

**Select Committee to Inquire into Matters relating to
the Post-service Work of Mr Leung Chin-man**

**Further Information provided by the Administration in response to
the Clerk to Select Committee's letter of 6 April 2009**

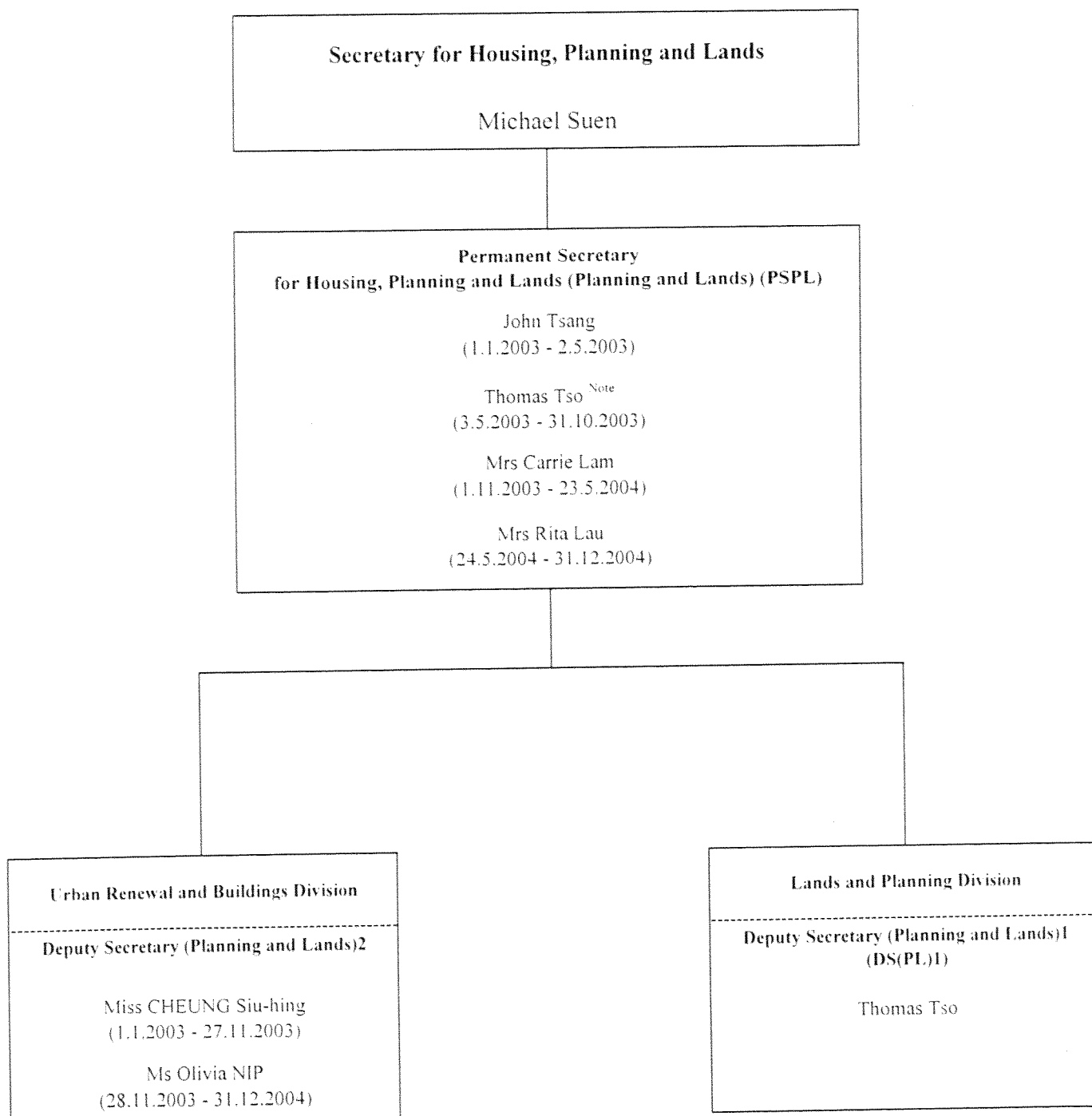
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<p>1(a) The officer(s) who made the decision for Mr John CORRIGALL, the former Deputy Director (Specialist), Lands Department (“LD”), to join the team for negotiation with the developer of the Hunghom Peninsula Private Sector Participation Scheme (“PSPS”) flats on lease modification (including the discussion on the premium) during January to March 2003 and December 2003;</p> <p><i>The Administration's Response:</i></p> <p><u><i>Negotiation with the developer of the Hunghom Peninsula PSPS flats on lease modification in January to March 2003</i></u></p> <p><i>On 12 November 2002, the Chief Executive-in-Council (CE-in-Council) decided that the housing policy should be repositioned and that negotiation should be held with the developer of the Hunghom Peninsula PSPS flats to allow them to sell the flats in the private property market subject to the payment of an agreed premium. Since matters concerning valuation of land and lease modification were within the purview of land administration, which was a function of the LD as the Government's land administrator, the task of negotiating with the developer of the Hunghom Peninsula PSPS flats naturally fell on LD.</i></p> <p><i>At the time, Mr John CORRIGALL was a Deputy Director of LD and was in charge of land valuation and premium</i></p>	

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<p><i>negotiation. He was supported by a team of professional staff. Mr CORRIGALL decided to lead the negotiation with the developer of the Hunghom Peninsula PSPS flats personally, and the then Director of Lands consented to his personal involvement.</i></p> <p><u><i>Mediation with the developer of the Hunghom Peninsula PSPS flats in December 2003</i></u></p> <p><i>On 28 October 2003, the CE-in-Council agreed to reopen negotiation by way of mediation with the developer of the Hunghom Peninsula PSPS flats, and noted that a negotiating team would be formed with representatives from the Housing Department (HD), LD and the Department of Justice (DoJ). Again Mr CORRIGALL decided to represent LD and participated in the mediation personally, and the then Director of Lands consented to his personal involvement.</i></p>	
<p>1(b) In connection with item (a) above, the officer(s) who were aware of such arrangements;</p> <p><i>The Administration's Response:</i></p> <p><i>We are unable to produce an exhaustive list but according to records, the following groups of officers should be aware of Mr CORRIGALL's participation in the negotiation (January to March 2003) and mediation (December 2003) during 2002 and 2003 –</i></p> <ul style="list-style-type: none"> <i>(i) senior LD officers who had attended the Senior Directorate Meeting of the then Housing, Planning and Lands Bureau (HPLB)'s discussion on the negotiation (January to March 2003) and the mediation (December 2003) and senior LD officers assisting Mr CORRIGALL in the negotiation and mediation;</i> <i>(ii) members of the Heads of Office Meeting in LD;</i> 	

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<p>(iii) members of the Senior Directorate Meeting in the then HPLB;</p> <p>(iv) officers handling the Hunghom Peninsula PSPS project at various levels in HD ; and</p> <p>(v) those officers in DoJ who participated in the mediation in December 2003.</p> <p><i>In addition, officers in other bureaux and departments including the DoJ and the Financial Services and the Treasury Bureau who were consulted on the relevant draft papers for the consideration by the Policy Committee and ExCo should be aware of LD's involvement, though not all of them would be aware of the involvement of Mr CORRIGALL.</i></p> <p><i>More recently from August 2008 to date when the Administration prepared responses to requests for information from the Select Committee of the Legislative Council on the post service employment of Mr LEUNG Chin-man, some officers in the concerned bureaux and departments (namely the Housing Branch of the Transport and Housing Bureau, the Development Bureau, LD, the Civil Service Bureau and DoJ) could have come to learn about Mr CORRIGALL's participation in the negotiation and mediation back in 2003 through being involved in researching into past records and in processing the responses.</i></p>	
<p>1(c) The organization charts of the Housing, Planning and Lands Bureau and relevant branches and departments under its purview in 2003 and 2004 which were responsible for matters relating to the disposal of the Hunghom Peninsula PSPS flats when the Government discussed the lease modification (including the discussion on the premium) with the developer concerned, with the following information</p> <p>(i) the reporting line of LD under the Planning</p>	

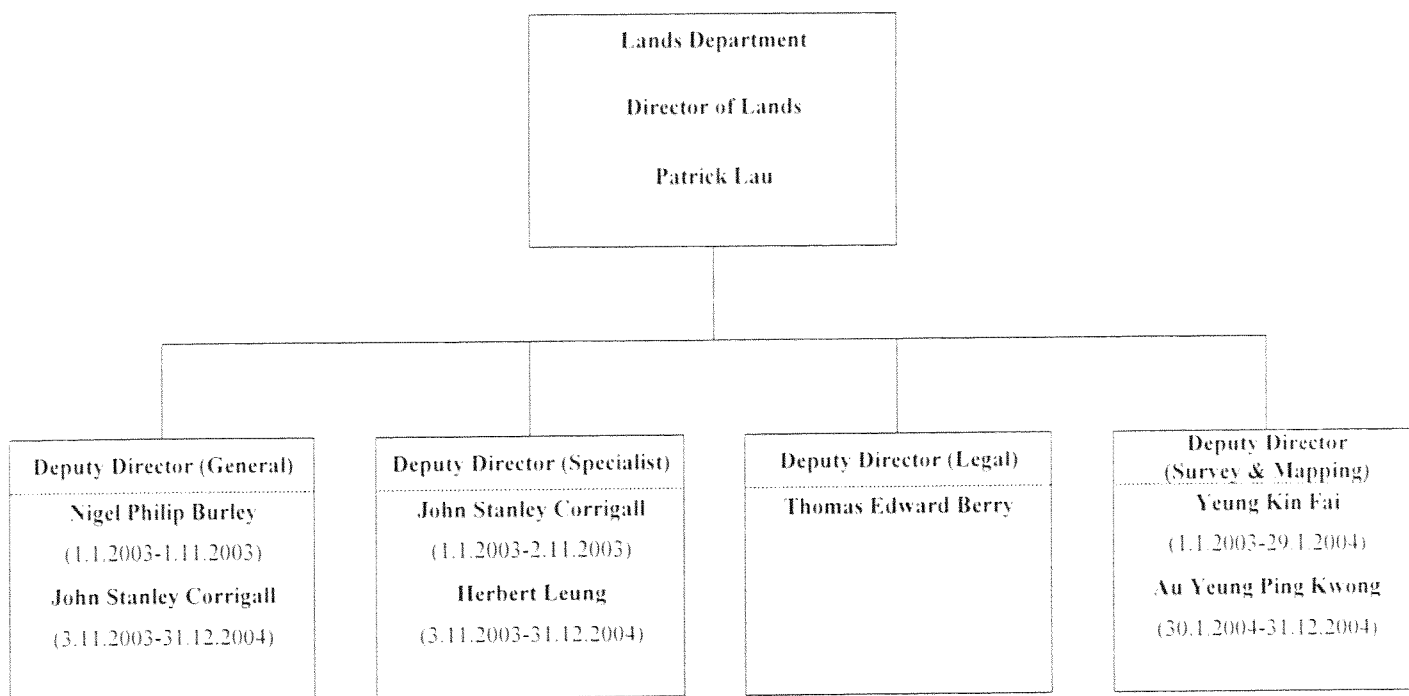
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<p style="text-align: center;">and Lands Branch and the areas of responsibilities which LD had to report to the Branch;</p> <p style="text-align: center;">(ii) the reporting line of LD, if any, under the Housing Branch and the areas of responsibilities which LD had to report to the Branch;</p> <p><i>The Administration's Response:</i></p> <p><i>LD normally (including in 2003 and 2004) reports to the Planning and Lands Branch on the work of the Department. It normally has no area of responsibility which requires it to report to the Housing Branch. The negotiation and mediation with the developer of the Hunghom Peninsula PSPS flats in 2003 was an exception. This was because the Housing Branch had policy responsibility over the PSPS Scheme, therefore the officers in LD who participated in the negotiation and mediation reported to the Permanent Secretary for Housing, Planning and Lands (Housing)-cum-Director of Housing on the progress and outcome of the negotiation and mediation, and through him to the Secretary for Housing, Planning and Lands, while keeping the Director of Lands and the Planning and Lands Branch informed. Organizational charts of the Planning and Lands Branch, the Lands Department and the Housing Department in 2003 and 2004 are in Annexes A to C.</i></p>	

**Organisation Structure of former Housing, Planning and Lands Bureau
(Planning and Lands Branch)
(from 1.1.2003 to 31.12.2004)**

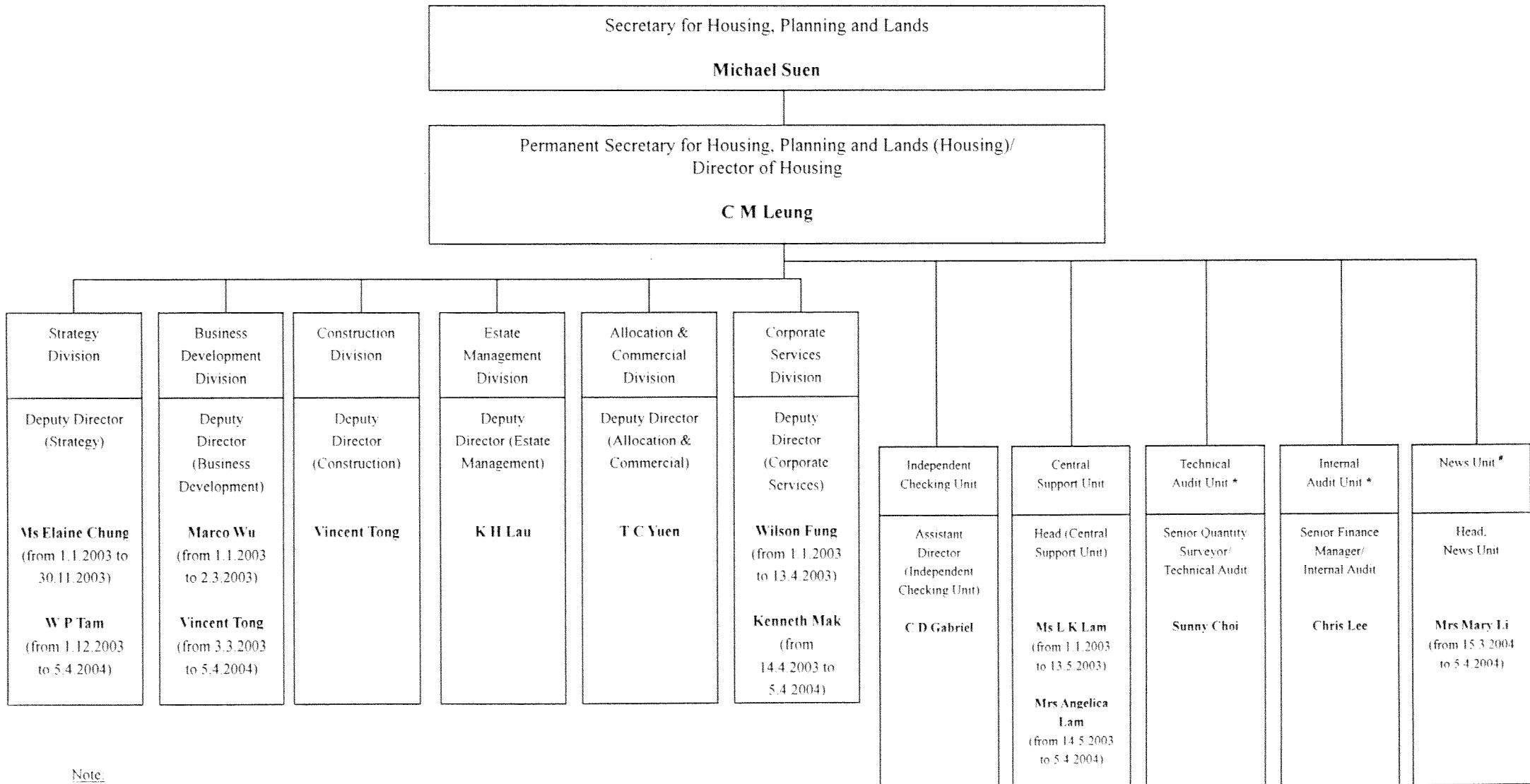


Note : Mr Thomas Tso (from 3.5.2003 to 31.10.2003) doubled up as PSPL in addition to DS(PL)1

Organization Structure of the Lands Department
(from 1.1.2003 to 31.12.2004)

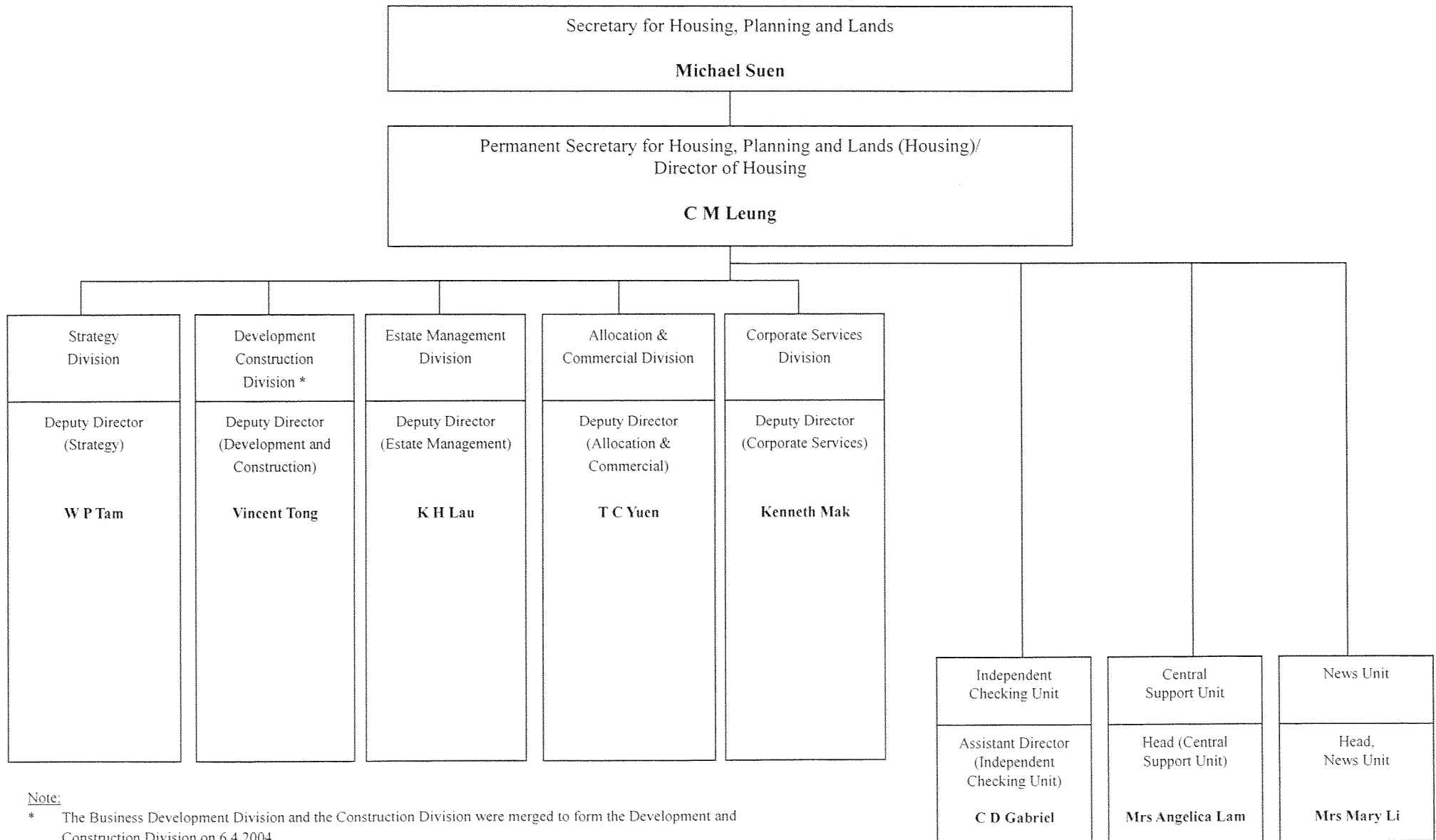


Organisation Structure of Housing Department (from 1.1.2003 to 5.4.2004)

Note:

- * The Technical Audit Unit and Internal Audit Unit were subsumed into the Independent Checking Unit with effect from 7.10.2003.
- # The News Unit was detached from the Corporate Services Division to become a separate unit under the direct supervision of Permanent Secretary for Housing, Planning and Lands (Housing) with effect from 15.3.2004.

Organisation Structure of Housing Department (from 6.4.2004 to 31.12.2004)



Note:

* The Business Development Division and the Construction Division were merged to form the Development and Construction Division on 6.4.2004.