立法會 Legislative Council

LC Paper No. CB(1)192/14-15 (These minutes have been seen by the Administration)

Ref: CB1/PL/HG/1

Panel on Housing

Minutes of meeting held on Tuesday, 3 June 2014, at 4:30 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 CHAN Hak-kan, JP Hon Paul TSE Wai-chun, JP Hon Alan LEONG Kah-kit, SC Hon LEUNG Kwok-hung Hon Albert CHAN Wai-yip Hon WONG Yuk-man

Hon Michael TIEN Puk-sun, BBS, JP 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

Hon Tony TSE Wai-chuen

Member attending: Hon James TIEN Pei-chun, GBS, JP

Members absent : Hon IP Kwok-him, GBS, JP

Ir Dr Hon LO Wai-kwok, BBS, MH, JP

Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Public Officers attending

: For item IV

Mr Stanley YING, JP

Permanent Secretary for Transport and Housing (Housing)

Mr Jerry CHEUNG

Assistant Director (Policy Support)

Housing Department

Ms Connie YEUNG

Assistant Director (Estate Management)3

Housing Department

For item V

Ms Ada FUNG, JP

Deputy Director (Development & Construction)

Housing Department

Mr LEUNG Sai-chi

Assistant Director (Estate Management)1

Housing Department

Ms Rosman WAI

Senior Manager/Environment

Housing Department

For item VI

Mr Albert LEE, JP

Deputy Director (Estate Management)

Housing Department

Mr CHAN Siu-tack

Assistant Director (Estate Management)2

Housing Department

Clerk in attendance: Ms Miranda HON

Chief Council Secretary (1)1

Staff in attendance: Ms Mandy LI

Council Secretary (1)1

Miss Mandy POON

Legislative Assistant (1)1

Action

I. Confirmation of minutes

(LC Paper No. CB(1)1504/13-14 — Minutes of the meeting held on 10 February 2014

LC Paper No. CB(1)1505/13-14 — Minutes of the meeting held on 3 March 2014)

The minutes of the meetings held on 10 February and 3 March 2014 respectively were confirmed.

II. Information papers issued since last meeting

2. <u>Members</u> noted that the following papers had been issued since the last meeting –

(LC Paper No. CB(1)1376/13-14(01) — Land Registry Statistics for April 2014 provided by the Administration (press release)

LC Paper No. CB(1)1408/13-14(01) - Letter dated 12 May 2014 Hon Fernando from Dr CHEUNG Chiu-hung to the Chairman requesting the discussion of the policy and issues concerning the allocation of public rental housing for persons with

disabilities (Chinese version only))

3. <u>Members</u> further noted that the subject of "Allocation of public rental housing ("PRH") for persons with disabilities" had been included in the list of outstanding items for future discussion by the Panel.

III. Items for discussion at the next meeting

(LC Paper No. CB(1)1516/13-14(01) — List of follow-up actions

LC Paper No. CB(1)1516/13-14(02) — List of outstanding items for discussion)

4. To allow sufficient time for discussion, <u>members</u> agreed that the next regular meeting scheduled for Monday, 7 July 2014, at 2:30 pm would be devoted to the discussion on the subject of "Tenancy control" as proposed by the Administration. As suggested by Dr KWOK Ka-ki, the <u>Chairman</u> said that a special meeting would be held after the next regular meeting to receive public views on the subject.

(*Post-meeting note*: Subsequently, the special meeting to receive public views on the subject of "Tenancy control" was scheduled for Thursday, 24 July 2014, at 9:00 am.)

5. The <u>Chairman</u> reminded members that the Panel would hold a special meeting on Tuesday, 17 June 2014, at 2:30 pm to receive public views on "Measures to tackle under-occupation in PRH estates". The <u>Chairman</u> further said that as agreed at the last meeting, another special meeting would be held to receive public views on "Waiting time for PRH". Members would be informed of the details in due course.

(*Post-meeting note*: Subsequently, the special meeting to receive public views on "Waiting time for PRH" was scheduled for Monday, 30 June 2014, at 9:00 am.)

6. <u>Dr KWOK Ka-ki</u> asked when the Administration would brief the Panel on the result of the latest rent review for PRH. The <u>Permanent Secretary for Transport and Housing (Housing)</u> ("PSTH(H)") responded that under the existing mechanism, the Hong Kong Housing Authority ("HA") would 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. The Census and Statistics Department was responsible for conducting quality checks on the work of HA in the Income Survey, and computing the income

index in its independent capacity. HA had yet to receive the relevant report of the Commissioner for Census and Statistics. <u>PSTH(H)</u> assured members that following established practice, the Administration would brief the Panel on the outcome of the rent review as soon as possible.

7. Apart from discussing the outcome of the rent review, <u>Mr LEUNG Yiuchung</u> emphasized the need to review the PRH rent adjustment mechanism. The <u>Chairman</u> shared Mr LEUNG's view and requested the Administration to respond to members' request for reviewing the mechanism in the relevant paper.

IV. Disposal of properties by The Link Management Limited and related issues

(LC Paper No. CB(1)1533/13-14(01) — Letter dated 28 May 2014 from The Link Management Limited

LC Paper No. CB(1)1533/13-14(02) — Administration's paper on "Divestment of retail and carparking facilities by the Hong Kong Housing Authority"

Relevant papers

LC Paper No. CB(1)1417/13-14(01) — Letter dated 13 May 2014 from Hon Alice MAK Meikuen and Hon KWOK Waikeung the Chairman to requesting the discussion of proposed sale of properties by The Link Management Limited related (Chinese issues version only)

LC Paper No. CB(1)1516/13-14(03) — Clarification Announcement issued by The Link Management Limited on 12 May 2014

LC Paper No. CB(1)1516/13-14(04) — Announcement on "Disposal of Properties" issued by The Link Management Limited on 20 May 2014)

- 8. The Chairman said that the Panel noted with grave concern the announcement made by The Link Real Estate Investment Trust ("The Link") on 12 May 2014 that it had put up for private tender the following properties: (a) the Hing Tin Commercial Centre, (b) the Kwai Hing Shopping Centre, (c) the Po Hei Court Commercial Centre, (d) the Retail and Car Park within Tung Hei Court, and (e) the Wah Kwai Shopping Centre (collectively referred to as "the properties"). The tender was closed on 15 May 2014 and The Link announced on 20 May 2014 that it had accepted tenders to dispose of the properties except the Po Hei Court Commercial Centre. The Panel therefore decided to invite representatives of the Administration and The Link to attend this meeting to discuss the matter. Despite the Panel's invitation, however, The Link refused to send representatives to attend the meeting. Its reply dated 28 May 2014 had been circulated to members vide LC Paper No. CB(1)1533/13-14(01). The Chairman expressed deep regret about the absence of The Link's representatives and condemned The Link for not respecting the Legislative Council ("LegCo").
- 9. At the invitation of the Chairman, <u>PSTH(H)</u> briefed members on the background on the divestment of the retail and carparking facilities ("R&C facilities") by HA in 2005 and related issues by highlighting the salient points of the information paper.

Buying back The Link or its commercial facilities

- 10. <u>Dr KWOK Ka-ki</u> condemned The Link for refusing to attend the meeting and criticized the Administration for failing to perform effective monitoring of The Link after divestment of its R&C facilities. Noting that The Link had accepted tenders for the disposals, he was concerned that the new private owners of the four shopping centres might drive out existing tenants with a view to maximizing their profits. As the high rents had driven up the retail prices of goods in The Link's shopping centres, he enquired whether HA would consider buying back the four shopping centres.
- 11. <u>PSTH(H)</u> said that there had been dissenting views on HA's divestment of its R&C facilities and there had been an application for judicial review on the legality of HA's divestment exercise back in end 2004. Nevertheless, the Court of Final Appeal ("CFA") had affirmed in July 2005 that the divestment by HA

of its R&C facilities was consistent with the HA's objectives, as laid down in section 4(1) of the Housing Ordinance (Cap. 283) ("the Ordinance"). In reaching its conclusions, CFA noted that The Link would adopt a market-oriented commercial approach in operating its R&C facilities, whereas HA's approach might not always be in line with private sector practice, and that under The Link, there might be changes in relation to the operation of the relevant facilities.

- 12. <u>PSTH(H)</u> further stated that the Administration and HA had to prioritize and focus their resources on providing PRH to low-income families. The main objective of HA in divesting its R&C facilities was to enable HA to focus on fulfilling its mission to provide subsidized public housing, and to improve HA's financial position in the short-to-medium term with proceeds from the divestment. Noting that the aggregate consideration for the current disposal amounted to over \$1,200 million, buying those properties back would be incompatible with the principle of prudent financial management and public interest at large.
- 13. <u>Miss Alice MAK</u> asked whether the Administration had received any invitation from The Link to submit tender for buying the properties, and if it had, whether the Administration had submitted or considered submitting a tender in response to the invitation. <u>PSTH(H)</u> replied that no invitation for tender had been received.
- 14. Mr LEUNG Yiu-chung said that he had opposed to the divestment of public assets to The Link from the start. He remained of the view that the Administration should seriously consider buying back the divested properties from The Link for the benefit of the community. Mr WU Chi-wai and Mr LEUNG Kwok-hung shared similar views. PSTH(H) responded that as explained by the Secretary for Transport and Housing at the LegCo meeting of 21 November 2012, even if the Administration acquired a certain amount, e.g. 10% of the shares of The Link to become its so-called significant holder, it would not be able to alter the mode of operation and the rental policy of The Link. He reiterated that the Government and HA did not have any plan to buy back The Link or its commercial facilities.
- 15. Noting that under section 4(1) of the Ordinance, HA was obliged "to secure the provision of housing and such amenities ancillary thereto as the Authority thinks fit", Mr WU Chi-wai asked whether HA had examined if The Link had properly provided and managed the divested R&C facilities. Dr KWOK ka-ki and Mr LEUNG Yiu-chung expressed a similar concern. Pointing out that some common areas such as basketball courts lacked proper maintenance, Mr LEUNG Yiu-chung doubted whether HA had effectively discharged its monitoring role to ensure that The Link had properly managed

the divested properties. Citing Ms LO Siu-lan's appeal case against the listing of The Link in 2004 as an example, <u>Mr Alan LEONG</u> cautioned the Administration to observe its legal responsibility and fulfill its duty to secure the provision of ancillary services pursuant to the Ordinance.

- 16. <u>Mr Paul TSE</u> enquired whether HA would act on behalf of the residents to take legal action in the event that any successor in title failed to provide adequate and appropriate R&C facilities to meet the basic needs of the residents.
- 17. Mr LEUNG Kwok-hung urged the Administration to consider taking remedial measures to ensure that the residents were provided with appropriate R&C facilities. Such measures could include converting the lower storeys of public housing blocks into shops to increase the provision of retail facilities, providing free transport to take residents to places where the facilities were considered more satisfactory, and developing new shopping arcades or providing shops operated by HA.
- 18. <u>PSTH(H)</u> responded that in the judgment in 2005, CFA had considered section 4(1) of the Ordinance. It had held that the divestment was consistent with HA's statutory object. The Link had been a private entity since 2005 and the Government and HA did not hold any of its shares. The Link might determine its own business strategies, mode of operation and tenant mix, just like any other private entities and the Administration could not and would not intervene. Nonetheless, The Link had to comply with prevailing legislation, conditions of government leases, and terms of covenants in the assignment deeds between The Link and HA. Appropriate measures, including legal action, would be taken if the Administration considered that there was non-compliance, for example, if The Link was found to occupy common areas or failed to provide R&C facilities in accordance with the land leases.

Carparking facilities

19. Miss Alice MAK noted from the Administration's paper that the assignment deeds between HA and The Link contained certain restrictive covenants and generally speaking, the commercial and carparking facilities should not be disposed except as a whole. However, if HA no longer held any proprietary interest in the relevant public housing estate or Home Ownership Scheme ("HOS") court, the restriction that the shopping centre should not be disposed except as a whole would no longer be effective. If HA had disposed any residential units in the relevant estate or court, the restriction that the carparking facilities should not be disposed except as a whole would no longer be effective. Miss MAK sought clarification as to whether The Link's carparking facilities could be parcelled out for sale or sold to non-residents, thereby stimulating the speculation of parking spaces and causing the residents

of the relevant estates or courts to have to pay higher rents for the parking spaces. She further enquired whether the eligibility of purchasers of carparking facilities had been stipulated in law.

- 20. Prof Joseph LEE shared the concerns that the successors in title might not observe the assignment deeds between HA and The Link, and might lease their parking spaces to non-residents at high rents. He doubted how the residents of the relevant estate or court would be given priority in using the parking spaces in the properties sold by The Link. Mr KWOK Wai-keung pointed out that a considerable number of the relevant residents were using vehicles to earn their living and he was concerned that these residents' livelihood would be affected if the rents of the parking spaces were set at a relatively high level. Mr LEUNG Che-cheung also enquired how the Administration or HA would ensure the adequate provision of carparking facilities to PRH tenants as well as owners of Tenants Purchase Scheme flats.
- 21. <u>PSTH(H)</u> responded that the land use of the relevant lots where The Link's facilities were located was stipulated in the respective land leases. The lease conditions required the continued provision of commercial and carparking facilities in the estates and courts concerned. Although the carparking facilities could be parcelled out for sale if the relevant assignment deed did not contain the car-parking covenant or the covenant had ceased to have effect, the use of The Link's carparks had to comply with the conditions under the relevant land leases. In general, it was stipulated in these land leases that the parking spaces could not be let to non-residents other than those specified in the land leases. The users of the carparking facilities would usually be limited to residents of the relevant estate or court and residents of other estates or courts specified in the land lease as well as bona-fide visitors. It would be unreasonable for the new owners of the carparking facilities to set unreasonably high rents for the parking spaces in light of the lease conditions.
- 22. In response to the enquiry of the Chairman and Mr KWOK Wai-keung on the meaning of "nearby residents", <u>PSTH(H)</u> said that the land leases provided that the parking spaces should not be used for any purpose other than for parking motor vehicles belonging to residents or occupiers of the estate or court on the lot or the adjacent public housing lots which were specified in the lease.
- 23. On the question of how the residents of the relevant estate or court would be given priority in using the parking spaces, <u>PSTH(H)</u> said that the provision of carparking facilities in public housing estates and HOS courts was meant to serve the residents, and this had been reflected in the land leases concerned. Irrespective of whether these facilities were owned by The Link or not in future, the land use conditions in the leases would remain in force and any successors in title would be obliged to observe such conditions.

Admin

24. <u>Miss Alice MAK</u> requested the Administration to provide information concerning the 180 divested properties to explain how the land lease conditions could ensure that the residents of the relevant estate or court would be given priority in using the carparking spaces in the properties.

(*Post-meeting note*: The Administration's response was circulated to members vide LC Paper No. CB(1)1915/13-14(02) on 12 August 2014.)

Retail facilities

- 25. Mr WONG Yuk-man held the view that disposal of the properties would inevitably affect the livelihood of PRH residents. He also doubted whether The Link had only set aside a small number of shop premises for independent shops and traditional trades in the non-core area shopping centres as windowdressing. He did not subscribe to the statements in the Administration's paper that Hong Kong was highly urbanized and had good transport network, and residents could choose to shop in other commercial facilities. He cited the Lung Cheung Plaza as an example where the operation of about 30 retail shops was suspended for conversion works, causing inconvenience to the residents of public housing estates in Wong Tai Sin. He criticized The Link for neglecting the need of the residents concerned as they had to travel a long way to alternative shopping spots for purchasing daily necessities. He requested the Administration to set out the number of independent shops and traditional trades in the core area and non-core area shopping centres of The Link in each year from 2005 to 2014.
- 26. Mr Albert CHAN said that he had opposed to the listing of The Link back in 2004-2005 and pointed out at that time that the valuation of the assets was on the low side. He opined that the high rents of the commercial facilities had not only forced many shop tenants of traditional trades to move out from The Link's shopping centres, but had also driven up the retail prices of goods. The increased cost would eventually be transferred to consumers who were mainly residents of PRH estates, particularly so for those living in remote areas such as Tung Chung and Tin Shui Wai. In view of the unreasonable rent increases of The Link's R&C facilities, he requested the Administration to consider conducting a comprehensive assessment on the provision of R&C facilities in the estates or courts involving divested properties (e.g. change in rental level), and the need for taking remedial measures, such as providing public markets or public carparks so as to offer choices to residents in the districts concerned.

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(*Post-meeting note*: The Administration's response to the requests of Mr WONG Yuk-man and Mr Albert CHAN was circulated to members vide LC Paper No. CB(1)1915/13-14(02) on 12 August 2014.)

- 27. <u>Dr Fernando CHEUNG</u> agreed that the rental increases of The Link's shopping centres would lead to increased price for goods and services sold by the shops, thereby further adding to the burden on residents' livelihood. He asked if the Administration had any suggestion to help alleviate PRH residents' financial pressure. He further enquired how the Administration would prevent The Link from disposing of its properties again in future.
- 28. While acknowledging that some residents might not be satisfied with the existing shopping centres in their estates or courts, <u>PSTH(H)</u> said that the residents could consider going to other shopping facilities, including some managed by HA, in the vicinity of the estates/courts. Given that The Link had been a private entity since its listing in 2005, it had full autonomy in operating its R&C facilities. The Link might decide on the trade for its shopping centres and commercial premises as well as change the tenant mix and facility layout in response to changing circumstances. The Administration had no authority to interfere with The Link's management and operation of the properties under its ownership.
- 29. Mr KWOK Wai-keung enquired about the validity period of the restrictive covenants and how the Administration could ensure that The Link and its successors in title would comply with the restrictive covenants.
- 30. <u>PSTH(H)</u> replied that there was no time limit for the restrictive covenants. The Housing Department ("HD") had maintained communication with The Link on day-to-day estate management matters. HD would continue to communicate with the operators of relevant facilities to protect HA's rights under the restrictive covenants. Besides, HD would follow up with The Link to reaffirm the responsibility of The Link and future operators of relevant facilities under the relevant covenants. To ensure the continued provision of existing social welfare and educational facilities in the shopping centres, the restrictive covenant required The Link and its successors in title to continue to let out the relevant units, which had been providing such facilities, at concessionary rent to non-profit making organizations for social welfare and educational purposes.
- 31. Mr Vincent FANG said that in his reply to the oral question asked by Mr Albert CHENG at the LegCo meeting of 8 March 2006 on "Listing arrangements for The Link REIT", the former Secretary for Housing, Planning and Lands ("SHPL") stated that "...the Property Agreement between the HA and The Link REIT contains restrictive covenants applicable to the divested properties. Under those covenants each shopping mall or carparking facility within a public housing estate can be sold by The Link REIT only as a whole and not in part. Such restrictive covenants will apply in the same way to any third party who purchases any such facilities from The Link REIT." He

enquired whether according to the former SHPL, the commercial and carparking facilities could not be sold except as a whole. He also expressed concern that a third party who had purchased a shopping centre from The Link might subdivide and re-sell the shops therein individually for profit.

- 32. PSTH(H) reiterated that in general the R&C facilities could not be sold except as a whole under the covenants. However, for the retail covenant, if HA no longer held any proprietary interest in the relevant estate or court, the restriction would no longer be effective. He added that in the land leases of the properties acquired by The Link from HA, there were stipulations on the land use of the lots concerned requiring the provision of carparks and commercial facilities within the relevant lots. As such, the properties sold by The Link would continue to be used for R&C purposes, and this could not be changed at will.
- 33. The Chairman urged the Administration to advise whether the restriction Admin mentioned by the former SHPL in 2006 was still effective nowadays and if so, how the Administration would ensure that a third party who had purchased a shopping centre from The Link would comply with the restriction and would not dispose of the shops in the shopping mall individually.

(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1)1915/13-14(02) on 12 August 2014.)

Concluding remarks

34. Summing up the discussion, the Chairman called on the Administration to provide information on the various issues raised by members.

V. Performance of environmental targets and initiatives in 2013/14

- (LC Paper No. CB(1)1516/13-14(05) Administration's paper on "Performance of environmental targets and initiatives in 2013/14"
- LC Paper No. CB(1)1516/13-14(06) — Background brief on "Performance of the environmental and targets initiatives of the Hong Kong Housing Authority" prepared by the Legislative Council Secretariat)

35. The <u>Deputy Director of Housing (Development & Construction)</u> ("DDH(D&C)") briefed members on HA's performance in respect of its environmental targets and initiatives in 2013/14 by highlighting the salient points of the information paper. The <u>Senior Manager/Environment ("SM/E") of HD</u> gave a power-point presentation on the subject.

(*Post-meeting note*: A set of the power-point presentation materials was circulated to members vide LC Paper No. CB(1)1557/13-14(01) on 4 June 2014.)

36. In response to Mr KWOK Wai-keung's enquiry as to whether there was a specific completion date for determining which new public housing estates were new ones and hence would be provided with energy efficient equipment, DDH(D&C) advised that HA had been implementing environmental management strategies since 1999 and all new public housing estates were provided with energy efficient equipment. Energy certificates had been obtained for all newly completed public domestic blocks.

Food waste recycling

- 37. Noting that recyclables such as paper, aluminium cans, plastic bottles and used clothes, except food waste, were collected for recycling in public housing estates, Mr KWOK Wai-keung urged HA to take the lead in promoting food waste recycling in all PRH estates. Miss Alice MAK shared similar views. The Assistant Director of Housing (Estate Management)1 ("ADH(EM)1") advised that HA had conducted on-site and off-site food waste recycling trial schemes in some PRH estates. Given the practical difficulties associated with the collection, storage and treatment of food waste, HA had no plan to extend the on-site trial scheme to all PRH estates. As the prevention and reduction of food waste at source would be the most effective way to reduce food waste, HA would focus its efforts on promoting tenants' awareness and participation in waste separation at source, waste reduction and green management initiatives through various publicity channels.
- 38. <u>Miss Alice MAK</u> expressed concern about HA's view that on-site food waste recycling was not feasible in PRH estates and she doubted whether the Administration could meet the target of reducing the municipal solid waste disposal rate in Hong Kong by at least 40% by 2022, as stated in the "Hong Kong: Blueprint for Sustainable Use of Resources 2013-2022".
- 39. <u>DDH(D&C)</u> responded that in 2011, about 1 410 tonnes of domestic waste were collected from PRH estates per day. Estimating that about 40% were food waste, 560 tonnes of food waste were generated each day. As at the

end of 2013, the amount of food waste collected was about 520 tonnes, representing a significant reduction of 7%. HA had been collaborating with green groups to organize the estate-wide environmental awareness campaign and education programme, i.e. the Green Delight in Estates programme to encourage PRH residents to actively take part in food waste reduction. Besides, to promote the message on cherishing food, another estate-wide programme called the "Cherish Food with Rewards" campaign had been conducted. A "Food Waste has Value" green recipe competition had also been held to solicit smart cooking recipes from residents on reducing food wastage. DDH(D&C) further said that HA had achieved an average of 0.63 kilogram per person per day in respect of domestic waste production, which was much lower than the per capita average domestic waste production rate in Hong Kong.

- 40. The <u>Chairman</u> shared Miss Alice MAK's views and called on the Administration to step up efforts and proactively implement environmental measures including food waste recycling, so as to promote a green environment in line with the Government's overall environmental strategies.
- 41. Mr LEUNG Kwok-hung opined that it was difficult for PRH residents to collect food waste for recycling as living space was relatively limited and food waste would give rise to hygiene problems. To encourage residents to collect food waste, he suggested that the Administration should provide PRH residents with designated food waste collection bins. SM/E responded that during the onsite trial scheme, designated food waste collection bins had already been placed in the estates concerned. ADH(EM)1 supplemented that due to the lack of space for the collection, transportation and storage of food waste, it was difficult to develop large-scale on-site food waste recycling in PRH estates. During the trial scheme, there had been complaints against odour nuisances from food waste recycling. HA would make efforts to encourage food waste avoidance and minimization through public education.

Control of hazardous materials

42. Noting that asbestos abatement programme had been carried out in five domestic blocks and one factory block to abate the remaining asbestos containing materials, Mr KWOK Wai-keung asked when HA would remove the asbestos containing materials in the 17 PRH estates which had such materials. SM/E advised that most of the asbestos containing materials in PRH estates had been removed and those remaining were mainly in balcony grilles, staircase and lobby grilles as well as chimneys. In fact, these asbestos containing materials were tightly bonded with cement, plaster or bitumen. Unless they were broken or damaged, they should not cause health hazards under normal circumstances as such bonded materials had low possibility of releasing free asbestos fibre into air. HA would keep the remaining asbestos containing materials in existing

PRH estates in satisfactory condition by conducting two condition surveys per year and engaging a registered asbestos contractor for emergency repair of underground asbestos cement water-mains for all estates.

Recycling of glass bottles

43. Mr LEUNG Kwok-hung enquired whether HA would provide any facility in PRH estates for collecting glass bottles. ADH(EM)1 responded that HA had jointly worked with the Environmental Protection Department to provide glass bottle recycling services to residents in PRH estates. There were currently 47 PRH estates participating in the Programme on Source Separation of Glass Bottles. In 2013-2014, a total of 130 tonnes of glass bottle had been collected. It was expected that the programme could be further extended to all PRH estates by the end of this year.

VI. Progress of Total Maintenance Scheme

- (LC Paper No. CB(1)1516/13-14(07) Administration's paper on "Progress of Total Maintenance Scheme"
- LC Paper No. CB(1)1516/13-14(08) Updated background brief on "Total Maintenance Scheme" prepared by the Legislative Council Secretariat)
- 44. With the aid of a power-point presentation, the <u>Assistant Director of Housing (Estate Management)2</u> ("ADH(EM)2") briefed members on the latest progress of the Total Maintenance Scheme ("TMS") for PRH estates implemented by HA.

(*Post-meeting note*: A set of the power-point presentation materials was circulated to members vide LC Paper No. CB(1)1557/13-14(02) on 4 June 2014.)

45. Mr KWOK Wai-keung welcomed the implementation of TMS as a regular programme, particularly with the aging of PRH estates. He enquired whether there were any building structural problems of the domestic units which could not be resolved by TMS and how many cases required follow-up action on the same item in the second cycle after the completion of repair works in the first cycle of TMS.

- 46. The <u>Deputy Director of Housing (Estate Management)</u> ("DDH(EM)") responded that the maintenance cost incurred in the first cycle was about HK\$1,200 per flat. The majority of works carried out involved minor repair items with concrete spalling being the most common problem, followed by drainage and water seepage. According to HD's findings, the in-flat condition of the domestic units had been significantly improved since the implementation of the first cycle of TMS. The number of works orders issued in the second cycle had dropped significantly as compared with the first cycle.
- 47. <u>Miss Alice MAK</u> expressed concern about the inconvenience and nuisances brought by the repair works. She relayed the dissatisfaction of some tenants on the failure of contractors to adhere to the scheduled appointments. While tenants were in general appreciative of TMS, they were disturbed by repetitive repair works and the works carried out in adjacent units. She considered that more efforts should be made to coordinate the works among different contractors and sub-contractors with a view to mitigating the associated inconvenience and nuisances during the progress of works. <u>Miss MAK</u> also suggested that apart from in-flat inspection and repair services, HA should consider expanding the scope of TMS to cover other items.
- 48. <u>DDH(EM)</u> responded that although the overall satisfaction rate of TMS had been consistently maintained at 80%, HA would not be complacent and would continue to improve the standard of service. Of the remaining 20% households who were not satisfied, 3.5% were not satisfied with the services under TMS. These tenants were dissatisfied with the quality of maintenance works and the failure of contractors to adhere to the scheduled appointments, etc.. The other 16.5% did not give any views. <u>DDH(EM)</u> assured members that HA would closely monitor the contractors' performance to ensure their service quality. HA would also take members' views and concerns into consideration.
- 49. Noting that HA would provide free installation of laundry racks to replace the laundry pole holders in the rental units of PRH estates, the <u>Chairman</u> asked if HA would consider including the replacement programme in TMS. <u>ADH(EM)2</u> explained that unlike the maintenance works under TMS which only involved in-flat repair works, the replacement of laundry pole holders would require the use of gondolas. The replacement programme was expected to complete in three years and the preparatory works were already underway in some housing estates.

VII. Any other business

50. There being no other business, the meeting ended at 6:35 pm.

Council Business Division 1 <u>Legislative Council Secretariat</u> 6 November 2014