

立法會
Legislative Council

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by the Administration)

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Panel on Home Affairs

Minutes of meeting
held on Friday, 8 July 2011, at 8:30 am
in Conference Room A of the Legislative Council Building

- Members present** : Hon IP Kwok-him, GBS, JP (Chairman)
Hon KAM Nai-wai, MH (Deputy Chairman)
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon Miriam LAU Kin-ye, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon WONG Kwok-hing, MH
Hon CHEUNG Hok-ming, GBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon Cyd HO Sau-lan
Dr Hon LAM Tai-fai, BBS, JP
Hon CHEUNG Kwok-che
Hon WONG Sing-chi
Hon Paul TSE Wai-chun, JP
Hon Tanya CHAN
Hon WONG Yuk-man
- Members attending** : Hon LEE Wing-tat
Dr Hon PAN Pey-chyou
- Members absent** : Hon WONG Yung-kan, SBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon CHAN Hak-kan

Public Officers : Agenda item II
attending

Home Affairs Bureau

Mr TSANG Tak Sing, GBS, JP
Secretary for Home Affairs

Ms Candy LAU
Principal Assistant Secretary for Home Affairs
(Community Care Fund)

Executive Committee on the Community Care Fund

Dr LAW Chi-kwong, SBS, JP
Chairman

Agenda item III

Home Affairs Bureau

Mr TSANG Tak-sing, GBS, JP
Secretary for Home Affairs

Mr Gilford LAW
Principal Assistant Secretary (Culture)¹

Leisure and Culture Services Department

Ms Cynthia LIU
Assistant Director (Performing Arts)

Agenda item IV

Home Affairs Bureau

Mr Raymond YOUNG, JP
Permanent Secretary for Home Affairs

Mr Benjamin MOK
Deputy Secretary for Home Affairs (2) (Acting)

Agenda item V

Home Affairs Bureau

Mr Raymond YOUNG, JP
Permanent Secretary for Home Affairs

Home Affairs Department

Mrs Pamela TAN
Director of Home Affairs

Mr Jack CHAN
Deputy Director of Home Affairs (2)

Clerk in attendance : Mr Thomas WONG
Chief Council Secretary (2)2

Staff in attendance : Ms Alice LEUNG
Senior Council Secretary (2)2

Yvonne OA-YANG
Council Secretary (2)2

Miss Emma CHEUNG
Legislative Assistant (2)2

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I. Information paper(s) issued since the last meeting

Members noted the following papers issued since the last meeting -

LC Paper No. CB(2)2001/10-11(01) -- Supplementary information provided by the Administration on narrowing the disparity between the subsidy provided to disabled and non-disabled elite athletes

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LC Paper No. CB(2)2104/10-11(01) -- The Administration's paper on the breakdown of the number of District Minor Works projects endorsed by the District Councils

LC Paper No. CB(2)2160/10-11(01) -- The Administration's response to a letter from a member of the public on advertisements promoting casinos in Mass Transit Railway stations in Hong Kong

LC Paper No. CB(2)2183/10-11(01) -- The Administration's paper on the protection and promotion of intangible cultural heritage in Hong Kong: Jiao-festival of Cheung Chau

LC Paper No. CB(2)2238/10-11(01) -- Further submission from a sports organization on the monitoring of Private Recreational Leases ("PRLs") and the granting of short-term land leases for the purpose of leisure and sports activities

II. Injection into the Community Care Fund: One-off Allowance to New Arrivals from Low-income Families

[LC Paper Nos. CB(2)2258/10-11(01) and (02)]

2. Secretary for Home Affairs ("SHA") briefed members on the Administration's proposal to inject \$1.5 billion into the Community Care Fund ("CCF") for launching a programme to provide a one-off allowance to new arrivals from low-income families who had reached the age of 18 and had entered Hong Kong lawfully for settlement for less than seven years ("the Programme") [LC Paper No. CB(2)2258/10-11(01)]. The funding proposal would be submitted to the Finance Committee ("FC")

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for consideration on 18 July 2011. The application period was expected to commence on 3 October 2011 and end on 30 June 2012. Chairman of the Executive Committee on CCF highlighted the eligibility criteria for beneficiaries of the Programme as set out in the Administration's paper.

Proposed injection of \$1.5 billion

3. Mr WONG Kwok-hing, Dr Philip WONG and Dr PAN Pey-chou expressed support for the Programme.

4. Ms Emily LAU and Ms Cyd HO considered that instead of injecting money into CCF for launching the Programme, public funds should be spent on long-term undertakings of social needs such as health care, welfare services, housing and education.

5. Mr CHEUNG Man-kwong and Mr WONG Sing-chi opined that the Administration should not shift the responsibility of launching the Programme to CCF. They expressed dissatisfaction with the Administration's unwillingness to undertake to implement the Programme.

6. Ms Miriam LAU considered that it would be more appropriate for the Government to implement the Programme by itself rather than through CCF as the Programme was a special initiative. CCF should consider other initiatives and programmes to assist the new arrivals from low-income families since the one-off allowance of \$6,000 would not be sufficient to meet their financial needs or assist them in integrating into the community.

7. The Deputy Chairman opined that the Administration had discriminated against new arrivals by excluding them from its Scheme \$6,000 under which each Hong Kong Permanent Identity Card ("HKPIC") holder aged 18 or above was entitled to receive a cash payment of \$6,000 from the Government. He noted from the Administration's paper for the meeting of the Panel on Home Affairs in January 2011 the guiding principle of the operation of CCF that its operation would mainly be funded by investment returns on the seed capital to which the Government and the business sector would contribute, and the seed capital might be deployed in accordance with the principle of financial prudence in response to needs. However, for launching the Programme, the Administration would inject an additional \$1.5 billion into CCF and any unused funds would be returned to the Government after completion of the Programme. He queried whether this arrangement was in line with the guiding principle of CCF, and asked whether an equivalent contribution would be solicited from the business sector. SHA said that

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the Programme was a designated initiative which met the objectives of CCF and the target of soliciting \$5 billion from the business sector for CCF remained unchanged.

8. Dr LAM Tai-fai and Prof Patrick LAU expressed concern about the financial situation of CCF as it would not be possible for CCF to provide cash allowance to new arrivals in future, given the limited funding resources of CCF.

9. In response to members' views, SHA advised that -

- (a) in the Appropriation Bill 2011, the Financial Secretary had earmarked \$1.5 billion for additional injection into CCF to provide assistance to those in financial need, including new arrivals. The objective and nature of the Programme were different from the \$6,000 Scheme in that the former served to provide new arrivals from low-income families with additional resources to facilitate their adaptation into the community, while the latter aimed at leaving wealth with the people;
- (b) new arrivals in financial difficulty had all along been the target beneficiaries of CCF. The Steering Committee on CCF had discussed in detail how the additional injection could be fully utilized to provide assistance to such new arrivals and finalized the implementation details of the Programme at its meeting on 29 June 2011; and
- (c) the Programme was a one-off instead of recurrent initiative. Should CCF launch a similar assistance programme in future, the Administration would seek approval for additional funding from FC.

10. Mr CHEUNG Hok-ming asked whether the Administration would seek additional funding from FC if the expenditure of the Programme exceeded the \$1.5 billion injection. SHA advised that according to the Administration's estimation, the number of beneficiaries of the Programme was around 233,900. The estimated \$1.5 billion should cover the total disbursements to eligible beneficiaries and administrative expenses (which would not exceed 2% of the estimated total disbursements). The Administration and CCF would endeavour to contain the administrative expenses within 2% of the estimated total disbursements, and there should be no need to seek additional funding for the Programme.

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Eligibility criteria

11. In view of the commencement of the statutory minimum wage ("SMW") on 1 May 2011, Mr WONG Kwok-hing asked whether the Steering Committee on CCF would make reference to the median monthly domestic household income in the second, instead of the first, quarter of 2011 in drawing up the specified income limit on eligible beneficiaries of the Programme. In addition, Mr WONG noted that the Administration's proposed \$7,300 income limit was higher than the median monthly domestic household income applicable to one-person households (i.e. \$6,500) plus a monthly allowance of \$600 received by such households under the Work Incentive Transport Subsidy Scheme. Nevertheless, taking into account the implementation of SMW, he suggested that the proposed \$7,300 income limit be increased to \$7,500. He also hoped that the income limit adopted could be as relaxed as possible.

12. Chairman of the Executive Committee on CCF advised that the median monthly domestic household income in the second quarter of 2011 would not be available until the end of August 2011, and the Administration planned to seek FC's funding approval on 18 July 2011 so that the Programme could be commenced as soon as possible. The Steering Committee on CCF had preferred to adopt more relaxed financial criteria in setting the income limit at the median monthly domestic household income. As the median monthly domestic household income applicable to one-person households (i.e. \$6,500) was apparently low when compared with that applicable to two-person households (i.e. \$14,600) and only the median monthly household income in the first quarter of 2011 was available, the Steering Committee had decided to adjust the specified income limit applicable to one-person households upwards to become half of that applicable to two-persons households, i.e. \$7,300. It appeared that there were no strong and objective justifications for the \$7,500 income limit suggested by Mr WONG. He stressed that to facilitate smooth implementation of the Programme, the criteria for setting the income limit should be as objective as possible.

13. Ms Miriam LAU expressed concern that setting the specified income limit for one-person households at \$7,300 might have implications on the existing Government policies as the income limit for eligible beneficiaries of existing social welfare schemes were well below \$7,300. For example, the income ceiling of eligible applicants for the Transport Subsidy Scheme was \$6,500.

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14. Chairman of Executive Committee on CCF responded that the Steering Committee on CCF had considered whether the Programme would have any impact on the Government's social welfare policies. It had taken into account a host of various factors including the one-off nature of the Programme and the implementation of SMW on 1 May 2011. As about 40% of one-person households were unemployed, the median household income of these households would likely be increased after the implementation of SMW. However, there should not be significant change to the median household income of two-persons households because only about 16% of these households having no one economically active. It was, therefore, expected that the median monthly household income applicable to one-person households would be adjusted in the second quarter of 2011. The setting of the specified income limit at \$7,300 should have minimal implication for the existing social welfare policies.

15. Mr WONG Sing-chi considered that the proposed specified income limit was unfair to people whose monthly income was slightly over \$7,300 but financial difficulties were no less severe than those of eligible applicants for the Programme. He asked how the \$7,300 was calculated, particularly whether it would refer to the monthly income of an applicant upon submission of his application for the Programme or his average monthly income for a certain period of time before commencement of the application period. Chairman of the Executive Committee on CCF noted the need to set a definitive income limit for the Programme. Applicants should declare in writing the average monthly household income for the three months prior to the submission of applications..

16. Dr PAN Pey-chyou suggested that to streamline application procedures and enable more low-income new arrivals to be covered by the Programme, the proposed income limit should be based on individual rather than household income. Ms Cyd HO opined that if employees were paid in accordance with the SMW rate and provided with paid rest days and paid lunch breaks, their monthly income should be above \$7,300. As there were no restrictions on the use of \$6,000 by HKPIC holders aged 18 or above under the Administration's \$6,000 Scheme, she considered that a more lenient approach should be adopted in setting the means test limits on applicants for the Programme.

17. Chairman of the Executive Committee on CCF advised that setting the income limit in terms of household income was in line with the arrangements for the Government's existing welfare, medical and educational assistance schemes. For applicants who had passed the specified household-based means test, they were not further required to

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declare in writing their monthly household income. It was expected that whether the means test mechanism should be individual-based or household-based would continue to be a topic of discussion for educational, medical and welfare measures for the Government.

18. SHA advised that as the objective of CCF was to provide assistance to people facing economic difficulties and in need of assistance, the Programme did not mean to provide an allowance to all new arrivals. To ensure that the beneficiaries of the Programme were low-income earners with genuine needs, the overall financial position of the household would be considered to identify the more needy persons. Therefore, the specified income limit was calculated on a household basis.

19. In response to Mr WONG Sing-chi's question on whether applicants' mandatory contributions to the Mandatory Provident Fund schemes were included in the calculation of their monthly household income, Chairman of the Executive Committee on CCF responded in the negative.

Application arrangements

20. In response to Ms Emily LAU's worry about the possible chaos that might arise if applicants rushed to register for the Programme, Chairman of the Executive Committee on CCF advised that details of the application procedures would be announced in September 2011 before the application period commenced in October 2011. There would be sufficient time for application as its deadline was 30 June 2012. The completed applications could be returned to the CCF Secretariat by mail before the deadline. The CCF Secretariat would keep in view the situation and take appropriate actions to ensure smooth implementation of the Programme.

21. Mr WONG Kwok-hing suggested that similar to the Administration's \$6,000 Scheme, the Programme should provide an option for eligible applicants to receive \$6,000 plus a bonus of \$200 if they did not rush to register for the Programme. Chairman of the Executive Committee on CCF advised that he would relay Mr WONG's suggestion for further discussion as the CCF Committees had not discussed it so far.

Vetting and disbursement arrangements

22. Prof Patrick LAU expressed concern about the administrative costs of the Programme. He noted that the banks through which eligible

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persons might register for the \$6,000 Scheme would charge the Government \$15 per successful registration to recover the administrative costs incurred. He was concerned whether the banks would charge CCF a similar amount of administrative fee for the disbursement of the \$6,000 allowance to the beneficiaries of the Programme.

23. Principal Assistant Secretary for Home Affairs (Community Care Fund) advised that the administrative fee to be charged by banks was expected to be very low, as the CCF Secretariat would undertake most of the administrative work relating to the implementation of the Programme. The banks involved would only be responsible for direct payment of the allowance into the bank accounts of the eligible beneficiaries and printing of order cheques.

24. Dr Philip WONG sought information on the sample size of the audit check to be conducted by the Administration on applicants, the sampling parameters and whether the findings would be made public. SHA advised that about 180 temporary staff would be recruited to implement the programme. Depending on the availability of resources, the Administration would try to make the sample size as big as practicable to enhance the deterrent effect of the audit check, and the samples would be randomly selected. Chairman of the Executive Committee on CCF advised that to prevent applicants from evading sampling, it might not be appropriate to disclose the sampling parameters. He expected that the audit check results could be made public.

25. Dr Philip WONG sought information on the estimated number of beneficiaries of the Programme. SHA advised that subject to the funding approval of \$1.5 billion, it should be sufficient to provide allowance to all those who met the eligibility criteria under the Programme.

26. Mr CHEUNG Hok-ming was worried that new arrivals might inadvertently provide a false statement or withheld certain information in their registration for the Programme. He called on the Administration to enhance their awareness of their due responsibilities as applicants. SHA advised that the Administration would launch extensive publicity on the Programme through various channels after obtaining FC's approval for the \$1.5 billion injection. The application form would include a note to remind applicants of their responsibilities in providing true and full information in their applications to the CCF Secretariat and their criminal liability if they knowingly or wilfully provided a false statement or withheld any information to obtain the \$6,000 allowance.

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III. Matters concerning home affairs under the Framework Agreement on Hong Kong/Guangdong Co-operation
[LC Paper Nos. CB(2)2258/10-11(03) and (04)]

27. SHA briefed members on the Administration's paper on the contents and implementation of the matters concerning home affairs under the Framework Agreement on Hong Kong/Guangdong Co-operation ("the Framework Agreement") [LC Paper No. CB(2)2258/10-11(03)].

Cultural co-operation

28. Ms Cyd HO considered it important for the Administration to facilitate and promote direct cultural exchange and co-operation between arts groups in Hong Kong and on the Mainland, as there were many cultural policy issues affecting both sides, such as the Action Plan for the Bay Area of the Pearl River Estuary.

29. SHA advised that the Administration had all along encouraged cultural co-operation between non-governmental arts groups in Hong Kong and on the Mainland. For example, the Hong Kong Arts Development Council ("HKADC") had introduced a grant on cultural exchange between Hong Kong and the Pearl River Delta ("PRD"). Local arts groups and practitioners had been encouraged to participate in exchange projects conducted in the PRD region. Radio Television Hong Kong and other electronic mass media also had cooperation with their counterparts on the Mainland but the work was not under the purview of the Home Affairs Bureau ("HAB").

30. While welcoming the Framework Agreement, Mr WONG Kwok-hing considered the Administration's support for cultural exchange between Hong Kong and the Mainland inadequate. For instance, he felt disappointed that the proposed project of converting the former residence of Mr Bruce LEE in Kowloon Tong into a Bruce LEE memorial museum in recognition of his achievements in martial arts and film development had been abandoned and the meaningful Pictorial Exhibition of the late Premier of China Mr ZHOU Enlai held from 26 to 29 June 2011 in the Hong Kong Central Library could not be extended.

31. SHA advised that the proposed project on the Bruce LEE memorial museum was under the purview of the Commerce and Economic Development Bureau. To his understanding, the Administration had discussed several times with the property owner of the former residence of Mr Bruce LEE on the proposal but both sides were unable to reach a

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consensus over the scope of restoration. The Pictorial Exhibition of Mr ZHOU Enlai could not be extended because the Hong Kong Central Library was a popular place for exhibitions and had a tight booking schedule.

32. Miss Tanya CHAN sought information on the work of the cultural co-operation between the Hong Kong Special Administration Region government and the Guangdong provincial government on manpower training and exchanges and the nurturing of artists in respect of the Cantonese Opera. She also called on the Administration to consider providing statutory protection for intangible cultural heritage ("ICH").

33. SHA advised that the Guangdong provincial government was in the course of drafting legislation to protect ICH. However, the Administration did not have a timetable on the matter at this stage.

Co-operation in sports

34. Given the inadequacy of sports facilities in Hong Kong and the availability of many new sports facilities for the 2010 Asian Games in Guangzhou, the Deputy Chairman asked whether Hong Kong athletes would be allowed to access the facilities in Guangzhou to meet their training needs.

35. SHA advised that to promote the development of elite sports in Hong Kong, the Administration would continue to strengthen links with elite sports organizations on the Mainland and to provide more opportunities for Hong Kong athletes to receive training and participate in sports competitions. As Hong Kong was adjacent to Shenzhen and might not have sufficient sports facilities of international standards, certain elite sports athletes, such as cyclists, had received training in Shenzhen sports facilities. He added that as a number of new sports venues and facilities for hosting the 26th Summer Universiade 2011 had been built in Shenzhen, the Administration would explore with the Shenzhen government the feasibility of making available such venues to Hong Kong for hosting large-scale international sports games.

Youth exchange

36. Noting the establishment of the Service Corps announced in the Chief Executive ("CE")'s 2010-2011 Policy Address to subsidize young people aged between 18 and 29 to serve in the underprivileged areas on the Mainland for six to 12 months, the Deputy Chairman sought information on the overall government expenditure on youth exchange

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programmes between Hong Kong and Guangdong, and the number of participants from the Mainland.

37. SHA advised that the quota for the number of target recipients in the initial stage of the establishment of the Service Corps was 15. He did not have information on hand about the total expenditure on all youth exchange programmes between Hong Kong and Guangdong but advised that the Administration had spent about \$800,000 on the 2010 Guangdong-HK-Macao Youth Cultural Tour jointly organized by HAB, the Department of Culture of the Guangdong Province and the Tertiary Education Services Office of Macao in July 2010.

IV. Private recreational leases

[LC Paper Nos. CB(2)2314/10-11(01) and (02)]

38. Members noted the Administration's paper on the historical background and role of the Private Recreational Leases ("PRLs") and the proposed arrangements for processing the renewal of PRLs [LC Paper No. CB(2)2314/10-11(01)] and the English version of the powerpoint presentation materials on the salient points of the aforesaid paper at the meeting.

(Post-meeting note: The softcopy of the Chinese version of the aforesaid powerpoint presentation materials was issued to members on 15 July 2011.)

39. The Chairman reminded members to declare any interest in the matter under discussion, pursuant to Rule 83A of the Rules of Procedure.

Renewal of PRLs

40. Mr LEE Wing-tat reiterated his view expressed at the Panel meeting on 13 May 2011 that the Administration should pursue a policy of facilitating outside bodies to have more access to the facilities of private sports clubs operated under PRLs. Mr CHEUNG Man-kwong echoed Mr LEE Wing-tat's view and said that while members of the public might not object to the Administration's granting PRLs to non-profit organizations, such as uniformed groups, and the renewal of such PRLs, they would raise grave concern about the Administration's proposed renewal of PRLs for private sports clubs. Both Mr LEE Wing-tat and Mr CHEUNG Man-kwong opined that the Administration's proposed requirements to be imposed on PRL lessees, such as requiring them to open up their facilities to outside bodies to 50 hours per month or

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more, were inadequate. The Administration should grant a short-term renewal to such PRLs pending a comprehensive review of PRLs. The Deputy Chairman and Miss Tanya CHAN shared a similar view.

41. Miss Tanya CHAN expressed the Civic Party's dissatisfaction with the Administration's proposed ways for processing the renewal of PRLs. She pointed out that the Government had conducted reviews on PRLs in the past several decades. For instance, the Government appointed the Advisory Committee on Recreational Leases in 1966 to review the policy on the granting of leases for private recreational purposes and set up a working group in 1977 to study issues relating to PRLs. She suggested that the Administration should set up a task force to review PRLs. She highlighted that according to the report of the Advisory Committee on Recreational Leases issued in 1968, there was no specific provision in PRLs giving the lessees a legitimate expectation that the leases would be renewed after expiry.

42. Mr WONG Kwok-hing opined that the proposed arrangements for private sports clubs operated under PRL to open up their facilities to the use by outside bodies to 50 hours per month was inadequate. Such facilities should be further opened up having regard to their capacity and availability. It should be more appropriate for the Administration to consider renewing PRLs on a short term basis (say, five years) and requested the Administration to update the Panel on the results of its discussion with individual private sports clubs. Ms Cyd HO shared a similar view.

43. Ms Emily LAU called on the Administration to conduct a comprehensive review on PRLs and suggested that the Panel should consider holding a public hearing to receive views from members of the public on this issue.

44. Permanent Secretary for Home Affairs ("PSHA") advised that:

- (a) the Administration expressed support for private sports clubs operated under PRL to allow greater access to their sports facilities by outside bodies, with a view to contributing more to the sports development and the provision of recreational facilities in Hong Kong. The Administration had along this line worked out the proposed arrangements for lessees to further open up their facilities;
- (b) in formulating the proposed arrangements, the Administration had to strike a balance between the interests

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of the public and members of private sports clubs operated under PRLs. Under the current conditions, lessees were required to open up their facilities to the use of outside bodies no more than three sessions of three hours per week. The revised condition of "50 hours per month or more" would facilitate outside bodies to conduct all-day training or hold competitions. The Administration would also require those clubs to accord priority to outside bodies in hiring certain designated sessions. Overall, significant improvement had been made in allowing more access to such facilities by outside bodies. At present, some private sports clubs had opened their facilities for more than the proposed 50 hours; and

- (c) PRLs should be renewed with a reasonable term, which would allow sufficient time for the Administration to conduct a policy review on PRLs. At present, a new PRL is granted for a period of 21 years and a renewed lease 15 years. As these private sports clubs had employed many staff and needed time to plan their development, the Administration considered it appropriate to renew the leases for another term of 15 years upon expiry.

45. In response to the Deputy Chairman's concern about the shooting sports club in the northern New Territories, Deputy Secretary for Home Affairs (2) (Acting) ("DSHA(2)(Acting)") advised that the club was situated on a land lot above a fresh water service reservoir and was operated under a government land licence. The licensee was required to comply with the licence terms and conditions to ensure that their operation would not affect the utility facilities underground.

46. Mrs Sophie LEUNG declared that she was a member of the Hong Kong Jockey Club and an affiliate member of some private sports clubs listed at the Annex to the Administration's paper. She pointed out that PRLs were a legacy of the British colonial rule and the land lots on which the facilities of such private clubs were situated were remote when the PRLs were initially granted. These clubs had invested a lot of time and resources in developing their facilities to the present scale of establishment. The Administration should renew their PRLs on a longer term basis, say at least 10 years. Should the Panel hold a public hearing on PRLs, the operators of these private sports clubs should be invited to give views.

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47. Echoing Mrs Sophie LEUNG's view, Prof Patrick LAU was concerned about whether the Administration had discussed with the affected private sports clubs the review on PRLs.

48. PSHA advised that the Administration had discussed with such clubs the arrangements for further opening up their facilities to the public. They were in general willing to accommodate the new arrangements but hoped that the renewal of their PRLs would allow them sufficient time for planning their maintenance work, redevelopment or long-term planning. He reiterated that it would be more reasonable to renew PRLs for a term of 15 years. As the results of the review would be available in around the middle of the lease term, private sports clubs would have adequate time to plan their future development of facilities and services.

49. Mr WONG Kwok-hing sought information on the requirement for putting in place junior membership schemes by private sports clubs to allow young sportsmen and women below a certain age to join at significantly reduced rates of entry, and the lease conditions that considered obsolete. PSHA advised that the Administration would discuss with individual clubs the details of such schemes given that individual clubs had different facilities. On the obsolete lease conditions, he advised that the lease conditions for the current PRLs were drawn up over 15 years ago and the Administration would remove the obsolete conditions, such as the prohibition against people from outside bodies to use the toiletries provided in the changing rooms of a club.

50. Ms Emily LAU noted from the Administration's paper that a few smaller private sports clubs might not be able to meet the new requirements to be imposed or convince the Administration that they would be capable of doing so, and the Administration might not renew their leases in such circumstances. She enquired about which private sports clubs the Administration had in mind.

51. PSHA said that lessees of PRLs (including private sports clubs) had already been aware of the new requirements. They were in general willing to accommodate them. However, the Administration could not rule out the situation that a few smaller private sports clubs might be unable to meet the new requirements or convince the Administration that they were capable of doing so. For instance, if private sports clubs had only one tennis court or one swimming pool and had employed just a very small number of staff, they might have difficulties in meeting the new requirements. The Administration would need to discuss with individual clubs about the new arrangements and liaise with the relevant lessees to establish their respective enhanced opening up arrangement after lease renewal.

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52. Deputy Secretary for Home Affairs (2) (Acting) ("DSHA(2)(Acting)") advised that there were several land lots among the 73 PRLs set out at the Annex to the Administration's paper that were subject to other planning purposes. In such circumstances, these leases would be renewed by a short-term lease. These private sports clubs included the Post Office and Cable & Wireless Recreation Club Limited (item 55), the Community Sports Limited (item 7) and the Tung Wah Group of Hospitals (item 70). On Ms Emily LAU's question about the membership fees of private sports clubs, he advised that different clubs would charge different amount of membership fees. Of the 73 cases, 50 offered membership fees in the range of \$0 to \$10,000, another 12 in the range of \$10,000 to \$100,000, and the remaining 11 in the range of \$100,000 to \$500,000.

Enhancing publicity and monitoring of PRLs

53. Miss Tanya CHAN expressed concern about the new lease condition that allowed outside bodies to book sports facilities of lessees of PRLs directly. She considered that the Administration should continue to perform its role of "competent authority" by assisting outside bodies in booking the sports facilities of PRL lessees and monitoring the compliance of lessees with the lease conditions. The Administration should also enhance the information provided on HAB's website. She advised that as early as in 1993, the Education Department had issued a circular to schools informing them of the arrangements of booking sports facilities of private sports clubs operated under PRLs and providing information on the contact persons of the clubs, sports facilities available for booking by outside bodies, time available for booking and insurance procurement. The circular contained much more information than HAB's website.

54. PSHA advised that the option of allowing outside bodies to book sports facilities of PRL lessees directly would be more convenient. Should the outside bodies encounter difficulties in their communication with PRL lessees, they might still seek assistance from HAB or other "competent authorities". PSHA further advised that the Administration understood that some facilities in private sports clubs were less frequently used by outside bodies, either because these outside bodies were not aware of the availability of such facilities or such facilities were not in easily accessible locations. This situation could be improved by enhanced publicity and information dissemination, including requiring the PRL lessees to publish information on their facilities on their websites and uploading the relevant information onto the websites of HAB and

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other competent authorities. The Administration would regularly release information about the facilities of PRL lessees available for use by outside bodies.

Motions

55. Miss Tanya CHAN moved the following motion, which was seconded by Mr CHEUNG Man-kwong, -

"本會要求政府以三至五年契約延續私人遊樂場地契，並在此期間作公眾諮詢(包括各個會所)，檢討這些契約的條款，向公眾作更大幅度的開放，才進一步延續其契約。"

(Translation)

"That this Panel calls on the Government to renew Private Recreational Leases ("PRLs") for three to five years, and in the meantime, to consult the public including clubs operated under PRLs, and to review the terms and conditions of such leases for allowing greater access to the grantees' facilities by the general public before further renewing their leases."

56. Ms Cyd HO considered that the Administration should charge clubs operated under PRLs the land rent based on the market value of the land and moved an amendment to the above motion as follows –

"本會要求政府以三至五年契約延續私人遊樂場地契，並在此期間作公眾諮詢(包括各個會所)，檢討這些契約的條款，向公眾作更大幅度的開放或以市價計算地租，才進一步延續其契約。"

(Translation)

"That this Panel calls on the Government to renew Private Recreational Leases ("PRLs") for three to five years, and in the meantime, to consult the public including clubs operated under PRLs, and to review the terms and conditions of such leases for allowing greater access to the grantees' facilities by the general public or to charge land rent at market price before further renewing their leases."

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57. The Chairman advised that Ms Cyd HO's amendment to the motion would be voted first and reminded members to declare an interest, if any. Mr Paul TSE declared that he was a member of Hong Kong Jockey Club, Scout Association of Hong Kong and South China Athletic Association. Prof Patrick LAU claimed a division.

58. The results of the voting were as follows -

Ms Cyd HO voted for the amendment to the motion; Prof Patrick LAU and Dr Philip WONG voted against it; and Mr KAM Ngai-wai, Mr CHEUNG Man-kwong, Mr James TO, Ms Emily LAU, Ms Miriam LAU, Mr Paul TSE and Miss Tanya CHAN abstained.

The Chairman declared that the amendment to the motion was negated.

59. The Chairman then put the motion proposed by Miss Tanya CHAN to vote and the results were as follows -

Mr KAM Ngai-wai, Mr CHEUNG Man-kwong, Mr James TO, Ms Emily LAU, Ms Cyd HO and Miss Tanya CHAN voted for the motion; Dr Philip WONG, Ms Miriam LAU and Prof Patrick LAU voted against it; and Mr Paul TSE abstained.

The Chairman declared that the motion was carried.

V. Regulation of Property Management Industry
[LC Paper Nos. CB(2)2258/10-11(05) and (06)]

[To allow sufficient time for discussion, the Chairman suggested and members agreed that the meeting be extended to 12:05 pm.]

60. PSHA briefed members on the Administration's paper on the key parameters of the proposed regulatory framework for the property management industry [LC Paper No. CB(2)2258/10-11(05)].

Scope of the regulatory regime

61. Mr WONG Kwok-hing welcomed the Administration's proposal to regulate the property management industry as the interests of the property owners could not be sufficiently protected in the absence of a licensing regime for property management companies ("PMCs"). He sought information on the Administration's proposed "grandfathering"

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arrangements for existing practitioners to facilitate a smooth transition to the new regulatory regime.

62. PSHA advised that the Administration proposed to establish an advisory committee to work out the details of the licensing regime, including the grandfathering arrangements for existing practitioners in recognition of their experience and/or current academic qualifications. The Administration hoped that the advisory committee would be set up around end 2011. The Administration's initial thinking was that practitioners with many years of experience would be recognized.

63. Mr James TO and Ms Miriam LAU considered that a tiered licensing regime should be introduced for PMCs of different sizes and expertise, thereby helping property owners to choose the appropriate PMCs according to their needs and affordability. Mr James TO was concerned that under a single-tier licensing regime, a low standard would be set for all PMCs and would fail to provide consumers with clear references for making appropriate choices.

64. PSHA advised that a single-tier licensing regime would not lower or compromise the licensing standards for PMCs as all licensees would be required to meet the basic requirements. He also advised that there were concerns, in particular among the small and medium-sized PMCs, about a multi-tier licensing regime. They were worried that a multi-tier licensing regime would create considerable labeling effects, as the general public would tend to perceive companies possessing an upper-tier licence, which would mostly be larger PMCs, to be able to provide better quality services, and the small and medium-sized PMCs would be disadvantaged. The Administration considered that the objective of facilitating consumers in making informed choices on PMCs could be achieved by ensuring open access to the essential information on PMCs. The future regulatory body could require the PMCs to provide updated information (such as management portfolio, board of directors, number of licensed employees, registered capital, etc.) on the website of the body at regular intervals as a licensing condition. PSHA also advised that while the majority supported a single tier licensing regime to regulate PMCs, there were mixed views on whether individual practitioners taking up a managerial role and being accountable for the overall quality assurance of property management services should be subject to a single-tier or multi-tier licensing regime. At this stage, the Administration remained open to both options.

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Regulatory body

65. The Deputy Chairman noted from the Administration's paper that the future statutory regulatory body would be self-financed with its income generated from both licensing fees and a levy of not more than 0.01% of the transaction value of property transactions. He expressed concern about whether this proposed financing arrangement would provide adequate funding support to the regulatory body. He also asked whether the regulatory body would handle complaints against PMCs.

66. PSHA advised that the regulatory body would take up the roles of both a licensing body and an industry promoter. As a licensing body, its tasks should include establishing a code of conduct and a code of practice for PMCs and practitioners respectively, prescribing licensing requirements and dealing with complaints and imposing penalties for misconduct and malpractice. The Administration's current inclination was that the proposed regulatory authority would be funded by its income generated from both licensing fees and a small levy imposed on property transactions in Hong Kong, say not more than 0.01% of the transaction value. While the actual level of licence fees and the levy would be worked out at a later stage, it was estimated that the operation expenditure of the proposed regulatory body would be about \$20 million a year, with about two-third of the expenditure being financed by the levy and the remaining one-third by the licensing fees.

67. Ms Miriam LAU and Prof Patrick LAU raised grave concern about the proposed levy and considered it unreasonable given that the levy was not directly related to the sale of property. Ms Miriam LAU expressed dissatisfaction that the Administration had not consulted the legal profession on the proposed levy, which would have significant impact on the work of lawyers. She called on the Administration to consult the Hong Kong Law Society about the proposal.

68. PSHA advised that it was not preferable for the proposed regulatory authority to solely rely on licence fees as the burden would eventually be shifted to owners and tenants. This was contrary to the guiding principle that the cost of property management should not increase significantly as a result of the introduction of a licensing regime. As the licensing regime would primarily benefit private property owners whose property value might increase through proper management and maintenance, it would be fair and reasonable for property owners to subsidize partially the funding of the proposed authority through a very small amount of levy charged on property transactions. Director of Home Affairs added that HAB had initially discussed the proposed levy with the

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Inland Revenue Department ("IRD"). The initial thinking was that IRD could collect the levy on behalf of the regulatory body, together with the stamp duty payable on the sale and purchase of property as a lump sum.

69. Ms Miriam LAU pointed out that the Security and Guarding Services Industry Authority ("SGSIA"), established under the Security and Guarding Services Ordinance (Cap.460), was responsible for collecting the permit and licence fees paid respectively by individuals providing security work and companies offering security services. The Administration should learn from the experiences of SGSIA, the Estate Agents Authority and the Travel Industry Council of Hong Kong, and considered that the representatives from the industry should not be appointed in a personal capacity; otherwise they could not perform the role of a bridge between the proposed regulatory body and the industry.

70. Ms Cyd HO expressed worry that the board membership of the proposed regulatory body would be in favor of representation by certain parties, particularly large PMCs. She considered that there should be sufficient representation from small and medium-sized PMCs on the board of the proposed regulatory body. Noting from some deputations that the proposed regulatory body was not preferable as it would increase the operational cost of PMCs, she called on the Administration to provide information on the reasons for preferring an independent regulatory body to a licence issuing authority composing various government departments.

71. Mr WONG Kwok-hing considered that the trade unions of the property management industry, Owners Corporations, small and medium-sized PMCs and the Consumer Council should have representation on the advisory committee to be set up to work out the detailed arrangements for the proposed licensing regime.

72. PSHA advised that the Administration would take a balanced attitude towards the views of various stakeholders and the appointment of members to the advisory committee. He advised that most views collected during the public consultation were in support of establishing an independent regulatory body, with its board membership drawn from the industry, related professions and the community.

Legislative timetable

73. The Chairman said that the Democratic Alliance for the Betterment and Progress of Hong Kong supported the implementation of statutory regulation of property management industry. Noting that the bill would

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not be introduced into the Legislative Council ("LegCo") until the first half of 2013 and there would be a transitional period of three years after the enactment of the bill, he considered that it might be too late to implement the new regulatory regime in 2016. He called on the Administration to expedite the legislative process, so that the bill would be introduced earlier. Mr WONG Kwok-hing also called on the Administration to consider shortening the proposed transitional period to two years, thereby enabling earlier implementation of the new regulatory regime.

74. PSHA advised that as the introduction of a new regulatory regime was a big task, it would take time for the Administration to draft the enabling bill, it was expected that the bill would not be introduced into LegCo until the first half of 2013. On the transitional arrangement, PSHA explained that the Administration had to balance the interests of various stakeholders and provide sufficient time for PMCs to gear up their operation, manpower and capital requirements, and practitioners to obtain the necessary qualifications, with a view to facilitating a smooth transition to the new licensing system.

75. Ms Cyd HO suggested that a white bill should be issued before the introduction of a blue bill on the proposed regulatory framework to facilitate in-depth discussion on the Administration's legislative proposals.

76. PSHA advised that the Administration had issued a consultation document entitled "Putting in Place a Regulatory Framework for Property Management Industry" on 3 December 2010 and had consulted the 18 District Councils and various political parties. The blue bill could provide a forum for discussion and any views on the blue bill would be carefully considered by the Administration.

77. The Chairman concluded that members in general supported the Administration's proposal to regulate the property management industry.

VI. Any other business

78. There being no other business, the meeting ended at 12:05 pm.