

立法會

Legislative Council

LC Paper No. CB(1) 681/99-00
(These minutes have been seen
by the Administration)

Ref: CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Wednesday, 20 October 1999, at 8:30 am
in the Chamber of the Legislative Council Building

Members present : Hon LEE Wing-tat (Chairman)
Hon Gary CHENG Kai-nam, JP (Deputy Chairman)
Hon David CHU Yu-lin
Hon HO Sai-chu, SBS, JP
Hon Edward HO Sing-tin, SBS, JP
Hon LEE Cheuk-yan
Hon Fred LI Wah-ming, JP
Hon NG Leung-sing
Hon Mrs Selina CHOW LIANG Shuk-ye, JP
Hon Ronald ARCULLI, JP
Hon James TO Kun-sun
Hon CHAN Kam-lam

Member attending : Hon LAW Chi-kwong, JP

Members absent : Hon Albert HO Chun-yan
Hon CHAN Yuen-han
Hon LEUNG Yiu-chung
Hon Andrew WONG Wang-fat, JP
Dr Hon YEUNG Sum
Hon SZETO Wah

Public officers : **For Item IV**
attending

Housing Bureau

Mr H W TIN
Principal Assistant Secretary for Housing (Project Management)

Housing Department

Mr CHEUNG Woon-hang
Chief Systems Manager

Mr HO Chi-shing
Chief Manager/Management (Support Services 3)

For Item V

Housing Bureau

Ms Elaine CHUNG
Deputy Secretary for Housing (1)

Ms Rebecca PUN
Principal Assistant Secretary for Housing (1)

Buildings Department

Mr CHEUNG Hau-wai, JP
Assistant Director (Legal & Management)

Land Registry

Mrs Alice LEE
Registry Manager

Rating and Valuation Department

Mr K K MOK, JP
Assistant Commissioner (Administration & Staff Development)

For Item VI

Housing Bureau

Ms Elaine CHUNG
Deputy Secretary for Housing (1)

Miss Sandy CHAN
Principal Assistant Secretary for Housing (2)

Housing Department

Mr Andrew LAI
Head, Corporate Strategy Unit

Mrs LAI NG Suet-mui
Chief Housing Manager/Applications

Attendance by invitation

: For Item IV

Housing Society

Mr S Y CHOI
Director (Finance & Adm)

Mr Peter MIAO
Computer Services Manager

For Item V

Society of Hong Kong Real Estate Agents Ltd.

Ms Louisa SUM
President

Hong Kong Real Estate Agencies Association

Mr LUN Chi-yim
Chairman

Hong Kong Chamber of Professional Property Consultants Ltd.

Mr Mike KOO
President

Property Agencies Association Ltd.

Mr LEE Man-pong
Chairman

New Territories Estate Agency Association

Mr Ricky LIU Chi-ming
Chairman

Estate Agents Authority

Mrs Grace CHOW
Chief Executive Officer

Clerk in attendance : Ms LEUNG Siu-kum, Chief Assistant Secretary (1)2

Staff in attendance : Ms Rosalind MA, Senior Assistant Secretary (1)9

I Confirmation of minutes of previous meeting
(LC Paper No. CB(1) 130/99-00)

The minutes of the meeting held on 7 October 1999 were confirmed.

II Information paper issued since last meeting

2. There had been no information paper issued since last meeting.

III Date of next meeting and items for discussion

3. Members agreed that the next meeting would be held on Monday, 1 November 1999, at 4:30 pm to discuss the following:

- (i) Study on street sleepers;
- (ii) rehousing criteria for squatters affected by clearance exercises; and
- (iii) demolition of cottage areas.

(Post-meeting note: As item (i) had been scheduled for discussion at the meeting of the Panel on Welfare Services on 8 November 1999 and members of the Housing Panel would be invited to join the discussion, the item therefore would not be discussed by the Housing Panel. Instead, the item on "Proposed amendment to the Landlord and Tenants (Consolidations) Ordinance" would be discussed at the next meeting.)

4. For improvement of supervision and monitoring on the construction quality of public housing flats, the Chairman proposed that special Panel meetings be convened for discussion on the subject as soon as possible. Members agreed that construction experts like engineers, surveyors and representatives of the Housing Department/Housing Authority should be invited to the meetings to study the means to ensure that all public housing flats construction met the prevailing standards. The Chairman undertook to work out the outline of study with the Deputy Chairman. Members would be informed of further arrangements for the special meetings in due course.

(Post-meeting note: An outline of the study relating to building quality of public housing flats provided by Mr LEE Wing-tat was tabled at the Panel meeting on 1 November 1999.)

IV Progress of Y2K compliance works within Housing Bureau, Housing Department and related non-government organizations

(LC Papers No. CB(1) 1937/98-99, No. CB(1) 132/99-00(01) and No. CB(1) 143/99-00)

5. The Principal Assistant Secretary for Housing (Project Management) informed members that the organizations under the Housing Bureau (HB)'s purview i.e. the Housing Authority/Housing Department (HA/HD), the Housing Society (HS) and the Estate Agents Authority (EAA) had completed all rectification work on their systems and all their systems were Y2K compliant. In addition, contingency plans had been formulated to cope with unforeseen Y2K-induced events so as to ensure continued provision of services, minimise risks and expedite recovery. The Chief System Manager/Housing Department (Ch System Mgr/HD) supplemented that HA/HD would set up control/command centres for coordination of any contingency arrangements required under unforeseen circumstances during the millennium rollover. Moreover, drills were conducted to help staff and major business partners to get familiar with the contingency arrangements. In addition to the awareness campaign launched in June and the regular briefings to the Estate Management Advisory Committees since August, HA/HD would launch another round of publicity programme in November to inform the public about their readiness in combating the Y2K issue and to further alert the residents to have a correct understanding of the issue.

6. In reply to Mr CHAN Kam-lam's concern about the Y2K preparation work undertaken by the business partners of HA and HS, Ch System Mgr/HD said that HA/HD had been seeking written confirmation of all their business partners' Y2K compliance status. He informed members that as at 15 October 1999, 98% of the business partners had confirmed that they were Y2K compliant, while the remaining 2% with unconfirmed status were not engaged in any services with HA/HD at present. They would be suspended from tendering until they had achieved compliance. The Director Finance & Administration/Housing Society (D(F&A)/HS) advised that HS had obtained written confirmation of 100% of its major business partners on their Y2K compliance. For a number of minor business partners who had not yet confirmed their compliance status, HS had already identified alternatives in the case that their operations were affected by the Y2K problem.

7. Mr CHAN Kam-lam asked whether the Administration had compiled a list of Y2K compliant contractors and whether there were requirements in the tender documents on the applicants in this regard. Both the Chief Manager/Management (Support Services 3)/Housing Department (Ch Mgr/M(SS)/HD) and D(F&A)/HS replied that HA/HD and HS had set requirements on contractors in this respect. Ch Mgr/M(SS)/HD further advised that HA/HD would conduct tests on Y2K compliance after the delivery of goods purchased or the completion of buildings by contractors. Ch System Mgr/HD supplemented that although there was no separate list on Y2K compliant contractors, HA/HD had obtained written confirmation on all active business partners who had contracts with HA/HD at present.

8. On temporary suspension of lift services during the millenium rollover, Mr NG Leung-sing raised concern about the necessity of such an arrangement and the possible inconvenience caused to residents. D(F&A)/HS explained that temporary suspension would be required for the safety of residents in case of any unforeseen event during the millennium rollover. He assured members that the management would keep the duration of suspension and disturbance to residents to the minimum. He added that in case of emergency, the lift services could be resumed within short notice to cater for the special needs of residents e.g. injured or sick persons requiring immediate medical care. As regards public rental housing, Ch Mgr/M(SS)/HD advised that simulated tests on roll-over to the year 2000 had been conducted on lifts and all electrical and mechanical equipments and necessary rectifications had been carried out. Therefore, lift and other services would be provided for HA's public housing estates during the rollover as usual and as normal. However, tenants with special needs, such as those relying on electrical medical appliances, might make necessary contingency arrangements as appropriate for unforeseeable events like a sudden suspension of electricity supply.

9. On Y2K risk assessment, the Administration reiterated that precautionary measures including rectification work on non-compliant systems, drills, tests on systems and contingency plans, had been taken to minimize the risk. Nevertheless, an absolute assurance on smooth transition could not be given at this stage taking into account the possibility of unforeseeable events during the turning over of the century. The Administration would try its best to provide adequate resources and manpower to cope with any unexpected incidents that might occur.

V Estate Agents Authority

Meeting with the Society of Hong Kong Real Estate Agents Ltd, the Hong Kong Real Estate Agencies Association, the Hong Kong Chamber of Professional Property Consultants Ltd, the Property Agencies Association Ltd and the New Territories Estate Agency Association

(LC Paper No. CB(1) 132/99-00(02))

10. Ms Louisa SUM/Society of Hong Kong Real Estate Agenda Ltd explained to members the difficult situation which property agents would face upon the implementation of the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation (Practice Regulation) on 1 November 1999. She said that there would be substantial increase in the operating cost since they had to pay charges to different departments in order to obtain the information required under the Practice Regulation. She commented that the consultation period of the Practice Regulation was too short for the trade participants to digest the complicated regulation and to express their views. Furthermore, she highlighted major proposals in their submission for members' information as follows:

- (i) to reduce the licence fee by 50% taking into account the considerable surplus of EAA;
- (ii) to suspend the implementation of the Practice Regulation until a centralized property databank was established under the joint effort of HB and EAA;

- (iii) to speed up the establishment of the databank;
- (iv) EAA to provide more assistance to members of the trade such as training, enquiry hotlines and increasing the frequency of qualifying examinations;
- (v) to appoint more representatives of the trade to EAA; and
- (vi) to strengthen publicity on the work of EAA and the Practice Regulation.

11. Mr Fred LI and Mr Gary CHENG declared interest as members of EAA.

12. On *the determination of level of licence fee*, Mr CHU Yu-lin opined that there appeared to be insufficient communication between EAA and trade members. The Chief Executive Officer/Estate Agents Authority (CEO/EAA) responded that EAA was a self-financing statutory body and its major source of income was from the licence fee paid by the trade members. There was a Licensing Committee under EAA responsible for determining the level of licence fee. She explained that the policy of EAA was to budget for a break-even in each financial year and in the long term. However, in formulating its budget, it was difficult to estimate the income as the number of licensees could not be predetermined with accuracy in view of the high mobility of the trade members. Taking into account the cumulated surplus of EAA and the strong views of the trade members, EAA had decided to reduce the licence fee by 20% at a meeting on 14 October 1999. She remarked that the level of licence fee would be subject to review once there were signs showing that the surplus might be exhausted.

13. On *measures to reduce operating cost of EAA*, Mr CHU Yu-lin proposed that in view of the anticipated drop in number of licensees in the coming year, EAA could reduce its expenditure on staff cost by cutting its manpower instead of just freezing the growth in the establishment. He said that by cutting cost, EAA could offer further reduction to the licence fee so that the economic burden on trade participants could be alleviated. Mr LUN Chi-yim/Hong Kong Real Estate Agencies Association added that a 50% cut in the licence fee as proposed by the trade members should be acceptable to EAA taking into account its \$40 million surplus. He urged the Administration to appreciate the difficulties of the trade under the existing economic depression and make further reduction in the licence fee.

14. While fully understanding the difficulties of the trade, CEO/EAA explained that EAA had given due consideration in drafting its budget and establishment. Reduction in manpower would be unlikely in the near future for technical reasons of employment terms of contract staff as well as the anticipated increase in workload for handling complaints and providing assistance to trade members when the Practice Regulation came into effect. She added that with a 20% cut in the licence fee, EAA would be facing a very stringent budget. Upon members' request, she undertook to provide the breakdown on income and expenditure of the EAA for members' information.

(Post-meeting note: The forecast on income and expenditure of the EAA was circulated to members vide LC Paper No. CB(1)253/99-00 on 4 November 1999.)

15. Mrs Selina CHOW expressed appreciation of the open attitude of the Administration in achieving solution to the disagreement on licence fee. She opined that

the core of the problem was the user-pay and self-financing principles adopted by EAA. The trade members were not convinced that further reduction in the licence fee was impossible taking into account the \$40 million surplus EAA had in hand. In addition, she was concerned about the transparency of EAA as a self-financing regulatory body and enquired whether there was any kind of publications on EAA's work and expenditure available for public information.

16. CEO/EAA reiterated that EAA had been exercising very strict control on its expenditure. She quoted the example of the pay scale of EAA staff which was set according to that of the private sector and there would be no increment within the 2 years' contract. On the issue of transparency, the Deputy Secretary for Housing (DS for H) informed members that the annual report of EAA had been presented to the Legislative Council on 13 October 1999.

17. On *facilitating provision of property information*, the Assistant Director/Legal & Management/Buildings Department informed members that the Buildings Department (BD) had recently streamlined its information access system on certified copies of Occupation Permit (OP). The retrieval time had been significantly reduced from 14 days to about three days and there was now a plan on further reducing the retrieval time to one working day. It was also proposed, subject to the approval of the relevant authorities, to reduce the charge for providing a certified true copy of an OP from \$190 to the region of \$50. The Assistant Commissioner (Admin. & Staff Development)/Rating and Valuation Department said that 24-hour Info-Hotline Service was provided for enquiry of property information with the Rating and Valuation Department (RVD). The service could handle up to 2,000 enquiries per day and it would take about two minutes with a cost of \$12 - 15 to make enquiry on one property. The Registry Manager/Land Registry said that the Land Registry (LR) had been providing Direct Access Service since 1994 for subscribed users to gain access to the land register through computers in their offices. The service hours had been extended since 1 September 1999 and the Registry was considering the provision of service on public holidays.

18. On the *establishment of a centralized property databank*, Mr NG Leung-sing asked whether the Administration had set a schedule for the establishment and whether the trade members' proposal of deferring the implementation of the Practice Regulation until the establishment of the databank could be considered.

19. DS for H responded that property agents had the responsibility to provide accurate property information to purchasers even before the implementation of the Practice Regulation. Although the Practice Regulation would inevitably involve a change to the workflow and the culture of the trade, many of the elements that made up the cost per listing on the part of the estate agent had been part and parcel of the nature of estate agency work. She said that HB was of the view that the setting up of a databank should not be a prerequisite for the implementation of the Practice Regulation. Nevertheless, HB had pursued the idea actively and had explored the feasibility of setting up the databank with relevant departments i.e. LR, BD and RVD.

20. Mr Fred LI asked whether HB or EAA would be responsible for the establishment of the centralized databank. He commented that if EAA would be in charge of the set up as well as the provision of fundings for the databank, the source of funding would come from the trade instead of from the Government. DS for H replied that as the statutory body for regulation of the trade and for raising service and professional standards, EAA should be the most appropriate body to assume responsibility of the establishment of a centralized property databank. She added that HB would provide support in liaising with relevant Government departments for compilation of information required and to facilitate the project where appropriate.

21. CEO/EAA said that EAA had been informed of the responsibility of setting up the databank only recently. She explained that although relevant departments were supportive to the idea in principle, there were a number of technical problems to be resolved, such as the integration of incompatible data being stored in different forms in different departments and the possible infringement of copyrights. Therefore, a schedule for the establishment of the databank was not yet available and EAA would set up a special working group on this in due course.

22. Mr Fred LI said that he had received information about a private organisation establishing a property databank for users to access to required information through internet. He wished to know the reason behind the Administration's slow progress on this issue whilst a private organization could achieve this much in advance. The Chairman shared Mr LI's views and commented that the Panel should be provided with more information on this issue.

Admin

23. In response to Mr Gary CHENG's concern over the possible role conflict of the Secretary for Housing (S for H) on officiating an opening ceremony of a property databank set up by a private organisation, the Principal Assistant Secretary for Housing (1) clarified that HB was gathering more information on the function before S for H would decide on whether or not to attend.

24. Mr Gary CHENG expressed dissatisfaction on the recent incidents where HB referred trade members' request for reduction in licence fee to EAA and assigning the responsibility of setting up a centralized databank to EAA. He opined that as a self-financing statutory body, EAA should be given more autonomy in decision making. DS for H stressed that HB respected EAA's legal status. However, upon the receipt of strong protests over EAA's decision, it was fit and proper for HB to convey such protests to the relevant organization concerned i.e. EAA in this case. Concerning the assignment of the responsibility of setting up a centralized databank, DS for H reiterated that EAA was the appropriate body for this task. She added that HB and EAA shared a common objective of improving supporting services to trade members.

25. Mrs Selina CHOW agreed with DS for H that referring the request of trade members to EAA did not mean that HB was intervening in EAA's work. She appreciated the efforts of BD, RVD and LR in improving the efficiency of information retrieval for the benefit of the estate agency trade. She commented that with further enhancement by the three departments, the urgency of setting up a centralized databank should be reassessed taking into account its costs and benefits. In addition, she opined that it would be more cost effective for EAA to allocate more resources on the education and publicity for improvement of the services and professional standard of property agents,

than to use the resources for taking legal proceedings against misconduct agents. CEO/EAA expressed support to this suggestion for allocation of resources.

26. In concluding, Mr Mike KOO/Hong Kong Chamber of Professional Property Consultants Ltd expressed trade members' concern over the transparency of EAA. He said that at present, they had no information on the income and expenditure of EAA though they were required to pay for its operation cost. He reiterated trade members' request for the setting up of the centralized databank before the implementation of the Practice Regulation. Mr LUN Chi-yim/Hong Kong Real Estate Agencies Association informed members that he would provide the Panel with a supplementary submission on the impact of the implementation of the Practice Regulation on the trade after the meeting.

(Post-meeting note: The supplementary submission was circulated to members vide LC Paper No. CB(1)154/99-00 on 21 October 1999.)

VI Residence requirement for allocation of public rental housing flats (LC Paper Nos. CB(1)132/99-00(06) and CB(1)132/99-00(07))

27. On the *calculation of additional annual demand for public rental housing flats* after the relaxation of residence requirement, Dr LAW Chi-kwong opined that it might be an over-estimation and he requested the Administration to provide more details on the assessment to avoid giving misleading information which might arouse public discontent.

28. The Head, Corporate Strategy Unit, Housing Department (Head (SU/HD)) explained that the projected demand was derived from the statistics under the housing demand projection model operated by the Planning Department. He added that the proposed changes to the residence requirement would not increase the total housing demand. Instead, the changes would advance the public rental housing (PRH) demand of new arrivals in the next seven years. The estimate of the additional demand for 3,800 PRH flats per annum was calculated for the purpose of planning for additional land provision. Upon the Chairman's request, the Administration undertook to provide the basis of calculation for members' information.

Admin

(Post-meeting note: A note setting out the calculation basis for the additional PRH demand was circulated to members vide LC Paper No. CB(1)328/99-00)

29. Mr LEE Cheuk-yan welcomed the proposed changes to the residence requirement and expressed appreciation of the Administration's effort in meeting the housing need of the newly arrived families. He commented that the proposed relaxation in residence requirement would help improve the living environment of the new arrivals, the majority of them would be low-income families. Furthermore, he wished to know the reasons why 20% of the existing ineligible applicants could not satisfy the residence requirement even after the proposed changes. He asked whether it would be possible for those adult families with all members over 18 to submit separate applications by the parents and adult children.

30. DS for H thanked Mr LEE's remarks and said that the proposed changes demonstrated the Administration's continuous effort to meet the demand for PRH and to ensure fair and efficient allocation of PRH resources. Head CSU/HD supplemented that the remaining ineligible applications mainly fell into two categories, namely, those with the main applicants not meeting the 7 years' residence requirement, and those cases involving mainly adult family members from the Mainland. He informed members that it was possible for adult members of a family to submit PRH applications on their own.

31. On *allocation of land in meeting the additional demand*, the Chairman requested that the Administration should be more flexible in the additional land provision in case of any amendment to the standard for overcrowding relief. At present, only families with living area below four-and-a-half square metres per person were eligible for overcrowding relief. The standard was considered to be too stringent.

32. Concerning Mr Fred LI's query on the rationale behind setting the cut off line for relaxation of residence requirement of children at the age of 18, Head CSU/HD explained that the purpose was to maintain consistency with other housing policies and there was a social consensus that it was the age of adulthood. Moreover, those children over the age of 18 could apply for PRH independently.

VII Any other business

33. There being no other business, the meeting ended at 10:40 am.

Legislative Council Secretariat

30 December 1999