

立法會
Legislative Council

LC Paper No. CB(1) 682/01-02
(These minutes have been seen
by the Administration and cleared
by the Chairman)

Ref : CB1/SS/4/00/1

Subcommittee on Estate Agents (Licensing) (Amendment) Regulation 2001

**Minutes of second meeting held on
Tuesday, 18 September 2001, at 10:45 am
in Conference Room A of the Legislative Council Building**

Members present : Hon CHAN Kam-lam (Chairman)
Hon Mrs Selina CHOW LIANG Shuk-ye, JP
Hon Bernard CHAN
Hon Mrs Miriam LAU Kin-ye, JP
Hon IP Kwok-him, JP
Hon LAU Ping-cheung

Member attending : Hon Albert HO Chun-yan

Members absent : Hon CHOY So-yuk
Hon Henry WU King-cheong, BBS

Public officers attending : Housing Bureau

Ms Ophelia TSANG
Principal Assistant Secretary for Housing (1)

Department of Justice

Mr W L CHEUNG
Senior Government Counsel

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Estate Agents Authority

Mrs Grace CHOW
Chief Executive Officer

Ms Ariel YEUNG
Director of Enforcement & Legal Affairs

Mr Anthony CHOW, JP
Chairman, Examination Panel
Estate Agents Authority Member

**Invitation by
attending**

: Hong Kong Real Estate Agencies General Association

Mr LUN Chi-yim
Chairman

Mr CHAN King-hoi, Simon
Vice-Chairman

Mr MAN Kwong-hoi
Advisor Government Policy Research Department

Society of Hong Kong Real Estate Agents Ltd

Mr Alex TANG
President

Ms Louisa SUM
Immediate Past President

Mr Barry LAW
Practice Committee Chairman

Hong Kong Chamber of Professional Property Consultants Ltd

Mr Mike KOO
President

Mr Lawrence WONG
Vice-President

Mr Eric LEE
Vice-President

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New Territories Estate Agency Association Ltd

Mr LIU Chi-ming
President

Mr YAU Hing-sun
Vice-Chairman

Property Agencies Association Ltd

Mr LI Man-pong
Chairman

Mr KWOK Tak-leung, Tony
Vice-Chairman

Mr LAU Heung-wing
Officer in Government Policy

Property Agency Right Group

Ms YUEN Choi-kuen
Group Leader

Mr NG Yuen-hing
Group Member

Mr CHOU Yip-tak
Group Member

Clerk in attendance : Miss Becky YU
Chief Assistant Secretary (1)1

Staff in attendance : Ms Bernice WONG
Assistant Legal Adviser 1

Mrs Mary TANG
Senior Assistant Secretary (1)2

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Before commencing discussion, the Chairman consulted members on whether the late membership application of Mr Albert HO should be accepted. Members noted that according to the House Rules, it was for the Chairman of a committee to decide whether to accept late membership on grounds of indisposition or absence from Hong Kong. A request for late membership on grounds other than indisposition or absence from Hong Kong should be put to the relevant committee which should only accept the application when sufficient grounds were provided. As Mr HO had not submitted any reason for his late membership application, members decided that the deadline for signification of membership should be adhered to, and that Mr HO's application should not be entertained. Nevertheless, Mr HO would be welcomed to take part in the discussion of the Subcommittee as a non-Subcommittee member.

2. Mr Bernard CHAN declared interest as a member of the Estate Agents Authority (EAA).

I Confirmation of minutes of previous meeting

(LC Paper No. CB(1) 1800/00-01 -- Minutes of the meeting held on 11 July 2001)

3. The minutes of the meeting held on 11 July 2001 were confirmed.

II Meeting with the Administration and deputations

(LC Paper No. CB(1) 1996/00-01(01) -- marked-up copy of the Amendment Regulation

LC Paper No. CB(1) 1996/00-01(02) -- Extracts from the draft minutes of the meeting of the Housing Panel held on 7 May 2001

LC Paper No. CB(1) 1996/00-01(03) -- the Assistant Legal Adviser 1's letter dated 13 July 2001 to the Administration

LC Paper No. CB(1) 1996/00-01(04) -- Administration's response to CB(1) 1996/00-01(03)

LC Paper No. CB(1) 1996 /00-01(05) -- Information paper provided by the Administration

4. At the Chairman's invitation, the Principal Assistant Secretary for Housing(1) (PAS for H(1)) briefed members on the Estate Agents (Licensing) (Amendment) Regulation 2001 (the Amendment Regulation) as set out in LC Paper No. CB(1) 1996/00-01(05).

5. Before inviting views from the deputations, the Chairman reminded them to focus their discussion on the Amendment Regulation rather than the operational

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difficulties encountered by the trade in complying with the Estate Agents Ordinance (Cap 511) (the Ordinance).

Hong Kong Real Estate Agencies General Association (HKREAGA)

6. Mr LUN Chi-yim noted that despite an anticipated decrease of 17% in the licensee population at the close of the transaction period on 31 December 2001, there would be an annual increase of 7% in the operating expenses of EAA from \$50.8 million in 2001 to \$53 million in 2002 and to \$57.9 million in 2003. With the gradual increase in operating expenses and the expected decrease in income from licence fees, there would be an inevitable pressure to increase the licence fees in the years to come. This would deter new entrants from joining estate agency work. It was disappointed that EAA had no plans to adjust the remuneration of its staff despite the prevailing economic situation. To avoid further increase in licence fees for estate agents who were already burdened with different licence fees and business registration fees, Mr LUN suggested that consideration should be given to adopting ad valorem levy on estate agency transactions so as to reduce the reliance on licence fees to finance the operation of EAA.

Society of Hong Kong Real Estate Agents Ltd (SHKREAL)

(LC Paper No. CB(1) 1996/00-01(06) -- Joint submission from the Hong Kong Real Estate Agencies General Association, Society of Hong Kong Real Estate Agents Ltd, Hong Kong Chamber of Professional Property Consultants Ltd and New Territories Estate Agency Association Ltd

LC Paper No. CB(1) 1996/00-01(08) -- Submission from SHKREAL)

7. Referring to the joint submission at LC Paper No. CB(1) 1996/00-01(06) which was made in association with the Hong Kong Real Estate Agencies General Association, Hong Kong Chamber of Professional Property Consultants Ltd and New Territories Estate Agency Association Ltd, Mr Alex TANG said that the four associations were unanimous in their support for the early passage of the Amendment Regulation. He said that most of the estate agents were struggling for survival in the present market situation and he hoped that the trade's concerns over the licensing requirements and regulatory measures could be further followed up by the Panel on Housing. These included the appointment of category A members to EAA. Mr TANG pointed out that under the Ordinance, category A members were those who did estate agency work prior to their appointment. However, many of these members had in fact left the trade or not actively involved in estate agency work and seldom participated in meetings with the trade. He hoped that LegCo Members could assist in monitoring the appointment of category A members to EAA so that only those who had close connections with the trade and who truly represented the trade would be appointed. He also suggested that representatives of the trade should be able to sit in at meetings of EAA, adding that regulatory measures could not be implemented without the active participation of the trade. Efforts should be

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made to increase the transparency of the operation of EAA, particularly in respect of financial arrangement. There was also a need to improve the professional training for estate agents.

Hong Kong Chamber of Professional Property Consultants Ltd (HKCPPCL)

8. While supporting the early passage of the Amendment Regulation, Mr Mike KOO considered that there should be a separate forum to continue discussion on the trade's concern over the regulatory measures as well as the finance of EAA. He said that there had not been much improvement in the quality of service nor the integrity of estate agents since the establishment of EAA three years ago as evidenced by the large number of complaints received. There were also doubts about the assistance which EAA had rendered in facilitating the work of the trade as a result of the lack of transparency in EAA's operation and absence of consultation. The professional training provided had been far from satisfactory in terms of course content and teaching quality, and had failed to achieve the intended purpose of improving the standard of estate agents.

9. To facilitate a better understanding of the trade, Mr Eric LEE provided the following information. There were five major estate agencies in Hong Kong which employed about 5 000 estate agents in their 500 branches. Despite having 70% business share of the property market, they only contributed \$12 million or 23% of the total licence fees collected by EAA which was disproportionate to their business share of the market.

New Territories Estate Agency Association Ltd (NTEAAL)

10. Mr LIU Chi-ming said that he failed to understand why the validity of licences for estate agents should be limited to 24 months when other professional qualifications for medical and legal practitioners lasted for a lifetime. He suggested to extend the validity period of estate agent licences to 36 months. While supporting the proposed reduction of 20% of the licence fees, he was of the view that the present licensing arrangement was prejudicial to small agencies who could ill afford the high expenditure on licence fees. He opined that EAA should model after the Travel Agents Registry and the Stamp Duty Office in adopting ad valorem levy on business transaction as a source of income to finance their operation. This would help the survival of estate agents amid the economic downturn.

Property Agencies Association Ltd (PAAL)

LC Paper No. CB(1) 1996/00-01(07) -- Submission from PAAL)

11. Mr Tony KWOK said that while PAAL supported the proposals in the Amendment Regulation, it was of the view that there was room for further reduction in licence fees. He pointed out that PAAL, which represented the majority of smaller estate agencies, had found the operational cost of an estate agency extremely high. By way of illustration, the licence fees for the company, individual estate agents and salespersons,

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together with the business registration fee already cost over \$10,000 per year. At a meeting of the PAAL, 90% of PAAL members had requested for a 50% reduction of licence fees. Members of the trade felt that EAA should not solely rely on licence fees to finance its operation. It should explore other sources of income, such as the adoption of ad valorem levy on estate agency transactions or provision of training courses at a fee. Consideration should also be given for the Government to subsidize the expenses of EAA.

12. While agreeing that the proposals in the Amendment Regulation were a good start, Mr KWOK opined that the Ordinance should be further amended since it had created many inequalities within the trade. He added that despite the high unemployment rate, there was difficulty in recruiting suitable estate agents. Therefore, there was a need to relax the regulatory regime so that more people could enter the trade.

Property Agency Right Group (PARG)

(LC Paper No. CB(1) 1996/00-01(09) -- Submission from PARG)

13. Ms YUEN Choi-kuen said that PARG had collated views from the trade in 18 districts which had concluded that there was a need for change in the following aspects -

- (a) the present procedures for obtaining property information should be simplified to avoid repetitive land searches;
- (b) the Estate Agency Agreement should be simplified; and
- (c) there should be more consultation with the trade before introducing legislation.

14. Mr NG Yuen-hing opined that the licence fees for estate agents should be reduced to \$1,000 or below. Furthermore, EAA should consider lowering the licence fees for new entrants so as to attract more people to join the trade. Given that the Estate Agency Agreement was too cumbersome, and that some of the clients had refused to sign the agreement, Mr NG said that consideration should be given to simplifying the agreement. Mr CHOU Yip-tak added that precise information on usable area and gross floor area as well as the year of completion should be made available to facilitate the work of estate agents.

Discussion session

15. On *participation of the trade*, the Chief Executive Officer/EAA (CEO/EAA) advised that of the 20 EAA members, five were trade members. At present, there were trade members on all the Standing Committees. Trade members had been the Chairman and the Vice Chairman of the Training Committee through the years. In May 2000, the EAA Board agreed to a co-opted membership for the Training Committee and that a

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representative of the trade associations be invited to join the committee as a co-opted member. Other Standing Committees were also considering the appointment of representatives from the trade as co-opted members. The Working Group on the Review of the Practice Regulation was also planning to invite representatives of the trade associations to join in its deliberations. EAA would also step up communication with the trade to promote a better understanding between both parties. In fact, EAA had held over 40 meetings with the trade in the past year. PAS for H(1) agreed to the need for the trade to participate in the operation of EAA. She assured members that the trade's views would be taken into account in the future appointment of members to the EAA Board by the Chief Executive.

16. On *the finance of EAA*, CEO/EAA indicated that the functions prescribed by the Estate Agents Ordinance were at a developmental stage and that EAA was still in its growth phase, noting that many new areas of work essential to the effective enforcement of the Ordinance had yet to be pursued. CEO/EAA also indicated that EAA was operating on prudent financial principles and had always exercised stringent control over its expenditure. Operational cost had been kept low through freezing of headcount and flexible deployment of staff. Presently, EAA had been concentrating on the regulatory regime for estate agents dealing with domestic properties, but the workload was expected to increase as it was in the process of drafting regulations governing the conduct and practice of estate agents handling overseas and non-domestic properties. PAS for H(1) added that EAA was established as a self-financing authority and was financially autonomous. It would continue its stringent control on expenditure.

17. Mrs Selina CHOW found it inexplicable that EAA could have accumulated a surplus of \$71 million (of which \$22 million were set aside as capital fund) at the expense of the estate agency trade which was experiencing a very difficult time. She was also disappointed that EAA had been reluctant to further reduce the licence fees despite the economic downturn. She further questioned the justification for an annual increase of 7% in the operating expenses of EAA to \$57.9 million in 2003 when most of the statutory bodies were required to reduce their expenses by about 1 to 2% under the Enhanced Productivity Programmes. Although EAA was a self-financing body, Mrs CHOW considered that the Administration should have a role to play in controlling the finances of EAA to ensure that these were in order. Her views were shared by the Chairman who agreed on the need for the Administration to monitor the reserves and expenditure of EAA.

18. PAS for H(1) reiterated that EAA was operating as a self-financing body and was financially independent. The current proposal to reduce the licence fees by 20% was put forward in response to the trade's request. It was estimated that the cumulative fund would be fully depleted by 2004/05 with this level of reduction. She added that the Administration was represented at the EAA Board which endorsed the finances of EAA. The annual report and copy of the audited account of EAA were submitted to the Housing Bureau for tabling at the Legislative Council.

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19. CEO/EAA agreed that it would be best for EAA to achieve a balanced account as it was not a profit-making body. However, in deciding the level of fee reduction, EAA had to take into consideration the uncertainties in the licensee population and the increase in the number of practitioners holding salesperson licences. The ratio between salespersons and estate agents had decreased considerably from 1:6 when the licensing regime began in 1 January 1999 to 1:4.3 last month. The latest ratio was 1:3.5. Past records indicated that about 30% of the licensees had not renewed their licences. The introduction of re-entry conditions for ex-licensees would further reduce the income of EAA. There was hence a need to maintain a cumulative reserve for EAA to act as a buffer against contingencies.

20. As for the \$22 million capital fund, CEO/EAA advised that this had to be set aside for funding various capital projects, including the enhancement of the Info-Hotline Service at the Rating and Valuation Department. In addition to information on age and floor area of properties, EAA was arranging for information on user restrictions, currently available from occupation permits kept at the Buildings Department, to be incorporated into the Info-Hotline Service to enable estate agents to retrieve property information in a fast, convenient and economical manner. With the availability of the new Info-Hotline Service, practitioners would only have to take a land search from the Land Registry and dial the Info-Hotline to obtain all the prescribed property information at a minimal cost. Moreover, the capital fund would also be used to finance the new electronic licensing system and other training activities including continuous professional development programmes.

21. Mr Albert HO acknowledged the difficulties of EAA which, being a self-financing authority, had to make financial forecast with great caution taking into account fluctuation in the property market and uncertainty in the licensee population. In this connection, he suggested that the Administration should consider providing financial assistance to EAA where necessary such as interest-free loans to finance capital projects. Such loans would be repayable when the property market picked up and EAA was in a better position to raise funds for its expenses. PAS for H(1) said that the Administration had provided a start-up loan to EAA upon its establishment. Despite that EAA was financially independent, the Administration would monitor its financial situation and consider appropriate action should the situation warrant.. CEO/EAA added that the EAA Board would ensure that EAA's finances were in order and that provision was in place for its day-to-day operation and future commitments.

22. As for the proposed adoption of ad valorem levy on estate agency transactions, PAS for H(1) said that the proposal would be difficult to administer since unlike the stock exchange market, the property market did not have a central clearance system to keep track of all transactions. Besides, the proposed levy system would involve complicated calculations and assessments as well as an inordinate amount of administrative work. Nevertheless, the Administration would look into the feasibility of the said proposal in the light of the trade's concern. As large estate agencies dealing with a greater number of transactions were paying the same amount of licence fees, The

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Chairman considered that there was a need to look into the technical feasibility of introducing a levy system based on the number of transactions so that estate agencies enjoying more services would shoulder a fair share of the expenses of EAA. His view was shared by Mr Albert HO. CEO/EAA noted members' view but clarified that according to the Statement of Particulars of Business, each place of business was required to pay fees as a business entity out of fairness to all. As such, a large estate agency company with many branches would be required to pay licence fees for each of its branches and would not therefore enjoy undue advantage.

23. Given the present sluggish market conditions where the estate agency trade was struggling for survival, Mrs Miriam LAU stressed the need for EAA to exercise stringent control over its expenditure which was funded by the trade. She questioned the need for EAA to upgrade the Info-Hotline Service and the electronic licensing system which might only be good when the market was at its peak. Under the current market situation, practitioners would likely prefer a further reduction in licence fees rather than upgrading of the licensing or information retrieval system. She urged the Administration to reconsider and consult the trade on the proposed investment, and that efforts should be made to assist the trade in tiding over this difficult period. CEO/EAA said that the new Info-Hotline Service, which would be made available in November 2001, would enable the trade to have speedy and round the clock access to property information at a reduced cost; the information being added to the Service, namely user restriction, was to be found in Occupation Permits which originally cost \$190 to obtain, or \$120 from Land Registry. Through EAA negotiation with the Buildings Department the cost was reduced to \$45, and with the information incorporated in the Info-Hotline Service user restriction would become available at a further reduced cost of about \$12. As for the electronic licensing system, this was part of EAA's plan to centralize registration for uploading onto the Internet. Although the technical aspect of the system had yet to be worked out with the appropriate service providers, it was expected that the implementation of the system would improve the efficiency of the licensing process and help to facilitate the bulk processing of licensee transactions, which would certainly be of great help to the trade.

24. On *re-entry conditions and licence fees*, CEO/EAA advised that the proposal to exempt an ex-licensee who applied for a licence not more than 24 months from the expiry date of his last licence from the educational and examination requirement aimed to facilitate and provide flexibility to practitioners who were not actively engaged in the handling of properties to re-enter the trade. The recommendation for limiting the exemption period for unconditional re-entry of ex-licensees to the trade to 24 months had struck a balance between the practical needs of practitioners on the one hand, and the need for professional standards to be maintained at a certain level on the other. There had also been concern about the difficulty in upkeeping professional service standard if an extended and unconditional re-entry period of up to 36 months was allowed.

25. Mrs Miriam LAU asked if the Administration would consider extending the period of re-entry to 36 months, subject to the taking of refresher courses. CEO/EAA advised that proposal was at variance with the request of the trade which had called for

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unconditional re-entry of ex-licensees within 36 months. Besides, if mandatory refresher courses were imposed on the proposed exemption, the cost and time incurred to both EAA and the ex-licensees would run counter to the objective for greater flexibility.

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26. Mrs LAU queried the high costs for refresher courses and considered that efforts should be made to reduce the course fees. Mrs Selina CHOW echoed that she supported the extension of re-entry period to 36 months, subject to the taking of refresher courses. As the intention of refresher courses was to upkeep the professional knowledge and to update ex-licensees on the latest developments, they should be simple and inexpensive, costing no more than a few hundred dollars. Referring to the decreasing ratio of estate agents to salespersons, Mrs CHOW asked if this reflected that estate agencies were employing less estate agents in an attempt to cut costs and licence fees. She also expressed concern that the high licence fees together with other training requirements had deterred entrants from joining the trade. Given the prevailing poor market conditions, efforts should be made to assist the trade by reviewing the regulatory regime and the level of licence fees.

27. In response, CEO/EAA clarified that the decreasing ratio of estate agents to salespersons indicated that more practitioners were switching to the less expensive salespersons licences or joining the trade as salespersons. She added that as at February 2000, there were 13 368 estate agents and 2 195 salespersons, as compared to 11 852 estate agents and 2 678 salespersons in April 2001. At members' request, the Administration undertook to provide members with the updated numbers of salespersons and estate agents.

(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1) 2102/00-01(02).)

28. Noting that the proposed licence fees for salespersons were \$1,470 for 12 months and \$2,860 for 24 months, the Chairman considered that there was room for further reduction of the latter given that it would be more cost effective to issue licences with a longer validity period which would save much administrative costs. He hoped that EAA would review the licensing and training requirements. While acknowledging the Chairman's view, CEO/EAA advised that according to past record, very few practitioners would opt for the 24-month licence.

29. On *conduct of estate agents*, CEO/EAA acknowledged that the number of complaints received by EAA was on the rise this year. In the first half of 2001, EAA had already held 45 disciplinary proceedings, as compared to 47 in the entire year of 2000. These proceedings were open to the public and members of the trade were welcomed to attend. Disciplinary actions would be taken against breaches of regulations and non-compliance with the provisions of the legislation.

30. Mrs Selina CHOW expressed disappointment that there had not been any noticeable improvements in the conduct and practice of estate agents since the establishment of EAA three years ago. Besides, the trade did not find the services rendered by EAA at all helpful. Problems arising from the regulatory regime had also resulted in confrontation between the trade and EAA which was contrary to the intended purpose of EAA. She therefore considered it necessary for the Panel on Housing to

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follow up these issues. CEO/EAA advised that as EAA was the statutory body responsible for regulating the conduct and practice of estate agents through a licensing regime, it was inevitable that some forms of grievance would arise from affected estate agents.

31. On *supply of estate agents*, CEO/EAA noted that there had been conflicting information about the availability of estate agents in the market. Despite the high unemployment rate, some estate agencies complained that they were not able to recruit qualified estate agents. To this end, EAA had been organizing seminars to promote the estate agency trade to fresh graduates. Moreover, additional number of examinations were held to facilitate the taking of qualifying examinations before the end of the transitional period. Apart from written examination which was held weekly, computerized qualifying examination for salespersons was held daily at the frequency of eight examinations per week. According to statistics, there were about 215 students taking part in the examinations over the past two weeks, and about half of them were new entrants.

32. On *training for estate agents*, CEO/EAA advised that each student would be required to complete a course evaluation questionnaire, covering major items such as course content and teaching quality, upon the completion of each training course. Records indicated that students had a high regard for the courses ran by the nine training institutions, and that the satisfactory rate of these courses stood at 86% or above over the past three years. EAA staff members would periodically attend the training courses to monitor their progress and to take attendance. Of the 6 000 senior practitioners who were expected to take the training courses in order to qualify as estate agents, 2 700 had yet to enrol in these courses. EAA staff had been contacting these practitioners to urge them to take the training courses as soon as possible. Special courses at reduced rates had also been organized to enable them to complete the course before the expiry of the three-year transitional on 31 December 2001.

33. Before concluding, the Chairman invited the deputations to give a quick response to the points raised. Mr LUN Chi-yim/HKREAGA said that the high licence fees had deterred people from joining the trade. He held the view that the proposed adoption of ad valorem levy on transactions was worth pursuing, and that it would not incur much administrative cost as the levy could be charged according to transaction receipts. He also questioned the propriety to use EAA's capital funds to finance the Info-Hotline Service given that it was not for the exclusive use of estate agents.

34. Mr Alex TANG/SHKREAL said that in order to have an effective regulatory control, there was a need for active participation of the trade. He requested that more trade members be appointed to EAA.

35. Mr Mike KOO/HKCPPCL said that according to HKCPPCL's records, EAA had only held six meetings with the trade between July 1997 and May 2000. Apart from not being adequately represented, trade representatives in EAA were not allowed to

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disclose any information under the principle of confidentiality. He further pointed out that EAA had failed to achieve its objective of improving the conduct of estate agents. By way of illustration, no disciplinary actions had been taken against defaulting estate agents involved in the recent incident of violence. It was also discriminatory for EAA to take action against a small estate agency for employing non-licensed estate agents rather than major agencies which were known to have employed large numbers of non-licensed agents. As regards the Info-Hotline, Mr KOO considered that as the service was revenue generating, it would only be fair for proceeds to be ploughed back to EAA as a return for its investment.

36. Mr LIU Chi-ming/NTEAA opined that the period for unconditional re-entry of ex-licences should be extended to 36 months, and that the fees for training and refresher courses should be reduced. On the proposed adoption of ad valorem levy on transactions, Mr LIU said that this had been put forward for consideration by EAA years ago and EAA owed the trade an explanation on whether and how it should be implemented.

37. Mr Tony KWOK/PAAL considered it necessary to have a total revamp of the Ordinance which had created unfairness within the trade. He pointed out that the decrease in the ratio between salespersons and estate agents revealed that practitioners who were eligible for an estate agent licence would prefer to have a salesperson licence which was less expensive. He added that PAAL would agree that refresher courses be required after the expiry of the unconditional re-entry period of 36 months. These courses should be best offered by EAA so that the additional income generated could be used for running the courses at minimal cost.

38. Ms YUEN Choi-kuen/PARG said that EAA should exercise more stringent control over its expenditure and consider providing free re-training courses for those who wished to re-enter the trade after a temporary absence. Mr NG Yuen-hing/PARG added that licence fees be further reduced, and that greater flexibility in respect of fee arrangement such as fee refunds and quarterly licences be considered to facilitate entry to the trade. Mr CHOU Yip-tak/PARG also urged that EAA should step up consultation with the trade.

39. With the consent of the Chairman, the Chairman, Examination Panel/EAA took the opportunity to respond to Mr Mike KOO/HKCPPCL's allegation that EAA had failed to take action against the recent incidents involving misconduct of estate agents. He clarified that efforts had been made by the Chairman of the Disciplinary Committee of EAA to work out the disciplinary measures. However, it would take time for the proceedings to complete. He further pointed out that EAA's inspection teams regularly visited estate agency establishments to ensure that business was conducted in compliance with the Ordinance. EAA would also act on complaints against non-compliance by estate agencies.

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40. Mrs Miriam LAU requested to put on record that any matters which fell outside the remit of the Amendment Regulation be followed up by the Panel on Housing. Mrs Selina CHOW considered it necessary for the Administration and EAA to review the reserve and expenditure of EAA to see if there was still room for further reduction in licence fees.

(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(1) 2102/00-01(02).)

41. There being no other business, the meeting ended at 1:05 pm.

Legislative Council Secretariat
3 January 2002