

E X T R A C T
立法會
Legislative Council

LC Paper No. CB(2)1386/04-05

Ref : CB2/DC/IS/04

**Minutes of LegCo Members' Meeting with
Islands District Council Members
on Thursday, 3 February 2005 at 10:45 am
in Conference Room A of the Legislative Council Building**

Members present : Hon WONG Kwok-hing, MH (Convenor)
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon Daniel LAM Wai-keung, BBS, JP
Hon CHEUNG Hok-ming, SBS, JP

By invitation : **Islands District Council**

Hon Daniel LAM Wai-keung, BBS, JP (Chairman)
Ms CHAU Chuen-heung, MH, JP (Vice-chairman)
Mr YUNG Chi-ming
Mr KWONG Kwok-wai, MH
Ms LEE Kwai-chun, MH
Miss YUNG Wing-sheung, Amy
Mr WONG Fuk-kan
Mr LO Kwong-shing, Andy
Mr LAM Kit-sing
Mr WAN Tung-lam, Tony
Mr LEUNG Siu-tong

Staff in attendance : Mrs Sharon TONG
Chief Council Secretary (2)1

Mr Raymond LAM
Senior Council Secretary (2)5

Action

X X X X X X

II. Deed of Mutual Covenant of Discovery Bay

11. Referring to her submission tabled at the meeting (Appendix II), Miss YUNG Wing-sheung said that the principal deed of mutual covenant (DMC) of Discovery Bay, which was signed between the first-hand owners and the developer in 1982, contained many inequitable terms. She had followed up the matter with the relevant government departments since 1999, but to no avail.

12. Miss YUNG Wing-sheung pointed out that as the developer and its subsidiaries held more than 77% of the undivided shares while other owners only held about 23% of the undivided shares, it was very difficult for owners of Discovery Bay to form an owners' corporation (OC). The sharing of management fee between owners and the developer was unfair, with individual owners bearing about 99% of the total management fee. The owners' committee was vulnerable to manipulation by the developer and the management company.

13. Miss YUNG Wing-sheung said that although she had submitted her views to the Administration and the Subcommittee on Review of the Building Management Ordinance (Cap. 344) (BMO), her concerns had not been addressed in the amendments to be introduced to BMO in 2005. She considered that there was dereliction of duty on the part of the Lands Department, the Home Affairs Bureau and the Home Affairs Department (HAD). The frontline officers of HAD also lacked sufficient commitment. In this connection, she had lodged complaints with the Office of the Ombudsman and the Director of Audit. She hoped that her concerns would be relayed to the Administration and addressed in the legislative amendments to be introduced to BMO. She added that trust funds should be established to assist OCs.

14. The Convenor said that inequitable terms were found in the DMCs of many large housing estates in addition to those in Discovery Bay. This reflected that there were grey areas in existing legislation and inadequate monitoring by the Administration. The frontline officers of HAD also lacked sufficient commitment and knowledge in assisting owners in building management. To amend existing DMCs, which required the consent of all owners, would be difficult. He said that the views of Miss YUNG would be relayed to the Home Affairs Bureau and the Panel on Home Affairs. He suggested that Miss YUNG might submit her views to the relevant Bills Committee, if any, to be formed to study the legislative amendments to BMO.

X X X X X X

LegCo
Secretariat