

立法會
Legislative Council

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LegCo Panel on Home Affairs

**Minutes of special meeting
held on Tuesday, 29 June 1999 at 9:00 am
in the Chamber of the Legislative Council Building**

Members Present : Hon CHOY So-yuk (Chairman)
Hon Albert HO Chun-yan (Deputy Chairman)
Hon Cyd HO Sau-lan
Hon LEE Wing-tat
Hon James TO Kun-sun
Hon Ambrose CHEUNG Wing-sum, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, JP
Hon Gary CHENG Kai-nam
Hon Jasper TSANG Yok-sing, JP
Hon Emily LAU Wai-hing, JP
Hon Timothy FOK Tsun-ting, JP
Hon LAW Chi-kwong, JP

Members Absent : Hon Edward HO Sing-tin, JP
Hon MA Fung-kwok
Hon Christine LOH
Hon Andrew WONG Wang-fat, JP
Hon LAU Wong-fat, GBS, JP
Hon Andrew CHENG Kar-foo

Public Officers Attending : Mr David TSUI
Deputy Secretary for Home Affairs

Mr Francis LO
Principal Assistant Secretary for Home Affairs

Mr Ben W H CHONG

Assistant Secretary for Home Affairs

Mr YU Wai-man
Senior Housing Manager, Building Management Section
Home Affairs Department

Attendance by : Central & Western Provisional District Board
Invitation

Mr Stephen CHAN Chit-kwai
Chairman

Mr LEUNG Wing-on, Louis
Chairman of the Community Building and Services Committee

Mr CHAN Tak-chor

Wan Chai Provisional District Board

Mr NG Kam-chung

Eastern Provisional District Board

Mr KONG Tze-wing

Mr WONG Kwok-hing, MH

Yau Tsim Mong Provisional District Board

Mr Vincent MAK

Mr LI King-wah

Sham Shui Po Provisional District Board

Mr LEUNG Lai

Kowloon City Provisional District Board

Mr WU Wing-kai, MH

Mr JIM Fun-hin

Wong Tai Sin Provisional District Board

Mr CHAN Kam-man, BBS, JP
Chairman

Mr LI Tak-hong
Chairman of Housing Committee

Kwun Tong Provisional District Board

Mr HAU Shui-pui, BBS
Chairman

Island Provisional District Board

Ms YU Lai-fun

North Provisional District Board

Mr POON Huen-wai

Mr SO Sai-chi

Sha Tin Provisional District Board

Mr LI Po-ming

Mr LAM Hong-wah

Tsuen Wan Provisional District Board

Mr CHEN Yoh-wen

Kwai Tsing Provisional District Board

Mr TSUI Sang-hung
Chairman of the Private Housing Concern Group
Housing Affairs Committee

Tuen Mun Provisional District Board

Mr CHAN Yau-hoi
Chairman of the Commerce, Industry and Labour

Affairs

Committee

Yuen Long Provisional District Board

Mr LO Yuk-fan

Clerk in Attendance : Mrs Constance LI
Chief Assistant Secretary (2) 2

Staff in Attendance : Mr Stanley MA
Senior Assistant Secretary (2)6

I. Proposal of mandatory formation of owners' corporations and the percentage share for appointment of building managers and termination of their appointments
[Paper No. CB(2)2397/98-99(01)]

Opening remarks

The Chairman informed members that the meeting was convened in response to the concerns raised by Provisional District Boards (PDBs) about the quality of building management in private buildings during their meetings with Legislative Council Members. As the Panel had discussed the proposed amendments to Building Management Ordinance (BMO) at a meeting on 12 April 1999, discussion at this meeting would focus on the following two issues

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- (a) compulsory formation of owners corporations (OC) for new buildings with multiple ownership; and
- (b) percentage of ownership shares for appointment of building managers and termination of their appointment.

2. The Chairman said that the Panel had invited the 18 PDBs to nominate representatives to attend the meeting. She then welcomed the representatives of 15 PDBs attending the meeting and invited them to present their views.

Views of the Provisional District Boards

Central and Western Provisional District Board (CWPDB)
[Paper No. CB(2)2397/98-99(02)]

3. Mr CHAN Chit-kwai, Chairman of CWPDB, supported the proposal of compulsory formation of OCs for new buildings with multiple ownership, on the condition that some flexibility and a longer grace period would be allowed for registered owners of a new building to form the OC. He considered that 30%-40% of the ownership shares should be sufficient for appointment of a building manager, and that for those managers who were seriously in breach of the management contract, their appointment should be terminated on the basis of a simple majority vote at an OC meeting. He also expressed support for the mandatory insurance proposal and the requirement that owners of problematic buildings should improve fire safety of their buildings and to employ a building manager with adequate and relevant experience. Mr CHAN however did not consider it necessary to appoint qualified accountants to audit the accounts of an OC as long as the accounts of the OCs were adequately monitored.

4. Mr LEUNG Wing-on of CWPDB expressed reservation about the proposed mandatory formation of OCs in view of the inadequate support from Government and that most owners did not have the necessary technical and legal knowledge for managing an OC. Nevertheless, he considered it reasonable to require 50% of the ownership shares for appointment of a manager and to require qualified accountants to audit the OC accounts. As there were often disputes and conflict of interest in building management and maintenance matters, he suggested the Administration to widely consult the public when formulating the Code of Practice for OCs. However, he considered it too harsh to impose penalty on OCs for non-compliance with the proposed requirements. He added that mandatory insurance for the common parts of the building was necessary and that the insured values should be specified.

5. Mr CHAN Tak-chor of CWPDB did not agree to mandatory formation of OCs but had no objection to the formation of OCs in new private buildings. He expressed concern about the absence of a mechanism to take action against those building managers who mismanaged the funds of the buildings. On appointment of managers, he suggested that a simple majority vote of OC members at a general meeting convened for the purpose should suffice. As regards termination of appointment, he considered the requirement of 50% ownership shares too high and that 30% ownership shares would be reasonable.

Wan Chai Provisional District Board (WCPDB)
[Paper No. CB(2)2397/98-99(03)]

6. Mr NG Kam-chung of WCPDB briefed members on the submission of WCPDB, highlighting the problems encountered by some OCs in dealing with emergency repairs. WCPDB suggested that for emergencies posing a potential danger to residents' lives, the government departments concerned should arrange immediate remedial actions and then recover the costs from the responsible parties. He said that some OCs had difficulties in collecting sufficient funds for carrying out emergency works particularly when there were doubts about the ownership of some units. WCPDB also suggested Government to allow owners to decide whether to form an OC for the management of their buildings, but Government should provide more assistance to owners and OCs particularly those of problematic buildings.

Eastern Provisional District Board (EPDB)
[Paper No. CB(2)2343/98-99(01)]

7. Mr KWONG Tze-wing of EPDB referred members to the written submission. He said that EPDB had carried out an opinion survey on the legislative proposals and that members of EPDB had diverse views on the proposed compulsory formation of OCs. While some were in support of the proposal which would help improve the quality of building management, some others had pointed out implementation difficulties such as quorum requirement and venues for meetings. Several EPDB members suggested that the legislation should specify the limits of liability of OC members when performing the functions of OC.

8. As regards the requirement of 50% of ownership shares for appointment of property managers, Mr WONG Kwok-hing of EPDB said that members of EPDB did not have consensus over the issue as the circumstances of each building might vary.

Yau Tsim Mong Provisional District Board (YTMPDB)
[Paper Nos. CB(2)2397/98-99(04) and (05)]

9. Mr Vincent MAK of YTMPDB referred members to the written submission [Paper No. CB(2)2397/98-99(04)]. While the proposed mandatory formation of OCs in new buildings was supported in principle, there was concern about domination by developers who owned the common areas such as the shopping arcade and car parks. The submission suggested that there should be guidelines for allocation of management shares for the common parts of buildings. On appointment of managers and termination of their services, YTMPDB recommended a separate management agreement between the incorporated owners and the management company within one year after the incorporation. Members of YTMPDB said that it was unfair to

owners that the contract of first managers appointed by the developers in some cases was as long as ten years. The 50% ownership shares for termination of management services before expiry of the contract was supported.

10. Mr LI King-wah of YMTPDB referred to his note for the Panel [Paper No. CB(2)2397/98-99(05)]. He indicated support of the mandatory formation of OC in private buildings and urged the Government to provide proactive assistance such as advice on procedures and provision of meeting venue. He also requested Government to give more assistance to those old six-storey buildings.

Sham Shui Po Provisional District Board (SSPPDB)

11. Mr LEUNG Lai of SSPPDB expressed reservations about the proposal of mandatory formation of OCs as many owners did not have the necessary knowledge for operating an OC. He also urged Government to provide sufficient guidelines and assistance to OCs in carrying out their functions, for example, tendering for building works. He added that some OCs had complaints about inadequate support from Home Affairs Department (HAD).

Kowloon City Provisional District Board (KCPDB)
[Paper No. CB(2)2343/98-99(02)]

12. Mr WU Wing-kai and Mr JIM Fung-hin of KCPDB expressed support for the proposed mandatory formation of OCs in new private buildings and the existing 50% ownership shares for appointment of managers. They considered that Government should also encourage owners in existing buildings to form OCs and to allocate more resources to HAD for providing assistance to owners to form OCs.

Wong Tai Sin Provisional District Board (WTSPDB)
[Paper No. CB(2)2536/98-99(01)]

13. Mr LI Tak-hong of WTSPDB said that he did not have time to consult WTSPDB and could only give his personal views on the issues. He did not support the proposed mandatory formation of OCs. He opined that owners would unlikely be able to form an OC within the first year after registration of the ownership titles. He was of the view that owners should not be forced to form OCs and that there would be difficulties in enforcing the legislative requirement in this respect. On the appointment of building managers, he would prefer a percentage lower than the existing 50%. However, he expressed support for the requirement of mandatory insurance and auditing of OCs' accounts by qualified accountants.

Kwun Tong Provisional District Board (KTPDB)

[Paper No. CB(2)2416/98-99(01)]

14. Mr HAU Shui-pui of KTPDB referred members to the written submission. He said that KTPDB did not support compulsory formation of OCs unless HAD could provide adequate resources to support the on-going operation of OCs, as OC members worked on a voluntary basis and many of them did not have the necessary knowledge on building management issues. On the appointment of managers and termination of their services, he said that KTPDB did not support a fixed percentage of ownership shares for all types of buildings. He added that Government should consider simplifying the statutory procedures relating to formation of OC and dismissal of its members.

Islands Provisional District Board (IPDB)

15. Ms YU Lai-fun of IPDB opined that Government should provide sufficient training to members of OCs and supervise the work of OCs on a continuous basis.

North Provisional District Board (NPDB)

16. Mr POON Huen-wai of NPDB said that NPDB had discussed issues relating to fire safety and building management at a meeting on 6 August 1998. Its members had expressed concern about the difficulties encountered by owners of private buildings to obtain 50% of owners' shares for convening a meeting to appoint a manager because the developer held a significant proportion of shares. In view of the heavy responsibility on OC members, most owners were unwilling to become OC members. He also expressed disappointment over an incident in which Housing Department had refused to convene a meeting for owners of an estate in North District to form an OC. Mr POON added that NPDB also expressed concern about the monitoring of the performance of building managers appointed under the deed of mutual covenant (DMC).

17. Mr SO Sai-chi of NPDB supported mandatory formation of OCs but had reservation about imposing too many legislative responsibilities on OCs. He suggested that HAD should provide more assistance to individual OCs on a continuous basis and that consideration should be given to licensing and appointing building managers by HAD.

Sha Tin Provisional District Board (STPDB)

[Paper Nos. CB(2)2416/98-99(02) and CB(2)2343/98-99(03)]

18. Mr LI Po-ming of STPDB said that STPDB had discussed on 23 February 1999 the problems of establishing an OC for Phase IV of Sunshine City in Ma On Shan. As developers being owners of the common parts and

commercial complex often held the majority of shares, Government should amend the legislation requiring developers to assist owners of residential units to form OCs. STPDB had suggested Lands Department to review the DMC to avoid any unfair allocation of shares of common parts. They had also suggested Government to give consideration to dividing the residential and commercial portions in large mixed developments so that owners of residential units could form their own OCs for the management of the residential part of these developments.

19. Mr LAM Hong-wah of STPDB commented that amendments should be made to sections 4 and 5 of BMO to address some existing loopholes and unfair provisions in DMCs. The case of Sunshine City Phase IV had revealed that developers could make use of the DMC to retain an unreasonably large portion of shares and play a decisive role as to whether to form an OC. In this connection, he urged the Administration to vet the DMCs of new developments and to consider appropriate legislation to protect the interest of owners of residential units. He hoped government departments could obtain more in-depth understanding of the building management problems in districts.

Tsuen Wan Provisional District Board (TWPDB)
[Paper No. CB(2)2397/98-99(07)]

20. Mr CHEN Yoh-wen of TWPDB briefed members on the submission. Some members of TWPDB had expressed concern about possible malpractices of some OC members. He pointed out that in the absence of an effective monitoring system, some people with ulterior motives could manipulate an OC such as unlawful occupancy of public areas, collusion with maintenance companies and embezzlement of OC funds. He pointed out that the present quorum requirement of only 10% of ownership share for an OC meeting had enabled a few OC members to dominate the management affairs of small buildings. He therefore urged the Administration to strengthen publicity on the functions of OCs and the rights of owners, and to review legislation and establish monitoring mechanisms to supervise the work of OCs in the long run.

Kwai Tsing Provisional District Board (KTPDB)
[Paper No. CB(2)2397/98-99(08)]

21. Mr TSUI Sang-hung of KTPDB highlighted the following views in the written submission -

- (a) Government should provide more proactive assistance to OCs in dealing with building management problems including removal of unauthorized structures;
- (b) the formation and the work of OCs in problematic buildings were particularly difficult and Government should allocate more

manpower and resources to tackle problems relating to illegal structures in these buildings; and

- (c) while people generally supported the proposal of mandatory insurance covering liabilities in common parts of private buildings, there should be guidelines on the liabilities in respect of accidents caused by illegal structure.

Tuen Mun Provisional District Board (TMPDB)
[LC Paper No. CB(2)2649/98-99]

22. Mr CHAN Yau-wei of TMPDB said that TMPDB had yet to discuss the legislative proposals and he could only give his personal views on the issues. He opined that there was inadequate Government support to OCs and low awareness of the importance of building management. He suggested establishing a designated department to enforce the legislative proposals including mandatory formation of OCs on a territory-wide basis. As most developers still held the majority of shares of private buildings, he suggested lowering the percentage of shares required for appointment of managers and termination of their appointments by owners.

Yuen Long Provisional District Board (YLPDB)

23. Mr LO Yuk-fan gave his views as a member of YLPDB. He said that the proposed one year period for the formation of OC in new buildings was impractical as it often took some years for the majority of residential units to be sold and have the registration of titles completed. He opined that the present legislative requirement of 50% ownership shares for appointment and termination of building management services might be inconsistent with the proposal on mandatory formation of OCs. He also suggested Government to allocate more resources to HAD to provide training to OC members on building management matters. With regard to mandatory insurance, he considered that Government should clarify whether fire insurance and the insured values for public liability should be determined by the circumstances of individual buildings.

24. The Chairman thanked representatives of the 15 PDBs for their views.

Discussion with the Administration

25. Members noted that the Floridian Owners' Committee had tabled a written submission which was restricted to members of the Panel.

26. In response to the Chairman, Principal Assistant Secretary for Home Affairs (PAS(HA)) said that it was Government policy to encourage owners of private buildings to establish OCs to manage their own properties.

Government had allocated more resources in recent years to assist in the formation of OCs. He also made the following points in response to views expressed by the PDB members.

Formation of OCs

27. PAS(HA) said that after consulting the 18 PDBs and relevant professional bodies, Government was now inclined to propose "automatic" instead of "mandatory" formation of OCs for new private buildings. The Administration accepted the view that formation of OC was not the only way to achieve good building management. Where the DMC of a new building already provided for the formation of an OC or a non-statutory owners' committee and/or professional property management, the owners of that building could have the choice as to whether and when an OC should be established and activated. The proposed legislative amendment would not have retrospective effect on existing buildings. The Administration would continue to encourage owners of existing buildings to form OCs under the existing provisions (sections 3, 3A and 4) of the BMO.

Code of Practice

28. PAS(HA) informed members that a Code of Practice on building management and maintenance standards would be published with the joint efforts of Fire Services Department, Buildings Department, Electrical and Mechanical Services Department and HAD for compliance by OCs and owners of private buildings. The Administration was inclined not to impose penalty on OCs for non-compliance with the Code as they were already required to comply with existing legislation governing building and fire safety and there should be no duplication of enforcement. However, buildings which were found to be in serious breach of the Code would be classified as problematic and Government would impose mandatory management of these buildings.

Compulsory/mandatory management of problematic buildings

29. PAS(HA) advised that the Secretary for Home Affairs (SHA) would be empowered to order the owners to appoint a building manager for those buildings which were identified as problematic by the relevant Departments such as Fire Services Department or Buildings Department and which failed to effect building management measures to improve the fire safety standards as required. The building manager would be selected from a list of qualified building managers to be published in the Gazette, and the management and administrative costs would be borne by the owners concerned.

50% of ownership shares for termination of managers' service

30. Referring to the Administration's reply to an oral question of Hon CHENG Kai-nam at a Council meeting on 12 May 1999, PAS(HA) explained the background and justifications for setting the percentage required for an OC to terminate the service of a building manager at 50% of owners' shares. He said that the Administration had carefully considered the different views expressed on the percentage during public consultation on the draft Multi-storey (Owners Corporation) (Amendment) Bill in 1991. While the percentage suggested at that time ranged from 33% to 75%, the majority opined that a manager's appointment could be terminated with the consent of not less than 50% of the owners' shares. Amendment was therefore made to the Bill to change the required percentage from two-third to 50% of the owners' shares having balanced the interest of owners and the building managers. The Bill was enacted as amended in 1993. The legislation had proved to be effective as a total of 137 OCs had successfully terminated the service of the building managers and there were only seven unsuccessful cases so far.

Unfair provisions in DMC

31. Regarding comments that some DMCs contained unfair provisions against the owners, PAS(HA) pointed out that DMC was a private contract between the developer and the owners of a building development. It would be inappropriate for Government to intervene because Government was not party to the contract. Government had introduced amendments to BMO to void those terms of DMC which provided for permanent employment of a building manager or prohibited the formation of OC in a private building. However, Government should not and would not interfere with the terms governing the apportionment of ownership shares and building management fees among the developer, shop owners and flat owners. PAS(HA) said that prospective owners should closely examine the terms of the DMC before entering into a purchase agreement.

Assistance to OCs

32. Senior Housing Manager (Building Management Section) said that apart from assisting owners in organizing meetings for formation of OCs, HAD would continue to closely monitor the operation of OCs and provide professional advice on building management matters. In this respect, Building Management Co-ordination Teams had been established in 15 District Offices to advise OCs and flat owners on technical issues. The first Building Management Resource Centre (BMRC) had also been set up in Yau Ma Tei providing a wide range of free preliminary professional advice on building management and maintenance matters to owners of buildings and OCs. Two more BMRCs would be set up shortly, one in Central and the other in Tsuen

Wan. In addition, HAD would continue to organize regular seminars and briefings for OCs and flat owners on building management legislation and procedures.

33. Mr CHENG Kai-nam noted that seven OCs had not been unsuccessful in terminating the service of their building managers and asked whether this was due to difficulties in obtaining the 50% owners' share. He also sought information from representatives of the PDBs on other unsuccessful cases. He said that previously legislation was generally for the protection of tenants rather than owners, but as more people became owners of their flats, Government should review existing legislation to ensure that the relevant provisions were fair to all parties.

34. PAS(HA) replied that of the seven unsuccessful attempts by OCs to terminate the service of building managers, four were due to insufficient ownership shares, two were due to absence of quorum for meeting and the remaining one was resolved between the OC and the building manager concerned. He pointed out that owners of not less than 30% or 20% of the shares could apply to SHA or the Lands Tribunal under section 3A or section 4 of BMO respectively for an order to convene a meeting to appoint a management committee.

35. Responding to Mr CHENG Kai-nam, Mr WONG Kwok-hing of EPDB said that the requirement of 50% of owners' share for formation of OCs and termination of manager's service was impractical. He said that two large old building developments in North Point had failed in the attempts to form OCs due to insufficient ownership shares. There were similar problems in the formation of OCs in another building development where the majority of shares was held by one owner. He informed members that, with the mediation of PDB members, the managers of two composite (commercial/residential) buildings in North Point had agreed to resign in accordance with the wish of over 40% of the owners. He added that some owners' associations had also passed resolutions to appoint managers and contractors for maintenance works by a simple majority vote at meetings attended by owners and proxies representing more than 50% ownership shares.

36. Mr LEUNG Lai of SSPPDB said that a number of old buildings in Sham Shui Po were owned by a single owner and without his consent, formation of OCs in these buildings was impossible. While some old buildings had managed to form an OC by an order of SHA or Lands Tribunal under BMO, these OCs still could not meet the requirement of having 50% ownership shares for termination of the service of the managers if necessary.

37. Mr CHAN Chit-kwai of CWPDB said that compared to the 20% ownership shares for dissolution of the management committee, the requirement of 50% shares for dismissing a building manager was

unreasonably high. Mr CHAN Tak-chor of CWPDB shared similar concerns as some OCs had been unable to dismiss their managers due to insufficient shares. He was of the view that the registration fees were also too expensive for flat owners of small old buildings.

38. Mr KONG Tze-wing of the EPDB remarked that it would be difficult for flat buyers to comprehend the provisions of the DMC and to refuse accepting any unfair provisions at the time of signing the purchase agreement. He therefore urged the Administration to provide standard provisions of DMC for estate developers to follow and for the reference of flat buyers.

39. Mr LI King-wah of YTMPDB commented that in proposing improvements to BMO, the Administration should balance the interests of the developer, flat owners and building managers. As PDB members were most familiar with the situation in their districts, they should provide more information and feedback to assist the Administration in formulating the proposal.

40. Responding to the concerns of PDB members, Deputy Chairman commented that while Government adopted a policy of encouraging owners of buildings to form their OCs, the existing legislation and mechanism such as the requirement of 50% owners' shares had imposed difficulties in this respect. He pointed out that the DMCs of many new building developments contained unfair provisions in that the developers retained a large proportion of ownership shares in respect of the common areas without being required to pay the management fees. In some new developments in Sha Tin and Tuen Mun, the developers had made use of the DMC to retain more than 50% of the ownership shares and to fix the appointment of their appointed building managers for a long period up to ten years. There were also examples that the single owner in control of the majority of ownership shares had obstructed the change of managers despite support of more than 40% of the owners. He therefore urged the Administration to design a more consistent policy in building management and to provide practical alternatives to protect the interest of flat owners. As regards renewal of existing contracts for building management services, he suggested that OCs and flat owners should also specify the terms and conditions for early termination of services of a manager.

41. PAS(HA) responded that the legislation had provided for different channels for appointment of management committees and a mechanism for termination of services of managers. As the termination mechanism had generally been effective, the Administration considered the existing provisions relating to termination of services of a manager appropriate.

42. Miss Emily LAU referred to the comment of a PDB member about the malpractice of some OC members such as under-the-counter dealings and embezzlement of OC funds. She was concerned that as substantial funds

were involved in the management of large building developments, there should be a more effective control mechanism and greater transparency of the work of OCs and the managers.

43. A number of PDB members present at the meeting also urged the Administration to consider establishing a more effective mechanism to assist and monitor the work of OCs. A PDB representative suggested that Government should vet and approve all DMCs to ensure fair provision to all parties concerned. Some other representatives of PDB pointed out that many OC members had no accounting experience and did not know how to audit the accounts of building managers. This often resulted in lawsuits and extra expenses on small owners. In addition to establishing a legislative control mechanism, these representatives requested HAD to provide more training and support to OCs on accounting and purchasing procedures as well as management audits. To prevent embezzlement of OC funds, a PDB representative suggested making it a legislative requirement for building managers or OCs to submit statements of accounts to the owners at regular intervals.

44. Miss Emily LAU supported measures to enhance accountability and transparency of the work of OCs and building managers, but did not consider it appropriate for Government to assume the responsibility of auditing the accounts of OCs given the resource implications. She suggested that owners experienced in building management or OC operation should be encouraged to participate in the work of OCs. Deputy Chairman expressed concern about the appointment and the effectiveness of managers. He suggested that the Code of Practice could incorporate guidelines on purchasing and tendering in order to prevent malpractice and to enhance accountability of OCs and managers, so that owners could monitor the use of funds. Complaints in this regard could be made to the Independent Corporation Against Corruption (ICAC) for investigation. Considering that there were over two million people in private buildings, he considered it important to equip OC members with the necessary knowledge and skills for managing their buildings. He reiterated that Government should assume a more proactive role and allocate more resources to assist the OCs, and that a classification system could be adopted for the control of problematic buildings and licensing of managers.

45. Mr James TO shared these members' concern and queried Government's reluctance in introducing control measures to monitor the performance of building managers. He urged Government to establish a territory-wide advisory committee on building management to gauge public views and to coordinate any improvement measures on a long-term basis for improving building management.

46. In response, PAS(HA) said that Government was considering a number of measures to improve the quality of management of private buildings and the standard of OC members in building management. He stressed that an OC

was a body corporate managed by its members. Government would continue to provide assistance and support to help owners to manage their own buildings and to supervise their managers. Government maintained the position that it was the responsibility of the owners themselves and the OCs concerned to monitor the performance of their managers and management committee members. If illegal practice or corruption was suspected, complaints should be made to the Police or ICAC for investigation. On Government's initiatives and support to OCs, PAS(HA) reiterated that HAD's first BMRC had started operation, providing free preliminary professional advice on tendering and legal issues to owners. More BMRCs would be set up in the near future. Moreover, building management seminars were organized for OCs and owners of buildings both on a territory-wide basis and at the district level.

47. With regard to the monitoring of property managers, PAS(HA) said that the Housing Managers Registration Bill 1999 proposing registration and disciplinary control of housing managers had been introduced into LegCo. To implement the proposal for mandatory management of problematic buildings, Government would consult the professional bodies and publish a list of qualified estate managers in the Gazette. Responding to Mr James TO's suggestion of a territory-wide committee, PAS(HA) said that the Central Steering Committee on Fire Safety (CSCFS) chaired by SHA had been established in March 1998 to co-ordinate the efforts of various departments and local bodies to promote fire safety in private buildings. There were seven unofficial members in addition to government officials from relevant bureaux and departments. As good building management was closely related to fire safety, CSCFS had to a large extent covered those areas previously undertaken by the committee headed by Mr CHUNG Pui-lam. The Government had also conducted public consultation and obtained the views of the 18 PDBs on "Proposals to improve fire safety in private buildings" in mid-1998, and was now in the process of bringing the recommendations to fruition.

48. In concluding the discussion, the Chairman asked the Administration to take into account the views and suggestions expressed at the meeting in the review of BMO. PAS(HA) said that BMO was subject to constant review in the light of changing circumstances and requirements. The Administration planned to introduce an amendment bill to BMO into LegCo in the 1999/2000 session. The Bill was mainly to implement the proposals for improving fire safety in private buildings following last year's public consultation, together with some proposed amendments concerning mandatory insurance and auditing of the accounts of OCs by qualified accountants. He assured members that the Administration would keep BMO under review and that proposals for new amendments could be dealt with in the 1999/2000 session.

II. Any other business

49. The Chairman requested members to forward their comments by 2 July 1999 on the revised draft report which would incorporate today's discussion.

50. Members noted that the next meeting would be held on 12 July 1999 to discuss the Review of the Justices of the Peace System, immediately after the joint meeting with the Panel on Welfare Services for the discussion of the "One School One Social Worker" proposal.

51. There being no other business, the meeting ended at 12:20 pm.

Legislative Council Secretariat

21 December 1999