

LCQ9: Combating acts of overcharging tenants of subdivided units for water

Following is a question by the Hon Vincent Cheng and a written reply by the Secretary for Development, Ms Bernadette Linn, in the Legislative Council today (June 14):

Question:

It has been more than two years since the Waterworks (Waterworks Regulations) (Amendment) Ordinance 2021 (the Amendment Ordinance) came into effect on May 14, 2021. The amended regulation 47 of the Waterworks Regulations (Cap. 102A) stipulates that in respect of the supply of water, landlords may only recover from their tenants (including tenants of subdivided units (SDUs)) the water charges paid to the Water Supplies Department. However, it has been reported that currently the average water charge for SDU tenants is twice as high as that for ordinary households. In this connection, will the Government inform this Council:

(1) of the respective numbers of complaint cases relating to SDU tenants being overcharged for water that the authorities have received and followed up since the Amendment Ordinance came into effect;

(2) among the cases mentioned in (1), of (i) the amount of water charge overcharged in each of the cases, (ii) the number of successful convictions and the penalties imposed, as well as (iii) the number of cases in which no prosecution was initiated and the reasons for that; and

(3) given that according to regulation 51 of Cap. 102A, a landlord who overcharges his or her tenants for water shall be liable on conviction to a maximum fine of \$10,000, but in the seven convicted cases as at the end of February this year, the amounts of fines imposed on the convicted persons only ranged from \$1,000 to \$5,000, whether the authorities will study the introduction of measures with a greater deterrent effect to combat SDU landlords' illegal acts of overcharging for water; if so, of the details; if not, the reasons for that?

Reply:

President,

The Waterworks (Waterworks Regulations) (Amendment) Ordinance 2021 (the Amendment Ordinance) came into effect on May 14, 2021 which requires that the landlords can only recover from their tenants (including but not be limited to the tenants of subdivided units (SDUs)) the amount of water charge paid to the Water Supplies Department (WSD). The government has been adopting a multi-pronged approach including stepping up the inter-departmental joint inspections, streamlining the application process for installation of

separate water meters and enhancing publicity, etc., with a view to increasing the deterrent effect as well as reducing the risk of water overcharging.

The replies to various parts of the Hon Cheng's question are as follows:

(1) and (2) Since the enactment of the Amendment Ordinance, the WSD has received 92 complaint cases for suspected overcharging for water. Amongst these cases, eight of them were successfully brought for prosecution and conviction and those convicted were fined ranging from \$1,000 to \$5,000. Another 15 cases are still under investigation. For the remaining 69 cases, there was insufficient evidence to institute prosecution as the complainants were not willing to be witness or unable to provide relevant information. The breakdown of the number of complaints received and the successful prosecution cases by year are tabulated below:

Year	No. of complaints received	No. of successful prosecution
2021 (May to Dec)	22	0
2022	47	4
2023 (up to May)	23	4
Total	92	8

The water charges (including charges for water consumption and sewage) involved in the above convicted cases ranged from \$13 to \$18 per cubic metre (Note), which exceeded the total of the highest tier of charge for fresh water for domestic purpose prescribed in the Waterworks Regulation (WWR) and the respective sewage charge, \$11.97 per cubic metre.

(3) The WSD and the Rating and Valuation Department have been conducting joint inspections to combat the illegal acts of overcharging for water. However, there is currently no provision in the Waterworks Ordinance (WVO) and WWR to empower the WSD to mandate the parties involved in regard to suspected water-overcharging cases to provide the relevant information to the WSD, which will usually cause difficulty in evidence collection and investigation. To solve the problem, we are preparing to further amend the relevant provisions under WVO and WWR to strengthen the power in evidence collection and increase the penalty, with a view to enhancing the enforcement efficiency. We will strive to formulate the relevant amendment proposal shortly and consult the Panel on Development of the Legislative Council.

In addition, the WSD has been actively encouraging the landlords and management agents of SDUs to install the WSD's separate water meters to avoid the risk of overcharging for water. The WSD has streamlined the application procedures and set up a dedicated team to process the applications. Since April 1 of this year, the government has also waived the payment of the water fee deposit (\$400) and the charge (\$120) for providing a meter for each separate water meter from the applicant. Every such water meter account will

have a separate water bill for paying the water charge, and the first 12 cubic metres of water consumed for each four-month period will be free of charge. The WSD will continue to carry out a series of publicity activities, including sending letters to the registered consumers of premises suspected with SDUs, meeting with concerned groups and property agencies for SDUs, producing leaflets and posters, and broadcasting Announcement of Public Interest (API) through television and other public media, so as to enhance the promotion to the landlords the method of the application for installing separate water meters and the points to note for collecting water charge from their tenants.

Note: For those convicted cases, the relevant evidence only indicated that the water charge per cubic metre (including charges for water consumption and sewage) was higher than the total of the highest tier of charge for fresh water for domestic purpose prescribed in the WWR and the respective sewage charge. Therefore, there is no need to estimate the actual overcharged amount to support the prosecution.