

立法會
Legislative Council

LC Paper No. CB(1)732/15-16
(These minutes have been
seen by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

**Minutes of policy briefing cum meeting
held on Monday, 1 February 2016, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex**

Members present : Hon Christopher CHUNG Shu-kun, BBS, MH, JP (Chairman)
Hon Alice MAK Mei-kuen, BBS, JP (Deputy Chairman)
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon WONG Kwok-hing, BBS, MH
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon IP Kwok-him, GBS, JP
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon WONG Yuk-man
Hon WU Chi-wai, MH
Hon LEUNG Che-cheung, BBS, MH, JP
Hon KWOK Wai-keung
Dr Hon Fernando CHEUNG Chiu-hung
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Tony TSE Wai-chuen, BBS

Members attending : Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Dr Hon Helena WONG Pik-wan

Members absent : Hon CHAN Hak-kan, JP
Hon WONG Kwok-kin, SBS
Hon Alan LEONG Kah-kit, SC

Public Officers attending : Agenda Item IV

Professor Anthony CHEUNG, GBS, JP
Secretary for Transport and Housing

Mr Stanley YING, JP
Permanent Secretary for Transport and Housing
(Housing)

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Miss Agnes WONG, JP
Deputy Secretary for Transport and Housing (Housing)

Ms Ada FUNG, JP
Deputy Director (Development & Construction)
Housing Department

Mr Albert LEE, JP
Deputy Director (Estate Management)
Housing Department

Mr Eugene FUNG, JP
Deputy Secretary for Transport and Housing (Housing)
cum Director of Sales of First-hand Residential
Properties Authority

Agenda Item V

Professor Anthony CHEUNG, GBS, JP
Secretary for Transport and Housing

Mr Stanley YING, JP
Permanent Secretary for Transport and Housing
(Housing)

Ms Ada FUNG, JP
Deputy Director (Development & Construction)
Housing Department

Mr CHEUNG Tat-tong
Chairman of Review Committee on Quality Assurance
Issues Relating to Fresh Water Supply of Public Housing
Estates of Hong Kong Housing Authority

Clerk in attendance : Mr Derek LO
Chief Council Secretary (1)5

Staff in attendance : Mr Ken WOO
Senior Council Secretary (1)5

Mr Keith WONG
Council Secretary (1)5

Ms Michelle NIEN
Legislative Assistant (1)5

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I. Confirmation of minutes

(LC Paper No. CB(1)492/15-16 —Minutes of meeting held on
7 December 2015)

The minutes of the meeting held on 7 December 2015 were confirmed.

II. Information paper issued since last meeting

2. Members noted that the following paper had been issued since the last meeting –

LC Paper No. CB(1)401/15-16(01) —Land Registry Statistics for
December 2015 provided by the
Administration (press release)

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III. Items for discussion at the next meeting

(LC Paper No. CB(1)439/15-16(01) —List of follow-up actions

LC Paper No. CB(1)439/15-16(02) —List of outstanding items for discussion)

3. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 7 March 2016, at 2:30 pm –

- (a) Head 711 project no. B777CL and B783CL – Infrastructure works for development at Lin Cheung Road, Sham Shui Po and Queen's Hill, Fanling; and
- (b) review of income and asset limits for public rental housing for 2016-17.

IV. Briefing by the Secretary for Transport and Housing on the Chief Executive's 2016 Policy Address

(LC Paper No. CB(1)439/15-16(03) —Administration's paper on housing-related initiatives in the 2016 Policy Address and Policy Agenda)

Relevant papers

Address by the Chief Executive at the Legislative Council meeting on 13 January 2016

The 2016 Policy Agenda booklet

4. The Secretary for Transport and Housing ("STH") briefed members on the Government's ongoing housing-related initiatives as stated in the 2016 Policy Address and Policy Agenda.

(Post-meeting note: A copy of STH's speaking note was issued to members vide LC Paper No. CB(1)526/15-16(01) on 2 February 2016.)

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Public housing construction

Land, manpower and financial resources required

5. Ir Dr LO Wai-kwok declared that he was a member of the Hong Kong Housing Authority ("HA"). He was keen to ensure sufficient professional staff in the Housing Department ("HD") to take forward the public housing initiatives.

6. Mr Frederick FUNG cast doubt on the Administration's ability to secure sufficient land to meet its target of supplying 280 000 public housing units for the ten-year period from 2016-2017 to 2025-2026. He requested the Administration to consider rezoning abandoned military sites for providing public housing. Mr LEUNG Kwok-hung criticized the Administration for turning the former sites of Homantin Estate, North Point Estate, Wong Chuk Hang Estate and Valley Road Estate for providing private residential developments instead of public housing.

7. STH responded that land for public housing developments for the second five-year period was less certain as the majority of the sites identified were not "spade-ready" and required rezoning and planning applications. Legal issues might jeopardize timely acquisition of land and local communities might also have strong views. The Government would spare no efforts in securing the support of the public in its public housing initiatives. The Permanent Secretary for Transport and Housing (Housing) ("PSTH(H)") advised that to take forward new public housing projects as well as to meet the operation needs of an increased number of public rental housing ("PRH") estates, HD had been strengthening its establishment in recent years.

8. Mr Frederick FUNG expressed concern on the impact of the shortage of local construction labour on the cost and delivery of public housing. Mr LEUNG Kwok-hung and Mr Tommy CHEUNG expressed similar concerns. Mr CHEUNG declared that he was a member of HA. He requested the Administration to provide information on the impact of the shortage of labour on public housing production, including construction cost and selling price.

9. STH acknowledged the tight construction labour supply arising from the various infrastructural projects on board, and advised that the Labour Department would liaise with HA regarding contractors' applications to the Labour Advisory Board to import workers as and when necessary.

10. In response to Mr LEUNG Che-cheung's concern on the funding required to meet the public housing supply target, STH advised that upon further

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injection in December 2015, the Housing Reserve established to secure the long-term and sustained delivery of the housing targets now stood at about \$74 billion.

Infrastructures and community facilities

11. Citing the provision of about 22 000 public housing units in Kowloon East in the coming four years as an example, Mr CHAN Kam-lam urged the Administration to strengthen inter-departmental efforts in responding to the calls of the local communities for enhancements to transport infrastructure and community facilities along with new housing developments. STH stated that various Government departments would coordinate their efforts to ensure that public housing developments comply with planning standards, and consult district councils' views on those developments when plans were ready.

Public rental housing

Average waiting time

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12. Members including Mr WU Chi-wai, Dr Fernando CHEUNG and Mr LEE Cheuk-yan queried whether the average waiting time ("AWT") for PRH applicants could stick to three years even when the Public Housing Construction Programme and that the public housing supply target was fully met in next 10 years. Mr WU requested the Administration to provide information on the measures and timetable for restoring the three-year AWT. Mr IP Kwok-him suggested that HA should consider informing PRH applicants their approximate waiting time at the time of application.

13. STH pointed out that due to an increasing number of PRH applicants and the time required for identifying land for public housing production, HA had found it increasingly difficult to meet the target of providing first flat offers to general applicants (i.e. family and elderly one-person applicants) at around three years on average. The latest AWT for general applicants had risen to 3.6 years as at end-September 2015. It should be noted that the waiting time varied among PRH applicants depending on their individual circumstances. HA would consider reviewing the presentation of information related to the waiting time to help applicants better understand the relevant situation.

14. In light of the unsatisfactory progress made with the Youth Hostel Scheme, Mr KWOK Wai-keung urged the Administration to consider reviewing the Quota and Points System to help young adult singletons acquire their homes early. STH clarified that the Youth Hostel Scheme under the purview of Home

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Affairs Bureau was not a housing initiative per se of the Government. In view of the limited PRH resource, the Government took the view of the Long Term Housing Strategy Steering Committee that general applicants for PRH should be accorded priority over non-elderly one-person applicants.

Improving the quality of living

15. Mr WU Chi-wai sought the Administration's plan to tackle the problems, notably in aged PRH estates, of weak water pressure for supplying fresh water to top floors and unavailability of lift services at the topmost floor. The Deputy Director of Housing (Estate Management) ("DDH(EM)") advised that HA had plans to check the water pressure for fresh water supply in aged PRH estates and would conduct improvements works as appropriate. As regards lift services, DDH(EM) explained that they were currently unavailable at the topmost floor and some other floors in some 370 PRH blocks which were relatively aged due to structural constraints. Tenants living on floors without lift services could apply for transfer and their cases would be assessed individually.

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16. Mr Tony TSE sought information on the effectiveness of the Design Manual published by the Buildings Department on promoting to private property developers the concept of Universal Design that addressed the needs of the elderly. He was also concerned whether an increased green coverage in public housing developments would reduce the leisure space for residents. The Deputy Director of Housing (Development & Construction) ("DDH(D&C)") responded that the green coverage for new public housing developments was targeted at 30%, or 20% for small sites. Except during the period of regular maintenance, designated lawn would be open for the enjoyment of residents.

17. Pointing out that divestment of HA's retail facilities to the Link Asset Management Limited ("the Link") had resulted in more expensive products sold in the shops managed by the Link, Dr Fernando CHEUNG called on the Administration to stop outsourcing markets provided in public housing estates. DDH(EM) said that as HD had to manage an increasing number of PRH estates, new markets were outsourced in order to avoid overloading HD's existing staffing resources. Operational experience revealed that private operators had a stronger incentive to let out retail stalls, and in some cases outsourcing had achieved a reduction in the price of products in general. Dr CHEUNG requested the Administration to provide information to substantiate its claim.

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Redevelopment of aged estates

18. Mr WONG Kwok-hing and Mr KWOK Wai-keung relayed the concerns expressed by tenants of Wah Fu Estate on the redevelopment plan. DDH(D&C) advised that following the partial lifting of the administrative moratorium on development of Pok Fu Lam in 2014, the Government had commenced a technical study aiming at assessing the feasibility of public housing development on five government sites. The study commenced in early 2015 and was expected to be completed in the first half of 2016. Only upon completion of the technical assessment, local consultation, rezoning/planning applications and planning briefs for the public housing developments, could the Government work out the production volume, programme and housing types. This would be followed by examining the redevelopment plan and programme for Wah Fu Estate. The relevant district council and local communities would be consulted on the redevelopment programme at an appropriate time. The Chairman requested the Administration to provide the study report to the Panel when it became available.

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19. Miss Alice MAK and the Chairman sought the latest position in respect of the 22 aged PRH estates the redevelopment potential of which had been assessed. STH replied that the list of 22 aged estates announced in 2014 were estates with the preliminary redevelopment potential studies completed and were taken as having the potential for redevelopment. Since redevelopment would reduce PRH stock available for allocation in the short term, the Government had no particular redevelopment plan or programme at present. HA would continue to consider redevelopment on an estate-by-estate basis in accordance with its established refined policies and criteria on redevelopment.

Private housing

Preventing property developers from hoarding land and residential flats approved for sale

20. Mr WONG Yuk-man said that despite the signs of moderation for the price and rent level of private residential properties in recent months, they remained unaffordable to the general public. Mr WONG Kwok-hing urged the Administration to consider the suggestion of The Hong Kong Federation of Trade Unions for introducing taxes to prevent property developers from hoarding land and residential flats approved for sale, and deferring development projects.

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21. STH responded that in line with the established principle of upholding the market mechanism, the Government did not impose restriction on the time for private developers to offer their uncompleted residential units for presale. However, they were required to complete the developments on sites acquired through land sale within a specified timeframe. The supply in the first-hand private residential property market for the coming three to four years was projected to be approximately 87 000 units as at end December 2015, and the Government would continue to roll out lands for housing to ensure sufficient and stable land supply in the long term.

Tenancy control and rent subsidies

22. Members including Miss Alice MAK, Dr Fernando CHEUNG and Mr LEUNG Kwok-hung called on the Administration to reinstate rent control to protect the tenants of subdivided units. Mr LEUNG Che-cheung reiterated the proposal of the Democratic Alliance for the Betterment and Progress of Hong Kong for granting rent subsidies to those on the Waiting List for PRH for more than four years.

23. STH emphasized that the most effective way to address the housing needs of the inadequately-housed households was to increase the supply of public housing, and that introducing other short-term measures, such as rent control and rent subsidies, might be counteractive in the midst of tight housing supply. The Government understood that the Estate Agents Authority would launch publicity programmes to promote good tenancy practices.

Transitional housing

24. Mr Frederick FUNG requested the Administration to consider providing transitional housing on idle urban sites for accommodating inadequately-housed households. Mr LEUNG Kwok-hung criticized the Administration for failing to take forward its plan to revitalize industrial buildings to facilitate owners to convert their premises into compliant transitional accommodations.

25. STH pointed out that idle urban sites, if found appropriate for providing public housing, would have been subject to feasibility studies for rezoning.

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V. Final report of the Hong Kong Housing Authority's Review Committee on Quality Assurance Issues Relating to Fresh Water Supply of Public Housing Estates

(LC Paper No. CB(1)439/15-16(04) —Administration's paper on final report of the Review Committee on Quality Assurance Issues Relating to Fresh Water Supply of Public Housing Estates

LC Paper No. CB(1)439/15-16(05) —Paper on lead in drinking water incidents prepared by the Legislative Council Secretariat (updated background brief)

Relevant paper

LC Paper No. CB(1)192/15-16(01) —Referral memorandum from the Public Complaints Office of the Legislative Council Secretariat on taking disciplinary actions against the project staff concerned of the Hong Kong Housing Authority on the excess lead in drinking water incidents (Chinese version only)
(Restricted to Members))

26. STH gave introductory remarks on the findings of the Final Report of the Review Committee on Quality Assurance Issues Relating to Fresh Water Supply of Public Housing Estates ("the Final Report"). The Chairman of Review Committee on Quality Assurance Issues Relating to Fresh Water Supply of Public Housing Estates of Hong Kong Housing Authority ("the Review Committee") then briefed members on the findings of the Final Report.

(Post-meeting note: A copy of STH's speaking note was issued to members vide LC Paper No. CB(1)526/15-16(02) on 2 February 2016.)

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Findings of the Review Committee

27. Ir Dr LO Wai-kwok declared that he was a member of HA and the Review Committee. He concurred with the findings and recommendations of the Final Report.

28. Dr Helena WONG said that she did not accept the findings of the Final Report that the excess lead in drinking water incident was, to a large extent, caused by a "lack of awareness" in the industry as well as within HA/HD. She pointed out that prohibition on the use of soldering materials containing lead had since 2002 been specified in the main text of HD's works contracts rather than the footnote, and this had clearly demonstrated HD's awareness and the importance attached to prohibiting the use of such. The Hong Kong Plumbing & Sanitary Ware Trade Association Limited had also since 1998 been issuing repeated notices reminding the trade of the requirement to use lead-free soldering materials in fresh water pipe connections. The crux of the problem therefore was the absence of an effective mechanism for monitoring. Members including Mr TAM Yiu-chung, Mr LEUNG Kwok-hung and the Chairman queried the absence of the corresponding monitoring mechanism despite the clear contractual requirements.

29. Mr KWOK Wai-keung declared that he was a member of HA and the Review Committee. He considered it of paramount importance to enhance awareness and monitoring of the use of lead-free soldering materials for fresh water pipes. Mr Tony TSE stressed the importance of putting in place preventive measures, such as stepping up training for the plumbing trade.

30. Mr LEUNG Che-cheung was concerned about the practice of the Authorized Persons and the licensed plumbers, in applying to the Water Authority for connection upon completion of the fresh water supply system, collected water samples direct from the main fresh water pipes and not from individual flats. He suggested banning the import of soldering materials containing lead to remove the risk completely.

31. STH explained that the quality control mechanism of HA was risk-based and had been drawn up having regard to, among others, known risks. HA had the expertise and experience in devising and using quality assurance tools or measures for public housing construction in aspects where high risks had been identified. However, as HA was not alerted to the risks of presence of lead in solder, and of such presence leading to excess lead in water in the past, it had not applied to such risks its quality assurance tools suited to high risks. After the outbreak of the incident, since the Water Authority had promulgated the

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latest requirement to test water samples against additional parameters which included lead and other heavy metals for newly established inside service, HA had complied with this latest requirement. Noting the inadequacies in the past quality controls system of HA, HA would actively follow up and implement the enhancement measures recommended in the Final Report to prevent recurrence of similar incidents.

32. The Chairman of the Review Committee supplemented that to avoid delegation of authority to sub-contractors who might not be aware that the soldering materials bought were non-compliant, the Review Committee recommended that HA should contractually require the main contractors or domestic subcontractors to procure soldering materials centrally. For housing projects underway, main contractors had been conducting quick on-site tests with the use of both X-ray fluorescence ("XRF") device and 3M petrifilms. HD's clerk of works had also been designated to conduct sampling tests as a quality assurance safeguard.

33. Mr Tony TSE and Dr Priscilla LEUNG asked whether consideration would be given to strengthening legislation and penalties for breaching of the requirement on the use of lead-free soldering materials. STH replied that the motion of "Legislating for safety of drinking water" was debated at the Legislative Council. The Secretary for Development and the Water Authority would examine members' views carefully.

34. Mr TAM Yiu-chung asked whether excess lead was also found in drinking water in PRH developments where soldering materials were not found to contain lead at all. STH indicated that according to the findings of the Task Force on Excessive Lead Content in Drinking Water, leaded solder joints were the cause of excess lead in drinking water for the PRH developments identified. In response to Mr TAM's further enquiry, STH said that he was not aware that the presence of lead in drinking water had been detected and reported to the management of HA/HD/Water Supplies Department ("WSD") but were neglected before the incident came into light.

35. Dr Priscilla LEUNG emphasized the need to make clear to the public the World Health Organization ("WHO")'s standard in relation to tap water safe for drinking or cooking, and whether water samples should be collected after running the tap for a few minutes. STH advised that the Water Authority adopted WHO's provisional guideline value of not more than 10 micrograms per litre for lead. The Water Authority had also re-affirmed that for water samples to be representative of the general water quality, they should be collected after running the tap for a few minutes.

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36. Casting doubt on the validity of the water sampling tests conducted by the Administration as no samples of stagnant water in pipes had been collected, Dr Helena WONG requested the Administration to assure sitting PRH tenants of the fresh water quality by conducting quick on-site tests with the use of XRF device and 3M petrifilms. The Chairman echoed Dr WONG's views.

37. PSTH(H) responded that the Administration's water sampling tests had been conducted in compliance with the long-established practice of WSD. The Chairman of the Review Committee added that a license had to be obtained for the operation of the XRF device and HD currently had only one such device.

38. Mr KWOK Wai-keung enquired about HD's plan to strengthen its manpower in response to an increased workload arising from the monitoring of building construction quality. PSTH(H) replied that with public housing construction proceeding in full swing as well as commissioning of new PRH estates, HD had in recent years been able, and would continue to, secure additional manpower through the annual Resource Allocation Exercise.

Rectifying non-compliant water pipes

39. Miss Alice MAK and Mr Tony TSE enquired about the timetable for rectifying non-compliant water pipes in the 11 PRH developments the water samples from which were found to contain lead content that exceeded WHO's value. Miss MAK was also concerned whether the rectification works would affect the pace of public housing construction.

40. DDH(D&C) pointed out that the four contractors concerned had been carrying out a trial since early January 2016 to prove their intended method in the common areas of one block in one of their relevant estates before the rollout of the rectification works in all 11 developments. The four affected developments where the trials were now being carried out were Lower Ngau Tau Kok Estate Phase 1, Kai Ching Estate, Wing Cheong Estate and Kwai Luen Estate Phase 2. The trial works were expected to be completed within February 2016, after which a more detailed work plan and timetable for the rectification works would be worked out. The contractors' plan was to replace the non-compliant water pipes in the common area prior to those inside individual units. HA would announce the arrangements for the rectification works after the trials were completed. To avoid impacting on the pace of public housing construction, the contractors had been requested to optimize the use of the labour for the rectification works.

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41. Miss Alice MAK was concerned about the monitoring in place to ensure that the contractors concerned would honour their undertaking to replace filter cores within two years from the date of their installation for affected households. Dr Priscilla LEUNG requested the Administration to follow up closely the filter core replacement to ensure the function of the filters.

42. STH indicated that during installation of water filters, the contractors concerned had explained to the affected households the usage of the filters and details of filter cores replacement in the future. On the request of Dr Helena WONG, PSTH(H) undertook to look into cases of weak water flow upon installing filters.

VI. Any other business

43. There being no other business, the meeting ended at 5:08 pm.

Council Business Division 1
Legislative Council Secretariat
31 March 2016