

**立法會**  
***Legislative Council***

LC Paper No. CB(1)1188/13-14  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/HG/1

**Panel on Housing**

**Minutes of meeting**  
**held on Monday, 6 January 2014, at 2:30 pm**  
**in Conference Room 3 of the Legislative Council Complex**

- Members present** : Hon WONG Kwok-hing, BBS, MH (Chairman)  
Hon WU Chi-wai, MH (Deputy Chairman)  
Hon LEE Cheuk-yan  
Hon James TO Kun-sun  
Hon LEUNG Yiu-chung  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Frederick FUNG Kin-kee, SBS, JP  
Hon Vincent FANG Kang, SBS, JP  
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN  
Hon IP Kwok-him, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Alan LEONG Kah-kit, SC  
Hon LEUNG Kwok-hung  
Hon WONG Yuk-man  
Hon LEUNG Che-cheung, BBS, MH, JP  
Hon Alice MAK Mei-kuen, JP  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung  
Dr Hon Fernando CHEUNG Chiu-hung  
Ir Dr Hon LO Wai-kwok, BBS, MH, JP  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
- Members attending** : Dr Hon LAM Tai-fai, SBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon TANG Ka-piu

**Members absent** : Hon CHAN Hak-kan, JP  
Hon Albert CHAN Wai-yip  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Tony TSE Wai-chuen

**Public Officers attending** : **For item IV**

Mr D W PESCOD, JP  
Permanent Secretary for Transport and Housing (Housing)

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

**For item V**

Mr D W PESCOD, JP  
Permanent Secretary for Transport and Housing (Housing)

Mr Eugene FUNG, JP  
Director of Sales of First-hand Residential Properties  
Authority

Miss Kathleen AU  
Deputy Director of Sales of First-hand Residential  
Properties Authority

**For item VI**

Mr D W PESCOD, JP  
Permanent Secretary for Transport and Housing (Housing)

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

**For item VII**

Mr D W PESCOD, JP  
Permanent Secretary for Transport and Housing (Housing)

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

Mr CHAN Siu-tack  
Assistant Director of Housing (Estate Management)<sup>2</sup>  
Housing Department

**Clerk in attendance :** Ms Miranda HON  
Chief Council Secretary (1)<sup>1</sup>

**Staff in attendance :** Mr Ken WOO  
Senior Council Secretary (1)<sup>5</sup>

Ms Mandy LI  
Council Secretary (1)<sup>1</sup>

Miss Mandy POON  
Legislative Assistant (1)<sup>1</sup>

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**I. Confirmation of minutes**

(LC Paper No. CB(1)531/13-14 — Minutes of the meeting held on  
4 November 2013)

The minutes of the meeting held on 4 November 2013 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)475/13-14(01) — Land Registry Statistics for  
November 2013 provided by the  
Administration (press release)

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LC Paper No. CB(1)479/13-14(01) — Referral memorandum from the Public Complaints Office of the Legislative Council Secretariat regarding the request for shelving the policies on rent control and rent allowance under the Comprehensive Social Security Assistance Scheme (Chinese version only) (Restricted to Members)

LC Paper Nos. CB(1)509/13-14(01) — Two letters from Hon WONG Kwok-hing, Chairman of the Panel on Housing, issued separately to the Secretary for Transport and Housing and the Secretary for Development requesting the Government to develop subsidized housing on the sites in Area 115 and Area 112B in Tin Shui Wai (Chinese version only)

LC Paper No. CB(1)652/13-14(01) — Referral arising from the meeting between Legislative Council members and Kwai Tsing District Council members on 28 November 2013 regarding improving the dilapidated playground and fitness equipment in public housing estates (Chinese version only) (Restricted to Members))

**III. Items for discussion at the next meeting**

(LC Paper No. CB(1)622/13-14(01) — List of follow-up actions

LC Paper No. CB(1)622/13-14(02) — List of outstanding items for discussion)

3. Members agreed to discuss the following two items at the next regular meeting scheduled for Monday, 10 February 2014, at 8:30 am –

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- (a) Implementation arrangement for the clearance of Long Bin Interim Housing; and
  - (b) Report on the feasibility study in improving the design of the bathrooms of Po Tin Estate.
4. The Chairman also reminded members of the following visit/meetings to be conducted in January 2014 –
- (a) the site visit to Po Tin Estate scheduled for Tuesday, 14 January 2014, at 9:50 am during which the Panel would receive a briefing by the Administration on the study findings and recommended improvement works to alleviate the problem of small bathrooms;
  - (b) the special meeting scheduled for Tuesday, 21 January 2014, at 8:30 am on the relevant policy initiatives in the Chief Executive's 2014 Policy Address; and
  - (c) the joint meeting with the Panel on Development scheduled for Wednesday, 29 January 2014, at 4:30 pm to discuss the subject of "Increasing housing land supply".

**IV. Matters arising**

Proposed creation of one supernumerary post of Administrative Officer Staff Grade C in the Housing Department for the implementation of the initiatives under the Long Term Housing Strategy review

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(LC Paper No. CB(1)622/13-14(03) — Administration's supplementary paper on "Proposed creation of one supernumerary post of Administrative Officer Staff Grade C in the Housing Department for the implementation of the initiatives under the Long Term Housing Strategy review"

Relevant papers

LC Paper No. CB(1)411/13-14(07) — Administration's paper on "Proposed creation of one supernumerary post of Administrative Officer Staff

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Grade C in the Housing Department for the implementation of the initiatives under the Long Term Housing Strategy review"

LC Paper No. CB(1)615/13-14(01) — Extract of minutes of meeting on 2 December 2013)

5. The Chairman said that the Panel had been consulted at its last meeting on 2 December 2013 on the Administration's proposal to create a supernumerary post of Administrative Officer Staff Grade C ("AOSGC") (D2) in the Strategy Division of the Housing Department ("HD") with effect from 1 April 2014 for two years to cope with the increased workload relating to the implementation of the recommendations arising from the Long Term Housing Strategy ("LTHS") review. At the request of the Panel, the Administration had provided supplementary information for the Panel's further consideration.

6. The Permanent Secretary for Transport and Housing (Housing) ("PSTH(H)") briefed members on the supplementary information provided by the Administration.

7. Ir Dr LO Wai-kwok declared that he was a member of the Building Committee and Tender Committee of the Hong Kong Housing Authority ("HA") and he did not receive remuneration for the appointments. He expressed support for the proposal and considered that strengthening the required manpower of HD would be conducive to resolving the imminent housing issues.

8. Pointing out that the recommendations arising from the LTHS review was not yet known, Mr LEE Cheuk-yan said that he could not see a concrete reason or an urgent need to create the proposed supernumerary AOSGC post. Mr WU Chi-wai echoed Mr LEE's view and asked whether the Administration would consider deferring the submission of the proposal for the Panel's consideration after the final report on the LTHS consultation exercise was published.

9. PSTH(H) explained that the Administration had to work on the recommendations as set out in the Consultation Document on the LTHS. There were also many issues arising from the LTHS review that needed to be addressed urgently, such as whether the Well-off Tenants Policies should be tightened, how the Quota and Points System ("QPS") should be refined, and the ways to meet the housing needs of youngsters and first-time home buyers.

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10. Mr LEE Cheuk-yan did not subscribe to the Administration's explanation and pointed out that the above policies were already overseen by existing staff concerned of HD. Mr WU Chi-wai asked if there would be changes to the policies on QPS and the Home Ownership Scheme ("HOS") to address the home ownership aspirations of non-elderly singletons that would warrant the creation of the proposed supernumerary AOSGC post.

11. PSTH(H) explained that the proposed supernumerary AOSGC post was required to co-ordinate efforts of all relevant bureaux and departments to review existing related policies and help formulate the Government's strategy and policies on LTHS, and such tasks were not currently undertaken by any of HD's directorate staff. Moreover, the proposed AOSGC post-holder had to deal with many controversial policy issues relating to the LTHS review.

12. Mr WU Chi-wai commented that members would be more convinced of the need for the proposed supernumerary AOSGC post if the Administration could specify the details of the post-holder's tasks as well as the scope and policy direction that the post-holder would be driving at. Expressing a similar view, Mr LEUNG Kwok-hung said that he had difficulty supporting the staffing proposal due to the lack of full details of the post-holder's work. Mr IP Kwok-him agreed that there was a need to strengthen the establishment of HD following the resumption of the production of HOS flats in recent years. While expressing support for the proposal, he urged the Administration to provide more details of the duties of the proposed supernumerary AOSGC post.

13. PSTH(H) responded that the requested information had already been set out in the supplementary information paper provided for the meeting. In addition to reviewing existing housing policies, the post-holder would also be heavily engaged in issues such as subdivided units, rent control and even tenure protection. Even though the final report on the LTHS consultation exercise had yet to be published, HD should plan ahead on the follow-up work on those issues so that progress could be made in an expeditious manner.

14. In response to Prof Joseph LEE's question on the tasks that could not be accomplished without the proposed supernumerary AOSGC post, PSTH(H) stressed that the relevant policy reviews would need to be taken forward in any case. In the event that the proposed post was not approved, existing directorate officers in HD, who were already fully stretched with their own duties, would be redeployed to take up the tasks of the proposed post. The speed in taking forward the relevant reviews would inevitably be compromised and hence could not meet the public's expectation. At the request of Prof LEE, PSTH(H) agreed to provide a list of the issues raised in the Consultation Document published by the LTHS Steering Committee ("the Steering Committee") which HD was expected to deal with and which the proposed supernumerary AOSGC post would be involved in undertaking the relevant policy reviews before the

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Establishment Subcommittee ("ESC") considered the proposal at its coming meeting.

*(Post-meeting note: The information requested in the last paragraph was circulated to members under LC Paper No. CB(1)724/13-14(01) on 14 January 2014.)*

15. Dr KWOK Ka-ki noted with disappointment the Administration's position to maintain the total housing supply target at 470 000 and the ratio of 60:40 as the public/private split for the housing supply in the next 10 years. He asked whether the Administration would endeavour to advance the completion of the current housing production schedule and raise the housing supply target should the Panel support the establishment proposal. PSTH(H) clarified that the supernumerary AOSGC post in question would deal with policy review instead of housing construction. Nevertheless, he assured members that the Administration would spare no efforts in achieving the housing production targets as announced and any new targets arising from the LTHS review, should it be given appropriate resources timely.

16. Mr LEUNG Yiu-chung doubted the Administration's recent proposals to increase manpower as the Administration had indicated that the crux to the housing problem lay in the lack of residential land supply. PSTH(H) responded that a combination of land supply, manpower and financial resources was necessary in facilitating an increase in housing production. The Administration had committed to producing an annual average of about 15 000 public rental housing ("PRH") units from 2012/13 to 2016/17 and to increase the supply of PRH to an annual average of 20 000 units in the five year-period starting from 2018. Furthermore, the Administration had committed to providing 17 000 HOS flats over four years starting from 2016/17 and thereafter an annual average of 5 000 HOS flats. To address the issue of construction labour shortage, the Transport and Housing Bureau had been working with the Development Bureau to increase the supply of trained construction workers. As it was envisaged that the housing supply target might be further increased arising from the LTHS review, the Administration would continue to gear up as appropriate to meet the upcoming challenges.

17. The Chairman concluded that members had no objection to the submission of the proposal to ESC.



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**V. The work of the Sales of First-hand Residential Properties Authority**

(LC Paper No. CB(1)622/13-14(04) — Administration's paper on "The work of the Sales of First-hand Residential Properties Authority"

LC Paper No. CB(1)622/13-14(05) — Background brief on "The work of the Sales of First-hand Residential Properties Authority" prepared by the Legislative Council Secretariat)

18. PSTH(H) briefed members on the latest work of the Sales of First-hand Residential Properties Authority ("SRPA").

Handling cases of contravention

19. Mr James TO referred to the sales arrangements of the Providence Bay, a new residential development. He noted that some 200 000 square feet of landscaped area surrounding the residential development was originally leased to the developer concerned by way of short term tenancy ("STT"). The landscaped area was subsequently returned to the Government upon termination of the STT and the developer failed to bid for the lot again, which was now designated for open storage and parking use. Pointing out that the developer had continued to use the aerial photograph showing the landscaped area when the residential project was put up for sale from 9 December 2013, he was concerned that the sales brochure only contained inconspicuous and limited description of the above STT arrangement, and asked whether the above sales arrangements were acceptable under the new regulatory regime.

20. The Director of Sales of First-hand Residential Properties Authority ("D/SRPA") replied that the Residential Properties (First-hand Sales) Ordinance (Cap. 621) ("the Ordinance") provided that "The sales brochure for the development must set out relevant information that is specific to a residential property in the development, or relevant information that is specific to the development, if (a) the information is not otherwise required to be set out in the sales brochure; and (b) the information is known to the vendor but is not known to the general public". It was stated in the relevant sales brochure that the landscaped area on the STT site was temporary in nature and that the possession of that area by the vendor of the development had been returned to the Government on 17 December 2013. He said that SRPA was however looking into the issue that the website designated by the vendor of the development contained a photograph which might not have shown the most updated situation of the area, even though the date on which the photograph was

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taken was duly shown on the website.

21. Mr Paul TSE enquired about the nature of those complaints related to sales arrangements, and whether the Administration had received complaints on the new regulatory regime, which was said to have led to chaos in the sale of a residential development in West Kowloon recently. D/SRPA responded that among the nine complaints received up to 9 December 2013 on sales arrangements, four were related to the sale of a residential development in which the vendor concerned was accused of taking a long time to verify the identity of registrants and the chaotic sales procedure. There were also complaints against vendors by estate agents on the quota allocated to different estate agents. As regards the queuing order in the recent sale of a property development in West Kowloon which had aroused public concern, SRPA had reacted promptly and had requested the vendor concerned to take effective remedial actions. To avoid chaos in sales activities, SRPA had requested vendors to make clear their sales arrangements in the documents containing the sales arrangements.

22. Noting that SRPA had expressed regret over the poor sales arrangements of The Long Beach which had resulted in chaos in crowd management outside the sales office prior to pre-registration, Mr IP Kwok-him asked whether the vendor concerned would have contravened the law if no improvements were made immediately. D/SRPA advised that the vendor concerned had taken immediate remedial actions upon receiving SRPA's request for improvement. Should the vendor concerned fail to observe SRPA's instructions, SRPA would examine whether the actual sales arrangements complied with those laid down in the relevant documents containing the sales arrangements, and whether the sales arrangements had in one way or another contravened the Ordinance. Enforcement actions would then be taken accordingly if SRPA considered there might be possible contravention of the Ordinance.

23. Mr IP Kwok-him noted from the Administration's paper that most of the contraventions found during compliance checks were technical and minor in nature and might be committed out of carelessness. He requested SRPA to illustrate by examples that such contraventions had not brought about material impact on the transparency and fairness as well as the interest of purchasers in the sales of first-hand residential properties. D/SRPA advised that contraventions of the provisions in the Ordinance were criminal offences and there were altogether 120 criminal offences under the Ordinance. There were some contraventions of the requirements of the Ordinance in almost all of the first versions of the sales brochure of the residential developments which were made available after the implementation of the Ordinance. Most of such contraventions were omissions of some dimensions of the residential properties in the floor plans of those residential properties in the sales brochure, whereas the rest of the contraventions related to different aspects, such as textual

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mistakes. All those contraventions did not appear to have undermined the interest of purchasers. For the few suspected cases of contravention which SRPA considered to be of a more serious nature, investigation was being carried out.

24. Dr KWOK Ka-ki enquired whether SRPA had investigated into suspected cases of fake transactions effected by individual estate agents to mislead the public to believe the popularity of the residential developments concerned. D/SRPA replied that according to the guidelines issued by the Estate Agents Authority ("EAA"), estate agents were not allowed to lend money to their clients for the payment of deposits in residential property transactions, and failure to observe such requirement might result in disciplinary actions by EAA, including revocation of the licence of the estate agents concerned. In response to Dr KWOK's question on the statistics and timing on the referral of suspected cases of contravention to the Department of Justice ("DoJ") for consideration, D/SRPA reiterated that there were altogether 120 criminal offences under the Ordinance, and vendors and estate agents were found to have contravened the Ordinance one way or another. While most of the contraventions identified were technical and minor in nature, cases involving suspected misrepresentations and dissemination of false or misleading information by vendors and estate agents were more serious and required more time for evidence collection. All cases upon completion of investigation would be referred to the Prosecutions Division of DoJ for consideration.

25. Mr WONG Yuk-man opined that the effectiveness of the Ordinance had not been tested in view of the reduced property transactions due to the demand-side management measures introduced in recent years. Noting that there were contraventions of the requirements of the Ordinance relating to price lists, the documents containing the sales arrangements, the register of transactions, printed advertisements and even show flats, he queried SRPA's promotion and education efforts, and urged SRPA to disclose details of the complaint cases and suspected cases of contravention for reference of the trade to avoid similar contraventions. D/SRPA advised that SRPA had been disseminating, through media and its website, timely information on sales practices or arrangements which might affect the interest of prospective purchasers.

Cooperation with the trade

26. In response to Prof Joseph LEE's question on the cooperation between SRPA and EAA in tackling unfair trade practices, D/SRPA advised that misrepresentations made and the dissemination of false or misleading information by estate agents were subject to the regulation of the Ordinance. SRPA had all along maintained close contact with EAA in jointly taking enforcement actions, in particular on the sales of residential developments involving a large number of units or potential buyers, during which SRPA and

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EAA would send officers to inspect the sales activities and arrangements of vendors and estate agents respectively.

27. Mr Alan LEONG referred to a news report made about half a year ago claiming that some professional architects employed by developers had been requested to approve structural drawings which might not have fully complied with the new statutory requirements and to confirm the complimentary provision of home appliances. He asked whether SRPA had investigated into the issue. D/SRPA replied that SRPA had maintained contact with The Hong Kong Institute of Surveyors and The Hong Kong Institute of Architects and it understood that some developers might have made such requests during the early stage of implementation of the Ordinance. SRPA had explained to the trade that the legal responsibility of building professionals would remain the same as previously under the new regulatory regime, and that developers would be held ultimately responsible for any contraventions on sales brochure under the Ordinance. SRPA had not received such concerns from the two professional bodies anymore in recent months.

28. Mr Frederick FUNG asked whether developers, estate agents and purchasers of first-hand residential properties had all acquainted themselves with the use of saleable area ("SA") in property transactions. D/SRPA replied that the Ordinance provided for the use of SA only in the sales of first-hand residential properties, and no contravention had been found since the implementation of the Ordinance. To tie in with the implementation of the Ordinance, EAA had since 1 January 2013 requested all estate agents to provide SA in addition to gross floor area in the sales of residential properties in the secondary market. To help purchasers of first-hand residential properties to understand the new legislative requirements on vendors, including the use of SA, SRPA had set up a dedicated hotline and produced a leaflet for prospective purchasers and the general public.

29. Mr Abraham SHEK declared interest that he represented the real estate and construction functional constituency and was a member of The Real Estate Developers Association of Hong Kong ("REDA"). He asked whether SRPA had been in contact with REDA in identifying problems and solutions in implementing the Ordinance and whether there had been problems that affected the supply of first-hand residential properties in the market. D/SRPA responded that SRPA had maintained contact with the trade, including REDA, and it understood that the trade had not encountered any insurmountable difficulties in operating under the new legislative framework. The supply of first-hand residential properties was unaffected by the new legislative requirements as evident by the offer of some 8 300 first-hand residential properties in 57 residential developments since the full implementation of the Ordinance eight months ago. SRPA would continue to help the trade understand the new requirements by adding more "Frequently Asked Questions and Answers" as

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and when necessary on its website.

Extending the application of the Ordinance to sales of residential properties in the secondary market

30. Reiterating his concern on the possible confusions caused to the property market with two separate systems in place for the sales of first-hand residential properties and those in the secondary market, Mr WONG Yuk-man urged the Administration to extend the Ordinance to cover the sales of second-hand residential properties. PSTH(H) responded that the Administration had indicated during the scrutiny of the relevant bill that it would consider the need to make it mandatory that, in the sales of second-hand residential properties, the floor area of second-hand residential properties must only be presented in SA. He said that since then EAA had taken parallel action to ensure that estate agents would provide SA in the sales of residential properties in the secondary market. Also, he said that purchasers of second-hand residential properties were on a more equal footing with the vendors, and the need to subject the sales of second-hand residential properties to a regulatory regime similar to that for the sales of first-hand residential properties was not that strong. Also, vendors of second-hand residential properties would have practical difficulties and resource problems to comply with all the requirements which were governing the sale of first-hand residential properties, including the requirements on sales brochure.

**VI. Proposed creation of three permanent directorate posts in the Housing Department for coping with the additional workload arising from the new public housing production targets**

(LC Paper No. CB(1)622/13-14(06) — Administration's paper on "Proposed creation of three permanent directorate posts in the Housing Department for coping with the additional workload arising from the new public housing production targets")

31. PSTH(H) and the Deputy Director of Housing (Development & Construction) ("DDH(D&C)") briefed members on the Administration's proposal to create one permanent Chief Architect (D1) and one permanent Chief Structural Engineer (D1) posts in HD to cope with the increase in workload arising from the new public housing production targets, and one permanent Chief Engineer (D1) post in HD for the administration and implementation of housing-related infrastructural projects under Capital Works Reserve Fund Head 711, both to take effect from 2 May 2014.

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32. Noting that a total of eight directorate posts had been created in HD's Development and Construction Division to cope with the additional workload since July 2012, Mr WONG Yuk-man stressed the need to adhere to the "small Government" principle, and asked whether consideration would be given to reducing the number of posts proposed to be created. PSTH(H) explained that there was a net deletion of 15 directorate posts arising from the amalgamation of the then Housing Branch and HD. Following the announcement of an increased PRH production target in 2013 and the resumption of HOS in 2011, HD would need the resources to ensure timely delivery of the enhanced targets. Given that each of the professional disciplines had their distinct roles to play, it was impossible to combine the proposed posts.

33. Mr LEUNG Yiu-chung was keen to ensure that the Administration could meet its production targets as pledged with the posts created. DDH(D&C) responded that as HD was tasked to achieve the increased production targets at a compressed construction lead time from generally seven years to five years, it was pivotal for HD to secure the necessary professional support to ensure timely delivery of the production targets. In response to Mr LEUNG's question as to whether the proposed posts would be deployed to strengthen HA's redevelopment efforts, PSTH(H) answered in the affirmative, saying that a working group had been set up in HD to examine the redevelopment potential of aged estates, and HA would be consulted on the redevelopment programmes in due course.

34. Mr WU Chi-wai noted that approximately 280 000 PRH and HOS units would be produced in the next 10 years and the forecast production of PRH for the five-year period between 2013/14 and 2017/18 was about 82 000 flats according to the latest Public Housing Construction Programme. As the remaining some 200 000 units would need to be produced during the five years from 2018/19 which meant an average of about 40 000 units per year, he asked whether the proposed posts were to tackle the annual average of 20 000 units from 2018/19 onwards as announced in the 2013 Policy Address, or the 40 000 units as logically interpreted from the above. He was of the view that the staffing proposal would be better justified if the land required for the production of public housing from 2018/19 onwards had been secured. PSTH(H) responded that HA had secured the land resources for the production of 179 000 PRH units over the next 10 years and 17 000 HOS units to be provided over the four years from 2016/17 to 2019/20. While the proposed posts were to achieve the known targets, it was very likely that those targets would be raised as a result of the LTHS review, in which case further resources would have to be sought.

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35. Ir Dr LO Wai-kwok declared interest as a member of the Building Committee and Tender Committee of HA. He expressed support for the staffing proposal, given the clear and reasonable division of labour between the existing and proposed posts, the increased workload of HA and the increased responsibilities of its professional staff, such as those involving consultation with local communities and the Legislative Council. He also considered it important for HD to increase the support of non-directorate professional staff in taking forward the new housing initiatives. PSTH(H) responded that HD would also increase the manpower of its non-directorate professional staff as appropriate.

36. Mr IP Kwok-him declared that he was a member of HA. He indicated full support for the proposal to address the manpower constraint currently faced by HD such that HD would be appropriately staffed to ensure the quality of its housing projects and avoid the recurrence of the short-piling incidents. He asked whether HD's current directorate establishment was comparable to the time prior to the cessation of the production and sale of HOS announced in 2002. He also asked about the number of additional directorate posts required to implement the initiative as announced in the 2013 Policy Address to increase the production of PRH by 5 000 per year from 2018/19 onwards. PSTH(H) advised that HD's establishment over the last two and a half years was designed to meet the housing production targets as announced and it would keep its manpower under review subject to any change in the targets. Currently, the establishment of HD was still far less than that in 2002. He assured members that HD would accord top priority to quality and safety in taking forward housing construction projects.

37. The Chairman concluded that members had no objection to the submission of the proposal to ESC.

**VII. Proposed Subsidy Scheme for the Replacement of Laundry Pole Holders by Laundry Racks in Public Rental Flats**

(LC Paper No. CB(1)622/13-14(07) — Administration's paper on "Proposed Subsidy Scheme for the Replacement of Laundry Pole Holders by Laundry Racks in Public Rental Flats")

38. PSTH(H) briefed members on the Administration's proposed Subsidy Scheme for the replacement of laundry pole holders by laundry racks in public rental flats. The Assistant Director of Housing (Estate Management)<sup>2</sup> gave a power-point presentation on the subject.

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*(Post-meeting note: A set of the power-point presentation materials was circulated vide LC Paper No. CB(1)675/13-14(01) on 6 January 2014.)*

39. Mr LEUNG Yiu-chung pointed out that it was the defective design of laundry pole holders which had resulted in repeated fatalities involving tenants falling from height when using the facility and queried why the Administration did not make it a mandatory measure to replace all pole holders by safer laundry racks. The Chairman urged the Administration to address the safety concerns of tenants of public rental flats as five fatalities arising from the use of pole holders had already taken place in the past seven months. The Deputy Director of Housing (Estate Management) ("DDH(EM)") explained that as tenants in most of the standard type blocks had alternate indoor laundry facilities in addition to pole holders and not all tenants preferred to dry their clothes at the location where the laundry facilities were currently provided, not all tenants needed or wanted the replacement of pole holders with laundry racks. HA would incur much less expenditure under the proposed Subsidy Scheme as compared to a comprehensive replacement exercise which would cost about \$900 million. To ensure the prudent use of public money, HD would conduct a survey to ascertain tenants' intention to join the scheme.

40. Noting that tenants would be required to bear an installation cost of \$300 under the proposed Subsidy Scheme, Mr LEUNG Yiu-chung enquired about the ownership of the laundry racks, and whether the installation cost would increase in the future should new tenants seek to install laundry racks in place of the pole holders after completion of the Subsidy Scheme. DDH(EM) replied that the ownership of the installed laundry racks belonged to HA, which would be responsible for both the installation and subsequent repair and maintenance works. The estimated cost of replacing a laundry pole holder facility with a stainless steel laundry rack was about \$1,800 per flat, and HA would bear about \$1,500 for each rack. The installation cost of \$300 was only a nominal payment to ensure the proper use of public resources, and the cost was expected to be similar for new applications in the future. Mr LEUNG Yiu-chung opined that a tenant who had paid for the laundry rack should either be allowed to take the rack with him when he moved out of the flat or be refunded the payment of \$300. In view of the Administration's response that the laundry racks would be fully owned by HA, the Chairman stressed that HA should bear the full cost of replacement.

41. Mr KWOK Wai-keung was pleased to note that HA would be responsible for the repair and maintenance of the laundry racks installed. Pointing out that the fatalities resulted from the use of pole holders did not limit to the elderly and HA had the responsibility to provide safe laundry facilities for use by its tenants, he demanded the Administration to install the laundry racks free of charge across the board to avoid the recurrence of similar incidents. PSTH(H)



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responded that the pole holder design was up to the required safety standard. As not all tenants needed or wanted the replacement of pole holders with laundry racks, to strike a balance among various considerations such as tenants' preferences, public's safety concern and the optimum use of public resources, HD proposed to take forward the replacement works on a need basis.

42. Prof Joseph LEE agreed that tenants should be given a choice of whether or not to join the proposed Subsidy Scheme. He also considered that well-off tenants should not be subsidized for the installation of the laundry racks. DDH(EM) responded that as the proposed Subsidy Scheme was meant to be a simple measure benefiting those tenants in need of replacing the existing pole holders by laundry racks, all tenants would be charged \$300.

43. Dr Priscilla LEUNG said that in a survey conducted recently by her office on the tenants of Oi Man Estate, of the 235 residents surveyed, 80% was elderly over the age of 60, and 68% of them was using pole holders for drying clothes. It was noteworthy that 60% of such users had indicated that they needed a stool to use the pole holders as the position of the window was too high for them, and that they felt the danger in doing so. When asked about their intention to take part in the replacement exercise if they were required to pay \$300, 20% replied yes, 51% no and 29% indicated the need for further consideration. In contrast, when asked about their intention to join if the replacement exercise was conducted free of charge, 63% replied yes, 19% no and 18% needed further consideration. Dr LEUNG held the view that HA should mandate the replacement of all pole holders to prevent incidents associated with their use. PSTH(H) reiterated that the installation cost of \$300 was only a nominal payment to ensure that those applied for the proposed Subsidy Scheme were genuinely in need of it.

44. Ir Dr LO Wai-kwok commented that pole holders were known to be a substandard and dangerous drying facility and should thus be banned. He opined that the replacement exercise should be made mandatory with exemptions granted to those tenants who could provide evidence supporting that a safer alternative was already in place. He also considered that the proposal for tenants to shoulder part of the costs would be better justified if the Administration could provide examples of similar arrangements.

45. Mr LEUNG Che-cheung shared the view that the replacement exercise should be made mandatory to protect the safety of tenants using the clothes drying facilities. He enquired about the number of applications under the Subsidy Scheme launched in 2004-2005, and asked whether HA would proactively carry out the replacement works for those tenants exempted from payment without requiring them to file an application under the proposed Subsidy Scheme. DDH(EM) replied that in addition to pole holders, laundry hangers were provided as an extra clothes drying facility on the balcony ceiling

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of more than 70% of the flats in most of the standard type blocks, including the twin tower blocks, slab blocks and H blocks. This explained why some tenants had chosen not to take part in the replacement exercise launched in 2004-2005, during which about 50 000 tenants had their pole holders replaced with laundry racks.

46. Mr Paul TSE doubted the Administration's view that the pole holder design was up to the required safety standard. He urged the Administration to take all practicable measures to replace all pole holders to remove the risk associated with their use and to enjoy the economy of scale in conducting the replacement exercise in one go. He further suggested that tenants of the flats installed with pole holders should be requested to opt in or opt out of the replacement exercise by signing an undertaking in order to protect their own interest and that of the Government. DDH(EM) explained that since the scale of the replacement exercise would depend on the response of individual tenants, large scale works might not be carried out in a single block at one time. Therefore, the estimated cost would have to be pitched relatively higher at \$1,800 per flat. Taking the Mandatory Window Inspection Scheme as an example, PSTH(H) said that it would be impossible to get all tenants living in flats installed with pole holders to participate in the replacement exercise due to various circumstances, such as their refusal to let workers enter their flats.

47. Dr Fernando CHEUNG ascribed the repeated fatalities in using pole holders to their defective design. As the replacement exercise aimed to address the tenants' safety concern, he emphasized that HA had an absolute responsibility to replace all pole holders with laundry racks and to provide the subsequent repair and maintenance services free of charge. PSTH(H) responded that pole holders were very safe if used properly. Attributing the cause of the falling incidents to the use of pole holders was unsubstantiated as such incidents happened even for flats without pole holders. The Subsidy Scheme as proposed allowed the Administration to address the safety concern by identifying those in genuine need of the replacement. The Administration would reflect members' views on the subject to the Subsidized Housing Committee ("SHC") under HA.

48. Mr LEE Cheuk-yan pointed out that fatalities had indeed occurred in the past owing to the use of pole holders, and he was dissatisfied with the Administration's shirking of responsibility for the falling incidents. He also objected to the Administration's correlating the need for the replacement works with tenants' willingness to pay. He therefore urged the Administration to withdraw its suggestion of assessing tenants' need for the replacement works based on their willingness to share the installation cost in submitting the proposed Subsidy Scheme for SHC's consideration.

Action

49. Mr WU Chi-wai asked whether consideration would be given to removing the pole holders even if they were claimed to be left idle by tenants to avoid their being used for holding floor mops and brooms. Noting that HA would replace electrical wiring and water pipes of ageing estates without requiring tenants to pay, he asked why the same financing arrangement was not adopted for the proposed replacement exercise. He also asked how the Administration would encourage participation as the installation cost had increased from \$200 under the 2004-2005 Subsidy Scheme to \$300 under the current proposal. He considered that the payment for the installation cost should be waived across the board if it was envisaged that a large number of tenants would meet the criteria for exemption.

50. DDH(EM) replied that as the design of the pole holders was up to the required safety standard, the Administration currently had no plan to mandate their dismantling. Using the pole holders for drying floor mops was in fact a misdeed under the Marking Scheme for Estate Management Enforcement in Public Housing Estates. The rate of subsidy of the proposed Subsidy Scheme was 80% of the full cost and was doubled as compared to the 2004-2005 Subsidy Scheme. It was estimated that about 27% of the tenants whose flat was installed with pole holders (i.e. about 130 000 tenants) would be eligible for exemption from the payment of installation cost under the proposed Subsidy Scheme. HA would step up publicity on the replacement exercise to encourage applications by needy tenants. DDH(EM) further explained that the proposed Subsidy Scheme was fundamentally different from the replacement exercise of electrical wiring which had to be conducted to ensure the safety of flats in aged estates, while the water pipes were required to be replaced for reason of public hygiene.

51. Mr Frederick FUNG pointed out that it was contradictory for the Administration to encourage the change of pole holders to laundry racks on the one hand while stressing that it would carry out the works on a need basis on the other. Given the defective design of pole holders, he considered that HA, being the owner of public rental housing, should be held fully responsible for the installation works and the subsequent repair and maintenance services. He objected to requiring tenants to pay for the laundry racks, and said that HA should be able to fully absorb the costs of the whole replacement exercise in view of its viable financial position. In response, PSTH(H) reiterated that as a comprehensive replacement exercise would cost about \$900 million, replacement works should be carried out on a need basis to avoid wastage.

Action

Motion

52. The Chairman referred members to the following motion moved by him and seconded by Mr KWOK Wai-keung –

"本事務委員會促請房屋署為參與以晾衣架取代插筒式晾衣裝置資助計劃的租戶免費安裝及提供日後的維修保養。"

(Translation)

"That this Panel urges the Housing Department to carry out installation works and provide repair and maintenance services free of charge in the future for tenants participating in the Subsidy Scheme for the Replacement of Laundry Pole Holders by Laundry Racks."

53. The Chairman advised that he had added to the above motion the words "安裝及" after it had been tabled at the beginning of the discussion of the item, and later received an amendment moved by Dr Fernando CHEUNG and Mr Frederick FUNG adding the same words. The Chairman suggested and members agreed to put the motion as amended to vote.

54. The Chairman put the motion as amended to vote. Ten members voted for the motion, no member voted against it and no one abstained. The Chairman declared that the motion was carried.

55. The Chairman urged the Administration to pay heed to members' views on banning pole holders comprehensively, requesting all public rental flats tenants living in flats with pole holders to take part in the proposed Subsidy Scheme, and taking forward the replacement exercise free of charge. The Chairman also requested the Secretariat to forward the minutes of this item to SHC of HA for its reference.

*(Post-meeting note: The draft minutes of this item had been forwarded to SHC of HA for reference on 4 February 2014.)*

**VIII. Any other business**

56. There being no other business, the meeting ended at 5:15 pm.