

**立法會**  
**Legislative Council**

LC Paper No. CB(1) 2357/02-03  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/HG/1

**Panel on Housing**

**Minutes of meeting held on  
Monday, 7 July 2003, at 2:30 pm  
in the Chamber of the Legislative Council Building**

**Members present** : Hon CHAN Kam-lam, JP (Chairman)  
Hon Albert HO Chun-yan (Deputy Chairman)  
Dr Hon David CHU Yu-lin, JP  
Hon LEE Cheuk-yan  
Hon Fred LI Wah-ming, JP  
Hon NG Leung-sing, JP  
Hon James TO Kun-sun  
Hon CHAN Yuen-han, JP  
Hon LEUNG Yiu-chung  
Hon SIN Chung-kai  
Hon Andrew WONG Wang-fat, JP  
Hon Howard YOUNG, SBS, JP  
Dr Hon YEUNG Sum  
Hon Abraham SHEK Lai-him, JP  
Hon Tommy CHEUNG Yu-yan, JP  
Hon Albert CHAN Wai-yip  
Dr Hon LO Wing-lok, JP  
Hon WONG Sing-chi  
Hon Frederick FUNG Kin-kee  
Hon LAU Ping-cheung

**Members absent** : Hon SZETO Wah  
Hon IP Kwok-him, JP

**Public officers attending** : **For item III**  
Housing, Planning and Lands Bureau  
Mr C M LEUNG, JP  
Permanent Secretary (Housing)

Housing Department

Mr Kenneth MAK, JP  
Deputy Director (Corporate Services)

Mr Sardara DILLON  
Assistant Director (Administration)

**For item IV**

Housing Department

Mr K C YAU  
Senior Administrative Officer (Private Housing)

**Attendance by invitation : For item IV**

Housing Managers Registration Board

Mr LIM Yew-guan  
Chairman

Mrs Julia WONG  
Registrar

The Hong Kong Institute of Surveyors

Mr Michael PRICE  
Chairman  
Property & Facilities Management Committee

Mr Gary YEUNG Man-kai  
Vice Chairman  
Property & Facilities Management Committee

**Clerk in attendance :** Miss Odelia LEUNG  
Chief Assistant Secretary (1)4

**Staff in attendance :** Mr KAU Kin-wah  
Assistant Legal Adviser 6

Ms Sarah YUEN  
Senior Assistant Secretary (1)6

Ms Christina SHIU  
Legislative Assistant

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**I. Confirmation of minutes**

(LC Paper No. CB(1) 2079/02-03 — Minutes of the joint meeting with the Panel on Planning, Lands and Works held on 16 May 2003)

The minutes of the joint meeting with the Panel on Planning, Lands and Works held on 16 May 2003 were confirmed.

**II. Information papers issued since last meeting**

2. Members noted the following information papers which had been issued since last meeting -

LC Paper No. CB(1) 1877/02-03 — Final report on progress of implementation of the greater private sector involvement scheme provided by the Administration

LC Paper No. CB(1) 1958/02-03 — Circular on greater private sector involvement in estate management and maintenance services issued by the Housing Authority

LC Paper No. CB(1) 2080/02-03(01) — List of follow-up actions

LC Paper No. CB(1) 2080/02-03(02) — List of outstanding items for discussion

**III. Review of the organization structure of the Housing Department**

(LC Paper No. CB(1) 2080/02-03(03) — Paper provided by the Administration)

3. At the Chairman's invitation, the Permanent Secretary for Housing, Planning and Lands (Housing) (PSH) briefed members on the Administration's paper concerning the progress made on the review of the organization structure of the Housing Department (HD) (the Review) and the proposed new directorate structure for HD.

4. Mr NG Leung-sing declared interests as a member of a committee of the Housing Authority (HA) responsible for its human resources management strategies and related issues.

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General comments

5. In reply to Mr LAU Ping-cheung on the objective of the Review, PSH highlighted that the primary objective was to de-layer operational responsibilities, streamline workflow, and merge related functions as far as practicable with a view to building a leaner and more dynamic organization that could respond to service demand more efficiently and effectively.

6. Mr Tommy CHEUNG Yu-yan said that the Liberal Party supported the proposed new structure of HD to reduce the establishment at both directorate and non-directorate levels in the light of reduced workload. In reply to his question on the percentage of non-directorate staff to be cut, PSH advised that there was scope to reduce the establishment by around 30% by 2006-07 without requiring forced redundancy of civil servants. However, it was quite possible that the number of surplus posts might be higher, as the de-layering and rationalization of functions and responsibilities and the divestment of HA's retail and car-parking facilities would have further impact on HD's non-directorate staffing requirements.

7. Miss CHAN Yuen-han opined that the Administration should refrain from down-sizing the HD establishment amid the present economic downturn, which had further worsened due to the outbreak of the severe acute respiratory syndrome (SARS). In response, PSH explained that the Review was necessary to better reflect the merger of the former Housing Bureau and HD into a single organization with effect from 1 January 2003, and the new housing policy announced in November 2002, in particular, the substantial scale-down of public housing production and cessation of the production and sale of Home Ownership Scheme (HOS) flats from 2003 onwards. At the Establishment Subcommittee meeting at which the above merger was discussed, members had also urged the Administration to take additional streamlining initiatives.

Concerns about implications of the Review

*Implications on the production and provision of public rental housing*

8. Mr LEE Cheuk-yan queried if the Review signified plans to substantially reduce public rental housing (PRH) production. Should this be the case, the interests of applicants on the waiting list (WL) for PRH as well as the employment opportunities for construction workers would be adversely affected. There had been reports from the building professions that works for certain HA's projects were re-tendered several times with the purpose of slackening the pace for PRH production. Mr LEE sought clarification of the PRH production targets in the coming years. In response, PSH made the following points -

- (a) Following the cessation of HOS production, HA's annual production was adjusted from 35 000 to 22 000-23 000 housing units. As far as PRH flats were concerned, the annual production would remain at this rate for the coming five years. The Administration would live up to its

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pledge to maintain the average waiting time for PRH at three years (the three-year undertaking). Whether and how the annual production for PRH would be adjusted thereafter would depend on future circumstances; and

- (b) Owing to the cessation of HOS flat production, the public housing programme had been adjusted. The validity period for tenders for certain HD projects expired, hence the re-invitation of tenders.

9. Mr LEE Cheuk-yan opined that as HA had a capital reserve of only about \$10 billion, unless Government was ready to inject capital, he had serious doubt that HA could sustain the PRH production programme. On whether Government would help HA to address its financial problems, PSH said that HA had already discussed its financial situation with the Secretary for Financial Services and the Treasury and his initial response was positive. Presently HA was examining various measures to increase its income and cut its operating costs. Divestment of HA's retail and car-parking facilities and down-sizing of the HD establishment were some of these measures. The downward adjustment in construction costs by about 25% would also help to alleviate the financial burden of HA. He believed that the combined effect of all these measures would enable HA to sustain the PRH production programme for a long time.

10. Mr LEE Cheuk-yan and Miss CHAN Yuen-han expressed concern about the possibility of replacing PRH production with the rent allowance scheme. Mr LEE queried whether the three-year undertaking could only be achieved by introducing the rent allowance scheme the eligibility for which had to be ascertained every two years. Miss CHAN stressed that to maintain social stability, Government should be committed in providing PRH. In response, PSH reaffirmed the three-year undertaking and the Government's determination to provide subsidized rental housing to families with genuine need. He further assured members that the Administration had no intention of replacing PRH with the rent allowance scheme. In consideration of its significant financial implications, the Administration was reviewing the viability of extending the rent allowance scheme to WL applicants.

11. Mr LEUNG Yiu-chung pointed out that the three-year undertaking could be achieved through tightening the income and asset limits for applying for PRH. In this way, fewer households would be eligible for PRH. He expressed dissatisfaction that the Administration had been reluctant to discuss with him the mechanism and formula for adjusting the income and asset limits for eligibility for PRH. In response, PSH explained that adjustment of the income and asset limits for eligibility for PRH was made regularly with reference to relevant survey results and changes in the Consumer Price Index.

*Implications on the employment of HD staff*

12. Mr LEE Cheuk-yan was concerned about the Review's implications on the job security of HD's frontline staff, and considered the planned reduction in the HD

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establishment by around 30% too significant. Mr LEUNG Yiu-chung questioned the need to cut so many HD posts because public housing production, though reduced, would still remain at 22 000 to 23 000 units every year for the coming five years. He considered the reduced housing production target unacceptable because this was not worked out on any sound basis or through thorough consultation. PSH noted the two members' concerns and pointed out that since public housing production was scaled down gradually and committed projects would still be implemented, the reduction in staffing establishment would be achieved by phases. In the light of the substantial scale-down of public housing production, there would inevitably be a reducing demand for staff over time. Public housing production should be based on need and should not be pitched at a level for the purpose of retaining HD posts. He informed members that HD staff had a positive attitude towards HD's redeployment proposal and were willing to acquire new skills to enhance their redeployment and employment opportunities.

13. Mr LEE Cheuk-yan was keen to ensure that no distinction would be made between civil servants and HA contract staff in the exercise to reduce the HD establishment. In response, PSH explained that to avoid redundancies of civil servants as far as possible, impact on staff who were employed on contract terms would inevitably be greater. He and the Deputy Director of Housing (Corporate Services) (DD(CS)) however assured members that to minimize the impact, HD would adopt a phased approach in the deletion of contract posts and would retain such posts for as long as practicable and where functionally justified. Staff consultation was going on and HD would consider all possible measures to mitigate the impact. HD was also studying a suggestion from contract staff to reduce their salaries and/or working hours in order to retain more posts.

14. In reply to Mr LEE Cheuk-yan on the number of HA contract staff to be cut, DD(CS) explained that since the Review at non-directorate structure was still ongoing, details on the ranks and number of non-directorate staff to be affected were not available. It was estimated that at least 1 000 contract staff would be affected.

Measures to alleviate the implications of the Review

15. Responding to Mr LEE Cheuk-yan's call for more proactive efforts to assist the contract staff, PSH stressed that effort was being made to better equip staff through training for the job market, and to recommend them to prospective employers where appropriate.

16. Miss CHAN Yuen-han suggested that surplus HD staff could be redeployed to undertake duties relating to improvement of the environmental hygiene of PRH estates in the wake of the SARS outbreak. Redevelopment of old estates and improvement of drainage system and cleaning works were also means to absorb surplus staff. PSH confirmed that these were some of the areas for redeployment being pursued by HD. The Administration would try its best to redeploy surplus civil servants on other duties both within and outside HD. Commenting on redevelopment, PSH pointed out that it might be more cost-effective to refurbish

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relatively old public housing estates instead of demolishing them for redevelopment. Rehabilitation programmes would also reduce the inconvenience caused to residents. As to cleaning work, he acknowledged the need for improving the environmental hygiene and cleanliness in public housing estates. Despite such redeployment opportunities, he said that the HD establishment still needed to be down-sized because of the substantial reduction in workload. Miss CHAN maintained that she considered it in the interest of both residents and the employment situation that redevelopment be undertaken.

17. Mr LAU Ping-cheung suggested that the following ways be considered to absorb surplus HD staff -

- (a) Strengthening maintenance and repair works in the wake of the SARS outbreak;
- (b) Retaining maintenance and repair works after divestment of HA's retail and car-parking facilities;
- (c) Reviewing the work of the Independent Checking Unit of HD which was responsible for approval and check of HA's projects with a view to enhancing its transparency as perceived by the public;
- (d) Redeploying the surplus staff to the Buildings Department (BD) to relieve its heavy workload; and
- (e) Embarking on research and development work in building environment to improve the living environment of Hong Kong in the long run.

18. In response, PSH made the following points -

- (a) Surplus staff would be redeployed as far as possible to undertake repair and maintenance works as part of HD's post-SARS initiatives;
- (b) The proposal to retain the maintenance and repair works of divested retail and car-parking facilities would have implications on the bid prices. The proposal would be referred to the dedicated Task Force on Divestment which was evaluating the divestment options with a view to developing an implementation plan;
- (c) The Administration was examining the implications of bringing HA's projects under the purview of the Buildings Ordinance. In the meantime, more staff would be deployed to the Independent Checking Unit to strengthen its work;
- (d) The Administration would explore the viability of redeploying surplus civil servants in HD to BD to undertake certain duties; and

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- (e) The functions of HA were governed by its terms of reference which might not cover research and development work in the area of building environment. The proposal at paragraph 17(e) above would nevertheless be considered.

Consultation with staff

19. In response to Miss CHAN Yuen-han's call to consult staff when conducting the Review, PSH informed that he himself had met with each of the 30 relevant unions to explain the Review to them and to obtain their views. The Review was being conducted in a transparent way, and arrangements for redeployment would be worked out in close consultation with staff. Consultation was going on and any views from staff would be welcome.

20. The Chairman urged the Administration to maintain close dialogue with staff to ensure the need to down-size HD be achieved with due regard to the employment of HD staff. PSH undertook to do his best and informed members that so far staff had shown an understanding of the need for the reorganization and reduction in staff establishment, and their response to HD's efforts on redeployment of surplus staff had been positive. With their understanding, he was striving to identify the best arrangements under the circumstances, and would refrain from making a distinction between civil servants and contract staff as far as practicable.

Other concerns

21. Mr Tommy CHEUNG expressed concern about the proposed divestment of HA's retail and car-parking facilities. He said that HA was ready to cut rents of its retail facilities in response to the SARS outbreak but private developers were less inclined to do the same. He was concerned that tenants of HA's retail facilities might have to pay higher rents after divestment of the facilities. PSH noted his concern.

22. In reply to Mr SIN Chung-kai on any plan to merge HD and BD, PSH confirmed that this had not been considered because, BD, being a regulator of building development and HD, being a developer, should remain separate entities to carry out their work independently.

23. Mr NG Leung-sing supported the Review on the ground that HD's establishment should reflect its workload. He further opined that in giving priority to companies formed by ex-HD staff in the outsourcing exercise of public housing estate management and maintenance so as to encourage HD staff to voluntarily resign or retire, a scoring system should be developed to ensure the relevant mechanism was transparent and fair. In response, PSH advised that there was already such a scoring system. He however remarked that companies formed by ex-HD staff should develop their own business and should not rely on preferential treatment by HD indefinitely.



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The way forward

24. Miss CHAN Yuen-han suggested that the Panel hold a special meeting to receive HD staff's views on the Review. Considering that the Administration was actively consulting HD staff in this regard and the consultation was going on smoothly, Mr NG Leung-sing considered it inappropriate to intervene at this stage in order not to politicize the Review. Mr Andrew WONG Wang-fat said that if the staff felt aggrieved by the Review, they could seek assistance from LegCo members. He did not consider that seeking redress from LegCo would politicize the Review. PSH commented that as he understood, politics was a fact of life and the term "political" per se had no negative meaning. Mr NG Leung-sing clarified that what he meant by "politicize" was to "complicate" the issue. In his view, since there was already smooth communication between HD management and HD staff, they should be left to sort things out.

25. PSH and DD(CS) assured members that there was close and active exchange of views on the Review between HD's management and the staff unions. Having considered the situation, members agreed not to hold the special meeting for the time being.

**IV. Housing Managers Registration Ordinance (Cap. 550)**

(LC Paper No. CB(1) 2080/02-03(04) — Submission from the Hong Kong Institute of Surveyors  
LC Paper No. CB(1) 2080/02-03(05) — Paper provided by the Housing Managers Registration Board)

26. Mr LAU Ping-cheung declared interests as a member of The Hong Kong Institute of Surveyors (HKIS), which formed part of the Architectural, Surveying and Planning Functional Constituency from which he was returned. He stated that neither he nor his company was engaged in housing management work.

Meeting with The Hong Kong Institute of Surveyors

27. At the invitation of the Chairman, Mr Michael PRICE, Chairman of the Property & Facilities Management Committee of HKIS, briefed members on HKIS's submission. In gist, HKIS was of the view that practitioners experienced in the housing management field should be accepted for registration as Registered Professional Housing Managers (RPHM) under section 12(a)(ii) of the Housing Managers Registration Ordinance (Cap. 550) on the basis of experience. HKIS considered the present requirement unreasonable in that to qualify for registration, experienced surveyors in the housing management field had to submit three papers, namely, one on housing management and two on topics concerning legal, financial or social aspects in relation to housing management.

28. Mr Gary YEUNG Man-kai, Vice Chairman of the Property & Facilities Management Committee of HKIS, supplemented that the qualification for

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membership of HKIS was of no less a standard than that of the Hong Kong Institute of Housing (HKIH), whose members were qualified for registration as RPHM. Many HKIS members were very experienced in housing management. He and Mr PRICE further stated that HKIS objected to the requirement for submission of three papers. They requested that the requirement should be lifted for experienced surveyors. However, HKIS would not hinder its members from applying for registration as RPHM by complying with the requirement. HKIS welcomed continued dialogue with the Housing Managers Registration Board (the Board) in this respect.

29. Mr LAU Ping-cheung supported HKIS's request on the grounds that the qualification for membership of HKIS was of a standard higher than that for registration as RPHM. He said that technically competent surveyors should be able to complement the work of RPHM which at present focused more on management than on technical skills. Mr Gary YEUNG echoed his views and elaborated that, equipped with maintenance management skills, surveyors would be in a better position to provide one-stop housing management service to the benefit of the community.

Meeting with the Administration and Housing Managers Registration Board

30. At the invitation of the Chairman, the Chairman of the Housing Managers Registration Board (CHMRB) briefed members on the current requirements for registration as RPHM.

31. Mr NG Leung-sing supported the registration of RPHM. He enquired about the standard of the three papers which would be considered as meeting the requirement for registration. CHMRB said that the University of Hong Kong (HKU) assisted in setting the topics, devising the marking scheme and vetting the papers. They were then passed to HMRB for final assessment. Such an arrangement would help to ensure that the papers meeting the requirement would attain a professional standard.

32. In reply to the Chairman on the passing rate of the three papers, CHMRB confirmed that the passing rate was 100%. He further elaborated that the applicants were given four weeks to prepare the three papers and they were free to make reference to relevant materials.

33. Mr NG Leung-sing suggested that papers which were of a particularly high standard should be published for reference to enhance the standard of housing management. CHMRB agreed to consider the proposal but said that at present the number of papers submitted were few.

CHMRB

34. In response to the Chairman on whether any HKIS member had been rejected for registration as RPHM, CHMRB informed that all seven surveyors who had applied for registration were successfully registered after satisfying the requirements.

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(*Post-meeting note:* HD subsequently clarified that two surveyors were not accepted for registration because they were not practising in the property management field.)

35. As to Miss CHAN Yuen-han's enquiry on the extent of consultation with relevant professional bodies on the registration requirements, CHMRB said that all relevant professional bodies had been notified of the requirements. Other than HKIS, no other professional bodies had had any views. CHMRB stressed that normally professional bodies would not admit members solely on the basis of experience without requiring the applicants to go through certain form of assessment. He remained of the view that the current arrangements for assessing the application for registration from holders of qualifications other than HKIH membership were both reasonable and fair. HMRB had to ensure that persons registered as RPHM were professionally trained and were competent to provide a high standard of management services.

36. Summing up, the Chairman urged HMRB to maintain dialogue with HKIS.

**V. Any other business**

37. There being no other business, the meeting ended at 4:30 pm.