

**立法會**  
**Legislative Council**

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**Legislative Council**  
**Panel on Housing**  
**Panel on Public Service**

**Minutes of joint meeting**  
**held on Monday, 17 January 2000 at 9:30 am**  
**in the Chamber of the Legislative Council Building**

**Members present** : Members of Panel on Housing

Hon LEE Wing-tat (Chairman)  
Hon Gary CHENG Kai-nam, JP (Deputy Chairman)  
\* Hon LEE Cheuk-yan  
Hon NG Leung-sing  
Hon Mrs Selina CHOW LIANG Shuk-ye, JP  
Hon CHAN Yuen-han  
Hon CHAN Kam-lam

Members of Panel on Public Service

Hon TAM Yiu-chung, GBS, JP (Chairman)  
Hon Mrs Sophie LEUNG LAU Yau-fun, JP (Deputy Chairman)  
Hon Michael HO Mun-ka  
Hon LEE Kai-ming, SBS, JP  
Hon CHEUNG Man-kwong  
Hon CHAN Kwok-keung  
Hon CHAN Wing-chan  
Hon Howard YOUNG, JP  
Hon Ambrose LAU Hon-chuen, JP

**Members absent** : Members of Panel on Housing

Hon David CHU YU-lin  
Hon HO Sai-chu, SBS, JP  
Hon Edward HO Sing-tin, SBS, JP  
Hon Albert HO Chun-yan  
Hon Fred LI Wah-ming, JP  
Hon Ronald ARCULLI, JP  
Hon James TO Kun-sun  
Hon LEUNG Yiu-chung  
\* Hon Andrew WONG Wang-fat, JP  
Dr Hon YEUNG Sum  
Hon SZETO Wah

(\* Also members of the Panel on Public Service)

**Public officers attending** : Civil Service Bureau

Mrs Susan MAK  
Deputy Secretary for the Civil Service (3)

Ms Joyce TAM  
Principal Assistant Secretary for the Civil Service (4)

**Housing Bureau**

Miss Sandy CHAN  
Principal Assistant Secretary for Housing (2)

**Housing Department**

Mr Marco WU  
Deputy Director of Housing (Management)

Mr Joseph LEE  
Business Director/Commercial and Business Development

Mr Albert LI  
Principal Executive Officer/Business Development

**Attendance by invitation : Alliance of Housing Department Staff Unions**

Mr LAM Man-cheuk  
Convenor

Mr LO Yuk-lun  
Core Group Member

Mr YAU Yan-hung  
Core Group Member

**Clerk in attendance :** Miss Salumi CHAN  
Chief Assistant Secretary (1)5

**Staff in attendance :** Mrs Mary TANG  
Chief Assistant Secretary (1)6

Miss Becky YU  
Senior Assistant Secretary (1)3

Mr Matthew LOO  
Senior Assistant Secretary (1)7

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Action

**I. Election of Chairman**

Mr TAM Yiu-chung was elected chairman for the joint meeting.

**II. Discussion on greater private sector involvement in Housing Authority estate management and maintenance services**

2. The Chairman welcomed the representatives of the Administration and the Alliance of Housing Department Staff Unions (the Alliance) to the joint meeting of the Panel on Housing and Panel on Public Service. He advised that the purpose of the joint meeting was for the two Panels to discuss with the Administration and the Alliance the implementation of greater private sector involvement (PSI) in Housing Authority (HA)'s estate management and maintenance (EMM) services, and the proposed related staff release package and staffing arrangements.

Meeting with the Alliance

(LC Paper No. CB(1) 790/99-00(01))

3. At the Chairman's invitation, Mr LAM Man-cheuk, Convenor of the Alliance, briefed members on the salient points of the Alliance's submission. He advised that the Alliance had no objection to the implementation of greater PSI in HA's EMM services but considered that the proposed Phased Service Transfer programme (the proposed programme) should be conducted at a reasonable pace so that the staff of the Housing Department (HD) would not be made redundant. The Alliance also had no objection to the proposed voluntary release package as the staff concerned were allowed to choose whether to stay or leave the civil service. However, Mr LAM pointed out that among the 9 000 affected staff, it was estimated that only about 1 000 of them who were either new recruits or approaching retirement age would accept the release package. The remaining staff, aged between 30 and 50, would probably choose to stay in the civil service because most of them were the breadwinners in their families. To address the concern of these staff about security of tenure after the implementation of the proposed programme, Mr LAM indicated that they hoped to obtain an assurance from the Administration in writing that they would not be made redundant in future. They also hoped that a mechanism could be set up to monitor the implementation of the proposed programme, and Members of the Legislative Council and representatives of staff of HD could participate in the monitoring mechanism.

4. Mr LEE Kai-ming noted that according to the information provided by the Administration, on the basis of outsourcing not less than 75 000 existing units to the private property services companies in the first two years of the proposed programme, some 630 departmental grades staff would be affected. He asked whether the Alliance had the same assessment of the number of staff affected by the initial phase of the proposed programme. In response, Mr LAM Man-cheuk advised that the main concern of the Alliance was that those staff who chose to stay in the civil service might be made redundant in future. This was possible if HA expedited the proposed programme and outsourced the existing 600 000 units within the next few years.

5. Responding to members, Mr LAM Man-cheuk advised that the staff who wished to stay in HD recognized that they might not have promising promotion prospects. Their main concern was to have a stable job and income. A majority of them had financial commitments to repay mortgage loans by instalments. Some of them were receiving civil service housing benefits such as those under the Home Financing Scheme. They would lose their entitlement to those benefits once they left the civil service. The proposed voluntary release package was attractive to the staff who were approaching retirement age as they would be eligible for the payment of an enhanced pension and an ex-gratia payment. New recruits might also accept the package as they did not see any prospects for development in HD.

6. Mr LAM Man-cheuk also pointed out that the Alliance was particularly not happy with the remarks made by Mr Dominic WONG, Secretary for Housing, and Mr CHAN Bing-woon, Chairman of the HA Task Force on PSI. Mr LAM stated that Mr Dominic WONG had told the media that if the response of the affected staff to the release package was not good and there were surplus staff in HD, compulsory redundancy would be used as a last resort. Mr LAM also stated that Mr CHAN Bing-woon had used improper wording in describing the affected staff. They were upset by the remarks made by Mr WONG and Mr CHAN.

Meeting with the Administration

(LC Paper No. CB(1) 790/99-00(02))

*Proposed Phased Service Transfer programme and voluntary release package*

7. Miss CHAN Yuen-han asked whether the Administration would give an assurance in writing to the affected staff who chose to stay in the civil service that they would not be made redundant after the implementation of the proposed programme. Deputy Director of Housing (Management) (DD of H (M)) advised that the Administration had proposed to outsource HA's EMM services by phases and proposed the voluntary release package with an aim to avoiding staff redundancy arising from more of the tenants becoming owners under the various home ownership initiatives of HA, and thus acquiring the right to choose their preferred management agents. The Administration was unable to give the assurance as requested. In fact, it was not possible for any public or private sector organization to guarantee that their employees would be hired for life. Miss CHAN was not convinced and pointed out that the Government, as the employer of the affected staff, had the obligation to ensure that they would remain in employment and retain their terms and conditions of service after the implementation of the proposed programme. Mr CHAN Wing-chan shared her view. DD of H (M) reiterated that the Administration was unable to give such an assurance, as there could be surplus staff in HD in future if the owners of the housing units concerned decided not to choose HD as their EMM service provider. Deputy Secretary for the Civil Service (3) (DSCS3) added that the Administration's policy in handling surplus staff was to redeploy them within the department or to other Government departments as far as possible. Redundancy of staff would only be used as a last resort.

8. Mr CHEUNG Man-kwong and Mr LEE Cheuk-yan were concerned that from the remarks made by the Secretary for Housing (paragraph 6 above), it seemed that the Administration would resort to compulsory redundancy if the take-up rate of the release package was low. Principal Assistant Secretary for Housing (2) advised that the remarks made by the Secretary for Housing were only intended to make it clear that in case there were surplus staff in HD, redundancy would only be used as a last resort to ensure effective use of resources. The Administration fully understood the concerns of HD staff and would attempt to redeploy the surplus staff as far as practicable. DD of H (M) added that the Administration hoped that the proposed voluntary

departure scheme and the associated staff arrangements would be successful and that it would not consider other options at this stage.

9. Mr CHEUNG Man-kwong, Mr LEE Cheuk-yan and Mr CHAN Wing-chan urged the Administration to undertake to slow down the pace of the proposed programme if the take-up rate of the release package was low. In response, DD of H (M) advised that under the proposed programme, a gradual transfer of not less than 75 000 existing public rental housing units to the private property services companies would be arranged in the first two years. The proposed programme would be reviewed within those two years. The pace of the subsequent phases of the proposed programme would depend on the response of the staff, the property services companies and the residents. If the majority of owners preferred their EMM services to be provided by private property services companies, the pace of the transfer programme could not be slowed down. Responding to Mr LEE Cheuk-yan, DD of H (M) advised that more tenants of public housing units would become owners as no less than 25 000 public housing units would be offered for sale each year under the Tenants Purchase Scheme.

10. Mr LEE Kai-ming opined that the Administration should be able to control the pace of the proposed programme as an average of 45 000 new public housing units would be produced each year and HD would be responsible for the provision of EMM services for these new units. DD of H (M) clarified that about half of these new units would be built under the Home Ownership Scheme (HOS) and that the management of HOS units had all along been outsourced to the private sector. Regarding the new public rental units, it was also the policy of HA to outsource the management of these units to the private sector, having taken into account the cost-effectiveness and the standard of service.

11. To enhance the attractiveness of the proposed release package, Mr Howard YOUNG asked whether the Administration would consider incorporating other elements to relieve the financial burden of the affected staff in the repayment of mortgage loans, such as the offering of interest subsidy. In response, DD of H (M) advised that some 1 500 affected staff who were at more senior ranks were receiving civil service housing benefits. Under the proposed release package, an ex-gratia payment equivalent to six times the staff's final monthly salary would be offered to each of the staff who accepted the package. This payment included compensation for loss of job-related benefits, including housing benefits. To cater for the housing needs of junior staff who chose to leave the civil service, those who were at Master Pay Scale Point 21 or below would be eligible for the purchase of HOS flats under the HOS Secondary Market Scheme, generally based on the eligibility criteria under the Civil Service Public Housing Quota. Eligible Estate Assistant grade staff appointed before 1 January 1991 would be allowed to continue to pay a concessionary rent for their public housing flats for five years after their departure, or up to the date of their normal retirement, whichever was the earlier.

12. Responding to Miss CHAN Yuen-han, DSCS(3) advised that the some 1 000 general grades staff affected by the proposed programme would be redeployed within the civil service and therefore not covered by the proposed release package.

*Performance monitoring mechanism*

13. Mr LEE Wing-tat pointed out that the public was mainly concerned whether there would be an improvement in EMM services after the implementation of the proposed programme, in particular for public rental housing units where the tenants had no choice of their EMM service providers. DD of H (M) responded that the Administration would establish a performance monitoring mechanism for the outsourced EMM services. Service standards with clearly defined key performance indicators would be specified. A central monitoring team would also be set up to assess the service standard through sampling of tenants' views and site checking, etc. The assessments made would have implications on the renewal of existing contracts and the award of new contracts of the private property services companies concerned. Mr LEE pointed out that some private property services companies blacklisted by the Administration might simply change their names and then submit again their tender for EMM services. DD of H (M) thanked Mr LEE for his view and said that the Administration would take note of this point.

*Financial implications*

14. In response to the Chairman's enquiry on the financial implications of the initial phase of the proposed programme, DD of H (M) advised that the expenditure to be incurred would be jointly borne by the Government and HA. The Administration would make relevant provisions in the budget to cover the payment of pensions for the concerned staff. Regarding payment by HA, the approval of the Finance Committee would not normally be required.

*Way forward*

15. In response to the Chairman's enquiry on the way forward, DD of H (M) advised that the proposed programme and voluntary release package would be submitted to HA for discussion by the end of January 2000. Subject to HA's endorsement of the proposals, the affected staff would, in March 2000 the earliest, be offered the choice of whether to accept the release package. The option period would be three years from the date of offer.

**III. Any other business**

16. There being no other business, the meeting ended at 10:45 am.

Legislative Council Secretariat  
21 March 2000