

立法會
Legislative Council

Ref: CB1/BC/9/99/2

LC Paper No. CB(1)2013/99-00

(These minutes have been
seen by the Administration
and cleared by the Chairman)

**Bills Committee on
Urban Renewal Authority Bill**

**Minutes of meeting held on
Wednesday, 31 May 2000, at 8:30 am
in Conference Room A of the Legislative Council Building**

- Members present** : Hon Edward HO Sing-tin, SBS, JP (Chairman)
Hon Gary CHENG Kai-nam, JP (Deputy Chairman)
Hon LEE Wing-tat
Hon LEE Cheuk-yan
Hon NG Leung-sing
Hon Ronald ARCULLI, JP
Hon James TO Kun-sun
Hon Christine LOH
Hon CHAN Yuen-han
Dr Hon LEONG Che-hung, JP
Hon LEUNG Yiu-chung
Hon Emily LAU Wai-hing, JP
Hon TAM Yiu-chung, GBS, JP
- Members absent** : Hon HO Sai-chu, SBS, JP
Ir Dr Hon Raymond HO Chung-tai, JP
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
Hon FUNG Chi-kin
Dr Hon TANG Siu-tong, JP
- Public officers attending** : Mr Stephen FISHER
Deputy Secretary for Planning and Lands
(Urban Renewal and Buildings)
- Ms Olivia NIP
Principal Assistant Secretary for Planning and Lands
(Urban Renewal)

Mr T K LEE
Assistant Director/Urban Renewal (Ag)
Planning Department

Mr J D SCOTT
Senior Assistant Law Draftsman

Ms R CHAI
Government Counsel

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

Staff in attendance : Ms Bernice WONG
Assistant Legal Adviser 1

Miss Becky YU
Senior Assistant Secretary (1)3

I Meeting with the Administration

Proposed composition of the Board of the Urban Renewal Authority (URA) (LC Paper No. CB(1) 1705/99-00(01))

The Deputy Secretary for Planning and Lands (DS/PL) advised that the Administration had reconsidered the proposed composition of the URA Board and proposed that:

- the Chairman of the Board should be a non-executive Chairman instead of an executive one; and
- there should be not less than seven other non-executive directors instead of just seven non-executive directors in the Board.

2. Ms Emily LAU recalled that the Administration had insisted that an executive-chairman model was more suitable for URA since according to the experience of the Land Development Corporation (LDC), the unclear division of responsibilities between the Chairman and the Chief Executive of LDC under the non-executive chairman model had affected the efficiency and accountability of LDC in the implementation of urban renewal projects. She questioned the rationale behind the proposed change from executive-chairman model to non-executive chairman model for URA. In reply, DS/PL reiterated that each of the two models referred to had its own merits. The current proposal was initiated in response to the request of members and some community groups that there should be a non-executive Chairman and a Chief

Executive Officer for URA to ensure proper checks and balances in the decision-making process. Having reconsidered the issue, the Administration proposed to adopt the model of the Mandatory Provident Fund Schemes Authority (MPFSA) for URA, viz there should be a non-executive Chairman and a Managing Director, both appointed by the Chief Executive (CE). He added that the current proposal for URA was an improvement to the existing structure of LDC. Unlike the Chief Executive of LDC whose appointment and remuneration package were determined by the LDC Managing Board, the Managing Director and the two Executive Directors of URA would be appointed by CE. Their remuneration packages and renewal of the employment contract or otherwise would also be determined by CE based on performance to ensure efficiency and accountability.

3. Mr NG Leung-sing enquired about the division of duties and responsibilities between the non-executive Chairman and the Managing Director of URA under the current proposal. DS/PL explained that the Chairman would lead the URA Board in its deliberations and guide the Board in making its decision. The Managing Director, on the other hand, was the administrative head of URA and was responsible, subject to the direction of the URA Board, for administering the day-to-day affairs of URA and for the conduct of the general business of URA. Mr NG however cautioned about confusing the role of the Managing Director since he would also be the Deputy Chairman of the URA Board and stand in for the Chairman in his absence. To this end, he considered that there was a need for the Administration to specify clearly the duties and responsibilities between the non-executive Chairman and the Managing Director of URA.

4. As to whether the non-executive Chairman of URA would be remunerated, DS/PL answered in the negative lest this might lead to confusion with the post of the Managing Director. Instead of remuneration, the non-executive Chairman of URA would be paid an honorarium, to be determined after the passage of the Bill, as in the case of the Chairman of LDC. Mr NG Leung-sing was not convinced of the Administration's response. He opined that the non-executive Chairman of URA should be remunerated having regard to the time to be spent and responsibilities to be taken up by the Chairman concerned. Ms Emily LAU and Mr Ronald ARCULLI agreed with Mr NG's view. Mr ARCULLI suggested that in determining the remuneration package for the non-executive Chairman of URA, reference could be made to the Securities and Futures Commission. Dr LEONG Che-hung recalled that a similar issue had been raised during the establishment of the Hospital Authority (HA). It was subsequently concluded that the non-executive Chairman of HA should not be remunerated to ensure impartiality. He nevertheless urged the Administration to alert the candidate concerned about the duties and responsibilities of the post of non-executive Chairman of URA. Noting that different statutory bodies had different policy on remuneration for non-executive directors, Mr LEE Cheuk-yan considered that there was a need for the Subcommittee on Payment of Honoraria to Government Boards and Committees to review the wider issue of remuneration for non-executive directors, including chairmen, of these bodies.

5. In anticipation of an attractive remuneration package to be offered to the Managing Director of URA, Mr LEE Wing-tat cautioned that if the candidate

concerned was to be appointed by CE, the public might have an impression that the post was designed for retired senior government officials. As such, a more desirable option would be for CE to nominate the candidate for endorsement by the Legislative Council. Expressing similar view, Mr LEE Cheuk-yan considered that the appointment of the Managing Director and the two Executive Directors of URA should be made by the URA Board rather than CE. DS/PL advised that the Government would have no control over the performance of the Managing Director of URA if he was to be appointed by the URA Board. He also pointed out that the option put forward by Mr LEE Wing-tat was not feasible as this was at variance with the existing practice.

6. On the remuneration package of the Managing Director of URA, DS/PL advised that the Administration had commissioned two consultancy studies: one was an executive search for the Managing Director and the two Executive Directors and another was to advise on the remuneration package of the Managing Director of URA. Given that the post would be subject to open recruitment, the present thinking was that the remuneration package would be comparable to that of a similar position in the private sector. As to whether the Administration would consider pegging the remuneration package of the Managing Director of URA to the pay package of a senior civil servant, DS/PL advised that this might not be appropriate taking into account the different nature of work and responsibilities between the Managing Director and a senior civil servant. Moreover, as the pay packages of many of the existing staff of LDC were already higher than that of a senior civil servant, it might be difficult to attract suitable candidates from the private sector if the remuneration package of the Managing Director was pegged to that of a civil servant.

7. Mr LEUNG Yiu-chung remained unconvinced that the remuneration packages of the Managing Director and the two Executive Directors should be determined by CE rather than the URA Board. DS/PL advised that as the Managing Director and the two Executive Directors were all members of the URA Board, it would be more appropriate if an authority other than the URA Board could determine their remuneration packages.

8. To facilitate future discussion, the Chairman requested and the Administration undertook to provide the following information:

- to explain in details the division of duties and responsibilities between the non-executive Chairman and the Managing Director of URA;
- to review whether the non-executive Chairman should be paid an honorarium commensurate with his responsibilities and if so, the amount contemplated by the Administration;
- to explain why the appointment and remuneration packages of the Managing Director and the two Executive Directors should be determined by CE instead of the URA Board; and
- to clarify the reasons for not pegging the remuneration package of the

Managing Director to that of civil servants.

(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1) 1778/99-00(03).)

9. On the composition of the URA Board, Mr Ronald ARCULLI and Mr James TO opined that the Administration should specify the types of persons to be appointed to the Board as in the case of MPFSA to ensure that the future URA Board would be representative of the community and of the different interests in the society. DS/PL advised that he had to check the relevant provisions in the Mandatory Provident Schemes Ordinance (Cap. 485) before reverting to the Bills Committee.

(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1) 1778/99-00(03).)

Proposed establishment of an appeal mechanism to consider the determination of the Secretary for Planning and Lands on objections to proposed development projects
(LC Paper No. CB(1) 1705/99-00(02))

10. DS/PL advised that an appeal mechanism would be established to consider the determination of the Secretary for Planning and Lands on objections to proposed development projects raised under clause 21(4) or 21(7) of the Bill. Mr LEE Wing-tat asked if the proposed appeal mechanism would also apply to objections in relation to compensation and rehousing arrangements for residents displaced by urban renewal projects which would likely constitute the majority of all objections. DS/PL confirmed that objections raised under clauses 21(4) and 21(7) could be any objections, including those against compensation and rehousing arrangements. In order to avoid overloading the proposed appeal mechanism by uninformed objections, Mr LEE considered that URA should inform the displaced residents the actual compensation and rehousing arrangements. DS/PL advised that while URA would endeavour to provide as much information as practicable to residents concerned, detailed arrangements such as the exact location of the rehousing flats would not be available at such an early stage after the publication of the proposed development projects in the Government Gazette.

11. The Chairman asked if the Administration would consider allowing appeals at a later stage after the compensation and rehousing arrangements for displaced residents had been announced. DS/PL advised that this might not be necessary given that a non-statutory appeal committee would be in place to deal with appeals against the decision of the Director of Lands in respect of the payment of Home Purchase Allowance to owners of private properties affected by land resumption for public projects. Noting that the appeals committee referred to would only apply to owners, Miss CHAN Yuen-han considered it unfair to displaced tenants if there was a lack of an appeal mechanism to deal with their appeals against rehousing arrangements. DS/PL clarified that as URA could only rehouse tenants concerned to public rental housing (PRH) in accordance with the established housing policy of either the Housing Authority (HA) or the Housing Society (HS), an appeal mechanism in this respect would not be useful. Where affected tenants failed to meet the eligibility criteria for

PRH but were considered suitable for rehousing on compassionate ground, URA could exercise discretion to use the 20% of the annual quota of PRH provided for URA by HS for rehousing the tenants concerned. Miss CHAN urged that efforts should be made to press HA to allocate 20% of its annual quota for rehousing affected tenants on compassionate ground at the discretion of URA as in the case of HS.

12. Mr LEUNG Yiu-chung enquired about the feasibility of establishing a complaint mechanism in addition to the proposed appeal mechanism. DS/PL advised that it was the Administration's original intention to provide for URA a complaint mechanism similar to that of LDC, under which the LDC Managing Board set up an appeal board to hear appeals against the determination of its staff on complaints relating to compensation. The proposal was however rejected by members on the ground that the decision of such a complaint mechanism would not carry any legal effect unless it was established by statute. The Administration therefore proposed the current appeal mechanism. He added that the proposed arrangements for the appeal mechanism as spelt out in the information paper were just an outline and the detailed arrangements had yet to be worked out. The Administration would move the necessary amendments to the Bill at the Committee Stage.

13. On the composition of the proposed Appeal Board Panel, DS/PL advised that this would include a Chairman of legal profession and members from different walks of life such as surveyors, architects and District Council members. Upon receipt of a notice of appeal, the Chairman of the Appeal Board Panel would nominate an Appeal Board to hear an appeal. Members of such an Appeal Board would be determined by the Chairman according to the need of individual cases. Mr NG Leung-sing asked if the membership of an Appeal Board could be changed during the course of proceedings. DS/PL advised that as a member should not take part in determining the questions before the Appeal Board unless he had been present at all the Appeal Board meetings held in respect of the appeal concerned, the Chairman of the Appeal Board Panel would ensure the availability of the nominees before they would be appointed to the Appeal Board.

14. Dr LEONG Che-chung asked if the Administration would consider putting URA under the purview of the Director of Audit (D of A). DS/PL clarified that not all statutory bodies were subject to the scrutiny of D of A. He nevertheless undertook to consider Dr LEONG's view.

15. Owing to time constraint, members agreed to defer discussion on the proposed enhancement of the Home Purchase Allowance (LC Paper No. CB(1) 1705/99-00(03)) to the next meeting.

II Clause-by-clause examination of the Bill (LC Paper No. CB(1) 1424/99-00)

16. Members agreed to complete discussion on the Administration's response to issues outstanding from previous meetings before proceeding to the clause-by-clause examination of the Bill.

III Any other business

17. The Chairman reminded members that the next two Bills Committee meetings would be held on Monday, 5 June 2000, at 8:30 am and 12:45 pm.

18. There being no other business, the meeting ended at 10:50 am.

Legislative Council Secretariat

30 October 2000