

立法會
Legislative Council

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**Panel on Housing and
Panel on Manpower**

**Joint meeting on
Monday, 5 June 2006, at 4:30 pm
in the Chamber of the Legislative Council Building**

Members present : Members of the Panel on Housing

Hon CHAN Kam-lam, SBS, JP (Chairman)
Hon Fred LI Wah-ming, JP
Hon James TO Kun-sun
* Hon CHAN Yuen-han, JP
* Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, JP
* Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
* 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 Albert Jinghan CHENG

Members of the Panel on Manpower

Hon LAU Chin-shek, JP (Chairman)
Hon KWONG Chi-kin (Deputy Chairman)
Hon LEE Cheuk-yan
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Andrew CHENG Kar-foo
Hon LI Fung-ying, BBS, JP

(* also a member of the Panel on Manpower)

- Member attending** : Dr Hon KWOK Ka-ki
- Members absent** : Members of the Panel on Housing
Hon LEE Wing-tat (Deputy Chairman)
Hon Albert HO Chun-yan
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Dr Hon YEUNG Sum
Hon Patrick LAU Sau-shing, SBS, JP
- Members of the Panel on Manpower
Hon Andrew LEUNG Kwan-yuen, SBS, JP
- Public officers attending** : Mr Michael M Y SUEN, GBS, JP
Secretary for Housing, Planning and Lands
- Mr Kenneth MAK, JP
Deputy Director (Corporate Services)
Housing Department
- Mr Deryk YIM
Chief Manager/Management (Support Services)4
Housing Department
- Mrs CHAN Mak Kit-ling, Jenny, JP
Assistant Commissioner (Employees' Rights & Benefits)
Labour Department
- Attendance by invitation** : Mr Victor H W SO
Chief Executive Officer
The Link Management Limited
- Ms Rachel M S MIU
Corporate Communications Manager
The Link Management Limited
- Clerk in attendance** : Ms Connie SZETO
Chief Council Secretary (1)6

Staff in attendance : Mr WONG Siu-yee
Senior Council Secretary (1)7

Ms Michelle NIEN
Legislative Assistant (1)9

Action

I. Election of Chairman

Mr CHAN Kam-lam was nominated by Mr Tommy CHEUNG and the nomination was seconded by Mr CHEUNG Hok-ming. There being no other nomination, Mr CHAN Kam-lam was elected Chairman of the joint meeting.

II. Provision and management of retail and carparking facilities in public housing estates after the divestment of the facilities by the Housing Authority and protection of interests of non-skilled workers engaged in services contracted out by The Link Management Limited

(LC Paper No. CB(1)1632/05-06(01) — Information paper provided by the Administration

LC Paper No. CB(1)1643/05-06(01) — Letter dated 30 May 2006 from Mr Paul CHENG, Chairman of the Board of Directors of The Link Management Limited to the President of the Legislative Council

LC Paper No. CB(1)1623/05-06(01) — Letter dated 26 May 2006 from The Link Management Limited to the Clerk to Panel on Manpower

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

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

- LC Paper No. CB(1)1643/05-06(02) — Joint submission from Federation of Public Housing Estates and Federation of Hong Kong Kowloon New Territories Hawker Associations
- LC Paper No. CB(2)2072/05-06(01) — Submission from Hong Kong Environmental Services and Logistics Employees Association dated 18 May 2006
- LC Paper No. CB(2)2072/05-06(02) — Submission from The Hong Kong General Union of Security and Property Management Industry Employees dated 30 May 2006
- LC Paper No. CB(1)1643/05-06(03) — Submission from The Hong Kong General Union of Security and Property Management Industry Employees dated 23 May 2006
- LC Paper No. CB(1)1659/05-06(01) — Joint Submission from Neighbourhood and Worker's Service Centre and Estate Management and Security Employee Union
- LC Paper No. CB(1)1643/05-06(04) — Background brief on “Divestment of Housing Authority's retail and car-parking facilities and protection of interests of non-skilled workers engaged in services contracted out by The Link Management Limited” prepared by the Legislative Council Secretariat)

2. Members noted the following submissions tabled at the meeting:

- (a) submission dated 2 June 2006 from Hong Kong Buildings Management and Security Workers General Union;
- (b) submission dated 2 June 2006 from Cleaning Service Industry Workers Union;
- (c) submission dated 3 June 2006 from The Federation of Hong Kong & Kowloon Labour Unions;

- (d) joint submission dated 3 June 2006 from The Link Watch and 清潔工人職工會; and
- (e) joint submission from Neighbourhood and Worker's Service Centre and 香港清潔工人協會.

(Post-meeting note: The submissions were issued to members vide LC Paper Nos. CB(1)1696/05-06(01) to (05) on 6 June 2006.)

Briefing by The Link Management Limited

3. The Chief Executive Officer/The Link Management Limited (CEO/The Link) said that The Link had provided written response (LC Paper Nos. CB(1)1623/05-06(01) and 1387/05-06(01)) to the concerns raised by the Panel on Housing and the Panel on Manpower and briefed members on the salient points, as follows:

- (a) Given that the portfolio of The Link Real Estate Investment Trust (REIT) served mainly the nearby public rental housing (PRH) tenants, these tenants were The Link's major customers and The Link was mindful of their needs. It was the business strategies of The Link to provide high quality services, improve the operating environment, trade mix and access for shoppers in its retail facilities with a view to better meeting the needs of customers. The Link maintained regular dialogues with the various stakeholders, including its customers and tenants.
- (b) The Link believed that good management would enhance the commercial attractiveness of facilities and in turn bring about economic benefits to tenants and new employment opportunities to workers. These positive results were seen in many of The Link's recently renovated shopping centres. Nonetheless, some time would be needed for The Link to enhance the hardware and software of its facilities with a view to making them more customer-oriented.
- (c) There were established guidelines for temporary use of venues by non-governmental organizations (NGOs) in The Link's shopping centres including reduction or waiver of charges for charitable, civic education or other community building purposes. Potential applicants could visit The Link's website or contact the promotion venue booking hotline for details. At present, about 60 venues of The Link were used by NGOs for organizing activities each month free of charge.

- (d) To enhance management quality and customer services, The Link was in the process of re-grouping its property management service contracts and reviewing manpower proposals drawn up by contractors taking account of shopper traffic patterns and needs of the facilities. In delivering quality service to customers, more customer service staff would be required in the shopping centres and hence some property management contractors had kicked off a joint recruitment exercise for customer service personnel.
- (e) Given The Link's commitment to providing better service quality which required quality staff, wages and work-shift systems for workers would not be worse than before. The Link would closely monitor the property management contractors to ensure compliance with requirements set out in the manpower plans. Moreover, workers could call the customer services hotline if they had any enquiries or complaints.
- (f) For property management issues peculiar to some of The Link's shopping centres, such as hawker control and security matters, arrangement would be made to strengthen dedicated security patrols at night time, which might absorb some of the surplus staff in other shopping centres.

Discussion

Rental increase in The Link's facilities

4. While recognizing that it might be inappropriate for the Legislative Council (LegCo) to interfere with lease matters between The Link and its tenants, Mr Tommy CHEUNG expressed grave concern about recent increase in rents on The Link's premises. Referring to the numerous complaints about huge increase in rents on shops, especially restaurants with some cases up to 20%, Mr CHEUNG was concerned that The Link had failed to honour the pledge of not considering rental increase until improvement in the business of shops in the facilities was seen. He queried The Link's claim about recent increase in the patronage and business in its retail facilities and enquired whether The Link had established policies for determining and adjusting rents.

5. In reply, CEO/The Link stressed that The Link followed prudent commercial practices in handling leasing matters. Any rent adjustment was a matter for The Link and the tenants concerned. As rent negotiation involved sensitive commercial information, it would be inappropriate for The Link to disclose the details. Nonetheless, it should be noted that since the listing of The Link REIT, tenancy renewal with most of the existing tenants had proceeded smoothly without any major problems. There were only a few cases requiring follow-up on the actual amount of adjustment and hopefully these cases would be resolved soon. He added that parking

privileges offered at The Link's shopping centres during the period from mid-January to April 2006 coupled with promotional activities during festive occasions had successfully brought about an increase of 500 000 shoppers. The Link considered that the rents on its facilities were commensurate with the increase in shopper traffic and business turnover. He assured members that The Link would continue to enhance the shopping environment in its retail facilities which would be conducive to improving business therein.

6. Mr LEUNG Kwok-hung commented that The Link had corporate social responsibility to provide necessary retail and carpark (RC) facilities for PRH residents. He considered that The Link should be condemned for failing to honour its pledge of enhancing the overall commercial attractiveness of its retail facilities before increasing rents on tenants. In this connection, Miss CHAN Yuen-han referred to the numerous complaints about huge increase in rents in The Link's shopping centres and expressed dissatisfaction that the senior management of The Link had refused to meet with tenants and concerned parties to discuss related matters.

7. In response, CEO/The Link reiterated that the patronage and shopper traffic in many of The Link's shopping centres had increased. He believed that the public would be able to see the positive results of The Link's efforts in the company's performance report.

8. Mr Albert CHAN concurred that The Link had failed to honour its pledge and criticized The Link for increasing rents which would force small shops to close. He also expressed concern about insufficient monitoring of The Link's market operators. For instance, there were complaints against the operator of the market in Chung Fu Shopping Centre for imposing rental increase up to 40% on stalls while The Link had only raised the rent by less than 10%.

9. In reply, CEO/The Link said that The Link had reviewed the rent adjustments in the market in Chung Fu Shopping Centre. It noted that there were both increase and reduction in rents and the overall adjustments were considered reasonable.

10. Miss CHAN Yuen-han enquired about the progress of the enhancement works for the cooked food market in Lower Wong Tai Sin Estate as she noted that stall operators and local residents had different views on the project. In this regard, Miss CHAN urged The Link to strengthen coordination between stall operators and residents so as to expedite the project. In reply, CEO/The Link said that the project had already been approved by The Link and works were expected to commence in the summer of 2007. As some local residents had expressed concern about possible nuisances caused by the cooked food market, especially at night time, The Link had to balance the interests of concerned parties in resolving the matter.

11. While sharing the view that The Link had failed to live up to its pledge to tenants in relation to adjustment of rents, Mr LEE Cheuk-yan enquired about the role of the Housing Authority (HA) or the Administration in securing the proper provision

and management of RC facilities after the divestment exercise. In reply, the Secretary for Housing, Planning and Lands (SHPL) referred members to paragraph 3 of the Administration's paper (LC Paper No. CB(1)1632/05-06(01)) which stated that the Court of Final Appeal (CFA) had affirmed that the divestment exercise was consistent with HA's object, as laid down in Section 4(1) of the Housing Ordinance (Cap. 283), "to secure the provision of housing and such amenities ancillary thereto as the Authority thinks fit". CFA's ruling had also confirmed that to secure the provision of RC facilities did not mean that HA had to be the direct provider. HA secured the provision of RC facilities so long as such facilities were available, even though they were provided not by HA but by a third party.

Use of The Link's facilities by social services and non-governmental organizations

12. Dr KWOK Ka-ki was disappointed that The Link had not maintained dialogue with tenants and expressed concern about huge increase in rents on clinics. He noted that the rates of increase were as high as 33% and 50% respectively for one medical clinic and one dental clinic. Moreover, on tenancy renewal, some clinics could only secure short-term tenancies so that they could be relocated to premises of less favourable location to make way for new tenants who could afford higher rents. Dr Kwok considered that The Link had a duty to provide social services, including medical and dental services, in its retail facilities in order to meet the needs of PRH residents. He was concerned that as large health care organizations could afford higher rents and had more bargaining power in the negotiation of tenancies, there might be monopoly in health care services in The Link's shopping centres, which might adversely affect the interests of customers.

13. In reply, CEO/Link said that The Link had maintained contact with medical and dental organizations to discuss their concerns. He reiterated that rent negotiation was a matter for The Link and the tenant concerned. While The Link had worked out a preliminary plan in reshuffling the clinics in its retail facilities with a view to enhancing their services, no concrete decision had yet been made. According to his understanding, The Link had not renewed or entered into new tenancies with large health care organizations in recent months. He agreed to follow up the concerns raised by Dr KWOK.

14. With regard to temporary use of The Link's venues, Mr Frederick FUNG noted with concern complaints that priority was given to commercial organizations in this regard, and that during peak periods, requests from NGOs would only be considered if they were willing to pay market rents. Mr FUNG sought clarification from The Link on the matter.

15. In reply, CEO/The Link confirmed that there had been no change in The Link's guidelines on temporary use of venues. Provided that the venues were available, they would be opened for use by NGOs upon application. He reiterated that 60 venues in various retail facilities were offered free of charge for NGOs to organize charitable, civic education or other community-building activities every

month. In case of clashes in venues, The Link would offer alternative venues in the same or other retail facilities for consideration by NGOs.

16. Mr Alan LEONG expressed concern that social services and non-profit making organizations would face increase in rents or eviction to other less desirable locations in The Link's shopping centres. He asked whether there was any agreement between The Link and HA in the divestment exercise concerning uses of premises or temporary venues by these organizations. Noting that The Link had adopted a market-oriented approach in operating its facilities which was different from that of HA, Mr LEONG was concerned whether NGOs could receive a similar treatment as before.

17. In reply, SHPL said that there was a special agreement to protect NGOs. The Deputy Director (Corporate Services) of Housing Department supplemented that there was a covenant in the Property Agreement between HA and The Link governing the continued provision of certain premises in divested shopping malls for social welfare or educational purposes and the charging of concessionary rent for those premises in line with that charged by HA in HA's shopping malls for similar purposes. This covenant was made known to potential investors in the Offering Circular for the listing of The Link REIT. CEO/The Link supplemented that although The Link was a listed entity operating under commercial principles, it would take due regard of legacy issues and its corporate social responsibilities.

Management of carpark facilities under The Link's asset portfolio

18. Mr Frederick FUNG referred to The Link's decision to cancel parking privileges in Lai Kok Shopping Centre and increase the hourly rate of the carpark and enquired about the reasons involved. He remarked that the decision would reduce shopper traffic and adversely affect the business of tenants. Mr FUNG further queried The Link's decision to change the management company for the Lai On Estate Carpark where the Estate Management Advisory Committee (EMAC) was satisfied with its performance. In this connection, he asked whether The Link had put in place a policy for engaging property management contractors.

19. In response, CEO/The Link explained that The Link would set different fees for carparks taking into account the demand and supply situations of individual facilities. While he would not comment on individual cases, it should be noted that there had been both increase and reduction in fees in The Link's carparks. As regards the concern about changes in the property management contractor for RC facilities, CEO/The Link said that given the large and geographically diversified portfolio of The Link's assets, nine services contractors had been engaged for managing RC facilities and changes in contractors were normal operation in The Link's day-to-day management. On the management of Lai On Estate Carpark, he explained that it had been included in a master contract covering a number of The Link's carparks and awarded to one property management contractor. CEO/The Link assured members that The Link would ensure the service quality of the new property management

contractor. He added that it was possible for the previous management company of Lai On Estate Carpark to be engaged by the new property management contractor so that it would continue to serve residents.

20. Mr Frederick FUNG further queried The Link for declining to meet with EMACs of Lai Kok Estate and Lai On Estate to discuss their concerns. CEO/The Link said that meetings would be arranged depending on the subject matter for discussion and availability of the responsible staff of The Link. He agreed to follow up Mr FUNG's concerns about meeting arrangements with the two EMACs.

Protection of interests of non-skilled workers engaged by The Link's contractors

21. Mr WONG Kwok-hing expressed grave concern about The Link's plan to reduce some 1 400 jobs of non-skilled workers. With the recovery in Hong Kong's economy, Mr WONG considered that The Link had failed to fulfill its corporate social responsibility by implementing the massive layoffs. The Link's move should be condemned as it would inflict instability in the community by creating unemployment. Mr WONG also pointed out that there were numerous complaints about The Link's contractors imposing wage cuts and unreasonable working conditions on non-skilled workers. By way of illustration, the number of working hours of some workers in the Tai Wo Shopping Centre had been increased from eight hours to 10 hours a day but their wages had been reduced. There were cases where workers were required to pay substitute workers at a daily rate of \$200 when they took leave. In retail facilities in Tseung Kwan O district, the wages of some non-skilled workers had been reduced from \$5,055 to \$4,880.

22. In reply, CEO/The Link explained that as some of the shopping centres were over-staffed, reduction in staffing would be a reasonable action as The Link was operating under commercial principles. The Link and its contractors had compared the staffing situation in the retail facilities with those in the private sector and considered that it was justified to trim down the staffing in some of The Link's shopping centres to keep in line with the market norm. He supplemented that The Link itself had adhered to the same commercial principles and pointed out that while HA had an establishment of some 800 (excluding those employed by contractors) for managing the 180 RC facilities before the divestment, at present, The Link had an establishment of some 300 only. To enhance services for customers, The Link needed to employ more customer service staff. Some of the existing security personnel might be able to take up the new jobs through re-training. On the complaints about exploitation of workers in Tai Wo Shopping Centre, although The Link had not identified any cases of non-compliance with provisions of the Employment Ordinance (EO) (Cap. 57), CEO/The Link undertook to seek clarification on the matter with the concerned contractor. As for complaints about unreasonable wages and working conditions of non-skilled workers, CEO/The Link agreed to follow up the cases and rectify the relevant problems, if any. He assured members that The Link's contractors were required to provide their workers with reasonable wages and work-shift arrangements.

23. Mr Albert CHAN criticized The Link and its contractors for implementing massive layoffs and imposing unreasonably low wages for non-skilled workers. He expressed concern about exploitation and unfair treatment to workers arising from increasing subcontracting of services by The Link's contractors.

24. In reply, CEO/The Link said that unreasonable level of wages and working conditions could not attract employees of the right calibre to provide high quality service required by The Link and its customers. The Link put emphasis on the service quality of its property management contractors. The contractors engaged by The Link were large management companies which employed suitable subcontractors to provide services. To address members' concerns, he undertook to follow up complaints about labour exploitation referred by members and rectify the problems, if any.

25. Mr Albert CHENG commented that The Link had the duty to monitor contractors' performance and should be held accountable for their services. To ensure quality management service for RC facilities and prevent the problem of labour exploitation, Mr CHENG opined that instead of outsourcing the management to contractors, The Link should consider undertaking the management duties through direct engagement of staff, or establishing subsidiary companies to take up the work which was a common practice of real estate property developers. As regards wages for non-skilled workers, Mr CHENG considered that The Link should ensure that its contractors would offer wages not lower than the level offered by contractors of non-skill service contracts engaged by the Government.

26. In reply, CEO/The Link said that as indicated in the Offering Circular, The Link would consider taking up the management of RC facilities directly, in particular for the major facilities. He assured members that The Link could ensure its contractors would offer wages not lower than the level offered by contractors engaged by the Government.

27. Ms LI Fung-ying noted with concern complaints about wage cuts and changes in the work-shift arrangement for non-skilled workers employed by The Link's contractors and asked whether The Link had set standards on wage level and working hours for contractors to follow. In particular, Ms LI enquired whether The Links' contractors would be required to offer non-skilled workers with wages not lower than the average monthly wages for the relevant industry/occupation as published in the Census and Statistics Department's Quarterly Report of Wage and Payroll Statistics. As The Link was in the process of re-grouping its property management service contracts, Ms LI considered it a good opportunity for The Link to lay down requirements on the wage level and working hours for compliance by contractors so as to protect the interests of non-skilled workers.

28. On the concern about the wage level of non-skilled workers, CEO/The Link said that as a starting point, The Link would ensure its contractors would offer

minimum wages to workers comparable to market rates. While there had been both increase and reduction in wages, the levels of adjustment were not of a great magnitude in either direction. The Link would follow up members' concerns with the contractors. He reiterated that in meeting the stipulated quality of services, The Link's contractors would need to offer appropriate wages and reasonable working hours so as to recruit workers of the right calibre. As for work-shift arrangement for workers, CEO/The Link pointed out that a three-shift arrangement had been adopted in all RC facilities of The Link. As such, The Link had taken the initiative to enhance protection for workers' interests. The Link would continue to monitor its contractors closely and where necessary, improving the monitoring system to strengthen the deterrent effect. It would also consider awarding contractors for outstanding performance.

29. Mr LEE Cheuk-yan expressed concern about The Link's monitoring of its contractors as evidenced by numerous complaints about employment-related problems. He concurred with members that The Link had failed to fulfill its corporate social responsibility in implementing the massive layoffs and expressed concern that with the plan to recruit customer service staff, the actual number of jobs to be sacked might be more than 1 400. There was also concern about age discrimination in the recruitment of customer service staff. On the work-shift arrangement for workers, Mr LEE pointed out that while The Link had implemented a three-shift arrangement for security staff, there was concern that the number of staff in each shift might be reduced and it would result in layoffs. With regard to strengthening the regulation of contractors, Mr LEE asked whether The Link would consider adopting HA's measure of withholding management companies which had committed employment-related offences from tendering The Link's management service contracts.

30. In reply, CEO/The Link pointed out that the listing of The Link REIT had brought about benefits for workers through the creation of more employment opportunities, in particular with further improvement in the commercial attractiveness of The Link's facilities. To meet the changing needs of customers, The Link had to enhance its services. Where appropriate, existing staff would be retained to take up the position of customer service personnel. Moreover, The Link would strengthen night patrol in some of its RC facilities and the new employment opportunities could absorb the surplus staff in other RC facilities. As to the concern about age discrimination in the recruitment process, CEO/The Link stressed that to deliver quality service to customers, The Link needed veteran staff with relevant experience for managing its RC facilities.

31. In relation to the concern about monitoring of The Link's contractors, CEO/The Link said that the contracts entered by The Link with its contractors were a matter for the two parties and it would be inappropriate to disclose the details. He however emphasized that there were stringent provisions governing the performance of the contractors and The Link had put in place measures to deter and penalize breaches of employment-related requirements by contractors. For instance, The Link

could deduct contract payment, and terminate the service of contractors with poor performance.

32. Mr LEE Cheuk-yan considered that The Link should give priority to existing security personnel in the recruitment of customer service staff. In reply, CEO/The Link explained that the recruitment was conducted by The Link's property management contractors. As it was an open recruitment exercise, suitable candidates from the market would be considered alongside existing staff. Nonetheless, The Link had requested contractors to consider existing staff with the appropriate experience for filling the vacancies as far as possible.

33. Miss CHAN Yuen-han referred to the numerous complaints about breaches of EO by The Link's contractors and enquired about the follow-up actions taken by The Link and the Labour Department (LD). She further asked whether The Link had planned to adopt minimum wages and standard working hours for workers engaged by its contractors. Miss CHAN considered that banning contractors from participating in The Link's tendering exercises would be an effective measure to deter non-compliance with employment-related requirements and it was necessary for The Link to clearly specify the penalties in this regard.

34. In response, the Assistant Commissioner (Employees' Rights and Benefits) of Labour Department said that LD would follow up the complaints about non-compliance with requirements under EO and initiate prosecution if there was sufficient evidence.

35. CEO/The Link said that the new management contracts would be effective from July 2006 and The Link would continue to monitor its contractors and step up measures where necessary. He pointed that close monitoring of contractors would be more effective in ensuring compliance with contract requirements. He stressed that there were already stringent provisions in the contracts for ensuring contractors' compliance with requirements. The Link would follow up with contractors about cases of non-compliance. Should there be evidence, he believed that LD would take prosecution against the contractors.

36. Mr KWONG Chi-kin queried The Link's move to cut posts of cleaning and security staff in its shopping centres. He considered that the move was inconsistent with The Link's claim about increase in the patronage and shopper traffic in the centres which should lead to higher demand for these workers. In this regard, Mr KWONG enquired whether there was any requirement on the number of workers to be employed by contractors in a management contract. With regard to wages, Mr KWONG asked whether The Link would require its contractors to adopt the same wages and working hours as stipulated by the Government for its service contractors, and monitor its contractors to ensure compliance with requirements under EO.

37. In reply, CEO/The Link said that The Link would monitor the staffing requirements of its contractors. He added that the number of staff required for

different types of posts would vary with the needs of individual facilities. While The Link would ensure sufficient manpower for providing services to customers during peak periods, advancement and innovation in technology had reduced the manpower need in managing RC facilities. He reiterated that The Link had required its contractors to adopt a three-shift arrangement for workers and offer wages according to the Government's recommended rate. The Link would follow up issues related to wage level and working hours.

38. Mr WONG Kwok-hing was dissatisfied that The Link had refused to meet with workers' unions to discuss complaints and concerns about the problem of labour exploitation. He pointed out that The Link had failed to monitor its contractors from preventing the problem. He reiterated his concern about reduction in manpower in The Link's facilities. For example, the staffing for the shopping centres in Siu Sai Wan Estate and Lam Tin district had been cut by two-thirds and over one-half respectively. Where as in Butterfly Estate, the number of security staff had been reduced from 11 to five per shift. Similar situations had occurred in the shopping centres in Yau Oi Estate and Shek Yam Estate. Given the different job nature and requirements of security staff and customer service staff, security staff might not be capable of taking up the duties of customer service staff. As there was no requirement on The Link's contractors in respect of their staffing requirements, contractors could reduce the number of workers and exploit workers with a view to lowering the operating cost. Mr WONG sought clarification on the actual number of staff to be affected as a result of the re-grouping of The Link's property service contracts.

39. In response, CEO/The Link said that The Link would have to investigate into the complaints and related issues before meeting with relevant parties. He agreed that enhanced communication with stakeholders would be conducive to resolving concerns and problems. As regards the concern about reduction in the number of workers in the shopping centre in Siu Sai Wan Estate, CEO/The Link pointed out that despite its small size, the centre had previously employed a total of 28 security staff. The new contractor had reduced the number to 15, including one senior customer service assistant, two customer service assistants, two customer service ambassadors and 10 estate assistants. To ensure quality of service to customers, the contractor was required to deploy at least eight staff members on duty during the peak periods. The new staffing arrangement was in line with those of retail facilities in the private sector. He stressed the importance for The Link to rationalize its resources taking account of changing market needs. The Link had required its contractors to make appropriate staffing arrangements according to the needs of the facilities. Such manpower proposals would need to be approved by The Link before implementation. As regards the actual number of staff to be affected, CEO/The Link said that as some existing staff might take up the customer service posts, it was not possible for The Link to provide the information at this stage.

40. Mr LEUNG Kwok-hung shared the concern about layoffs of non-skilled workers by The Link's contractors and the problem of labour exploitation. He criticized The Link for failing to protect workers' interests and urged The Link to

investigate into the complaint about worker exploitation in Tai Wo Shopping Centre. He considered that CEO/The Link should resign if it was established that the concerned contractor had breached the requirements under EO.

Other comments

41. Mr Albert CHENG re-iterated his opposition to the divestment of HA's RC facilities. He also disagreed with commentaries about inappropriateness for LegCo to interfere with the operation of The Link. In his view, despite The Link had become a listed company, concerns about rental increases in the divested facilities and layoff of workers by The Link's contractors involved public interest in view of their possible negative impact on PRH residents who were the major customers of RC facilities. It was also the responsibility of the Government or HA to ensure the proper provision and management of RC facilities in meeting the needs of PRH residents. Hence, it was appropriate for the Panels to discuss with The Link and the Administration on the issues in question.

42. Sharing the view, Mr Frederick FUNG pointed out that it was legitimate for LegCo to discuss the issues in question. The request for The Link to honour its pledges to tenants and PRH residents should not be regarded as interference with the operation of The Link.

43. Mr LEUNG Kwok-hung said that LegCo should not have supported the divestment project and the Government officials involved in the project should be held responsible for the problems associated with The Link. He further expressed dissatisfaction that the Chairman of the Board of Directors of The Link had not attended the joint meeting and remarked that LegCo should consider exercising the powers conferred under the Legislative Council (Powers and Privileges) Ordinance (Cap. 382) to investigate into the issues in question.

44. Mr Abraham SHEK thanked CEO/The Link for attending the joint meeting to discuss with members on the issues in question. He opined that direct dialogue between relevant stakeholders would be beneficial in resolving differences and promoting mutual understanding. In pursuing its commercial objectives, The Link should also maintain dialogue with LegCo and the community. Nonetheless, as a newly established company, The Link should be given some latitude in its operation.

45. The Chairman concurred that continuous dialogue and enhanced communication between The Link and LegCo would be conducive to resolving problems and avoiding misunderstanding. The joint meeting had provided an opportunity for The Link to respond to concerns raised by members and the public. The Chairman hoped that The Link would accept invitation to attend Panel meetings should such a need arise in future.

III. Any other business

46. There being no other business, the meeting ended at 6:10 pm.

Council Business Division 1
Legislative Council Secretariat
14 September 2006