

立法會
Legislative Council

LC Paper No. CB(1)1199/15-16
(These minutes have been
seen by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Wednesday, 29 June 2016, at 8:30 am
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 Frederick FUNG Kin-kee, SBS, JP
Hon WONG Kwok-hing, BBS, MH
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon CHAN Hak-kan, JP
Hon WONG Kwok-kin, SBS
Hon IP Kwok-him, GBS, JP
Hon LEUNG Kwok-hung
Hon WU Chi-wai, MH
Hon LEUNG Che-cheung, BBS, MH, JP
Hon KWOK Wai-keung
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Tony TSE Wai-chuen, BBS
- Member attending** : Hon CHAN Yuen-han, SBS, JP

Members absent : Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon Alan LEONG Kah-kit, SC
Hon Albert CHAN Wai-yip
Hon WONG Yuk-man
Dr Hon Fernando CHEUNG Chiu-hung

Public Officers attending : Agenda Item III

Ms Connie YEUNG
Acting Deputy Director (Estate Management)
Housing Department

Mr Oliver CHAN
Chief Manager/Management
(Project Management)
Housing Department

Mr CHAN Lik-sun
Chief Manager/Management
(Support Services1)
Housing Department

Agenda Item IV

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

Mr Martin TSOI
Assistant Director (Estate Management1)
Housing Department

Ms Rosman WAI
Senior Manager (Environment)
Housing Department

Agenda Item V

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

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

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

Mr Alfred LEE
Assistant Director (Strategic Planning)
Housing Department

Mr Leslie TANG, JP
Commissioner
Census and Statistics Department

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

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

Ms Michelle NIEN
Legislative Assistant (1)5

Action

I. Confirmation of minutes

(LC Paper No. CB(1)1060/15-16 —Minutes of meeting held on
10 May 2016)

The minutes of the meeting held on 10 May 2016 were confirmed.

II. Information papers issued since last meeting

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

LC Paper No. CB(1)1025/15-16(01) —Land Registry Statistics for May
2016 provided by the
Administration (press release)

Action

LC Paper No. CB(1)1046/15-16(01) —Administration's Booklet on General Housing Policies

III. Water pressure in public rental housing units

(LC Paper No. CB(1)1059/15-16(01) —Administration's paper on water pressure in public rental housing units

LC Paper No. CB(1)1059/15-16(02) —Paper on water pressure in public rental housing units prepared by the Legislative Council Secretariat (background brief)

Relevant paper

LC Paper No. CB(1)1237/14-15(01) —Letter dated 11 September 2015 from Hon KWOK Wai-keung on the problem of weak water pressure for supplying water to public housing flats (Chinese version only))

3. With the aid of PowerPoint, the Chief Manager/Management (Support Services1), Housing Department briefed members on the current situation and the progress of the works conducted by the Hong Kong Housing Authority ("HA") to tackle the problem of insufficient water pressure of fresh water supplied to public rental housing ("PRH") units.

(Post-meeting note: Presentation materials (LC Paper No. CB(1)1082/15-16(01)) for the item were issued to members on 29 June 2016 in electronic form.)

4. Mr WONG Kwok-hing noted the Housing Department ("HD")'s plan to install booster pump system in those PRH blocks where repair and replacement works carried out in individual units brought no immediate improvement. Referring to the Annex to the Administration's paper which set out a list of such estates and blocks, he asked why the booster pump system would only be provided in three blocks of Kwai Shing (West) Estate, as it had been reported by tenants that the same problem occurred in five blocks in the Estate. He also sought the Administration's response on cases of water seepage in Lai Kok Estate after repair and replacement works had been carried out in individual units to improve water pressure.

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5. Miss Alice MAK enquired about the mechanism for identifying blocks for which installation of the booster pump system was necessary. She considered it undesirable that such improvement works would only be conducted upon receiving complaints from tenants, where Lai Kok Estate was a case in point. She also asked whether a timetable was in place for conducting the installation works and whether tenants would be notified in advance. Expressing similar views, Mr KWOK Wai-keung, Mr LEUNG Yiu-chung and Mr LEUNG Kwok-hung stressed the importance for HD to proactively inspect the fresh water pumping system in all PRH estates, as prevention was better than cure.

6. The Acting Deputy Director of Housing (Estate Management) ("Atg DDH(EM)") responded that HD had recently completed a review on all PRH blocks and identified a list of blocks for installation of the booster pump system as set out in Annex to the Administration's paper. The relevant Estate Management Advisory Committee and tenants would be notified of the works in advance. Since the installation of the booster pump system involved building alterations and required prior approval from relevant departments, a longer programme was required. HD had commenced relevant preparatory works, and the installation works for the estates concerned were scheduled to be completed from 2017 onwards. Atg DDH(EM) stressed that HD's work to review and improve water pressure of fresh water supply in PRH units would be conducted on a rolling basis. A mechanism was also in place for tenants to report cases and HD would follow up such cases closely.

Admin

7. The Chairman sought information on the reasons for insufficient water pressure of fresh water supply in PRH units, and the proportion of units with insufficient water pressure among all PRH units. He also sought information on the standard stipulated for water pressure of fresh water supply in PRH units, and the number of housing estates and blocks where water pressure was currently found to be below such standard. Atg DDH(EM) advised that aging, damage or blockage of water pipes and relevant plumbing fixtures might give rise to the insufficiency of water pressure in individual units. With respect to the structural constraint of the existing buildings, HA adopted a pragmatic approach in establishing the standard of water pressure in existing PRH units, and would fully consider tenants' need. In general, the improved water pressure was sufficient for tenants to operate household appliances, such as gas water heaters and washing machines. Atg DDH(EM) undertook to provide more relevant information after the meeting.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(1)1156/15-16(01) on 4 August 2016.)

Action

IV. Performance of the environmental targets and initiatives of the Hong Kong Housing Authority in 2015-16

(LC Paper No. CB(1)1059/15-16(03) — Administration's paper on performance of environmental targets and initiatives in 2015-16

LC Paper No. CB(1)1059/15-16(04) — Paper on performance of the environmental targets and initiatives of the Hong Kong Housing Authority prepared by the Legislative Council Secretariat (updated background brief))

8. The Deputy Director of Housing (Development & Construction) ("DDH(D&C)") briefed members on the performance of HA in respect of its environmental targets and initiatives in 2015-2016. The Senior Manager (Environment), Housing Department ("SM(E), HD") gave a PowerPoint presentation on the subject.

(Post-meeting note: Presentation materials (LC Paper No. CB(1)1082/15-16(02)) for the item were issued to members on 29 June 2016 in electronic form.)

9. Relaying the concern of some PRH tenants on the bad smell generated when refuse was collected twice daily at the refuse collection points located on the ground floor of each housing block by refuse collection trucks, Mr CHAN Kam-lam suggested that HD should set up a team to inspect into all PRH estates and come up with measures to address the problem. The Chairman echoed Mr CHAN's views. The Assistant Director of Housing (Estate Management)1 ("ADH(EM)1") advised that HD would look into such cases upon receiving complaints, and would take measures according to the circumstances of the estates concerned.

10. Mr WONG Kwok-hing was keen to ensure the recovery of used battery cells and the application of photovoltaic panel system in PRH estates. DDH(D&C) responded that photovoltaic panel system would be installed in PRH blocks where circumstances allowed. SM(E), HD advised that a collection box was provided on the ground floor of each housing block for recovering used battery cells.

Action

11. Mr LEUNG Che-chueng asked if PRH blocks were currently provided with roof greening. He was also concerned about the provision of wooden kitchen cabinets and bath tubs in new PRH units which had to be replaced after years of usage and hence the waste generated. DDH(D&C) advised that roof greening was now provided in some new PRH developments upon confirming structural safety. Kitchen cabinets and bath tubs were no longer provided in new PRH developments to avoid the generation of unintended waste.

(At 9:35 am, the division bell of the meeting of the Public Works Subcommittee ("PWSC") rang, the meeting was suspended for five minutes to allow members to cast their vote.)

12. Expressing concern on the pressure on landfills brought by food waste, Mr CHAN Hak-kan suggested that food waste generated in PRH estates be treated within the estates and turned to fertilizers to support greening within the estates. He also enquired about HA's work to tie in with the proposed municipal solid waste charging. ADH(EM)1 said that HA implemented a food waste recycling trial scheme in 14 PRH estates between 2012 and 2014. The Public Accounts Committee ("PAC") noted with concern the low participation rate of tenants, and HD had been collaborating with the Environmental Protection Department in following up the recommendations of PAC. To tie in with the Government's food waste recycling plan, HD had been in touch with operators of food markets and restaurants in some estates for exploring new ways for food waste recycling. Ongoing publicity programmes on reducing food waste at source had also been carried out in estates.

13. Mr KWOK Wai-keung was concerned about the onward handling of materials recovered from PRH estates, and whether proceeds would be generated in the process for financing the management of the estates. He also sought information on the number of PRH estates for which rain water harvesting system was provided and the performance of the system. ADH(EM)1 advised that recycle bins were provided in each PRH blocks to promote awareness of waste recovering and recycling. The process of waste handling would not generate any proceeds. DDH(D&C) stated that HA had started to provide low maintenance rain water harvesting system and other types of root-zone irrigation system in new PRH developments in order to reduce water consumption. The performance of these systems was being studied.

Action

V. 2016 rent review of public rental housing

(LC Paper No. CB(1)1059/15-16(05) —Administration's paper on 2016 rent review of public rental housing

LC Paper No. CB(1)1059/15-16(06) —Paper on rent review of public rental housing prepared by the Legislative Council Secretariat (updated background brief))

14. The Secretary for Transport and Housing ("STH") briefed members on the outcome of the 2016 PRH rent review conducted under the established rent adjustment mechanism as stipulated in the Housing Ordinance (Cap. 283) by highlighting the salient points of the Administration's paper.

(Post-meeting note: STH's speaking note was issued to members vide LC Paper No. CB(1)1080/15-16(01) on 29 June 2016. Presentation materials (LC Paper No. CB(1)1082/15-16(03)) for the item were issued to members on 29 June 2016 by email.)

The proposed rent adjustment

15. Mr WONG Kwok-hing was opposed to the proposed 10% rent increase in light of the economic downturn and the fact that the nominal wage increase of PRH tenants between 2007 and 2013 was lower than that of the cumulative PRH rent increase. He said that he would move a motion at the meeting urging HA to pay one month's rent for PRH tenants and requesting HD to review the rent adjustment mechanism. Mr KWOK Wai-keung expressed concern on the level of the proposed rent increase which was higher than that of the rise in the statutory minimum wage. Miss CHAN Yuen-han asked whether the Administration had evaluated the impact of the proposed rent increase on tenants, given the gloomy economic outlook and hence the possibility of rising unemployment.

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16. Mr LEE Cheuk-yan and Mr Frederick FUNG indicated their objection to the proposed rent increase. They expressed concern on the impact of the proposed rent increase on grassroots tenants, especially those on the lower income band whose income might not have increased by 10% from 2013 to 2015 as covered by the Survey on Household Income of Public Rental Housing Tenants ("the Income Survey"), on which the proposed rent adjustment was based. Considering that the proposed rent increase should not apply to this group of tenants, Mr FUNG requested the Administration to provide information on the number and percentage of PRH tenants whose mean household income was increased by less than 10% in both periods as covered by the Income Survey.

Admin

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(1)1156/15-16(01) on 4 August 2016.)

(At 10:04 am, the division bell of the meeting of PWSC rang. The meeting was suspended for five minutes to allow members to cast their vote.)

17. Mr LEUNG Yiu-chung said that he had opposed the present rent adjustment mechanism when it was introduced in 2008 as he had envisaged that it would push up the rent level endlessly. He was concerned that while the nominal wage of PRH households had been increasing under the prevailing inflationary environment, the rate of wage increase in real terms was in fact lower. He cast doubt on the accuracy of the rent review, and opined that the rent adjustment mechanism should take inflation rate into account to reflect the living standard of PRH households more accurately. Mr LEE Cheuk-yan asked if there was a timetable for reviewing the mechanism for rent adjustment.

18. STH advised that the Ad Hoc Committee set up by HA in 2001 to review its domestic rent policy found that inflation rate could not accurately reflect the changes in household income and tenants' affordability. HA subsequently approved the Report on the Review of Domestic Rent Policy in 2006, which recommended the formulation of the current income-based rent adjustment mechanism to replace the then requirement of the median rent-to-income ratio of all estates not exceeding 10% after any rent variation. Under the existing PRH rent adjustment mechanism which came into effect on 1 January 2008, HA shall conduct a rent review every two years and vary the PRH rent according to the change in the income index between the first and second periods covered by the review. If the income index for the second period was higher than that of the first period by more than 0.1%, HA shall increase the relevant rent by the rate of the increase of the income index or

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10%, whichever was less, or reduce the relevant rent by the rate of reduction of the income index if the income index for the second period was lower than that of the first period by more than 0.1%. The mechanism provided an objective basis for HA to determine the timing and rate of rent adjustment, taking into account tenants' affordability.

19. STH further advised that the first and second periods covered by the 2016 rent review were the 12 months expiring on 31 December 2013 and 31 December 2015 respectively. As the income index for the second period was higher than that for the first period by 16.11%, the rent under the 2016 PRH rent review should be increased by 10%.

20. Mr LEUNG Che-cheung asked whether PRH tenants who were unemployed had been excluded from the computation of the income index and whether the method of compiling the income index was scientific. The Commissioner for Census and Statistics responded that the method of compiling the income index was scientific. He said that the Income Survey was conducted by HA. The Census and Statistics Department ("C&SD") played a professional role to ensure the representativeness of the sampled PRH households and that quality data were collected in the Income Survey. For the latter, C&SD had conducted various quality checks on the data collected, including selecting a random sample of tenants who had declared income for HA to check the income data against documentary proof submitted by those tenants.

(At 10:24 am, the Chairman announced that the meeting would be extended for 15 minutes to 10:45 am to allow more time for discussion and handling of motions put forth by some members.)

Suggestion on granting a one-month rent waiver to tenants of public rental housing

21. Expressing concern on the rising living burden of PRH tenants, members including Miss Alice MAK, Mr KWOK Wai-keung, Miss CHAN Yuen-han, Mr LEE Cheuk-yan and Mr Frederick FUNG called for HA to grant a one-month rent waiver along with the rent adjustment to alleviate the burden brought by the proposed rent increase.

Action

22. STH advised that the Subsidised Housing Committee ("SHC") of HA held the view that granting a rent waiver to all PRH tenants irrespective of whether tenants were in need might not be the best use of HA's financial resources. In the 2014 rent review, having regard to the then prevailing economic situation and the growth in tenants' income, HA decided not to grant any rent waiver. Notwithstanding the proposed rent adjustment, PRH households would benefit from various Government initiatives and could apply for various Government schemes targetted to assist low-income families. STH undertook to convey members' request for a rent waiver to SHC for consideration.

23. Miss Alice MAK suggested that the Administration should review the Rent Assistance Scheme ("RAS") with a view to relaxing its eligibility criteria. Ir Dr LO Wai-kwok declared that he was a member of HA. While considering the proposed 10% rent increase acceptable as PRH tenants' mean household income had increased by 16.11% as indicated in the Income Survey, he urged the Administration to improve RAS in order to assist tenants with financial difficulty. STH noted members' views and said that HA would keep its policies under review.

24. Miss CHAN Yuen-han asked whether the Administration would consider granting rent subsidy for those who had been waiting for PRH allocation for more than three years. STH advised that as explained in the public consultation document on Long Term Housing Strategy, any rent assistance introduced in a market with tight supply would be counter-productive, as the subsidy would most likely lead to upward pressure on rental levels, thereby offsetting the benefits to the tenants.

Motions

25. The Chairman referred members to the following motions –

The first motion, moved by Mr WONG Kwok-hing and seconded by Miss Alice MAK and Mr KWOK Wai-keung –

"基於當前香港經濟下行，基層公屋居民生活困境增加，本委員會促請房委會代繳全港公屋居民租金一個月，以對沖按現有機制加租對居民的壓力；同時，本委員會促請房委會和房屋署重檢現行的租金調整機制，作進一步改善。"

Action

(Translation)

"That, given the present economic downturn in Hong Kong, grass-roots residents of public rental housing ("PRH") are facing increasing hardships in their lives, this Panel urges the Housing Authority ("HA") to pay one month's rent for PRH residents in the territory, so as to offset the pressure of increasing rent under the existing mechanism on residents; at the same time, this Panel urges HA and the Housing Department to revisit the existing rent adjustment mechanism, with a view to making further improvements."

The second motion, moved by Mr LEE Cheuk-yan and seconded by Mr LEUNG Yiu-chung –

"本委員會反對2016年9月實施的公屋租金調整，並強烈要求房委會修訂現時條例，更改調整租金機制。"

(Translation)

"That this Panel opposes the rent adjustment for public rental housing with effect from September 2016, as well as strongly requests the Housing Authority to amend existing legislation and the rent adjustment mechanism."

26. Members agreed to proceed to deal with the motions. The Chairman put the motions moved by Mr WONG Kwok-hing and Mr LEE Cheuk-yan to vote one-by-one. Seven members voted for the motion moved by Mr WONG Kwok-hing, no member voted against it and one member abstained. Six members voted for the motion moved by Mr LEE Cheuk-yan, no member voted against it and one member abstained. The Chairman declared that both motions were carried.

(Post-meeting note: The wording of the above motions was issued to members vide LC Paper Nos. CB(1)1081/15-16(01) and (02) on 30 June 2016 and was provided to the Administration via a letter dated 30 June 2016.)

Action

VI. Any other business

27. There being no other business, the meeting ended at 10:42 am.

Council Business Division 1
Legislative Council Secretariat
21 September 2016