

*Secretary stated in the main reply that the competence of an officer in coping with stress would be assessed during the promotion exercise, but people simply may not know the actual situation before taking up the posts. If the officer concerned found himself incapable of fulfilling his duties or coping with the stress, what measures will the Bureau or senior management take? For instance, will the officer concerned be offered a demotion to his previous rank? Were there any such cases? Will the Government use the above measures to reduce the pressure encountered by the officer concerned?*

**SECRETARY FOR THE CIVIL SERVICE** (in Cantonese): Madam President, if colleagues found themselves under pressure after promotion, they could of course seek assistance from our counselling services. In extreme cases like an officer requesting for demotion to the original rank, we will consider each case on its merits. There were exceptional cases in the past, but only one or two apparently. In response to the request of the relevant officers, and after considering all related factors, those civil servants were allowed to return to their original posts.

**PRESIDENT** (in Cantonese): Fifth question.

### **Proposal to Convert HOS Blocks Into Guesthouses**

5. **MR ABRAHAM SHEK:** *The Housing Authority (HA) is exploring the feasibility of converting the two surplus Home Ownership Scheme (HOS) blocks into guesthouses or for similar uses, and has invited expression of interest from the public in such a proposal so as to gauge the interest of the market in providing a different category of visitor accommodation. In addition, if the HA decides to pursue the guesthouse proposal, the flats will only be leased or sold on a block basis. In this connection, will the Government inform this Council:*

- (a) *of the reasons for the HA's inclusion of the option of selling the flats on a block basis in the proposal, and whether the HA intends to permanently change the functions and uses of the blocks concerned;*
- (b) *whether the Administration or the HA has sought in-house or outside legal advice to assist it in deciding whether the proposal to lease or*

*sell the HOS blocks on a block basis for guesthouse use would exceed the HA's functions and authority, depart from the HA's principle of focusing on providing public housing for the public and is inconsistent with the Housing Ordinance (Cap. 283) and other relevant legislation; and*

- (c) if legal advice has been sought, whether different legal opinions have been received; if so, of the details of and rationale for the opinions and why, despite the legal opinions, the HA has decided to proceed to invite expression of interest from the public?

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese):

Madam President, before answering the main question, I would like to set out the background to the Housing Authority (HA)'s proposal to convert Home Ownership Scheme (HOS) blocks into guesthouses. In November last year and October this year, I delivered at this Council statements on the Government's housing policy to reposition the housing policy of the SAR Government. I also clearly stated that the Government was determined to withdraw from the property market by ceasing the production and sale of subsidized home ownership flats, so as to minimize government intervention in the market and facilitate its free and smooth operation and resume its vitality. This general direction is on the whole widely supported and accepted by the community.

As a result of cessation of HOS sales, some 10 000-odd surplus unsold HOS flats need to be disposed of through other means. In March this year, we consulted the Legislative Council Panel on Housing on various disposal options. We put forward a few options, including sale to the Hong Kong Housing Society for rehousing purposes, use as government departmental quarters, use as guesthouses and conversion to public rental housing.

The Housing Department has been exploring, examining and evaluating the feasibility and implications of these options. From 17 October to 14 November 2003, we invited expression of interest from the public on the feasibility of the proposal to convert some of the surplus HOS flats into guesthouses or similar uses.

My reply to the three-part question raised by the Honourable Abraham SHEK is as follows:

- (a) In inviting expression of interest from the public, the HA has not made any commitment. The aim of the exercise is to explore the feasibility of converting two surplus HOS blocks into guesthouses and to evaluate market responses. The invitation was couched in open terms so as to allow maximum scope for interested parties to put forward innovative and commercially viable proposals. The Housing Authority has not made any decision, including whether to change the use of the HOS blocks concerned, or the means of their sale or lease.
- (b) The HA has sought in-house and external legal advice on the feasibility of the proposal to convert surplus HOS blocks into guesthouses, including whether the proposal is within the powers and functions of the HA, whether the proposal would depart from the HA's objective of providing public housing, and whether the proposal is consistent with the Housing Ordinance (Cap. 283) and other relevant legislation.
- (c) The advice we have so far obtained is that the proposal is generally feasible. As the legal advice is for the HA's internal reference, it is inappropriate to disclose the details. I assure Members that the HA will address all the concerns arising from the proposal prudently. A decision will only be made after confirmation of its feasibility and legality.

**MR ABRAHAM SHEK** (in Cantonese): *I do not have any follow-up questions.*

**PRESIDENT** (in Cantonese): Fine.

**MR NG LEUNG-SING** (in Cantonese): *Madam President, the Secretary said in part (a) of the main reply that in inviting expression of interest from the public, the HA has not made any commitment. However, the main question asks whether the proposal is supported by legal advice or not. In this connection, before the Government obtains any legal advice, can members of the public ask the Government to provide information on its rationale and reference materials in relation to this issue for those who would submit expression of interest?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, I said earlier that we have sought legal advice and the advice we have got so far is that it is feasible to sell the HOS flats and convert them into guesthouses, and the answer is positive. However, as legal points and issues that need to be solved actually depend on the details of the proposal itself, we really need to know whether anyone is interested. If some people are interested, then we have to find out the general direction of their preliminary proposals so as to make reasonable assessments. As I said earlier, our main motive is to explore firstly, whether anyone is interested; secondly, if so, to study whether there are any contradictions between the proposals submitted and the mode adopted in accordance with the legal advice. Therefore, at this stage, we are considering the submissions received and also doing two jobs in parallel: firstly, we will study such proposals in detail; secondly, we will further discuss the relevant legal issue with our legal adviser in respect of the details of the submissions.

**MRS SELINA CHOW** (in Cantonese): *Madam President, I believe members of the community are generally very concerned about this policy because such HOS flats are, after all, public resources. Has the Secretary tried to consult as many members of the community as possible, to find out how far they accept this policy direction, in particular how far this policy is acceptable to public housing residents?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, we have certainly made preliminary contact with the relevant sectors, for example, the hotel industry to find out their response. We have also notified residents, for example, the relevant District Councils before their re-election to explain our ideas on this issue. Of course, apart from this, as I said in my main reply, we explained to the Legislative Council Panel on Housing at the beginning of this year our views on solving the problem of surplus HOS flats and our ideas on this issue.

On the whole, the general response is, it mainly depends on the option we eventually adopt, therefore we will deal with this matter in a cautious manner. This is because apart from legal considerations, we also have to consider whether the option is acceptable to members of the public.

**MR LAU KONG-WAH** (in Cantonese): *Madam President, the Secretary mentioned several options in the second paragraph of his main reply. However, we have learned from the media that mainland developers have proposed converting the HOS flats into the so-called "time-sharing holiday flats", but the Secretary has not mentioned this in his main reply. In this connection, may I ask the Secretary whether such applications have really been made? What is the relevant situation and response of the Government?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): *Madam President, during the period from 17 October to 14 November, we invited expression of interest from the public on the feasibility of this proposal. We eventually received eight submissions on the expression of interest. I can say that one of these submissions comes from the organization mentioned by Mr LAU Kong-wah earlier. Its proposal is on the mode of operation to which Mr LAU Kong-wah referred. Under the existing procedures, the views and interests expressed by the relevant organization in response to our invitation will be handled together with other submissions on the expression of interests.*

**MR LAU KONG-WAH** (in Cantonese): *Madam President, I do not have any further question on this. Madam President, I would like to ask another follow-up. The Secretary said in the part (b) of the fourth paragraph of his main reply that as regards the criteria on the feasibility of the proposal, there are three considerations, namely: whether the proposal is within the powers and functions of the HA, whether the proposal will depart from the principle of providing public housing, and whether the proposal is consistent with the relevant legislation. The Secretary then said in the next paragraph that having considered all factors, it is considered generally feasible. In other words, if these two HOS blocks were used as guesthouses, does this mean that it has not departed from the principle of providing public housing to the public? If yes, why will it not depart from the principle, if such flats that are originally intended for housing members of the public are now used as guesthouses? Moreover, in terms of law, is it stated in the deed of mutual covenant that such housing blocks should be used as HOS flats, and if they were used as guesthouses, does it really mean that it has not violated any of such requirements?*

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, as this involves rather detailed legal analysis and opinions, I do not know whether today is a suitable occasion for me to share our views with Members on such details. However, the several significant considerations that Mr LAU Kong-wah has talked about are issues we must deal with and we are now in the process of doing so. The general situation is, let me explain this in a general manner, since we have already made a policy to stop the sale of such HOS flats, we must have an appropriate method to dispose of those flats if they are not to be sold. The original method of disposal is certainly not feasible and we think that if we sell the HOS flats for other purposes, we can still have financial proceeds. This can enable the HA to use the money to do what it is required to do under its terms of reference, and that is, to use the money to build other public rental housing for the benefit of the people concerned. Such are finer legal points that cannot be expressed clearly in layman terms. However, all these have to be taken into consideration. We also have to consider certain wordings of the Housing Ordinance, for example, what we are authorized to do, reasonable needs, and so on, and we have to deal with all these issues. Therefore, the problems we are considering internally are such views. For all these issues in different areas, we will exercise caution to ensure that the result and the final decision must be legally justifiable and not subject to challenge in law.

**MR LAU KONG-WAH** (in Cantonese): *Madam President, the Secretary has not answered my follow-up question. In fact, I only need a very simple answer. The Secretary said in part (c) of the main reply that it is generally feasible and that means, he has already drawn a conclusion. As such, can he simply reply that the proposal has not departed from the principle, has not exceeded the functions of the HA and has not violated the relevant legislation?*

**PRESIDENT** (in Cantonese): Secretary, do you have anything to add?

**SECRETARY FOR HOUSING, PLANNING AND LANDS** (in Cantonese): Madam President, to put it simply, I can give a positive answer. However, we also have to look at the specific conditions, for example, as regards the sale price, is it not much better if a higher price can be fetched by selling the HOS flats in another manner? Therefore, we also have to consider the specific conditions.

However, generally speaking, if all the other manners of sale yield the same return, the answer is positive.

**PRESIDENT** (in Cantonese): Oral question time ends here.

## **WRITTEN ANSWERS TO QUESTIONS**

### **Traffic Accident Occuring at Signal-controlled Junction**

6. **MR LAU KONG-WAH** (in Chinese): *Madam President, on the 10th of last month, a serious traffic accident occurred at a signal-controlled junction at Sau Mau Ping Road in Kwun Tong. In this connection, will the Government inform this Council whether:*

- (a) *it has completed the investigation of the accident; if so, of the causes of the accident; and*
- (b) *there is information indicating that the road layout or traffic signal arrangement has some bearing on this accident; if so, of the improvement measures it will take, and whether it will assess if similar improvement measures are needed for the road layouts or traffic signal arrangements at other junctions; if no such assessment will be made, of the reasons for that?*

**SECRETARY FOR HEALTH, WELFARE AND FOOD** (in the absence of Secretary for the Environment, Transport and Works) (in Chinese): *Madam President, the police's investigation into the traffic accident which took place on 10 November 2003 at the junction of Sau Mau Ping Road and Sau Ming Road is currently in progress. We are therefore not in a position to provide information on the causes of the accident.*

The standards we adopt for the design of road layout and traffic signals at road junctions are in line with international practices. For Sau Mau Ping Road, a right-turn pocket is currently available for vehicles waiting to turn right onto Sau Ming Road. These vehicles may turn right during the green phase of the traffic lights when there is a gap in the opposite stream of traffic. Such arrangement is intended to maximize the handling capacity of the road junction