

**Extract of minutes of the LegCo Members' meeting with
Eastern District Council members on 14 June 2001**

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VII. Providing greater support to the Owners' Corporation (OCs)

45. Mr HUI Ka-hoo said that Government should provide more support to OCs. He pointed out that sometimes OCs had to institute civil proceedings against flat-owners who were in breach of the Deed of Mutual Covenant. Even if the court had ruled in favour of an OC in a lawsuit, the owner concerned might ignore the court judgment. Although the OC concerned could then apply to the Lands Tribunal for an order to prohibit the owner from putting his flat for sale, the owner could "ignore" the prohibition order so long as he had no intention of selling his flat.

46. Mr WONG Kin-pan and Mr FU Yuen-cheung shared Mr HUI Ka-hoo's concerns. Mr WONG Kin-pan said that as many OC office-bearers lacked the knowledge and expertise in instituting civil proceedings, they often found the efforts and time spent in dealing with litigation-related matters overwhelming. He urged that the Government should provide more assistance to those OCs which were involved in litigation. Mr FU Yuen-cheung said that although the formation of OCs could assist owners to deal with building management problems collectively, many OCs considered it unacceptable that the Administration had been shifting more and more responsibilities to OCs. Mr FU opined that the Administration should address the matter seriously, otherwise, many people would be "deterred" from taking part in the work of OCs. Mr FU added that in the absence of a community centre in Shaukeiwan, OCs did not have a proper venue to hold owners' meetings.

47. Hon IP Kwok-him agreed with the concerns expressed by EDC members. Mr IP said that to his knowledge, the Administration intended to strengthen the manpower in HAD, with a view to enhancing support for OCs. He further said that the Administration had been giving more and more responsibilities to OCs. For instance, OCs would have to take out an insurance policy in respect of third-party liability for public places in the premises concerned. Mr IP further said that a Bills Committee had been set up to scrutinise the Fire Safety (Buildings) Bill which sought to improve the fire safety construction and fire service installations in the pre-1987 domestic buildings. As the legislative proposal had far-reaching implications, he urged DC members to assist in collecting public views on the proposal.

48. Hon Cyd HO said that a Subcommittee on review of the Building Management Ordinance was formed under the LegCo Panel on Home Affairs to follow up the outstanding issues arising from the enactment of the Building

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Management (Amendment) Ordinance 2000. Ms HO was of the view that the Administration was uncooperative in providing information relating to OCs, e.g. the names and addresses of OCs. Ms HO appealed to DCs' assistance in collecting public views, in particular views from OCs concerning building management problems. Hon CHOY So-yuk concurred with Ms HO.

49. Referring to the proposal to require OCs to take out third-party insurance for public places, Mr TSO Hon-kwong said that OCs faced practical difficulties because many insurance companies were reluctant to accept a policy of considerable amount for an OC. Mr TSO further said that many flat-owners were very concerned about the considerable costs in the event of litigation and were very reluctant to take part in the work of OCs. It also explained why no OCs were formed in most old private buildings. Mr TSO was of the view if an OC wished to institute proceedings, HAD should assist in providing legal advice to the OC to enable it to decide whether to pursue further with the case. HAD should also establish a litigation fund so that an OC could apply for a loan if it needs to take legal action. The OC concerned could repay the loan after receiving remedies.

50. Mr IP Shing-hing suggested that remedies from flat-owners could be recovered by making reference to the existing mechanism for recovering defaulted maintenance payments, i.e. arrangements should be made to enable the outstanding payments to be deducted from the salaries of the flat-owners concerned. In addition, the Government might consider streamlining the work procedures of the Lands Tribunal so that litigation costs could be lowered.

51. Hon LAU Ping-cheung shared Mr FU Yu-cheung's concern that there were insufficient community centres in Shaukeiwan. He said that following the dissolution of the two former municipal councils, there were more than one hundred outstanding capital works projects. A subcommittee had been formed by LegCo to follow up these outstanding projects. He was of the view that very slow progress was made in this respect. Mr LAU opined that there was a pressing need to review the provision of facilities in the districts.

52. Ms LO Tip-chun pointed out that even in the newly developed areas, say, the Aldrich Bay where the estimated population would reach some 30 000, the Administration had so far only been able to build sufficient residential flats to accommodate the population. The problem of the provision of transport network, leisure and cultural facilities as well as markets had yet to be resolved.

53. Hon CHOY So-yuk undertook to follow up the provision of community centres in the Eastern district in the LegCo Panel on Home Affairs in the next session commencing October 2001.

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