

LCQ21: Provision and management of public markets

Following is a question by the Hon Andrew Wan and a written reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (June 26):

Question:

Some members of the public have pointed out that the government's efforts in providing and managing public markets have been ineffective. For instances, patronage of North Kwai Chung Market has remained low due to the prolonged delay in retrofitting air conditioning system, Tsuen King Circuit Market was closed as a result of mismanagement, and there has been a shortage of public market in new towns such as Tung Chung and Tin Shui Wai. In this connection, will the Government inform this Council:

(1) whether it has formulated plans to redevelop the public markets in New Territories West; if so, of the details (including the name of the public markets involved and the timetable for redevelopment);

(2) whether it has formulated plans to renovate the public markets in New Territories West; if so, of the details (including the name of the public markets involved and the timetable for renovation);

(3) whether it will pursue the "single site, multiple use" model in multi-storey developments in redeveloping public markets, and build municipal complexes to provide the various types of public facilities; if so, of the details; if not, the reasons for that;

(4) as the Chief Executive indicated in last year's Policy Address that the Government would build a public market in Tung Chung and Tin Shui Wai respectively, whether the Government will provide more public markets in phases having regard to the current and anticipated future population of the two districts; if so, of the details; if not, the reasons for that; and

(5) as the Financial Secretary announced in his 2018-2019 Budget Speech that the Government would earmark \$2 billion for implementing a Market Modernisation Programme over the next 10 years, whether it has assessed the number of public markets that can benefit from the funding; whether it will provide additional funding in a timely manner in order that the relevant works can be carried out in more public markets; if so, of the details; if not, the reasons for that?

Reply:

President,

The Government is implementing the ten-year Market Modernisation Programme (MMP) to improve the operating environment of existing public markets. The Government is also planning to develop new public markets in certain districts. My reply to the various parts of the question is as follows:

(1), (2) and (5) In identifying markets for implementation of projects of different scales (including redevelopment, fundamental overhaul and refurbishment and minor improvement works) under MMP, the Food and Environmental Hygiene Department (FEHD) will select public markets with regard to their geographical location and distribution, condition of facilities, business viability, community needs and tenants' readiness so as to benefit the public as a whole.

Having regard to a preliminary assessment of existing markets and views gathered from the Subcommittee on Issues Relating to Public Markets under the Legislative Council Panel on Food Safety and Environmental Hygiene, the FEHD has proposed that, in the first phase of the MMP, a fundamental overhaul for four markets and refurbishment and minor improvement works for at least another three markets will be taken forward. The pioneering project of the MMP will be the overhaul of Aberdeen Market while the other three markets to be overhauled are located in Kowloon and the New Territories. We have been actively liaising with the tenants there and other stakeholders with a view to reaching a consensus on the way forward as soon as possible. The overhaul arrangements for Aberdeen Market will set a model for future similar projects. After the details of the Aberdeen Market project are finalised, we will kick-start other first phase projects progressively.

The FEHD will continue to follow up on the first-phase projects and identify more markets suitable for the MMP, so as to make the best use of the \$2 billion earmarked, to improve the operating environment of markets. We will assess the need for more funding at a later stage when the funds earmarked are about to be fully committed.

(3) In line with government policy, where the site is zoned for "Government, Institution or Community" purposes, we will pursue the "single site, multiple use" model in multi-storey developments and welcome collaboration with other government departments to accommodate compatible use.

(4) As announced in the 2018 Policy Address, the Government plans to build new public markets in Tin Shui Wai and Tung Chung Town Centre respectively. The Government has also initially identified suitable sites in the east of Tung Chung New Town Extension Area as well as in the southwest of Hung Shui Kiu New Development Area (NDA) to build public markets. Apart from the above, we are also looking for locations in Tseung Kwan O and the Kwu Tung North NDA to build new markets.

Providing a new public market requires the use of scarce land resources and entails public financial commitment, both capital and recurrent. We also observe the evolving customer preference for shopping venues in purchasing fresh provisions. Given these premises, in considering whether a public

market should be built, we have to duly assess the need for the market and cost effectiveness and to ensure proper use of public resources.

The provision of new public markets would be considered on a case-by-case basis. The Government will take into account relevant factors including demographic mix, community needs, provision of both public and private market facilities nearby and number of fresh provision retail outlets in the vicinity. We would also consider the actual situation of individual districts and the views of stakeholders in the process.

LCQ19: Public dental services

Following is a question by Dr the Hon Elizabeth Quat and a written reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (June 26):

Question:

There are views that as the population of Hong Kong is ageing, dental services are facing great challenges. There were nearly 310 000 poor elderly persons in 2015, representing a poverty rate of 30 per cent. Quite a number of elderly persons are suffering from various dental problems and rely on public dental services heavily. However, such services are grossly inadequate, rendering elderly persons with financial difficulties unable to receive diagnoses and treatments. Regarding public dental services, will the Government inform this Council:

- (1) whether it knows the number of dentists who obtained practising qualifications in each of the past five years;
- (2) whether it knows the current number of registered dentists in Hong Kong and, among them, the respective numbers of dentists practising in public organisations and private dental clinics/organisations;
- (3) of the specific measures in place to increase dentist manpower;
- (4) of the specific measures in place to encourage non-locally trained dentists and graduates in dentistry to come to Hong Kong and practise in public organisations;
- (5) whether it has projected the manpower demand and supply situation of dentists in each of the coming 10 years; if so, of the details; if not, the reasons for that;
- (6) whether it has plans to increase the number of dental clinics under the Department of Health, so as to expand the free emergency dental treatment

(commonly known as "general public dental sessions" (GP dental sessions)) provided for the public; if so, of the details; if not, the reasons for that;

(7) whether it will consider increasing the consultation quota of GP dental sessions through means such as allocating resources and streamlining procedure; and

(8) whether it will introduce a population-wide dental care scheme; if so, of the details and timetable; if not, the reasons for that?

Reply:

President,

(1) The annual number of newly-registered dentists in the past five years are set out in the table below:

Year	2014	2015	2016	2017	2018
Number	53	58	70	65	71

(2) As at end of May 2019, there were 2 342 dentists on the list of registered dentists in Hong Kong under the Dentists Registration Ordinance (Cap. 156).

According to the 2015 Health Manpower Survey conducted by the Department of Health (DH), the distribution of those economically active dentists who were practising in different sectors is set out in the following table:

Sector of Work*	Government	Private	Others †
Percentage of Dentists	19.5%	74.0%	6.5%

Notes:

* Figures refer to the sector in which the dentists worked for the main job.

† Figures included dentists working in the Hospital Authority, subvented sector, academic sector and Prince Philip Dental Hospital.

(3) To meet the anticipated demand for dental manpower, the Government has increased the annual intake of University Grants Committee (UGC)-funded first-year-first-degree (FYFD) training places in dentistry from 53 to 73 by 20 (about 40%) in the 2016/17-2018/19 triennium. In the 2019/20 to 2021/22 triennium, the number of UGC-funded FYFD places in dentistry will be further increased to 80 per annum. The Government will also provide for 20 UGC-funded taught postgraduate places in dentistry in the 2019/20 to 2021/22 triennium.

(4) Under Dentists Registration Ordinance (Cap. 156), there is an arrangement of deemed registration for dentists recruited from overseas for the purpose of teaching and performing hospital work in the Faculty of Dentistry of the University of Hong Kong.

There are suggestions from the dental profession to introduce a limited registration mechanism similar to that for doctors to facilitate qualified non-locally trained professional to practise dentistry in Hong Kong for teaching, research and hospital work under prescribed conditions, and to abolish the arrangement of deemed registration upon the introduction of limited registration to strengthen professional regulation.

The Government has invited the Dental Council of Hong Kong to make proposal on how to implement the recommendations of the Strategic Review on Healthcare Manpower Planning and Professional Development (Strategic Review) (including the establishment of a limited registration mechanism for dentists). The Government will continue to actively liaise with the Council on the recommendations of the Strategic Review.

(5) The Government published the Report of Strategic Review on Healthcare Manpower Planning and Professional Development (Report) in mid-2017. The projections on healthcare manpower have taken into account demographic changes and other relevant factors, including the known and planned services and developments, the requirements of public and private healthcare, social welfare and education sectors, as well as the demand for primary, secondary and tertiary care services in Hong Kong.

According to the manpower projections in the Report, the manpower of dentists will be in shortage in the medium to long term. The manpower gaps for dentists in 2020, 2025 and 2030 are set out in the table below –

	Manpower Gap		
	2020	2025	2030
Best guestimate	96	121	127
	(4.2%)	(5.1%)	(5.1%)

Note: A positive number indicates shortfall. Percentages in brackets refer to the percentages of manpower gaps in full-time equivalent terms over the overall demands for dentists.

Taking into account the findings of the Report, the Government will increase the number of UGC-funded FYFD training places in dentistry from 73 to 80 per annum in the 2019/20 to 2021/22 triennium. The Government has commenced a new round of manpower projection exercise. The results are expected to be available in 2020. Subject to the result of the new manpower projection, the Government will further consider increasing the number of FYFD training places in dentistry in the next triennium.

(6) to (8) The Government's policy on dental services aims to raise public

awareness of oral health and encourage the public to develop proper oral health habits through promotion and education. To enhance oral health of the community, the Oral Health Education Unit of the DH has implemented oral health promotion programmes targeting different age groups and disseminated oral health information through various channels over the years.

Providing comprehensive dental services for the public requires substantial amount of financial resources. Therefore, besides publicity, education (including the School Dental Care Service) and promotion on oral health, the Government shall allocate resources to the provision of emergency dental services to the public and prioritise resources for persons with special dental care needs, in particular elderly with financial difficulties.

The dental clinics under the DH are mainly responsible for providing dental benefits for civil servants/pensioners and their eligible dependents as required of the Government as terms of employment for civil servants, and therefore civil servants/pensioners and their eligible dependents are the major service targets of these clinics. Nonetheless, the Government provides general public sessions to offer free emergency dental treatments to the public through designated sessions in 11 government dental clinics of the DH. In addition, the Oral Maxillofacial Surgery and Dental Units of the DH in 7 public hospitals provide specialist dental treatment to the special needs groups by referral from registered dental or medical practitioners. Currently, the government dental clinics are at full service capacity reaching almost 100 per cent occupancy of all appointment time slots. It is not possible for DH to extend or allocate more slots for general public sessions on top of the existing schedule.

Regarding the question raised about the need of elderly dental services, the Government has launched the Outreach Dental Care Programme for the Elderly through subventing non-governmental organisations to provide free outreach dental services for elders in residential care homes or day care centres, and those residing in similar facilities (e.g. Nursing Homes for the elderly registered under the DH).

Moreover, in September 2012, the Community Care Fund Elderly Dental Assistance Programme (the Programme) was launched for provision of free removable dentures and related dental services to eligible low-income elders. The Programme was expanded in phases in the past few years to cover elders aged 65 or above receiving Old Age Living Allowance in February 2019.

Besides, under the Comprehensive Social Security Assistance Scheme, recipients who are old, disabled or medically certified to be in ill health are eligible for a dental grant to cover the dental treatment items (including dentures, crowns, bridges, scaling, fillings, root canal treatment and tooth extraction).

Currently, the Elderly Health Care Voucher Scheme also subsidises eligible elders aged 65 or above with an annual voucher amount of \$2,000 to use private primary healthcare services, including dental services.

LCQ22: Early withdrawal of Mandatory Provident Fund accrued benefits

Following is a question by the Hon James To and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (June 26):

Question:

Under the Mandatory Provident Fund Schemes Ordinance (Cap. 485), Mandatory Provident Fund (MPF) scheme members may withdraw their accrued benefits early under specified circumstances (such as early retirement, permanent departure from Hong Kong and terminal illness). In this connection, will the Government inform this Council:

(1) of the following figures on early withdrawal of MPF accrued benefits under each specified circumstance in each year between 2015 and 2018:

(i) the respective numbers of applications received, approved and rejected by the trustees,
(ii) the average age of the applicants,
(iii) the total amount of accrued benefits in the approved cases, and
(iv) the highest, lowest and average amounts of accrued benefits in the approved cases; and

(2) as the aforesaid ordinance stipulates that a member with a "terminal illness" means the member "has an illness that is likely to reduce the life expectancy of the member to 12 months or less", but that definition depends on the subjective estimations by individual doctors on the life expectancy of their patients, whether the Government will formulate a more objective and less stringent definition for "terminal illness", such as setting out, in the form of a table in respect of the various death-causing illnesses, the specific stage(s) for each illness to be regarded as terminal illness?

Reply:

President,

(1)

(i) The Mandatory Provident Fund Schemes Authority (MPFA) started collecting from MPF trustees the number of claims processed by them for early withdrawal of MPF accrued benefits on various grounds since 2016. From 2016 to 2018, the numbers of claims for early withdrawal of MPF accrued benefits on various grounds processed by MPF trustees are as follows:

Year	Early Retirement	Permanent Departure from Hong Kong	Total Incapacity	Terminal Illness	Small Balance	Death
2016	22 100	32 700	2 100	900	300	6 700
2017	23 400	36 500	2 200	900	200	7 800
2018	20 800	33 800	1 800	800	100	7 100

Note: The figures above are rounded to the nearest hundredth

The MPFA has not collected from MPF trustees the number of rejected claims for early withdrawal of MPF accrued benefits on various grounds.

(ii) The MPFA only maintains record of the average age of MPF scheme members who withdrew MPF accrued benefits on ground of permanent departure from Hong Kong. The average age of scheme members who withdrew MPF accrued benefits on ground of permanent departure from Hong Kong is as follows:

Year	Average age of scheme members who withdrew MPF on ground of permanent departure from Hong Kong
2015	40
2016	40
2017	40
2018	41

(iii) From 2015 to 2018, the total amount involved in the claims processed by MPF trustees each year for early withdrawal of MPF accrued benefits on various grounds are as follows:

(HK\$ million)

Year	Early Retirement	Permanent Departure from Hong Kong	Total Incapacity	Terminal Illness Note (2)	Small Balance	Death	Total
2015	Note (1)	3,528	172	28	1	505	Note (1)
2016	1,859	3,323	157	86	1	502	5,928
2017	2,703	4,573	203	106	1	706	8,291
2018	2,682	4,792	211	114	Note (3)	689	8,489

Notes:

- (1) Before 2016, the MPFA did not collect from MPF trustees the figures relating to early withdrawal of MPF benefits on ground of early retirement
(2) "Terminal illness" has been included as one of the grounds for early

withdrawal of MPF accrued benefits since August 2015

(3) Less than HK\$0.5 million

(iv) The MPFA started collecting from MPF trustees the number of claims processed by them for early withdrawal of accrued benefits on various grounds since 2016. From 2016 to 2018, the average amounts of MPF accrued benefits withdrawn early by MPF scheme members on various grounds are as follows:

(HK\$)

Year	Early Retirement	Permanent Departure from Hong Kong	Total Incapacity	Terminal Illness	Small Balance	Death
2016	84,100	101,700	75,500	91,000	2,600	74,900
2017	115,500	125,200	92,100	115,000	2,600	91,000
2018	128,900	141,700	117,400	136,300	2,700	97,000

The MPFA does not have information on the highest and lowest amounts of early withdrawal of MPF accrued benefits on various grounds.

(2) According to the Mandatory Provident Fund Schemes (General) Regulation (Cap. 485A), if a registered medical practitioner or registered Chinese medicine practitioner is of the opinion that a scheme member has any illness that is likely to reduce the member's life expectancy to 12 months or less, and issues a medical certificate to the member, the member may lodge a claim for early withdrawal of MPF benefits on ground of "terminal illness".

The definition of "terminal illness", as well as the approach to certify one's remaining life expectancy, is formulated after taking into account the views received from respondents (especially medical practitioners) during the consultation exercise in relation to the adding of "terminal illness" as one of the grounds for early withdrawal of MPF accrued benefits. As a result of medical advances, many serious illnesses previously considered as incurable may soon become curable with the development of new drugs or medical treatments. Moreover, the health conditions may vary from person to person even if they suffer from the same illness. As such, it would be difficult to generalise in the form of a table different kinds of terminal illnesses.

The government is of the view that the existing definition could better facilitate scheme members and medical practitioners in handling various cases in a practical manner. As such, the government currently has no plans to amend the definition of "terminal illness".

LCQ10: Income limit for applicants of subsidised sale housing

Following is a question by Hon Alice Mak and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (June 26):

Question:

The subsidised sale flats (SSFs) put up for sale in recent years have met with overwhelming responses, with oversubscriptions easily reaching dozens of times. As no minimum income requirement has been set in the relevant eligibility criteria, some members of the public have applied for purchasing SSFs in the names of their family members who have no income (e.g. children who have just reached the age of 18 and are students) in order to increase their chances of success in the ballots. However, such "buyers" simply are unable to make the down payments nor repay the mortgage loans by themselves. In this connection, will the Government inform this Council:

(1) of the median monthly household income of the applicants in each sale exercise for the Home Ownership Scheme (HOS) flats in the past three years;

(2) of the number of HOS flats sold in each of the past three years, and set out (i) a breakdown by the group to which the monthly household income of the buyers belonged (as set out in the table below) and (ii) the corresponding percentages;

Monthly household income (\$)	2016		2017		2018	
	(i)	(ii)	(i)	(ii)	(i)	(ii)
5,000 or below						
5,001 to 10,000						
10,001 to 20,000						
20,001 to 30,000						
30,001 to 40,000						
40,001 to 50,000						
50,001 or above						
Total:		100%		100%		100%

(3) whether it knows, among the buyers in each sale exercise since 2014 for flats under HOS, the Green Form Subsidised Home Ownership Scheme and the White Form Secondary Market Scheme, the respective numbers of those whose mortgage loan agreements contained mortgage guarantors;

(4) as the Hong Kong Housing Authority (HA) provides mortgage default

guarantee to financial institutions with whom HA has entered into a Deed of Guarantee so that they can offer more favourable mortgage terms to SSF buyers (e.g. a mortgage loan-to-value ratio of 90 per cent or above), whether the Government has assessed the financial risks posed to HA by the situation that some buyers are unable to repay mortgage loans by themselves; if so, of the outcome; if not, whether it will conduct such an assessment; and

(5) whether it will tighten the eligibility criteria for SSFs by setting a minimum income requirement, so as to ensure that the buyers are able to repay mortgage loans by themselves?

Reply:

President,

My response to the question raised by Hon Alice Mak is as follows –

(1) and (2) In the past three years, the number of Home Ownership Scheme (HOS) flats sold by the Hong Kong Housing Authority (HA) was as follows:

	Number of flats sold
Sale of HOS Flats 2016	2 657
Sale of HOS Flats 2017	2 120*
Sale of HOS Flats 2018	4 431

* Including 63 HOS flats in 2014 for resale

Source: HA's administrative records

Since the Sale of HOS Flats 2017, the survey conducted by HA after each pre-sale of HOS flats covers information on the monthly household income and planned financial arrangements of successful buyers. According to the Major findings of the Survey on Applicants of the Sale of HOS Flats 2017 (Note 1), the distribution of monthly household income of successful buyers is as follows:

Monthly household income	Buyers of the Sale of HOS Flats 2017*		
		< \$20,000	13%
\$20,000 – < \$30,000	23%		
\$30,000 – < \$40,000	31%		
\$40,000 – < \$50,000	22%		
≥ \$50,000	11%		
Total	100%		
Median	\$30,000		

* Including White Form and Green Form buyers

Source: HA's Major findings of the Survey on Applicants of the Sale of HOS Flats 2017

Since flat selection of the Sale of HOS Flats 2018 just completed in May 2019, the survey on HOS applicants has yet to start.

(3) and (4) In order to assist the purchasers of subsidised sale flats (SSFs) in obtaining favourable mortgage loan (Note 2), HA will provide mortgage default guarantee to participating banks or financial institutions. Under the Deed of Guarantee executed by both parties, banks or financial institutions shall not require the purchasers to provide other security.

Banks or financial institutions shall exercise due prudence when approving the purchaser's mortgage application pursuant to their commercial operating principles. Accordingly, the Deed of Guarantee stipulates that banks or financial institutions are entitled on prudential grounds to refuse to provide finance to any purchaser. It is understood that banks or financial institutions will take into account all relevant factors, including the applicant's financial position, past credit data and the condition of the property, etc., in vetting mortgage applications.

Besides, if an owner, who has mortgaged the SSF purchased to a bank or financial institution that has entered into a Deed of Guarantee with HA, defaults on mortgage payments before paying off the mortgage loan, the bank or financial institution is required to exhaust all its remedies which includes seeking repayment from the owner and selling the flat before it is entitled to make a claim for payment under the Deed of Guarantee. The guarantee provided by HA is a deficiency guarantee, meaning that should the sale proceeds of the flat fail to cover the full outstanding balance of the mortgage and all the interest, legal costs, administration fees, etc. payable under the mortgage, HA shall then pay the arrears to the bank or financial institution. HA will subsequently seek to recover such payments and interest from the owner.

In addition, HA's Application Guides for SSFs also require purchasers to assess their own financial capability and eligibility for mortgage before proceeding with the purchasing formalities.

(5) The Deed of Guarantee executed by HA and banks or financial institutions has already provided a mechanism to minimise HA's financial risk. In fact, when HA's Subsidised Housing Committee (SHC) discussed the proposed income and asset limits for White Form applicants for the Sale of HOS Flats 2014 (Note 3) at its meeting of November 10, 2014, it also deliberated on whether a minimum income/asset level should be imposed on White Form applicants. SHC took the view that such minimum level should not be imposed for the following considerations:

(i) Imposing a minimum income/asset level may inadvertently affect those with genuine need to purchase HOS flats. Specifically, those with income and asset below the minimum levels will become ineligible for HOS, even if they may have other means to help finance the purchase;

(ii) Since the launch of HOS, it has been a practice for HA to allow HOS buyers to accept financial support from family members/friends. In fact,

according to the Major findings of the Survey on Applicants of the Sale of HOS Flats 2017, about 22 per cent of buyers intended to get financial support from parents, while 11 per cent of buyers planned to get financial support from friends/relatives and children respectively to finance their mortgage down payment (Note 4);

(iii) In Hong Kong, obtaining financial assistance from families/friends for home purchase is a very common arrangement and is generally accepted by the public. Some young people may have difficulties saving sufficient money on their own for the down payment of private flats particularly when property prices are relatively high; and

(iv) Green Form applicants for HOS may also have very low income/asset levels. Therefore, if a minimum income/asset level is imposed on White Form applicants, there may be criticisms from White Form applicants. Such criticisms are expected to be particularly strong among young people who have difficulties buying properties under the current market conditions.

Note 1: Details can be found in HA's Subsidised Housing Committee paper no. 69/2018

(www.housingauthority.gov.hk/en/common/pdf/about-us/housing-authority/ha-paper-library/SHC69-18EN.pdf).

Note 2: Some of the mortgage terms are as follows:

(a) loan amount: for HOS and the Green Form Subsidised Home Ownership Scheme, the maximum loan amount may not exceed the balance of the purchase price after deposit; for the White Form Secondary Market Scheme, the maximum loan amount may not exceed 90 per cent of the purchase price or the assessed value, whichever is less;

(b) repayment period: maximum of 25 years; and

(c) interest rate: the maximum interest rate shall not exceed the Best Lending Rate quoted by the bank or financial institution concerned minus 0.5 per cent per annum.

Note 3: Details can be found in HA's Subsidised Housing Committee paper no. 66/2014

(<https://www.housingauthority.gov.hk/en/common/pdf/about-us/housing-authority/ha-paper-library/SHC66-14.pdf>).

Note 4: Interviewees were allowed to choose more than one source of funding.

LCQ16: Workmanship of subsidised housing units

Following is a question by the Hon WU Chi-wai, MH and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative

Council today (Jun 26):

Question:

It has been reported that in recent years, quite a number of members of the public have, after moving into newly completed units of public rental housing, and those under the Home Ownership Scheme (HOS) and Green Form Subsidised Home Ownership Scheme (GSH), found that both the materials and the workmanship of the in-flat installations are of poor quality. Some members of the construction industry have pointed out that the causes for such a situation include a shortage of experienced construction workers in recent years, and an increased use of precast concrete components (PCCs) in the construction of these subsidized housing. In this connection, will the Government inform this Council:

(1) in respect of the three aforesaid types of subsidized housing projects completed within the past five years, of the respective numbers of complaints/reports received by the Housing Department (HD) from residents about quality problems of the materials and workmanship of the in-flat installations, and among such complaints/reports, the respective numbers of those which were (i) made via the Defects Report Forms and (ii) made after the expiry of the warranty periods of their HOS and GSH units;

(2) in respect of the complaints/reports mentioned in (1)(i) and (ii) respectively, of the following information on each problem in the past five years relating to the quality of materials and workmanship: (i) the number of cases handled, (ii) the average time taken for the repair works, (iii) the longest time taken for the repair works, and (iv) the number of cases not handled, and set out the information by the name of each subsidized housing project and in tables of the same format as the table below;

Name of subsidized housing project: _____

Problem	(i)	(ii)	(iii)	(iv)
Water seepage on the wall				
Water seepage on the ceiling				
Window problems				
...				
Other problems				
Total:		Not applicable	Not applicable	

(3) of the most common in-flat problems involving substandard workmanship and installations (e.g. kitchen doors not meeting the fire resistance standard) that were identified by HD in the past five years in the course of hand-over inspections of the three aforesaid types of subsidized housing units;

(4) regarding the construction works in the past five years for the three types of subsidized housing projects respectively, of the (i) percentage of PCCs used on average, (ii) the number of days taken for the construction of a typical floor on average, and (iii) the number of man-days taken for the construction of a unit on average, for each of the projects; whether HD assessed, in the course of the hand-over inspections of such units, the impacts of such factors on the workmanship; if so, of the details; if not, the reasons for that;

(5) whether HD issued in the past five years advices or warnings to or imposed penalties on the contractors of subsidized housing projects due to quality problems of materials and workmanship; if so, of the details;

(6) of the measures put in place to enhance the supervision of the workmanship of subsidized housing projects (e.g. increasing the number of inspection items and the frequency of random inspections during the construction stage, as well as reviewing the construction methods and the procedure and criteria for hand-over inspections); and

(7) whether it will consider extending the warranty period for subsidized sale units and taking other measures to better protect the rights and interests of owners who have purchased such units?

Reply:

President,

My consolidated reply to Hon WU Chi-wai's question is as follows:

The Hong Kong Housing Authority (HA) has all along been placing a high priority on the quality of its construction works, and has put in place a stringent system for inspecting and accepting completed works. From ensuring the fulfillment of contractual requirements, conducting site monitoring/inspections, to performing tests upon completion of the works, HA has been strictly monitoring the building contractors. This system applies to all HA's public housing developments, including Public Rental Housing (PRH) and the Subsidised Sale Flats (SSFs). The latter includes the Home Ownership Scheme (HOS), and the Green Form Subsidised Home Ownership Scheme (GSH) projects.

Before completion of the works contract, HA performs detailed inspections and checking in each flat to ensure that the quality of the works complies with the contractual requirements. If any situation of non-compliance with the contract is identified, HA shall request the contractor to follow-up and rectify, and conduct another round of inspection. This will ensure that the construction quality meets the required standards.

Under the current mechanism, if the tenant/owner has identified anomaly in facilities or installations of the flat within seven days of taking over the flat and that decoration works have not yet started, he/she can submit a 'Defects Report Form' to the In-take Ambassador. If the anomaly is, upon

verification, confirmed as a building defect which the contractor is accountable for, the contractor will arrange the conduct of the rectification works for the tenant/owner. For SSFs, HA provides HOS and GSH flats with one-year maintenance period and ten-year Structural Safety Guarantee for the in-flats installations, finishes and facilities as stipulated in the sales brochures.

HA has always been concerning about the construction quality and has already included the "Average number of defects per flat at handover to tenants/owners for flats completed within the year" as one of its Key Performance Indicators. Our annual target is not exceeding 0.7 defects per flat. We were able to meet this target at the year-end performance reviews in the past few years (see Annex for the number of defects). In the past five years up to end May 2019, among the 77 215 completed public housing flats, HA has received about 440 verified defect cases, among which about 300 were in PRH, about 110 were in HOS and about 30 were in GSH(Note). Generally speaking, these defects involved water seepage, leakage from fittings, damaged tiles and cracks at plastering, etc. HA did not come to aware of situation involving facilities in the flats not meeting the stipulated standards.

After the tenants/owners submit the "Defects Report Forms", HA will arrange its staff to follow up with the residents as soon as possible, and arrange the rectification works according to the needs of the individual residents. HA does not keep statistics on the time required for conducting the rectification work. The time required depends on the types of the works involved. In general, rectification works within residential flat, such as those related to damaged tiling and water seepage at ceiling or wall, etc. takes about one to three weeks to complete. For other minor items such as damages to window hardware, lock or hinges, etc., rectification could be completed within a week. HA does not keep statistics on the complaints/reports from residents about quality problems of the materials and workmanship of the in-flat installations after the expiry of the defects liability warranty period.

HA has many years of experience in applying precast concrete components (PCCs) in public housing developments. Practitioners of the construction industry generally consider that such technology can improve the buildings quality. The PCCs adopted by HA generally include staircase, façade, semi-precast slab, volumetric precast bathroom, volumetric precast kitchen, partition wall, beam, balcony and refuse chute, which make up about 35 per cent of concrete volume of a typical floor and 70 per cent precast rate on plan on average. HA determines the applicable areas of PCCs in individual project based on the corresponding conditions and settings. Owing to the different design, layout and site constraints of individual projects, HA does not have a unified construction cycle index. In general, HA can complete the main concrete structure of a typical floor in six working days and the worker per flat ratio is about 0.12 on average. This construction cycle has balanced the work schedule, site safety and the quality of buildings and is generally recognised by the industry.

Regarding contractor monitoring, HA will continue to monitor different aspects of the performance of the building contractors in HA's works contracts, including progress of works, use of materials, quality of works, site and environment management, site safety and payment of wages, etc. If the building contractor does not perform satisfactorily, HA will issue reminder letters, warning letters, or even suspend the concerned contractor from tendering HA's contracts as appropriate. In the past five years, HA suspended six new building works contractors from tendering due to unsatisfactory performance on the use of materials and quality of works etc. Among the six contractors, four were directly involved in the incident of "excess lead in drinking water" in 2015. HA will continue to monitor the use of materials and quality of works of public housing developments.

Note: The defect cases reported by tenants/ owners via the "Defects Situation Report" and verified did not include the minor defects that could be rectified by the contractor within a day, such as cleansing, tightening loosened metallic parts or lubricating, etc.