

立法會
Legislative Council

LC Paper No. CB(1)600/11-12
(These minutes have been seen
by the Administration)

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Panel on Development

Minutes of meeting
held on Tuesday, 25 October 2011, at 2:30 pm
in Conference Room 1 of the Legislative Council Complex

Members present : Prof Hon Patrick LAU Sau-shing, SBS, JP (Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon CHEUNG Hok-ming, GBS, JP
Hon KAM Nai-wai, MH
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king, JP
Dr Hon LAM Tai-fai, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, JP
Hon IP Kwok-him, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Tanya CHAN
Hon Albert CHAN Wai-yip

Member attending : Dr Hon PAN Pey-chyou

Members absent : Hon LAU Wong-fat, GBM, GBS, JP (Deputy Chairman)
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon WONG Yung-kan, SBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon LEE Wing-tat

Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Alan LEONG Kah-kit, SC

**Public officers
attending**

: Agenda item IV

Mrs Carrie LAM CHENG Yuet-ngor, GBS, JP
Secretary for Development

Mr WAI Chi-sing, JP
Permanent Secretary for Development (Works)

Mr MA Lee-tak, JP
Director of Water Supplies

Mr Bobby NG Mang-tung, JP
Assistant Director / Development
Water Supplies Department

Mr CHIN Chu-sum, JP
Assistant Director / Customer Services
Water Supplies Department

Mr Adolph LEUNG Wing-sing, JP
Principal Economist (2)
Financial Secretary's Office

Agenda item V

Mr Rex CHANG Wai-yuen, JP
Deputy Secretary for Development
(Planning & Lands) 2

Mr Ryan CHIU Pit-ming
Principal Assistant Secretary for Development
(Planning & Lands) 3

Mr HUI Siu-wai
Deputy Director of Buildings

Mr TSE Kin-leung
Assistant Director / Mandatory Building Inspection
Buildings Department

Mr Thomas LEUNG Tung-choi
Chief Building Surveyor / Legal Services
Buildings Department

Clerk in attendance : Ms Sharon CHUNG
Senior Council Secretary (1)4

Staff in attendance : Mr Simon CHEUNG
Senior Council Secretary (1)9

Ms Christina SHIU
Legislative Assistant (1)4

Action

I Confirmation of minutes
(LC Paper No. CB(1)118/11-12 -- Minutes of meeting on
13 October 2011)

The minutes of the meeting held on 13 October 2011 were confirmed.

II Information papers issued since the last meeting
(LC Paper No. CB(1)2758/10-11(01) -- Administration's response
to the submission on
redevelopment of Kwun
Tong Town Centre from a
deputation (仁信里商戶關
注組) dated 28 June 2011
(LC Paper No.
CB(1)2609/10-11(01))

LC Paper No. CB(1)2791/10-11(01) -- Issues raised at the meeting
between Legislative
Council Members and
Yuen Long District

- Council members on 2 June 2011 relating to planning of Yuen Long and peripheral areas
- LC Paper No. CB(1)2797/10-11(01) -- Letter dated 19 July 2011 from Hon LEE Wing-tat on unauthorized use of public roads leading to private houses
- LC Paper No. CB(1)2882/10-11(01) -- Letter dated 9 August 2011 from the Community Building Committee of the Yau Tsim Mong District Council on the management and maintenance of facilities for public use in private developments
- LC Paper No. CB(1)2912/10-11(01) -- Issues raised at the meeting between Legislative Council Members and Tsuen Wan District Council members on 13 January 2011 relating to request to review the existing policy on squatter control
- LC Paper No. CB(1)2929/10-11(01) -- Administration's response to the letter dated 19 July 2011 from Hon LEE Wing-tat on unauthorized use of public roads leading to private houses (LC Paper No. CB(1)2797/10-11(01))
- LC Paper No. CB(1)2936/10-11(01) -- Referral memorandum dated 17 August 2011 from the Complaints Division relating to water seepage
- LC Paper No. CB(1)2992/10-11(01) -- Administration's response to the issues raised at the meeting between

- Legislative Council Members and Tsuen Wan District Council members on 13 January 2011 relating to request to review the existing policy on squatter control (LC Paper No. CB(1)2912/10-11(01))
- LC Paper No. CB(1)3035/10-11(01) -- Referral memorandum dated 22 September 2011 from the Complaints Division regarding cargo compartments placed on streets
- LC Paper No. CB(1)59/11-12 -- Report of the Subcommittee on Harbourfront Planning prepared by the Legislative Council Secretariat
- LC Paper No. CB(1)95/11-12(01) -- Issues raised at the meeting between Legislative Council Members and Sha Tin District Council members on 2 June 2011 relating to planning on the provision of public open space along Tsuen Nam Road and improvement of cultural and recreational facilities in Tai Wai, Sha Tin
- LC Paper No. CB(1)106/11-12(01) -- Administration's paper on Capital Works Reserve Fund Block Allocations for 2012-2013
- LC Paper No. CB(1)151/11-12(01) -- Referral memorandum dated 20 October 2011 from the Complaints Division regarding preservation of Hong Kong Sheng Kung Hui

Compound in Central and related issues)

2. Members noted that the above information papers had been issued since the meeting on 16 July 2011.

III Items for discussion at the next meeting

(LC Paper No. CB(1)137/11-12(01) -- List of outstanding items for discussion

LC Paper No. CB(1)137/11-12(02) -- List of follow-up actions)

3. Members agreed that the following items would be discussed at the regular meeting scheduled for 22 November 2011 at 2:30 pm, and the meeting be extended to end at 6:30 pm --

- (a) Capital Works Reserve Fund block allocations for 2012-2013;
- (b) Progress report on the Development of Liantang/Heung Yuen Wai Boundary Control Point;
- (c) Proposed redevelopment scheme for the West Wing of the Central Government Offices; and
- (d) Planning study on future land use at Anderson Road Quarry.

4. In the light of the Administration's announcement on 24 October 2011 about its intention to declare Ho Tung Gardens a monument under the Antiquities and Monuments Ordinance, Ms Cyd HO suggested that the Panel should discuss issues relating to preservation of historic buildings under private ownership, including the criteria for setting development restrictions for the sites offered in exchange in the negotiation with concerned owners in preserving the buildings. The Chairman said that he would discuss Ms HO's suggestion with the Administration.

5. Regarding the environmental friendly linkage system to be provided in Kai Tak, which was an item included in the list of outstanding items for discussion of the Panel, Mr CHAN Kam-lam and Ms Starry LEE noted that there would be public consultation on the subject and suggested that the Panel should discuss the subject with the Administration before the consultation ended. Mr CHAN also urged the Administration to brief the Panel on latest development on the small house policy and rural planning

strategy as the relevant policy review and discussion with the Panel had been delayed for a long time. The Chairman said that he would follow up these matters with the Administration.

IV Management of water resources

(LC Paper No. CB(1)137/11-12(03) -- Administration's paper on management of water resources

LC Paper No. CB(1)137/11-12(04) -- Paper on management of water resources prepared by the Legislative Council Secretariat (Background brief))

6. Secretary for Development ("SDEV") advised the Panel that a new agreement with the Guangdong ("GD") authorities for the supply of Dongjiang ("DJ") water to Hong Kong between 2012 and 2014 had been worked out in view of the expiry of the current agreement at the end of 2011. The new agreement included essential elements relating to the quality, price and quantity of DJ water to be supplied to Hong Kong. A package deal lump sum approach would be adopted in the agreement as it had been for the last two supply agreements. The approach aimed to ensure a reliable and flexible supply of DJ water to meet the actual needs of Hong Kong. As the new agreement would start in January 2012 and the proposed annual sum of water purchase cost for 2012 was higher than the current sum for 2011, the provision earmarked in the 2011-2012 Estimates for the purchase of DJ water was inadequate to meet the anticipated expenditure in 2011-2012. The Administration would apply for a supplementary provision of \$35.4 million from the Finance Committee ("FC") in November 2011 to meet the additional cost.

7. SDEV further advised that under the Total Water Management strategy promulgated by the Administration since 2008, various water conservation measures had been taken forward to reduce water consumption. These included public education campaigns, promotion on the use of water saving devices and preventive measures to reduce water main bursts and leaks. Moreover, in response to The Ombudsman's recommendations made in September 2011 following his direct investigation on the water meter reading and billing system, the Water Supplies Department ("WSD") had taken active steps to implement a series of improvement measures, including enhancement of staff training and monitoring in meter reading and billing

system, review of existing instructions for staff, and refining the billing system, etc.

Supply of Dongjiang water

8. Pointing out that the annual purchase cost for DJ water under the current package deal lump sum approach for DJ water was a fixed amount based on an annual supply ceiling of 820 million cubic metres ("mcm") regardless of the actual consumption, Mr KAM Nai-wai held the view that public funds would be wasted when the actual consumption was less than 820 mcm. Noting that 725 mcm and 681 mcm of DJ water were supplied to Hong Kong in 2009 and 2010 respectively, he enquired about the amount of public funds that should have been saved if the payment for DJ water was based on actual consumption. He further queried the low bargaining power of the Administration in the negotiation with GD authorities to reach an agreement on DJ water supply based on actual consumption. He suggested that the Administration should consider developing seawater desalination as an alternative source of water supply. He opined that if the measure was able to provide 10% to 30% of water supply in Hong Kong, the bargaining power of Hong Kong in the price negotiation with GD for the supply of DJ water would be greatly enhanced.

9. SDEV stressed that the DJ water supply agreement was the result of good will discussions between Guangdong and Hong Kong, conducted in the overall context that the reliable supply of DJ water, together with other essential commodities like food and natural gas supplied to Hong Kong, had reflected the continued support of the Central People's Government in meeting the needs of Hong Kong people for essential resources. On the DJ water supply agreement, the package deal lump sum payable to the GD side was part of the agreement and must be honoured. If DJ water prices were determined based on actual consumption, the unit cost would be higher. However, she agreed that Hong Kong, being a responsible water user in the Pearl River Delta region, where there were other cities competing for scarce fresh water resources, should strive to explore other sources of water supply for meeting its demands and prepare for uncertainties such as climate changes and low rainfall. As an initiative under the 2011-2012 Policy Address, the Administration would continue to keep abreast of the latest development in seawater desalination technology in order to monitor the economic viability of this potential source of water supply. A site in Tseung Kwan O had been reserved and the Administration would undertake a study to investigate the feasibility and cost effectiveness for the construction of a desalination plant at the site. SDEV emphasized that currently there was

significant difference in the cost of importing DJ water and that of seawater desalination. Apart from huge expenditures on infrastructure development, operation of the plant and consumption of electricity; seawater desalination plants would occupy precious land.

10. Director of Water Supplies ("DWS") supplemented that the annual DJ water supply ceiling of 820 mcm, which would continue to apply in the agreement period from 2012 to 2014, had taken into account the actual needs of Hong Kong with 99% reliability in water supply, i.e. to maintain water supply round-the-clock even under an extreme drought condition with a return period of one in 100 years. It was estimated that consumption of DJ water in 2011 would be above 810 mcm, close to the ceiling of 820 mcm. The Administration would continue to implement water conservation measures to keep future annual consumption under 820 mcm as far as possible. He advised that under the "Water Resources Distribution Plan in the Dongjiang River Basin of Guangdong Province", which was promulgated by the GD authorities in 2008 to set out the maximum amount of water that Hong Kong and five other cities in the GD Province could draw from DJ, Hong Kong had been allocated an ultimate annual supply of 1 100 mcm. The level should be adequate to meet the actual needs of Hong Kong beyond 2030. That said, the Administration would undertake feasibility and planning studies on other water supply options, such as seawater desalination, to develop alternative water sources to prepare for climate changes.

11. Mr CHAN Kam-lam said that members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the new DJ water supply agreement. He opined that the payment for DJ water should not be regarded as payment for a commodity but contribution by a water user to the long-term development of the DJ water supply system.

12. Ir Dr Raymond HO expressed support for retaining the package deal lump sum approach in the DJ water supply agreement. He agreed with DWS' views that the annual supply ceiling of 820 mcm in DJ water should not be lowered, as climate changes might cause reduced rainfall in Hong Kong in future. While the demand for fresh water was great in other cities in the Pearl River Delta region, Hong Kong should treasure the secured DJ water supply. Given the forecast increases in the Consumer Price Index in GD and continuous appreciation of Renminbi in the next three years, he considered the price of DJ water under the new supply agreement acceptable.

13. Mr IP Kwok-him said that among the various kinds of support that the Mainland rendered to Hong Kong, the continuous and reliable supply of DJ water was the most significant one. He concurred with Ir Dr Raymond HO that the current annual supply ceiling of 820 mcm in DJ water should not be adjusted downward lest there might be a risk for water shortage. On the price of DJ water, he held the view that Hong Kong people should not only focus on how much it cost, but should also consider the demand for DJ water in GD.

14. Given the current large quantity of DJ water supplied to Hong Kong, Ms Starry LEE said that she supported adoption of a pragmatic approach to enhance the management of water resources and development of new sources of water supply for Hong Kong. While it would involve tremendous resources for Hong Kong to undertake related studies to formulate strategic plan for the development of water sources alone, it would be more effective if all the major cities in the same region, which were facing the same problem of climate changes and thus possible shortage of water in the long run, to join in concerted efforts and pull their resources together in tackling the problem. She asked whether the Administration had any plan to collaborate with other cities in this regard.

15. DWS reiterated that the supply of DJ water to Hong Kong and the five major cities in GD was coordinated under the "Water Resources Distribution Plan in the Dongjiang River Basin of Guangdong Province". Under the Plan, the ultimate amount of DJ water to be supplied to Hong Kong annually was 1 100 mcm in the long run. If Hong Kong's annual demand exceeded 1 100 mcm in future, Hong Kong would have to make its own way to meet the shortfall. As DJ also served transportation, electricity generation and ecological purposes in the region besides providing potable water supply, DJ water supplied to Hong Kong and the five cities in GD for potable use was capped at about 29% of its annual flow. DWS added that Shenzhen was also exploring seawater desalination as an option to increase local water supply. As for the development of alternative water sources, he said that the international trend was for each city to address their respective demand for water taking into account their own situations. Such an approach had the merits of saving costs on the storage and transportation of water.

Seawater desalination

16. Referring to SDEV's remarks on the high cost of seawater desalination, Mr CHAN Kam-lam opined that the Administration should inform the public early about the estimated cost for constructing and operating a desalination plant in Hong Kong as well as such costs in overseas cities, so as to prevent the misunderstanding that seawater desalination could replace DJ water in a cost-effective way. Mr CHAN recalled that there was once a seawater desalination plant in Hong Kong but was demolished later. He was worried that the medium-sized plant that the Administration was considering to build in Tseung Kwan O would not be put to good use due to cost concern. He considered that the Administration should act in prudence in deciding whether to construct the desalination plant. He enquired about the reasons for the Administration to develop desalination facilities in Hong Kong while the supply of DJ water was sufficient and reliable.

17. DWS responded that the cost of DJ water was \$7 per cubic metre, while the cost of desalinated seawater was 70% higher at \$12 per cubic metre. Besides the high cost, there was also environmental concern with seawater desalination. However, the Administration would continue to pursue the study on this option as alternative sources of water supply for Hong Kong in view of the need to prepare for climate changes and the keen competition for DJ water in GD that might affect the supply of DJ water to Hong Kong. He added that DJ water would remain as the major source of water supply to Hong Kong and this was in line with the principle of appropriate use of natural resources in an environmental manner.

18. Ms Cyd HO supported that Hong Kong should explore water supply sources other than DJ water, such as seawater desalination, to meet its needs and prepare for climate changes. Given that DJ water was important to the irrigation of crops in the Pearl River Delta region, in pursuit of environmental justice, Hong Kong should control its consumption of DJ water.

19. Referring to the closure of the Lok On Pai Desalting Plant many years ago, Ir Dr Raymond HO said that the high cost of seawater desalination had been a main factor hindering application of the technology. While he did not object to the Administration conducting the study to investigate the feasibility and cost-effectiveness for the construction of a desalination plant in Tseung Kwan O, he called on the Administration to be cautious in allocating further resources for the development of seawater desalination,

which, in his view, could not substitute DJ water as a source of reliable and cost-effective water supply to Hong Kong.

20. Mr Albert CHAN expressed support for exploring seawater desalination using advanced technology to develop alternative water sources. Referring to a visit to a company in Germany which supplied desalination systems to Greece during a LegCo duty visit a few years ago, he noticed that the desalination systems were run by solar energy. Compared with the high cost of constructing fresh water supply network in remote villages, the desalination systems produced by Germany were a much more cost-effective means of water supply. Mr CHAN said that he had repeatedly urged the Administration to study the system to see whether it could be applied in remote seaside areas in Hong Kong.

21. Mr IP Kwok-him had reservation about developing large-scale desalination facilities in Hong Kong because of the uncertainty in the cost-effectiveness of the option. However, he supported conducting studies and small-scale pilot schemes on seawater desalination, in particular, a pilot scheme to replace an existing small local water supply network in order to assess the cost-effectiveness of seawater desalination. He asked if the Administration had any plans to initiate such schemes.

22. SDEV said that the Administration would consider members' views. She advised that the landslide occurred in Tai O in 2008, which was caused by the heavy rain, had damaged the water supply network on the island. The case had illustrated the need to review the existing approach for supplying water to remote areas. DWS added that after the landslide occurred in Tai O in 2008, WSD had studied the feasibility of introducing seawater desalination in Tai O. Due to environmental concern, there was a suggestion for the proposed desalination plant to be located in a cavern. However, due to high estimated cost, the proposal was shelved later. Nonetheless, the Administration would keep abreast of technology development, community demand and availability of suitable sites to prepare for further studies on the provision of desalination facilities.

Prevention of water main bursts and leaks

23. Ms Cyd HO enquired about the amount of water wasted each year caused by water main bursts and urged the Administration to step up efforts in preventing main bursts and leaks in order to save water. DWS said that the current water main leakage rate of 20% was comparable with those in overseas cities. With the completion of the Water Mains Replacement and

Rehabilitation ("R&R") Programme in 2015, the Administration envisaged that the main leakage rate could be reduced to 15%. The Administration would seek FC's approval shortly for the funding of Stage 4 Phase 2 of the R&R programme. To enhance leakage detection as a preventive measure to reduce main bursts, DWS advised that WSD had adopted advanced technology in the continuous monitoring of critical mains. When abnormal water flow was detected, the system would provide prompts for WSD to attend to possible water leakage. Moreover, to reduce the water pressure on aged water mains caused by the flow of water from service reservoirs at upland areas to water supply networks at lowland areas, WSD had started to install flow-modulated pressure reducing systems at strategic locations to help regulate the water pressure with a view to reducing main bursts and leaks. These systems, which occupied considerable space, would be readily incorporated in the supply and distribution networks in newly developed areas such as Kai Tak, West Kowloon and the New Development Areas in the New Territories. However, their incorporation in the supply and distribution networks in existing areas faced great challenges due to space constraints.

24. Noting that WSD had about 7 800 km of water mains in the entire territory and that the current R&R programme only covered 3 000 km, Ir Dr Raymond HO asked when the Administration would commence works for the remaining aged mains. He believed that, with the experience gained in the R&R programme and advancement in technology, the next R&R programme could start early. Mr IP Kwok-him enquired about the target for reducing main leakage rate in and the time table for implementing the next R&R programme.

25. DWS advised that WSD planned to commence a study in 2012 on the implementation of the next R&R programme. The new target leakage rate and the action time table for the programme would be part and parcel of the study. He added that, with the R&R works and the implementation of preventive measures to reduce main bursts and leaks, including effective detection and pressure management schemes, the number of main bursts had been reduced significantly in recent years. The next R&R programme might be implemented in a slower pace and could cause less inconvenience to the public.

26. Dr PAN Pey-chyou showed appreciation for the good progress in the R&R programme, under which 1 649 km of water pipes had already been replaced or rehabilitated by September 2011. However, from the main bursts cases he had handled, he found that there had been repeated main burst

incidents in certain areas causing great disturbance to the daily lives of residents and financial losses to shop operators. He expressed concern whether the situation was due to aging mains which had yet to be replaced under the R&R programme, or had revealed other problems that could not be solved by the R&R programme.

27. DWS explained that there was flexibility in the implementation of the R&R programme. For the areas with repeated main bursts, WSD would closely monitor the conditions of the pipes and, where necessary, arrange for replacement or rehabilitation ahead of the original schedule. In an area covered by an extensive water supply network, a leakage at the supply main to the network at one end might cause suspension of water supply over the entire area. For improvement of such situation, WSD would install sectional valves in the supply main to try to reduce the impact during main burst.

Measures to promote water conservation

28. Ms Cyd HO suggested that besides promoting water conservation by public education and offering concessionary charges to domestic accounts of low usage, the Administration should also consider providing concessions to low usage non-domestic accounts. Noting the much higher cost of bottled water than preparing boiled water at home, Ms HO urged Government departments to set a good example in reducing the use of bottled water and to provide drinking water in public places for the public to refill their bottles.

29. DWS responded that WSD would continue its efforts in promoting water conservation among the public, in particular the students. In 2010, WSD had launched a water conservation design competition calling for practical water saving practices from the property management sector and catering services industry. It was expected that such activities could effectively help spread water conservation messages. As regards water charges, a tier-charging scale was already in place to encourage low usage of water in households. WSD was undertaking a domestic water consumption survey to help to devise more focused advice for water conservation in domestic uses. WSD would also make reference to the experience of Sydney in conducting surveys on water consumption patterns and habits of non-domestic accounts with a view to devising best practices for different trade sectors to conserve water. For Government departments, a survey on the water usage patterns at selected facilities managed by the Leisure and Cultural Services Department had been completed. WSD would develop water saving guidelines for the Department after analyzing the data collected.

30. Miss Tanya CHAN pointed out as DJ water was a precious resource that Hong Kong shared with other cities in the Pearl River Delta region, Hong Kong people should be considerate in the consumption of DJ water. Noting that the daily water consumption per person in Hong Kong was as high as 220 litres, which was among the top ten in the world, Miss CHAN enquired whether WSD would consider refining the progressive water tariff structure so that large amount users would have to pay an even higher rate for their water consumption. The proposed charging system should include a basic consumption volume which could be made with reference to the findings of the survey on water usage patterns of domestic and non-domestic users, and water usage above the basic consumption volume should be charged on a progressive scale to discourage excessive use of water. Different levels of progressive scales could be adopted for domestic and non-domestic accounts. In working out the suggested tariff structure, flexibility should be allowed to avoid increasing the financial burden of small and medium-sized businesses. Furthermore, Miss CHAN asked when the survey on the water usage patterns of domestic accounts would be completed and whether specific targets for water conservation would be set for the public. Ms Starry LEE stressed the importance to formulate strategic measures to encourage the public to save water by achieving a specific target of usage reduction.

31. DWS clarified that the daily water consumption quantity of 220 litres per person comprised 130 litres of fresh water and 90 litres of seawater for toilet flushing. While he agreed that there was room for water consumption reduction, it was necessary to set the reduction indicators with reference to the results of surveys on water usage patterns and habits. He advised that the survey on domestic accounts was scheduled for completion in early 2012, and the Administration would then analyze the data collected. WSD would thereafter work out clear guidelines and indicators to help the public in saving water. As regards the suggestion to refine the progressive water tariff structure, DWS remarked that as water was essential to everyone's daily life, the Administration had no plan to revise the water tariff structure at this juncture. In order to alert users of their consumption patterns and changes, WSD would consider showing the monthly average consumption quantity in the water bill for domestic users.

32. Ms Cyd HO stressed that an aggressive and quantitative target was key to the success of a water conservation programme. She urged the Administration to implement more vigorous water conservation measures and develop alternative water sources with a view to striving to reduce the

quantity of DJ water consumption in Hong Kong by 15% when the next DJ water supply agreement expired by the end of 2014. She opined that if this target was achieved, the Administration might negotiate with the GD authorities for a reduction on the price for DJ water. She emphasized that in all cases, it was important to ensure that DJ water supplied to Hong Kong would meet the demands under drought conditions.

33. DWS responded that WSD aimed to take necessary steps to keep the annual DJ water supply quantity under 820 mcm in the next three years. Considering that a 99% reliability of water supply was needed, any reduction on the supply ceiling, i.e. 820 mcm, was not advisable. While sharing Ms HO's view on the need to adopt an aggressive target for water conservation, SDEV remarked that as water was a daily necessity for people, any change to the DJ water supply ceiling should be considered with extra prudence lest it would cause tremendous inconvenience to the public. She reassured members that WSD would formulate concrete and acceptable indicators for water conservation after completion of the comprehensive surveys on water consumption patterns and habits of both domestic and non-domestic accounts.

Water catchment facilities

34. Noting that the rain water collected by the Hong Kong West Drainage Tunnel, which was under construction to mitigate flooding problems in the Hong Kong Island, would be discharged to the sea at Cyberport, Ms Cyd HO asked whether the Administration would consider constructing water catchment facilities near Cyberport so as to keep the rain water collected for daily consumption.

35. DWS explained that the water catchment facilities at the lowland areas had to be extremely large in order to collect all the excess rain water generated from upland areas, and hence Ms HO's suggestion in relation to the Hong Kong West Drainage Tunnel might not be feasible. Nonetheless, WSD was working with the Drainage Services Department in exploring the feasibility of diverting the storm water in Kowloon directly to a reservoir.

36. As DJ water had become the main source of fresh water supply to Hong Kong and in view of relatively low cost-effectiveness in maintaining some reservoirs in Hong Kong, Mr CHEUNG Hok-ming enquired whether the Administration had any plan to decommission some reservoirs in Hong Kong and release the land for development of public housing. SDEV said that while the Administration did not have such plan at present, she would

ask concerned departments to undertake a study on this subject and report the results and recommendations, if any, for consideration of the Steering Committee on Housing Land Supply which was chaired by the Financial Secretary. DWS supplemented that surface water collected at reservoirs currently contributed about 20% to 30% of water supply to Hong Kong. If the areas of reservoirs were reduced, the demand for DJ water would increase. Besides, most reservoirs were located within country parks, and the areas were serving as places for the public to enjoy fresh air and to pursue leisure activities. In general, reservoirs performed vital and diverse functions.

37. Mr Albert CHAN asked if the Administration would consider constructing new water catchment facilities, including reservoirs, to reduce dependence on DJ water. He held the view that such a move could enhance the Administration's bargaining power in the negotiation with GD authorities over the price of DJ water. He also opined that new reservoirs could be located by the sea, instead of occupying large pieces of land, like the Plover Cove Reservoir. He strongly recommended that the Administration should consider undertaking studies to investigate the cost-effectives and assess public acceptance of the option.

38. SDEV advised that the construction of reservoirs was a strategy for increasing local water supply in the 1960s' and 1970s'. With the focus of city development changed over time, she pointed out that it was unlikely that the public would support building new reservoirs within the country park areas or using precious land resources for this purpose. Hence, there would be little justification to spend public resources to study the feasibility of constructing a reservoir by the sea.

Water reclamation

39. Mr IP Kwok-him enquired about the time table for providing seawater for toilet flushing for all areas in Hong Kong. DWS advised that works were underway to provide or extend the supply of seawater for toilet flushing in Pokfulam, Wan Chai and the Northwest New Territories. The Administration would also use reclaimed water for flushing and other non-potable uses in the developments under planning in the Lok Ma Chau Loop and adjacent communities in Fanling and Sheung Shui. The Administration would study the cost-effectiveness of pilot schemes on water reclamation.

40. The Chairman asked if the Administration had any plan to encourage the use of reclaimed water in buildings through the promotion of green

building designs. DWS said that high cost would be involved to install and operate water reclamation facilities in a single building, and it would be more cost-effective to join the efforts of a number of buildings within an area to adopt water reclamation measures. To explore the feasibility of the use of reclaimed water, WSD had commissioned a consultancy study to establish technical standards of reclaimed water for non-potable uses. A proposal would be ready for consultation with concerned sectors at the end of the year. As the grey water in commercial buildings had a better quality for reclamation, it was believed that water reclamation could first be applied to these buildings. New public housing estates and new development areas like Kai Tak were suitable areas for introducing water reclamation. WSD was also in discussion with the Housing Department and the Architectural Services Department on how to take forward water reclamation schemes in their projects.

41. The Chairman concluded the discussion on the item and sought members' views on the Administration's proposal to submit a funding proposal to FC for a supplementary provision to meet the additional purchase cost for DJ water in 2011-2012. Members agreed that the proposal be submitted to FC for consideration.

V Subsidiary legislation for implementation of Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme

(LC Paper No. CB(1)137/11-12(05) -- Administration's paper on subsidiary legislation for implementation of Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme

LC Paper No. CB(1)137/11-12(06) -- Paper on Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme prepared by the Legislative Council Secretariat (Updated background brief))

42. At the invitation of the Chairman, Deputy Secretary for Development (Planning & Lands)² ("DS/PL") briefed members on the Administration's proposed subsidiary legislation for implementing the Mandatory Building Inspection Scheme ("MBIS") and Mandatory Window Inspection Scheme ("MWIS"). He highlighted the following points --

- (a) Following the enactment of the Buildings (Amendment) Ordinance 2011 in June 2011 which provided for the framework and principles of MBIS and MWIS, it was necessary to make subsidiary legislation to stipulate the detailed procedural and technical requirements for the implementation of the two schemes.
- (b) Key features of MBIS to be covered by the proposed subsidiary legislation included: (i) procedural requirements; (ii) registration as Registered Inspectors ("RIs"); (iii) scope and standard of prescribed inspections; (iv) detailed investigation; (v) prescribed repairs in respect of buildings; and (vi) voluntary compliance.
- (c) On procedural requirements for MBIS, under the new section 30D(1)(a) of the Buildings Ordinance ("BO"), an owner or an owners' corporation ("OC") served with a notice under MBIS must appoint a RI to carry out the prescribed inspection. Where the RI considered that a prescribed repair was required, the owner or OC must appoint a registered general building contractor ("RGBC") or a registered minor works contractor ("RMWC") to carry out the prescribed repair under the supervision of a RI. Upon completion of the prescribed inspection and prescribed repair, the RI so appointed was required to submit an inspection report and a completion report respectively to the Buildings Authority ("BA") for record and audit check.
- (d) In order to provide more choices for owners and promote competition, the pool of registered inspectors for building inspections would not only cover authorized persons ("APs") and registered structural engineers ("RSEs"), but also registered architects ("RAs"), registered professional engineers ("RPEs") and registered professional surveyors ("RPSs") with relevant qualifications and requirements. The qualifications and requirements of the above professionals for inclusion in the

inspectors' register would be provided in the Building (Administration) Regulation (Cap 123 Subsidiary Legislation A). The Administration had worked out these qualifications and requirements in consultation with different professional institutes concerned.

- (e) The procedural requirements under MWIS would be similar to that of MBIS. One major difference was that in order to deal with the huge number of inspections under MWIS, there would be more qualified persons ("QPs") for MWIS than RIs for MBIS. In future, APs, RSEs, RIs, RGBCs and RMWCs (under the class, type and item of minor works in respect of windows) registered under the BO could become QPs for carrying out prescribed inspection and repairs for windows. There would be no separate register for QPs.
- (f) The Administration encouraged building owners to carry out prescribed inspections and repairs to their buildings and windows voluntarily, i.e. not pursuant to a notice served by the BA. In this connection, the Hong Kong Housing Society ("HKHS") would implement the Voluntary Building Assessment Scheme ("VBAS") to give recognition to buildings with proper management and maintenance. Buildings or the relevant parts thereof certified by VBAS would be recognized by the Buildings Department ("BD") for having satisfied the requirements under MBIS and MWIS. HKHS aimed to start receiving applications from building owners for participating in VBAS in the second quarter of 2012.
- (g) BD would collaborate with HKHS and the Urban Renewal Authority ("URA") to provide "one-stop" technical advice and assistance to building owners to facilitate their compliance with the statutory notices issued under MBIS and MWIS, in particular the tendering procedures for the appointment of RIs and QPs, and also the management of these personnel.
- (h) On the implementation of MBIS and MWIS, the Administration's plan was to commence the registration of RIs as soon as scrutiny of the proposed subsidiary legislation was completed. The operation of MBIS and MWIS would then be fully commenced when an adequate number of RIs were available in the market and the first quarterly batch of 500 and

950 target MBIS and MWIS buildings were respectively identified by the Selection Panel ("SP"). BD was currently inviting nominations of members from the professional registration boards for the BA to establish an Inspectors Registration Committee for processing applications for RIs.

- (i) The Administration believed that to cater for healthy competition, there should be about 300 RIs in the market at the initial stage when the first prescribed inspection under the two schemes could be kicked off.
- (j) BD would convene the inaugural SP meeting to select the first batch of target buildings for the commencement of MBIS and MWIS in the second quarter of 2012. Upon selection of target buildings, BD would issue advisory letters to the respective building owners notifying them of the statutory requirement of the prescribed inspection and, if necessary, the prescribed repairs. MBIS/MWIS Notices would be served six months after the issuance of advisory letters. It was anticipated that the first batch of statutory notices of MBIS and MWIS would be issued in the last quarter of 2012.

Supply of Registered Inspectors

43. Mr KAM Nai-wai queried the setting of 300 as the target number for registration of RIs upon which MBIS and MWIS would be commenced. He recalled that the Administration had previously indicated that there were some 6 000 potential RIs in the market, and enquired about the reasons for the discrepancy. He cautioned that inadequate supply of RIs would lead to confusion on the implementation of the two schemes at the initial stage. Referring to a case involving a Chinese tenement building in the Central and Western District where the building owners were unable to find a contractor for carrying out minor works concerning fire safety aspects of the building, he expressed concern that building owners would face great difficulties in appointing RIs to carry out inspection or repair works for their buildings, and might have to bear unreasonably high costs for such works. As not all RIs in the market would undertake works under MBIS and MWIS, it was likely that the shortage of RIs could lead to collusive tendering and other malpractices. Moreover, due to insufficient manpower in the Home Affairs Department ("HAD") for providing assistance on building maintenance matters to owners in buildings without OCs, the situation would aggravate with the implementation of MBIS and MWIS. He urged the Administration to take

concrete actions to improve the manpower situation in BD and HAD, and to step up publicity and public education on MBIS and MWIS.

44. DS/PL pointed out that registration as RIs under MBIS was voluntary and an on-going process. The Administration considered that when the number of RIs reached around 300, this should allow competition in the market and MBIS and MWIS could commence. This number was only a reference for commencing the schemes and would not be adequate to meet the demand in the long run. The Administration would encourage as many qualified persons to register as RIs as possible. At present, there were about 8 000 professionals who were eligible to be registered as RIs in the market. If half of them would eventually register as RIs, there would be around 4 000 RIs available in the market. He added that the Administration was mindful of the need to assist building owners to carry out prescribed inspections and repairs under MBIS and MWIS, and had been making arrangements with HKHS and URA to provide "one-stop" technical advice and assistance for building owners under the two schemes. In rolling out MBIS and MWIS, the Administration would launch publicity and public education programmes to promote the schemes, and owners and OCs would be provided with relevant information and details of contact persons in HKHS or URA for seeking support and assistance.

45. Deputy Director of Buildings ("DD of B") supplemented that it would take a year or so before the first prescribed inspections under MBIS and MWIS could actually take place. It was believed that the number of RIs would continue to grow. Through communication with various professional bodies, the Administration understood that a substantial number of qualified professionals were interested in undertaking inspection and repair works under the two schemes. While MBIS was planned to cover 500 buildings in each quarter, the Administration would monitor the number of RIs and qualified contractors closely to ensure adequate supply of such personnel in the market. Mr KAM Nai-wai remained unconvinced and opined that the Administration was over confident with the registration of RIs. He was of the view that the Administration should aim at registering 1 000 RIs before commencing MBIS and MWIS.

Support and assistance from the Hong Kong Housing Society and the Urban Renewal Authority

46. Ms Starry LEE enquired about details of support and assistance HKHS and URA would provide to building owners in the implementation of MBIS and MWIS, and whether such support and assistance was comparable to those provided under Operation Building Bright ("OBB"). Notwithstanding that the two schemes were not funded by the Government, she hoped that the Administration could provide as much support and assistance as possible to building owners. For instance, staff from HKHS or URA should proactively contact building owners and OCs to render necessary advice in areas, such as appointment of RIs, QPs and works contractors, tendering procedures in accordance with the provisions of Building Management Ordinance (Cap 344), tender prices, and re-tendering, etc.

47. DD of B said that frontline staff of BD had established effective working relationship with their counterparts in HKHS and URA in the implementation of OBB. The Administration would adopt the same collaboration model in implementing MBIS and MWIS. The Administration, HKHS and URA would step up efforts in providing technical advice and assistance to building owners under the two schemes, in particular on tendering procedures for the appointment of RIs and registered contractors, as well as how to manage these personnel and monitor their performance. BD, HKHS and URA were holding discussions to work out their respective roles and functions under the two schemes. Ms Starry LEE reiterated the importance of support and assistance to building owners. In anticipation that a subcommittee would be formed for scrutinizing the subsidiary legislation for implementation of MBIS and MWIS, she requested the Administration to provide the relevant details for the subcommittee's reference.

48. Ms Cyd HO further requested the Administration to provide the following information to facilitate the work of the subcommittee --

- (a) requirements for registration as RIs and QPs;
- (b) estimated numbers of potential RIs and QPs and how the numbers were worked out;
- (c) training courses offered by the Vocational Training Council to enable interested personnel to qualify as RIs or QPs; and

(d) fees of the training courses.

49. DS/PL undertook to provide the requested information and details of the respective responsibilities of BD, HKHS and URA under MBIS and MWIS to the subcommittee.

Selection of target buildings

50. The Chairman enquired whether buildings which had recently gone through large scale repair works under OBB would be included in MBIS and MWIS. He also enquired about the criteria for working out the priority of target buildings to be included in the two schemes. In his opinion, aged and dilapidated buildings in poor state of maintenance should be accorded higher priority.

51. DD of B advised that SP would be responsible for selecting buildings for MBIS and MWIS taking into account relevant factors such as building age and building conditions. Given the some 13 000 target buildings in Hong Kong, buildings which had gone through major repair works under OBB might not be given a high priority in the two schemes. SP, which comprised representatives from relevant government departments, professional bodies, non-government organizations, property management associations and District Councils, would exercise care in selecting the target buildings and consider the views of relevant parties.

52. The Chairman concluded discussion on the item. He said that the House Committee would consider whether a subcommittee should be formed to study the subsidiary legislation after the legislative proposal had been tabled at the LegCo.

(Post-meeting note: At the House Committee meeting on 4 November 2011, Members agreed to form a subcommittee to study the subsidiary legislation for the implementation of MBIS and MWIS.)

VI Any other business

53. Ms Cyd HO suggested that the Panel should consider conducting a visit to DJ and relevant water quality monitoring facilities in GD within the dry season for members to obtain first-hand information about the protection

of the quality of DJ water. The Chairman invited Ms HO to provide a brief written request. He would then discuss the matter with the Administration and seek members' views afterwards.

54. There being no other business, the meeting ended at 4:30 pm.

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Legislative Council Secretariat
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