

May 24, 2002

Hon. Albert HO Chun-yan

Chairman

Panel on Housing of the Legislative Council

Dear **Mr. HO**,

**Ref.: Position Paper on the finances and regulatory regime of the Estate
Agents Authority ("EAA")**

On 7th March 2002, we, together with several other trade associations, sent you a position paper expressing our concern over certain aspects of EAA, a copy whereof is enclosed for your ease of reference.

On the finances and regulatory regime of EAA, we append below our further observations.

(1) Committee Membership

We observe that out of the 5 committees established by EAA, only the Practice Committee and the Training Committee include persons who are not members of EAA. We hope that the Panel will procure the Administration to extend this flexibility of appointing co-opt members to the other committees in that trade representatives can contribute more actively and constructively on any matter for consideration by those committees.

(2) Costs Effectiveness

We note that from time to time, EAA will cause expensive CD-ROM discs to be produced and distributed to licensees for reference. Given the ease of access to information by way of Internet and the fact that EAA has its own web site that is supposedly up-dated from time to time, it is patently wrong for EAA to adopt the present practice of producing and distributing expensive CD-ROM discs. Moreover, we remain of the view that the operation of EAA is that of black-box operation, poor

financial control, and nothing recommendable about value-enhancement.

(3) Audit Ordinance

Because of the unsatisfactory operation of EAA as aforesaid, the relationship between the trade and EAA is weak, if not poor. We pay expensive licensing fees. Conversely, the service obtained by the trade from EAA is the worst of the worst. We, therefore, urge the Panel to assess the performance of the work, financial control, value-enhancement of EAA since the operation of the Estate Agents Ordinance and if necessary, procure the Administration to invoke the Audit Ordinance in that the Director of Audit can audit, examine or inquire into the records and accounts of EAA.

(4) Codification of Code of Ethics

We have already raised strong objection to EAA's proposal to codify the Code of Ethics with submission settled by Counsel and Instructing Solicitors. No doubt we aim for professionalism, but the estate agency industry is still to a large extent a trade but not a profession. For the time being, our academic and vocational training is not comparable to that adopted by, for instances, the legal profession or the medical profession. The approach of EAA is simply putting the cart before the horse. It takes considerable time and tremendous effort to build up a profession but not by a piece of draconian legislation. We register our strong disappointment on this issue with your Panel and hope that your Panel can investigate into this matter with EAA,

We thank you in anticipation of your kind attention and assistance.

Yours truly,

For and on behalf of Society of Hong Kong Real Estate Agents Limited

c.c. all Panel members