

立法會
Legislative Council

LC Paper No. CB(1)1858/05-06

(These minutes have been seen
by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Tuesday, 9 May 2006, at 4:30 pm
in the Chamber of the Legislative Council Building

Members present : Hon CHAN Kam-lam, SBS, JP (Chairman)
Hon LEE Wing-tat (Deputy Chairman)
Hon Albert HO Chun-yan
Hon Fred LI Wah-ming, JP
Hon CHAN Yuen-han, JP
Dr Hon YEUNG Sum
Hon Tommy CHEUNG Yu-yan, JP
Hon Frederick FUNG Kin-kee, JP
Hon WONG Kwok-hing, MH
Dr Hon Joseph LEE Kok-long
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon CHEUNG Hok-ming, SBS, JP
Hon Patrick LAU Sau-shing, SBS, JP
Hon Albert Jinghan CHENG

Members absent : Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, JP
Hon Albert CHAN Wai-yip

**Public officers
attending** : Agenda Item IV

Mr Thomas C Y CHAN, JP
Permanent Secretary for Housing, Planning and Lands
(Housing)

Mr LAU Kai-hung, JP
Deputy Director (Estate Management)
Housing Department

Mr PANG Hon-wah
Chief Manager/Management (Support Services)5
Housing Department

Agenda Item V

Mr Kenneth MAK, JP
Deputy Director (Corporate Services)
Housing Department

Ms Ada FUNG
Deputy Director (Development and Construction)
Housing Department

Ms Deborah AU
Assistant Director (Administration)
Housing Department

Agenda Item VI

Mr Kenneth MAK, JP
Deputy Director (Corporate Services)
Housing Department

Mr Deryk YIM
Chief Manager/Management (Support Services)4
Housing Department

Clerk in attendance : Ms Connie SZETO
Chief Council Secretary (1)6

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

Ms Sarah YUEN
Senior Council Secretary (1)6

Mr WONG Siu-yee
Senior Council Secretary (1)7

Ms Michelle NIEN
Legislative Assistant (1)9

Action

I. Confirmation of minutes

(LC Paper No. CB(1)1406/05-06 — Minutes of meeting on
17 March 2006)

The minutes of the meeting held on 17 March 2006 were confirmed.

II. Information papers issued since last meeting

2. Members noted that no information paper had been issued since last meeting.

III. Matters arising from the last meeting and items for discussion at the next meeting

(LC Paper No. CB(1)1396/05-06(01) — List of outstanding items for discussion

LC Paper No. CB(1)1396/05-06(02) — List of follow-up actions

LC Paper No. CB(1)1409/05-06(01) — Letter dated 27 April 2006 from Hon LEE Wing-tat to the Chairman regarding the collection and dissemination of information on property transactions)

Regular meeting of the Panel

3. Members agreed to discuss the following items proposed by the Administration at the next regular meeting of the Panel to be held on Monday, 5 June 2006, at 2:30 pm:

- (a) Tightened measures for Housing Authority (HA)'s estate management service contracts; and
- (b) Marking Scheme for Commercial Premises of the HA.

4. On item (a), members concurred that members of the Panel on Manpower would be invited to take part in the relevant discussion.

5. Members noted Mr LEE Wing-tat's letter dated 27 April 2006 (LC Paper No. CB(1)1409/05-06(01) issued on 3 May 2006) which suggested that the Panel should discuss the subject of collection and dissemination of information of first-hand residential property transactions. In consideration of the Administration's plan to report to the Panel on the latest proposals to address concerns in this regard at the regular meeting to be held on 3 July 2006, members agreed that issues highlighted in Mr LEE's letter would be discussed in that context.

Special meetings of the Panel

6. The Chairman reminded members that the following two special meetings had been scheduled for the Panel to meet with deputations and exchange views with the Administration on the Consultation Paper on Review of Domestic Rent Policy:

- (a) Tuesday, 16 May 2006, at 10:45 am; and
- (b) Thursday, 25 May 2006, at 2:30 pm.

Provision and management of retail and carparking facilities in public housing estates after the divestment of the facilities by the Housing Authority

7. Mr WONG Kwok-hing pointed out that as no representatives from The Link Management Limited (The Link) would attend the present meeting for discussion of the captioned subject under Item VI of the Agenda, he considered that the Panel should discuss follow up action for the matter. The Chairman said that the Panel could deal with the matter under Item VI when relevant representatives from the Administration arrived. Mr LEUNG Kwok-hung and Miss CHAN Yuen-han suggested that the matter be dealt with first. Members agreed.

8. Mr LEUNG Kwok-hung proposed that the Panel should consider exercising the powers conferred under the Legislative Council (Powers and Privileges)

Ordinance (P&PO) (Cap. 382) to order relevant representatives of the Administration and The Link to attend a Panel meeting to discuss with members on issues related to the captioned subject. These included Mr Michael SUEN, the Secretary for Housing, Planning and Lands, and Mr LEUNG Chin-man, former Permanent Secretary for Housing, Planning and Lands (Housing), the two key officials in charge of the divestment exercise; Mr Paul CHENG, Chairman of The Link, and Mr Victor SO, Chief Executive Officer of The Link. Mr LEUNG added that before the listing of The Link Real Estate Investment Trust (The Link REIT), Mr Victor SO had undertaken that he would continue to attend meetings of Legislative Council (LegCo) Panels. However, Mr SO had not kept his promise. Mr LEUNG said that if the Panel did not agree to this course of action, he was prepared to pursue the matter in the Council meeting in his personal capacity. Mr WONG Kwok-hing, Mr Frederick FUNG, Miss CHAN Yuen-han and Dr YEUNG Sum supported that the Panel should exercise the power conferred under P&PO to order the attendance of relevant persons from The Link to attend a Panel meeting. Miss CHAN Yuen-han agreed with Mr LEUNG's suggestion that the Secretary for Housing, Planning and Lands should be ordered to attend a Panel meeting to discuss the captioned subject.

9. On Dr YEUNG Sum's enquiry on how the Panel could exercise the powers conferred under P&PO in relation to summon of witnesses for attending meetings of the Council, the Assistant Legal Adviser 6 (ALA6) explained that a Panel could exercise such powers conferred under section 9 of P&PO if authorized by the Council according to Rule 80(b) of the Rules of Procedures of the LegCo. He advised that if a Panel member proposed that the Panel should exercise such powers, a motion on the proposal should be put to the Panel for consideration and decision. If the Panel supported the motion, the House Committee should be informed of the Panel's decision. As to Dr YEUNG's question on whether The Link as a listed company could be summoned to attend a LegCo meeting, ALA6 replied in the affirmative. Nonetheless, he said that it was for the Council to consider whether the use of powers conferred under P&PO would achieve the purpose of the Panel as it was uncertain whether The Link as a listed company would answer questions relating to its commercial operation when attending a Panel meeting. In this connection, Dr YEUNG considered that the Legal Service Division of the LegCo Secretariat should study related legal issues if the Panel decided to move a motion in the Council requesting for the authorization to exercise the powers conferred under P&PO.

10. Mr Tommy CHEUNG referred to complaints from restaurant operators in The Link's shopping arcades relating to huge increases in rental and expressed disappointment that The Link had not lived up to its undertaking to enhance the overall commercial attractiveness of its retail facilities before considering rental increase on commercial properties. While sharing members' views, Mr CHEUNG suggested that the Panel should invite the management of The Link again to attend a Panel meeting to discuss issues related to the captioned subject. He considered that dialogue under an amicable atmosphere would be more desirable. If The Link refused again, he would support the Panel to seek authorization from the Council to

exercise the powers conferred under P&PO to order the attendance of representatives from The Link.

11. Sharing Mr Tommy CHEUNG's view, Mr Alan LEONG agreed that the Panel should invite the management of The Link to attend a meeting before it resorted to use the powers conferred under P&PO. He considered that the assets of The Link were originally public assets and that under section 4(1) of the Housing Ordinance (Cap. 283) the Housing Authority (HA) had the duty to secure the provision of housing and such amenities ancillary thereto. This duty continued even after the listing of The Link REIT. Mr LEONG pointed out that Mr Victor SO had indeed made pledges previously when lobbying LegCo Members' support for the divestment exercise.

12. The Chairman concluded that members were deeply disappointed that The Link had not sent representatives to attend the present meeting. He said that members might consider moving a motion to follow up the matter under Agenda Item VI.

(*Post-meeting note:* The motion was discussed under Agenda item VI below.)

IV. Comprehensive Structural Investigation of Aged Public Housing Estates (LC Paper No. CB(1)1396/05-06(03) — Information paper provided by the Administration)

13. Members noted the submission from the Hong Kong Association for Democracy and People's Livelihood tabled at the meeting.

(*Post-meeting note:* The submission was issued to members vide LC Paper No. CB(1)1466/05-06(02) on 10 May 2006.)

Briefing by the Administration

14. The Permanent Secretary for Housing, Planning and Lands (Housing) (PSH) briefed members on the comprehensive structural investigation programme (CSIP) for aged public housing estates covering nine estates embarked by the HA in September 2005. The Chief Manager/Management (Support Services)5 of the Housing Department (HD) (CM/M(SS)5/HD) then briefed members with the aid of power-point on the outcomes of the investigations on Sai Wan Estate and So Uk Estate. On the outcomes of the investigation on Sai Wan Estate, CM/M(SS)5/HD said that findings had confirmed that all buildings in the estate were structurally safe and in fairly good condition. To sustain the buildings for use in the next 15 years, only minor repair works were required. Such works would be included in the routine maintenance programme. To further enhance the living environment of the estate, the HA would also carry out the necessary works under the Estate Improvement Programme having regard to the demographic profile of tenants and their actual needs. As regards So Uk Estate, CM/M(SS)5/HD said that while results of the

structural investigation showed that all buildings in the estate were structurally safe and the concrete strength was satisfactory in general, the structural conditions were deteriorating and corrosion of steel reinforcement bars was evident particularly in the toilet areas and cantilever corridors as a result of ageing and environmental factors. Taking account of the overall building conditions, scale of improvement works required as well as likely disturbances to tenants, the HA had decided to clear So Uk Estate in two phases with the ten blocks on the upper platforms covered in phase 1 (to be cleared in November 2008) and the remaining six blocks on the lower platforms where most of the retail and welfare facilities were located covered in phase 2 (to be cleared in August 2011). Affected tenants would be rehoused in Un Chau Estate Phases 2 and 4, and Cheung Sha Wan Flatted Factory Redevelopment projects which were scheduled for completion in 2008 and 2011 respectively.

(*Post-meeting note:* The presentation materials were issued to members vide LC Paper No. CB(1)1466/05-06(01) on 10 May 2006.)

Discussion

The clearance exercise for So Uk Estate

15. Mr Frederick FUNG pointed out that given the dilapidated conditions in So Uk Estate, clearance of the estate was overdue for more than ten years, and hence the HA's decision to clear the estate was welcomed and accepted by the tenants. He then made views and suggestions in relation to the clearance exercise in So Uk Estate (the clearance exercise), as follows:

- (a) To expedite the rehousing process and provide sufficient rehousing opportunities for affected tenants in the vicinity areas of So Uk Estate, after allocation to tenants affected by phase 1 of the clearance exercise, the remaining flats in Un Chau Estate Phases 2 and 4 should be made available to tenants in phase 2 of the clearance exercise should they choose to move out before 2011. In addition, after allocation to affected tenants of the Shek Kip Mei Estate Redevelopment Programme, the remaining flats in the new Shek Kip Mei Estate should also be reserved for affected tenants of the clearance exercise. Moreover, more rehousing opportunities in the same and nearby districts should be offered to tenants;
- (b) To provide assistance to affected tenants in phase 2 of the clearance exercise, consideration should be given to provide the Domestic Removal Allowance (DRA) to these tenants if they chose to move out of their flats before 2011 so that they would be offered the same treatment as those tenants under phase 1 of the exercise;
- (c) In consideration of the dilapidated conditions of So Uk Estate, implementation of Cheung Sha Wan Flatted Factory Redevelopment

- project should be expedited to enable the clearance exercise to commence as early as possible;
- (d) Consideration should be given to extend the scope of phase 1 clearance exercise to include more blocks in phase 2 so as to minimize the nuisance caused to remaining residents during demolition; and
- (e) Community Service Teams should be set up as early as practicable to help the affected tenants, in particular the elderly people, to understand the clearance exercise and address their concerns and problems.
16. In response, PSH said that the HD was mindful of the concerns of affected tenants and would endeavour to expedite the clearance exercise and rehousing arrangements where practicable. He further clarified that while demolition of So Uk Estate would be conducted in two phases, rehousing arrangements for affected tenants in both phases would be rolled out at the same time, and requests for rehousing to Shek Kip Mei Estate would be met subject to availability of flats. As for Mr Frederick FUNG's suggestion of providing DRA to tenants affected by phase 2 of the clearance exercise seeking early rehousing, PSH took note of the view and said that the HA would soon consider the detailed rehousing, reprovisioning and associated arrangements for domestic and commercial tenants affected in the light of past practices in handling clearance projects.
17. Noting that the HD had been maintaining public rental housing (PRH) estates in a continuous basis, Mr LEE Wing-tat was surprised to find the poor conditions in So Uk Estate as shown in the power-point. He enquired when a comprehensive inspection on the building conditions of So Uk Estate was last conducted, and sought to ensure that estates of similar age would not have similar problems. On the concern about the conditions of So Uk Estate, CM/M(SS)5/HD said that the HD conducted annual checks on the building conditions as part of its regular maintenance programme and pointed out that many of the identified problems were associated with aging of the estate. He added that the objective of the CSIP was to ascertain the building conditions of aged estates with a view to identifying the necessary repair works or the need for clearance if the buildings were found beyond economic repair. He further assured members that notwithstanding that So Uk Estate would be cleared, where necessary the HD would continue to carry out repair works promptly under the Total Maintenance Scheme and the routine maintenance programme.
18. Miss CHAN Yuen-han considered that So Uk Estate, which was constructed in the early 1960s, had high heritage value and could become a model design of PRH presenting an important stage in the development of PRH in Hong Kong. She suggested that consideration should be given to preserve certain blocks in the estate as heritage blocks as in the case of Shek Kip Mei Estate.

Rehousing and reprovisioning arrangements for So Uk Estate tenants

19. In reply to the Chairman's enquiry about the adequacy of rehousing opportunities for tenants affected in the vicinity areas of So Uk Estate, PSH advised that about 3 500 new PRH flats were scheduled for completion in 2008 under the Un Chau Estate Phases 2 and 4 project and could meet the need of the 2 600 households in phase 1 of the clearance exercise. As for affected households in phase 2, although the number of new flats under the Cheung Sha Wan Flatted Factory Redevelopment project might fall short of tenants' demand, the HD would make every effort to make available flats in other estates for allocation to affected tenants.

20. Mr Tommy CHEUNG indicated support for the HA's decision in relation to the investigations on Sai Wan Estate and So Uk Estate. He also shared Mr Frederick FUNG's suggestion of providing affected tenants with DRA as early as possible and requested PSH to reflect the suggestion to the HA. Pointing out that the business of the retail facilities in So Uk Estate would be adversely affected when phase 1 of the clearance exercise commenced and tenants started to move out, he asked for the number of such retail facilities to be affected in the exercise, and how the HA would address the concern of the commercial tenants. In response, PSH advised that there were some 19 retail premises in phase 2 of the clearance exercise. As these premises were also serving residents in the vicinity areas, it was not envisaged that the clearance exercise would have undue impact on their business. As for the reprovisioning arrangements for the commercial tenants concerned, this would be examined by HA's Commercial Properties Committee with reference to past experience.

21. Highlighting the plight of the commercial tenants of Ho Man Tin Estate when it was cleared, Mr Tommy CHEUNG stressed the need for the HA to put in place flexible arrangements to help affected tenants. He said that as a member of HA's Commercial Properties Committee, he would raise the matter when the subject was discussed by the committee. In this connection, PSH said that the existing rents of the commercial tenancies in operation in So Uk Estate had already been frozen upon the announcement of the clearance and would be subject to six-monthly rent review to take account of decreases in population reducing trade potential of the premises.

22. Miss CHAN Yuen-han expressed concern that as a result of the tightened measures on rehousing arrangements introduced in 2001, family members living in the same flat would be rehoused in different districts. Under the tightened measures, only the main household was eligible for rehousing within the same district. Ms CHAN urged that the HD should exercise flexibility in making rehousing arrangements for tenants of So Uk Estate to prevent the problem. In response, PSH said that the Social Welfare Department and the HD could help families with genuine need to avoid the problem referred to by Ms CHAN. Miss CHAN was not convinced by the Administration's response. She further opined that instead of considering the matter on a case-by-case basis, the HA should conduct a comprehensive review of the tightened measures to address the problem. PSH agreed to reflect Miss CHAN's view to the HA.

23. Dr YEUNG Sum was pleased to note that repair works would be carried out to sustain Sai Wan Estate instead of demolishing the estate. He saw the need to strengthen services provided by the Community Service Teams to help affected tenants to solve associated problems during the implementation of the improvement programme for Sai Wan Estate and the clearance exercise for So UK Estate. These included arranging tenants to transfer to flats which they could afford instead of to new flats with high rents. In reply, PSH said that in consideration of the large scale of the clearance exercise and the large number of elderly tenants involved, a Community Service Team would be set up to provide assistance to affected tenants in So UK Estate. Subject to flat availability, the HD would endeavour to make suitable rehousing arrangements for affected tenants to meet their needs. In fact, the HD had already processed more than 300 such applications. Where practicable, requests from residents under phase 2 of the clearance exercise for early transfer would also be handled.

24. Recognizing the need for providing special assistance to elderly tenants living in Sai Wan Estate and So UK Estate, Dr Joseph LEE asked whether the HD had conducted surveys to better understand elderly tenants' concerns and problems, so as to facilitate the implementation of the repair programme and clearance exercise in the two estates. For instance, elderly tenants of Sai Wan Estate might welcome the provision of lifts to improve access, while tenants of So UK Estate might prefer transfer to flats with sizes and rents meeting their particular needs. In response, PSH said that the issues referred by Dr LEE were common considerations in large-scale clearance exercises conducted by the HA. He assured members that apart from setting up the Community Service Teams, the HD would hold meetings with residents to ascertain their needs and concerns so that they could be addressed in an effective manner.

25. Mr Frederick FUNG was keen to ensure that tenants affected by HA's clearance exercises would be rehoused within the same district. He stressed that the Administration should ensure that affected tenants of clearance exercises arising from the CSIP should be rehoused within the same district. In this connection, Mr FUNG also enquired about when the CSIP would be completed. In reply, PSH advised that the CSIP commenced in September 2005 would take about two and a half years to complete. On rehousing affected tenants within the same district, PSH explained that as sufficient PRH flats might not be available in the district concerned to meet the needs of all affected tenants, it would be difficult for the HA to meet the request. He added that if Wah Fu Estate was to be redeveloped, it would be one such example. Nonetheless, PSH assured members that the HD would maintain close liaison with the affected tenants and the relevant District Councils when conducting clearance exercises. Every effort would be made to minimize inconvenience and disturbances caused to tenants.

Future development of the cleared site of So UK Estate

26. Mr LEE Wing-tat enquired about the use of the cleared site of So Uk Estate. He emphasized the need for the HA and the Administration to make early planning for the site so that it would not be left idle for a long time as in the case of the cleared sites of North Point Estate and Ho Man Tin South Estate. Given the favourable location of the site of So Uk Estate in the urban area, in addition to PRH redevelopment, Mr LEE urged that consideration should be given to use of the site for provision of essential facilities to meet the needs of local residents. In this connection, Mr LEE opined that the site of North Point Estate could be developed to provide a purpose-built performance venue for Cantonese opera to meet the aspiration of the community. PSH said that the HA had been focusing on arrangements to ensure smooth rehousing for tenants of So Uk Estate. It had yet to discuss the future use of the cleared site. He added that since the site would not be available until 2011, decision on its future use could be considered at a later stage.

27. Dr YEUNG Sum also expressed concern about the future use of the cleared site of So Uk Estate. With the great demand for PRH flats in the urban area, he considered that the HA should not return the site to the Government. Mr Frederick FUNG shared the view. He further opined that if the Government resumed the site for other development, it should grant another site in the urban area for construction of PRH. In response, PSH said that the public had different views on whether valuable urban sites should be used for construction of PRH. There might be a need for the community to have more discussion on this issue. He noted that quite a large part of the new PRH flats coming on stream in the next few years would be in the urban area.

V. Proposed directorate establishment of Housing Department

(LC Paper No. CB(1)1396/05-06(04) — Information paper provided by the Administration)

28. Members noted the submission from Alliance of Housing Department Staff Unions tabled at the meeting.

(Post-meeting note: The submission was issued to members vide LC Paper No. CB(1)1466/05-06(03) on 10 May 2006.)

Briefing by the Administration

29. The Deputy Director (Corporate Services) of the Housing Department (DD of H(CS)) briefed members on the progress made on the reorganization of HA and proposed changes to the directorate establishment of the Housing Department (HD). He highlighted the following points:

- (a) In July 2003, the Administration informed the Panel that HA had been undergoing major restructuring and streamlining with a view to building a leaner and more dynamic organization that could respond to service demand more efficiently and effectively. HA's plan then was to reduce its establishment (including both civil service posts and HA contract posts) by about 30%, or 3 500 posts, between October 2002 and March 2007. On senior management establishment, taking into account three directorate posts already deleted in February and March 2003, there would be a total net reduction of 27 directorate posts, or 37% of the directorate establishment, between January 2003 and March 2006. The restructuring exercise had been in good progress. At present, 24 directorate posts, or 33% of the directorate establishment, had been deleted. As regards downsizing of the non-directorate establishment, it was expected that HA would meet its target by March 2007; and
- (b) Over the past few years, HA had put in utmost efforts in downsizing the directorate establishment to achieve a streamlined structure. HA noted the importance to start the streamlining process at the directorate level so as to set a good example, therefore the percentage reduction in the directorate establishment was greater than that of the overall reduction in establishment. In the light of changes in requirement and unanticipated increase in workload, HA's staffing resources at the directorate level had been stretched to the limit and it was necessary to adjust HA's original reorganization plan. One of the proposals was to create two supernumerary D1 posts in HD for two years which would be achieved by deferring the deletion of two directorate posts. The proposal was strongly supported by staff, including those at the non-directorate level. The proposal was not included in the forecast of directorate proposals in the 2005-06 session submitted by the Civil Service Bureau and the Financial Services and the Treasury Bureau to the Establishment Subcommittee (ESC) in November 2005 because HA had yet to complete a comprehensive review of its directorate structure at that time with a view to working out the adjustment plan. The review was only completed in March 2006. Another proposal was to redistribute the responsibilities among some directorate officers in HD which included the deferment of the upgrading of a Deputy Director post from D3 to D4.

30. DD of H(CS) advised that subject to members' comments, the Administration planned to submit the proposals to ESC in June 2006 for consideration.

Discussion

31. Mr WONG Kwok-hing said that he had consulted staff unions which had indicated support for the proposed creation of two supernumerary D1 posts. According to the staff unions, the proposal would address concern about over-streamlining of HD's directorate structure in the past few years.

32. The Chairman said that LegCo Members of the Democratic Alliance for the Betterment and Progress of Hong Kong supported the proposals in the paper. He urged that the Administration should make arrangement to delete the two supernumerary D1 posts once the relevant tasks had been completed.

33. Mr Tommy CHEUNG said that LegCo Members of the Liberal Party would support proposals for creation of directorate posts which had been incorporated in the forecast submitted to ESC in November 2005. Hence, they would not support the present proposal to create two supernumerary D1 posts in HD.

34. Mr Albert HO pointed out that a major reason for LegCo Members' support for implementation of HA's reorganization plan submitted in 2004 was the Administration's undertaking to streamline its directorate structure in phases. He opined that the Administration should honour its pledge to LegCo in this respect. While LegCo Members of the Democratic Party had yet to decide on whether to support the proposals in the paper, Mr HO said that he was not convinced of the justifications put forward by the Administration for the proposed creation of two supernumerary D1 posts. In his view, tasks such as the management of the procurement of land leases and deeds of mutual covenant (DMCs) for retail and carparking (RC) facilities divested by HA, and coordination of the development of the necessary systems for and management of the sale of Home Ownership Scheme (HOS) and Private Sector Participation Scheme (PSPS) flats beginning from early 2007 were on-going rather than new initiatives which the Administration should have taken into account when working out HA's reorganization plan.

35. In reply, DD of H(CS) stressed that the Administration was mindful of the need to streamline its directorate structure. He said that HD had critically examined the feasibility of absorbing the additional workload through internal redeployment of staff resources. This proposal was considered not feasible as HD's existing directorate staff had been stretched to the limit. DD of H(CS) re-iterated that the proposal of creating two supernumerary D1 posts was not included in the paper submitted to ESC in November 2005 because HD was undertaking a review of the directorate staffing position at that time. In this regard, the Administration had indeed taken a prudent approach on the matter by not including staffing proposals in the

forecast without conducting a thorough review on the existing staffing situation in HD.

36. On the anticipated workload generated from the resumption of the sale of HOS and PSPS flats, DD of H(CS) said that when HD worked out the reorganization plan in 2003, the Administration had not yet devised a concrete plan for the disposal of the surplus flats. Different disposal options, including converting the flats into public rental housing units, selling them to developers, and selling them to interested parties for conversion into hostels were explored. It was not until early 2006 that the decision to put up the surplus flats for sale in three years starting from 2007 was made. For the procurement of land leases and DMCs for the divested RC facilities, DD of H(CS) said that when HD mapped out the divestment project in 2003, the plan was to implement the related work in phases so as to lessen the impact on staff resources. However, as the divestment project proceeded, it was found that the work involved was much more complex and onerous than originally anticipated. A lot of the work required a full-time Chief Estate Surveyor (a D1 post) to attend to. In addition, HA had indicated in the Offering Circular of The Link REIT that it would complete the work for the transfer of formal legal title for RC properties by mid 2008. It was necessary for HA to deliver the task on time. DD of H(CS) re-iterated that streamlining in HD's directorate structure in the past years had increased the workload of remaining directorate staff. There was no room for them to cope with additional workload arising from the above unforeseeable circumstances and new requirements. He emphasized that it was justified to create two supernumerary D1 posts.

37. Mr Albert HO commented that the Administration should discuss with The Link on the appropriate timing for completing the transfer of formal legal title for the divested RC facilities. While agreeing that HA needed to adhere to the time table stipulated in the Offering Circular, he considered it equally important for the Administration to honour its pledge to LegCo in relation to implementing HD's reorganization plan. He re-iterated that the work related to the sale of surplus HOS and PSPS flats should have been anticipated. It was necessary for the Administration to provide sufficient justifications on the proposal to create two supernumerary D1 posts.

VI. Provision and management of retail and carparking facilities in public housing estates after the divestment of the facilities by the Housing Authority

(LC Paper No. CB(1)1396/05-06(05) — Letter dated 7 April 2006 from the Clerk to The Link Management Limited

LC Paper No. CB(1)1387/05-06(01) — Letter dated 25 April 2006 from The Link Management Limited to the Clerk

LC Paper No. CB(1)1396/05-06(06) — Information paper provided by the Administration

LC Paper No. CB(1)1396/05-06(07) — Background brief on “Divestment of Housing Authority's retail and car-parking facilities” prepared by the Legislative Council Secretariat)

38. The Chairman pointed out that members were deeply disappointed that no representatives from The Link attended the meeting to discuss with members and the Administration on the captioned subject. Members considered that without representatives from The Link, the Panel was unable to have a meaningful discussion on the issues in question. The Chairman invited Mr WONG Kwok-hing to move his motion, the wording of which was tabled at the meeting.

Motion

39. Mr WONG Kwok-hing read out his motion which was seconded by Mr Tommy CHEUNG and Mr Patrick LAU, as follows:

“鑑於領匯管理有限公司(領匯)主席鄭明訓先生、執行董事及行政總裁蘇慶和先生拒絕出席立法會有關與其相關事宜的討論，為此，建議本會再一次邀請領匯上述負責人及有關官員出席會議。若領匯上述負責人再拒絕，便建議立法會引用《立法會(權力及特權)條例》下賦予的權力傳召領匯上述負責人及有關官員出席立法會會議。”

(Translation)

“That, given that Mr Paul CHENG Ming-fun, Chairman of The Link Management Limited (The Link), and Mr Victor SO Hing-woh, Executive Director and Chief Executive Officer of The Link, have refused to attend meetings of the Legislative Council (LegCo) for discussion of issues under their purview, this Panel proposes that the above officers of The Link and the public officers concerned be invited again to attend a meeting of this Panel,

and if the above officers of The Link still refuse to attend the meeting, this Panel further proposes that the power conferred under the Legislative Council (Powers and Privileges) Ordinance be exercised to summon the above officers of The Link and the public officers concerned to attend the meeting of LegCo.”

(*Post-meeting note:* The terms of the motion were issued to members vide LC Paper No. CB(1)1461/05-06(01) on 11 May 2006.)

40. Mr LEUNG Kwok-hung re-iterated his earlier view that the Panel should immediately seek authorization from the Council for exercising the power conferred under P&PO to order the relevant officers of The Link and public officers of the Administration to attend a Panel meeting. He further opined that the Secretary for Housing, Planning and Lands should be explicitly included in the motion under “the public officers concerned”. DD of H(CS) clarified that the Administration had all along been cooperative and had not refused to attend meetings of the Panel to discuss the captioned subject.

41. The Chairman decided that the motion was directly related to the agenda item. Members agreed to proceed with the motion and put it to vote. Except for the Chairman who did not exercise his voting right, of the other members present, seven voted for the motion and one abstained. The Chairman declared that the motion was carried. He informed members that the Panel would notify The Link of the motion passed and invite its representatives, including Mr Paul CHENG and Mr Victor SO, to attend a meeting of the Panel.

42. To facilitate the attendance of representatives from The Link, Mr Tommy CHEUNG suggested that the Panel might consider holding a special meeting for the purpose. The Chairman said that The Link would be invited to consider attending any one of the regular meetings of the Panel to be held on 5 June and 3 July 2006. If Mr Paul CHENG or Mr Victor SO found these dates inconvenient, they could propose dates for the Panel’s consideration of holding a special meeting. Mr WONG Kwok-hing and Mr Frederick FUNG considered that the Panel should discuss the captioned subject as early as practicable.

VII. Any other business

43. There being no other business, the meeting ended at 6:15 pm.