhood, because the URA had turned into a “big white elephant”. Its staff had become more bureaucratic. They were reluctant to listen to the voices and opinions of the affected residents. He said that the Government had handed the URA excessive power and responsibility. It would certainly cause arguments in society, and the current modes and methods of operation would not bring about any improvement in urban renewal.

^{Note 2} The URA issued a letter to clarify that the compensation was in no way related to the development density concerning the issues related to the plot ratio and the compensation for the residents mentioned in “Hong Kong Connection”

7. Topic: Obvious Loopholes Existed between the Landlord and Tenant Ordinance and the URA policy.

Speaker: Mr. Ho – Shun Ning Road Redevelopment Concern Group

The speaker, representing Shun Ning Road Redevelopment Concern Group, reprimanded the URA that its announcement on 3rd November for optimizing the relief measures for the residential tenants was, in fact, to cover up the problems and to evade responsibility. The speaker pointed out that since the three-month-long freezing survey, which was launched by the URA after the Government gazetted the Shun Ning Road Redevelopment Project on 26th June 2009, at least 13 tenants who had their tenancy agreements terminated by the landlords, had even applied to the court to take back the flat units. The URA however, had not made appropriate arrangements for the tenants interviewed in the freezing survey and had been forced to move out. These tenants might lose the rights to obtain compensation and rehousing. The concern group had continually made inquiries to the URA with regard to the related arrangements at all times but no official reply had been received.

The speaker pointed out that loopholes were created among the Landlord and Tenant (Consolidation) (Amendment) Ordinance 2004 which took effect in 2004, the Urban Renewal Strategy and the redevelopment procedure. This is because the former empowered the landlord to request the tenant to move out by giving one month's notice or by applying to the court to take back the flat arbitrarily. On the other hand, the Development Bureau would decide whether to substantiate the redevelopment only two months after the announcement of the redevelopment project and the launch of the freezing survey. Consequently, it had led to the loophole which enabled the landlord to force the tenants to move out in order to obtain more compensation. Such a situation was prevailing in the Hai Tan Street, Kweilin Street and Shun Ning Road projects. The URA had however not managed to remedy this policy loophole with any great effort and had even refused to intervene with the excuse that it was a dispute between the landlord and the tenant. As the URA was supported by Government funds and could apply to use the Land Resumption Ordinance, then it should not simply ignore the existing problems since it claimed to be "people-oriented", and had stated its intention to improve neighbourhood living standards. The URA claimed to have more than 180 redevelopment projects on hand. If the future policy was still unable to comply with it, then there would be more victims.

8. Topic: Follow-up Investigation of Sham Shui Po Redevelopment Project

Speaker: Mr. Yeung Kwok Kin – Working Group on Urban Renewal and Conservation of Historical Buildings, Sham Shui Po District Council

The speaker said that the URA implemented 13 redevelopment projects in Sham Shui Po, which involved 25% of the population in that district. Therefore, the Working Group on Urban Renewal and Conservation of Historical Buildings of Sham Shui Po District Council had proceeded with follow-up investigations since 2005. These investigations included the assistance provided by the Government departments for the residents, the residential conditions before and after the relocation, the conditions of the residents' new home and the problems they faced, the effect of the urban redevelopment and the property acquisition on the residents. Its scope involved Projects K20 to K25. The findings were as follows: (1) Most owners considered

that both the Government and the District Council had failed to provide assistance; (2) 50% of the owners having accepted acquisition were not satisfied with the consultation process. They were merely informed and choices were not available; (3) 61% of the owners were not satisfied with the compensation for the acquisition; (4) 48% of the owners having accepted acquisition considered the acquisition offers reasonable; 33% understood that the URA could cite the Land Resumption Ordinance to acquire the building and consequently they had no alternative but to accept acquisition; (5) Many residents in the neighbourhood were afraid of being “evicted” by the URA staff; (6) 53% of the interviewees agreed to the current policy direction of rehousing or compensation but thought that the compensation amount should be increased; 40% thought that there should be more choices of rehousing and compensation, which included the “flat for flat” and “shop for shop” exchange which was agreed by most of the interviewees. The speaker said that it was unfair to provide compensation at the “one-off price” only; (7) 58% of the owners still lived in Sham Shui Po after relocation, and many of their relocated residential flats were smaller in size, which reflected insufficient compensation; (8) Most of their relocated residential flats were in older buildings; (9) Many problems were encountered after relocation; (10) 51% of the interviewees said that they had phone contact with their neighbours before relocation but no such contact after relocation, however 90% of them indicated that they would greet the neighbours; (11) the community network and environment changed after relocation, the residents had to take time to adapt themselves again, which affected their mental and health condition; (12) 70% of the interviewed owners thought that the SST had not offered assistance, while around 90% of the interviewed tenants thought that neither the Housing Society nor the URA staff had assisted them in finding a new home. The speaker said however, that it was understandably difficult for the SST to assist in seeking compensation and rehousing; (13) 88% of the interviewed tenants continued to live in Sham Shui Po; (14) More tenants than owners needed the assistance of the Government or the District Council because most of them were in a vulnerable social group; (15) For quite a number of tenants, their relocated residential flats in newer buildings were smaller than before, however a higher rent was charged; (16) Most tenants faced the problem of employment after relocation; (17) The interviewed tenants had a weaker community network after relocation; (18) 83% of the owners were satisfied with the structural conditions of the building after relocation.

The speaker concluded that the URA was a public organization but profit-oriented. As it had a Government funding of 10 billion dollars and was entitled to apply for land resumption, it should safeguard the living standard of grass-root citizens. He said that the URA should re-structure its board of directors to have more members from the grass-roots or with in-depth understanding about redevelopment.

9. Topic: Did you know?
Speaker: Mr. David Tam

The speaker pointed out that there were around ten thousand victims of redevelopment in the districts every year, and queried whether the top leadership of the SAR Government knew that these redeveloped districts were “smashed” by the URA policy. He considered the difficulties and policies faced by the residents of the redeveloped district were unfair and all the officials of the Government, the legislative council and the policy bureau knew it. The problem was why they still maintained such a policy and let the URA continue in this way without restriction. He thought that if the

Urban Renewal Strategy was “no good”, the citizens should not accept it and should abolish it.

10. Topic: Industry Relocation in Urban Renewal
Speaker: Mr. Desmond Sham – Community Cultural Concern

The speaker said that he only got a subsidy of HK\$2,000 from the URA to proceed with this study ^{Note 3}, and therefore, the information is not sufficiently detailed. The redevelopment projects of the URA had destroyed the original business network of many trades. However, there had been industry relocation in the original district in Hong Kong too, for instance, the “Fabric Street” (that is, Wing On Street in Central) Project carried out by Land Development Corporation (LDC) in the 90s. LDC and the Government made many acquisition attempts but the compensation was insufficient for the owners to buy back shops or flat units in the original district. At that time, some owners raised alternative schemes but were rejected. Finally, LDC resettled the nearby characteristic trades affected by redevelopment via the Western Market Conservation and Revitalization Project (currently known as “Western Market”) however there were problems of insufficient shops which were too small in area, as well as a lack of consultation and improper location. LDC had however guaranteed the shops with a lease-term of 21 years. Unfortunately, after the URA had taken over Western Market from LDC, its management was out-sourced and the shops originally available for the characteristic trades were let to other shops subject to stringent lease terms. He concluded that this case allowed an initial step forward for industry relocation enabling the resettlement of the entire sector to provide protection for the industry, but it required the improvement of package facilities and matching Government policies.

Another example was the construction of Yuen Po Street Bird Garden for the rehousing of the original vendors of the stalls and shops at “Bird Street” (i.e. the former south section of Hong Lok Street). The speaker said that the merits of this project were that both licensed and unlicensed operators were entitled to rehousing at reasonable rent and the hygienic environment was better after relocation. The project, however also had the problem of inconvenient traffic, improper design and the absence of matching industry policies.

He concluded that although the characteristic trades replacement by LDC did not achieve an optimal outcome, its feasibility and necessity should not be denied. It was capable of fulfilling the replacement of the entire sector and providing protection for the trade with minimum adverse effects. It was necessary to improve the industry policy, traffic, design, package facilities and level of participation of the general public. Finally, he raised several questions for the participants to consider, including the issue of whether the URA-driven or the community-driven approach would bring about higher efficiency, the participation modes (the passive investigation and consultation or the community-driven planning and management), and whether the consequences of the redevelopment (such as deteriorating traffic conditions, wall effect buildings and gentrification) should be borne by the peripheral communities or jointly both the beneficiaries and the victims.

^{Note 3} In fact, Community Cultural Concern has actually obtained, through the “Partnership Organisation Programme” of the Urban Renewal Strategy Review, an allowance of nearly HK\$10,000 for the actual expenses of coordinating its programme activities, and HK\$2,000 was for the single-item expenses regarding the “write-up of the study report”.

11. Topic: Urban Renewal Strategy: Differentiation between Big and Small?
Speaker: Dr. Wong Kam Cheong – Hong Kong Institute of Real Estate Administrators

According to the speaker, it had been said recently that even professionals and the well educated were incapable of buying properties. As his institute members were also professionals, he was therefore sympathetic with the participants at the forum. The Institute was going to convene its general meeting on 28th November to discuss the Urban Renewal Strategy Review and submit the relevant proposal report to the Government.

He said that on the whole, the Institute was of the view that in order to have effective redevelopment, the planning should be considered on the basis of the entire district instead of proceeding with isolated individual projects. The Institute supported rehabilitation and conservation in the first instance but objected the “bulldozer approach” which should be the final option. He cited the advantages of a large-scale project: (1) It was easy to obtain a balance of the 4Rs (that is, Redevelopment, Rehabilitation, pReservation and Revitalisation); (2) Greater value added and environmental improvement to the community after redevelopment; (3) Faster and more prominent effects; (4) Better planning for the community facilities, traffic, overall design and ventilation; (5) Better design layout of individual buildings or flat units; (6) Comparatively lower unit construction and consultancy fees; (7) Higher building efficiency and usage rates; (8) Less interference by a large-scale project on its neighbourhood and peripheral communities compared to that of several individual and small-scale redevelopment projects.

The conditions for implementing large-scale projects properly were as follows: (1) The macro urban redevelopment or renewal strategy was essential; (2) The interests of various stakeholders were balanced; (3) The residents in the neighbourhood were entitled to participate in making decisions through open and transparent discussion and consultation; (4) When private developers participate in the redevelopment, the process must be transparent with specified participation rules, so as to avoid conspiracy between officials and the business.

The speaker concluded that large-scale projects were more suitable for the urban renewal mode, however, as it involved different stakeholders, it would affect the entire society. Consequently, it was essential to conduct extensive consultation and public participation. After rapid development for half a century, Hong Kong had quite a number of very dilapidated buildings. Therefore, the Institute was of the view that it was essential to have redevelopment on the premise of not destroying the harmony of the community and the society. As for the redevelopment mode, the means of its execution and the executing party were subject to public debate.

Public Discussion

The public discussion was hosted by Prof. Bernard, W. F. Lim. The principal views were as follows:

1 4Rs Strategy of Urban Renewal

A participant hoped to preserve monuments, antiquities and community history, whilst expediting the redevelopment of the old district. What she said reflected that the dilapidated buildings were the “time bombs”. If they were not demolished as soon as possible, they would be a threat to the safety of the general public. She proposed that the Government classified these dilapidated buildings as the rehabilitation or redevelopment projects after thorough examination and verification.

A participant accused the URA that it had never given a clear account of the effects of its past work and the amount of money involved. He thought that the URA should not merely study the cases of other districts or cities but should review the actual local situation and the past work instead.

Some participants criticized that the conservation effects of the URA were not good. For instance, in the cases of the Woo Cheong Pawn Shop, Wan Chai Market, “Old Shops” Street and Lee Tung Street, they simply ousted the old shops and old neighbours. Following the conservation works, only the empty shell was left without contents. The URA had long been unable to provide the assessment report on the effects of the H18 project on the heritage. It only made people doubt whether it had conducted any assessment. Some historical buildings such as the Bridge Street Market, which were fortunate enough to have more complete preservation, were retained merely after the general public had sought to motivate the Government to do so. There were worries that the URA might not be able to handle the Central Market Project, and only its shell would be retained.

2 Role of Stakeholders

2.1 The Role of the URA

A participant pointed out that San Francisco had laws to protect the citizens’ interests in the USA. It was for the people in the community to decide in the first instance whether any problems existed in that community and which required community renewal. They also had the statutory power to confirm whether a case was classified under dilapidation and improper land use. Only upon completion of the process would the local redevelopment authority launch the community renewal project. He said that Hong Kong citizens or the local people in the district had no right to participate in urban renewal, all of which was decided by the Government. He proposed that local people in the community should identify dilapidated buildings or examples of inefficient land use in the first instance, with in the last resort the case being referred to the URA to proceed with redevelopment or renewal.

3 Compensation and Rehousing Policy

A participant criticized the URA’s current approach in calculating the area of a flat to be acquired and standard for compensation. He pointed out that the calculation of the compensation amount should be based on the price per square foot and the construction area at the time when the owner bought the flat. He queried why the URA bought at a low price and sold at a high price. He hoped that his query could be forwarded to the Secretary for Development.

Quite a number of participants stressed that the “flat for flat” and “shop for shop” exchange option should be offered to the affected people for selection. For instance, the Government department had to resettle the affected people in the construction of public facilities as well. They thought that if the URA wanted to take back the residential flats or commercial shops for redevelopment, it was reasonable that the affected people should be compensated with another flat unit or shop but not simply compensated with money to settle the case. The residents worked hard for decades in order to own the property which was demolished in the end, but they were compelled to look for a place by themselves to live in after all. A commercial shop supported the livelihood of the owner’s family for several generations but the URA took advantage of the “imperial” power conferred by the Government to acquire property at a low price and sell at a high price. Moreover, some participants pointed out that the “flat for flat” and “shop for shop” exchange arrangement existed in other places. It was really upsetting that there was no such arrangement in Hong Kong.

Some participants indicated that the current compensation and support for the tenants were insufficient. In particular, there was little compensation for tenants of “wood partitioned rooms” who were also not necessarily eligible for public housing. Moreover, the Landlord and Tenant (Consolidation) (Amendment) Ordinance 2004 empowered the landlord to request the tenant to move out simply by giving one month’s notice, without giving any reasons and even without compensation. It has created the loophole for the landlord to oust the tenant in order to obtain more compensation.

A participant described the reasonable and fair means of land resumption by the Mainland government. When the government took back the property, the owner would be compensated with land and provided with the allowance for constructing a new house, a rental subsidy equivalent to 15 months rental and the general decoration expenses. Moreover, the location of the compensated land was not bad. The owner must however construct the building within a specified term. Otherwise, the government would resume the vacant land.

A resident in Kwun Tong criticized that the URA deducted the compensation of owners of property which was non-owner occupied property or which was not the owner’s only owned home. He thought that such a measure discriminated against the “investor” owner. He pointed out that the URA was also doing business by demolishing the property of the owner in the redevelopment district to construct luxury flats. Consequently, the URA was equivalent to such an “investor” owner.

Some owners in Hai Tan Street were not satisfied with the URA’s approach when conducting the freezing survey. An owner lost his eligibility for compensation because he was unable to present effective evidence which identified his address. Another owner also pointed out that because he himself was not present when the freezing survey was conducted, the URA merely calculated his compensation amount by treating his property as a vacant flat unit. He said that the owner should be entitled to set the selling price for his own property.

A participant criticized that the URA took over the projects of the LDC but did not adopt its compensation standards. The current compensation option was far less than that of the LDC.

4 Pubic Engagement

Some participants proposed to let the owners of limited means or elderly owners participate in the redevelopment by way of a guaranteed share-holding system. As for those owners who did not want to take risks, they could sell the shares to retain the original value of the property.

A participant thought that in the process of this review and consultation, the URA neither accepted the public opinions nor responded to the citizens' demands. Consequently, it was a false consultation. He was of the opinion that the authority concerned should prepare a timetable, announce how to take action, how to respond to the citizens' opinions, and allow the citizens to have the right of acceptance or refusal.

Some participants thought that the URA was not acquiring dilapidated buildings but resuming land. As the owners were requested to sell their land rights, they should be allowed to participate as owners in the projects. The acquisition price should be calculated accordingly to include the land value or the land rights and not simply be based on the market value of the flat.

5 Social Impact Assessment and the Social Service Team (SST)

A participant queried the intention of setting up the SST. He thought that if the URA had not deprived the owners or the residents in the neighbourhood of their interests, it was basically not necessary to set up the SST. Moreover, he thought that there was a conflict of interests for the URA to pay for employing the SST, which could not be independent. It was difficult to believe that they would provide services for the residents faithfully.

A participant did not believe that the URA had not intervened in the work of the SST. He proposed that this review should explore the operation and independence of the SST and the possibility of setting up a community planning service centre. Moreover, he opposed the comment by the URA's senior official on "Hong Kong Connection" that policy advocacy was not within the remit of the social workers' work. He pointed out that the Social Workers Registration Ordinance specified that the social workers should advocate to formulate or amend the policy.

6 Financial Arrangement

Some participants queried the financial status of the URA because most of the redevelopment projects redeveloped the dilapidated buildings comprising a few floors into tall buildings of tens of floors. The URA, however never disclosed its financial status to the public and claimed to have suffered a loss and required the Government to contribute capital to help balance the books. It was indeed difficult to understand such a situation.

7 Miscellaneous

- The URA should prepare a timetable for redeveloping badly dilapidated and dangerous buildings.

- Some participants requested the representatives of the URA to respond immediately^{Note4} to the questions and opinions raised by the participants.
- Some participants requested to have the Chinese version of relevant reports and documents available for inspection by the citizens and residents in local District Offices upon completion of this review.
- Some pointed out that the URA's recent announcement to launch the "scheme of optimizing the relief measures for the residential tenants" was, intended, to cover up the problems and evade responsibilities. The URA should actually be people-centred and provide a secured and happy home for the citizens.
- Some participants said that the acquisition for redevelopment was equivalent to the practice of "buying people's life" because some residents in the neighbourhood involved in the redevelopment project incurred mental illness in the process.
- Some participants indicated that the compensation provided by the URA was far too little, but its staff enjoyed high remuneration. Therefore, they did not believe that it suffered losses.
- When the URA proposed acquisition to the residents in Kwun Tong, it has immediately caused a shortage in the supply of property and an increase of property prices in the vicinity.
- During redevelopment, flats left vacant following property acquisition had caused various problems such as social disorder, and compensation amounts were not enough to allow the affected residents to buy the flat units of the seven year old buildings in the same district. It has caused worries among residents about housing or rehousing problems.

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-End-

^{Note 4} Ms. Tam Siu Ying representing the URA responded that the URA had long listened carefully to the opinions and proposals raised in all public participation activities. At present, the compensation policy was based on the approval adopted by the Legislative Council in 2001. However, in the current policy, there was no "flat for flat" and "shop for shop" exchange arrangement. Any amendment of the policies involved had to be passed with resolutions adopted after discussion by the Government and the Legislative Council. When Ms. Tam Siu Ying was speaking in response, a lady came up to interrupt her and indicated her disagreement to her response. The forum procedure was also interrupted. The forum continued until it was in order again and most of the participants agreed to continue.