

立法會
Legislative Council

LC Paper No. CB(2)153/10-11
(These minutes have been seen
by the Administration)

Ref : CB2/PL/HA

Panel on Home Affairs

Minutes of meeting
held on Friday, 9 July 2010, 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 Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, SBS, 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 WONG Sing-chi
Hon CHEUNG Kwok-che
Hon Paul TSE Wai-chun
Hon Tanya CHAN
- Member attending** : Hon LEUNG Kwok-hung
- Members absent** : Hon CHEUNG Man-kwong
Hon Timothy FOK Tsun-ting, GBS, JP
Hon CHAN Hak-kan
Hon WONG Yuk-man

Public Officers : Item III
attending

Home Affairs Bureau

Mr Raymond YOUNG Lap-moon, JP
Permanent Secretary for Home Affairs

Home Affairs Department

Miss Mimi LEE Mei-mei, JP
Deputy Director of Home Affairs (1)

Mr David LEUNG Chun-wing, JP
Deputy Director of Home Affairs (2)

Leisure and Cultural Services Department

Mr Bobby CHENG
Deputy Director of Leisure & Cultural
Services (Leisure Services)

Mr CHUNG Ling-hoi, JP
Deputy Director of Leisure & Cultural
Services (Culture)

Item IV

Home Affairs Bureau

Mr Raymond YOUNG Lap-moon, JP
Permanent Secretary for Home Affairs

Home Affairs Department

Mr David LEUNG Chun-wing, JP
Deputy Director of Home Affairs (2)

Ms Sharon HO Ho-shuen, JP
Assistant Director of Home Affairs (4)

Item V

Home Affairs Bureau

Mr Raymond YOUNG Lap-moon, JP
Permanent Secretary for Home Affairs

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

Hong Kong Sports Institute Limited

Dr Trisha Leahy
Chief Executive

Mr WONG Siu-kwan
Senior Project Director

Clerk in attendance : Ms Betty FONG
Chief Council Secretary (2)2

Staff in attendance : Ms Catherina YU } Agenda item IV only
Senior Council Secretary (2)7 }

Miss Vivien POON
Council Secretary (2)2

Miss Cerry YU
Legislative Assistant (2)2

Miss Monique TSEUNG
Clerical Assistant (2)2

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I. Confirmation of minutes
[LC Paper No. CB(2)1978/09-10]

The minutes of the meetings held on 14 May 2010 were confirmed.

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

2. Members noted that the following papers had been issued since the last meeting -

LC Paper No. CB(2)1809/09-10(01) -- Submission from members of the public expressing view on the support provided by the Home Affairs Department ("HAD") to Mutual Aid Committees

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- LC Paper No. CB(2)1812/09-10(01) -- Motion on "Regulation of internet cafes"
- LC Paper No. CB(2)1837/09-10(01) Referral from the meeting between Legislative Council ("LegCo") Members and Wan Chai District Council ("DC") members on 29 April 2010 regarding the relationship between LegCo and DCs
- LC Paper No. CB(2)1772/09-10(01) Report on the Youth Summit 2010 provided by the Administration
- LC Paper No. CB(2)1908/09-10(01) Supplementary information on the Arts and Sport Development Fund provided by the Administration
- LC Paper No. CB(2)1952/09-10(01) Referral from the meeting between
and LegCo Members and Sai Kung DC
LC Paper No. CB(2)2016/09-10(01) members on 13 May 2010 regarding the remuneration package of DC members
- LC Paper No. CB(2)1953/09-10(01) Submission from a member of the
and public expressing views on the service
LC Paper No. CB(2)1953/09-10(02) of e-Stations at the Public Service Centres of District Offices and reply from the Administration
- LC Paper No. CB(2)1953/09-10(03) Submission from a member of the public expressing views on the use of computer and information centre of the Hong Kong Public Library
- LC Paper No. CB(2)1972/09-10(01) A letter from Hon Tanya CHAN expressing concern about the compliance of the conditions of government land leases by private clubs
- LC Paper No. CB(2)2015/09-10(01) Submission from the District Facilities Management Committee of the Yuen Long DC regarding the redevelopment of Yuen Long Stadium

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Issues to be followed up in future meetings

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3. The Chairman briefed members that the Panel had visited the rural community in Tuen Mun and Yuen Long, and exchanged views with Heung Yee Kuk, women village representatives as well as various rural groups on women participation in rural affairs and related issues on 5 July 2010. To continue the monitoring of issues relating to women participation in rural matters, Ms Emily LAU requested the Administration to revert to the Panel upon the conclusion of the consultation exercise on the "Guidelines on election-related activities in respect of Village Representative (VR) Elections", as well as further measures to enhance women participation in rural affairs.

(Post-meeting note: With the concurrence of the Chairman, the item "VR elections and related matters" was added to the List of Outstanding Items for Discussion, and issues raised by Ms Emily LAU would be discussed under this item at a meeting to be decided by members upon the resumption of the Council after the summer recess.)

4. Miss Tanya CHAN suggested and members agreed that the item "Monitoring of private recreational leases" should be added to the List of Outstanding Items for Discussion.

5. Referring to the Legislative Council Brief, which set out the Government's decision to issue a letter of support for the Sports Federation & Olympic Committee of Hong Kong, China to submit a "letter of intent" to bid for the hosting of the 2023 Asian Games to the Olympic Council of Asia ("OCA"), the Deputy Chairman considered that the Administration should have briefed the Panel of the rationale for its support to bid to host the Games and the impact of the Games on public finances and sports development before proceeding with its decision. He suggested that the Administration should revert to the Panel on these issues at a special meeting to be held as soon as possible. Miss Tanya CHAN enquired about the timeframe for the preparatory work in relation to the bidding and organization of the Asian Games in 2023; and the feasibility for Hong Kong to co-organize the Games with nearby cities in the Pearl River Delta region.

6. Permanent Secretary for Home Affairs ("PSHA") explained that the "letter of intent" mainly served as an indication of Hong Kong's preliminary intention to bid to host the Games, as well as an "entry pass" for Hong Kong to submit a formal bid at a later stage. In the months to come, the Administration would assess the costs and benefits and the preparatory work entailed for hosting the Games. It would then conduct a full-scale public consultation exercises towards the end of September 2010. PSHA stressed that no final decision would be made on whether or not to support a formal bid to host the

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Games until the public had been consulted. He undertook to revert to the Panel in September 2010 on the public consultation exercise and other issues related to the bid to host the Games. PSHA also drew members' attention to a motion passed by LegCo on sports development in January 2010, which in part urged the Government to consider supporting a bid to host the Asian Games.

(Post-meeting note: A special meeting was arranged on 21 September 2010 for the Administration to brief members on the consultation paper "Should Hong Kong bid to host the 2023 Asian Games?".)

III. Implementation of recommendations of the 2006 District Council Review and other DC-related issues under the purview of the Home Affairs Department

[LC Paper Nos. CB(2)1980/09-10(01) and (02)]

7. At the invitation of the Chairman, PSHA briefed members on the implementation of measures to enhance the monitoring and advisory role of DCs in district affairs pursuant to the review of the role, functions and composition of DCs in September 2006 as set out in the Administration's paper. These measures included inviting DCs to participate in the management of some district facilities, providing additional resources to DCs for carrying out community involvement ("CI") programmes and district minor works ("DMW") projects, strengthening the communication between the Administration and DCs, enhancing support for DC members, arranging Heads of Departments ("HoDs") with direct interface with the public to attend over DC meetings, organizing briefings by HoDs on territory-wide issues of mutual concern, and briefing DC Chairmen and Vice-Chairmen on issues of importance.

8. PSHA further briefed members on the current review on DC members' remuneration package. He said that to attract suitable candidates to take part in the work of DCs, it had been the Government's established practice to review DC members' remuneration package about one year before the end of the current DC term, in consultation with the Independent Commission on Remuneration for Members of the District Councils ("the Independent Commission"). The Administration had commenced the review and would take into account the latest remuneration arrangements for LegCo Members, as well as views received from DC members in the review. He added that the Administration would revert to the Panel upon the conclusion of the review by the end of 2010.

Remuneration package of DC members

9. Mr WONG Kwok-hing enquired as to whether the Administration had drawn up any preliminary proposal for the provision of medical benefits and end-of-service gratuity for DC members, having regard to the availability of these benefits to LegCo Members. The Chairman said that as the representative of the DC functional constituency in LegCo, he was concerned

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about the progress of the Administration in addressing the persistent calls from DC members for the provision of these benefits, which in his view would serve as a recognition of DC members' service to the community and offer them better protection after retirement. He urged the Administration to expedite the review and provide these benefits to DC members as soon as possible. Mr WONG Yung-kan declared that he was currently serving as a DC member. He shared the view that the benefits provided to DC members should be on par with those for LegCo Members.

10. Prof Patrick LAU said that from his experience as the former Chairman of the Subcommittee on Review of Operating Expenses for Members of the LegCo, the review on Members' remuneration package was a timely process involving many complicated issues. He considered that a task group formed by DC members might be an effective option to take forward the review on their remuneration package.

11. PSHA advised that the Administration would actively consider the requests for introducing a medical allowance and an end-of-service gratuity for DC members, having regard to the need to ensure the prudent use of public fund. In studying these requests, the Administration would make reference to the latest remuneration arrangements for LegCo Members as well as the experiences in other legislatures. It would also be mindful of the fact that DC members did not have employment relationship with the Government. The Independent Commission would solicit the views of DC members by way of focus group meetings. In response to Mr WONG Yung-kan's enquiry about the eligibility of DC members for gratuity in the event of early resignation, PSHA said that the Administration would study the issue by making reference to the practice for LegCo Members, if gratuity was decided to be provided to DC members.

12. Pointing out that the remuneration package for DC members should be commensurate with their powers and responsibilities, Ms Emily LAU considered that the current review on remuneration package for DC members should be more comprehensive to include the study of the powers and functions of DCs, and public consultation should be conducted to solicit public views on these issues. She was also doubtful as to whether the Administration could make available the outcome of the review before the nomination period for the next DC election in mid-2011. Miss Tanya CHAN declared that she was currently serving as a DC member. She expressed support for the conduct of public consultation to collect public views on their expectation of DC members' role and work, as well as the associated remuneration.

13. PSHA said that according to the planned schedule, a formal proposal on the remuneration package for DC members in the new term would be drawn up around November 2010 following consultation with the Independent Commission and DC members, and the outcome of the review would be announced in early 2011. This timeframe, which was in line with the

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established practice for similar reviews for LegCo Members, was well in advance of the nomination period for DC election in late 2011. PSHA further advised that following the same practice adopted for LegCo Members, the Administration did not see the need for public consultation on the remuneration package for DC members, as public views should be adequately reflected during the deliberations of the Independent Commission, an independent body comprising non-DC members from a wide spectrum of background.

Role and function of DC

14. Ms Emily LAU and Ms Cyd HO expressed dissatisfaction that the function of DCs remained to be advisory, and criticized the Government for its reluctance to confer DCs with more power to facilitate their management and monitoring of district facilities. They also questioned about the Administration's commitment to fulfilling its undertaking for the delegation of the powers of the two former Municipal Councils to DCs.

15. Ms Cyd HO further opined that the Administration should empower DCs with the authorities through administrative or legislative measures with a view to enabling them to better fulfil a more meaningful monitoring and management role, and meet the public expectation in this regard. In her view, DCs should at least be consulted on the work plan and budget of the relevant departments involving in district work. She also called for a public consultation on DCs' role and responsibilities with a view to defining a clear positioning for DCs, and a review on the adequacy of resources to support their functions.

16. PSHA said that under the Basic Law, the main role of DCs was to serve as an advisory body in district administration and other local affairs. Pursuant to the review on DCs in 2006, their role and functions had been enhanced progressively under the aforesaid parameter. While the administrative power for district/public facilities was vested with the Heads of the relevant bureaux/departments, where feasible and practicable, the Government had invited DCs to participate in the management of district facilities. The Government would also give due regard to DCs' views in the policy making process, as it would be difficult to implement policy proposals without the support of DCs. PSHA further clarified that the government had never committed to devolving all the powers of the two former Municipal Councils to the DCs. Regarding the suggestion for conferring DC with the administrative power for the planning and management of district facilities, PSHA said that it was not the government's intention to change the positioning of DCs as an advisory body under the law. Neither did he see a consensus in the community for DCs to function as an administrative body.

17. Deputy Director of Leisure and Cultural Services (Leisure Services) advised members on measures to enhance DCs' role in district administration. He said that since 2008, DCs have participated in the management of some

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district cultural and recreational facilities in collaboration with the Leisure and Cultural Services Department ("LCSD"). For the implementation of CI programmes and DMW projects, DCs were consulted on their priority and focus.

18. Ms Cyd HO further enquired how the Administration would explain to the public the enhanced role of DCs brought about by the passage of the amendment to Annex II to the Basic Law concerning the method for the formation of LegCo in 2012. In response, PSHA said that he did not see any fundamental change to the role and functions of DCs as provided under the Basic Law following the passage of the aforesaid legislation. He added that the Constitutional and Mainland Affairs Bureau had already explained fully to the public the impact of the new functional constituency seats for DCs, and he had no further comment to make.

19. Citing the examples of the Southern DC and the Sai Kung DC, Ms Emily LAU criticized the Administration for failing to attach importance to DCs' requests even though they were unanimously supported by DC members. The Chairman said that while the Government might not necessarily accede to DCs' requests, as in the case of LegCo, it could hardly implement policy proposals which were objected by DCs. The views of DCs should hence carry weight in the Government's policy making process. The Chairman further opined that although progress had been made to enhance the participation of DC in the management of district facilities in the current term, he considered that the Administration could delegate further power to DCs in the management of cultural/recreational facilities, as well as those relating to food and environmental hygiene, with a view to promoting more effective management of these facilities. He also enquired about the possibility for the relevant bureaux/departments to delegate more decision making power to officials attending DC meetings to facilitate follow-up on DCs' requests.

20. PSHA responded that although it was not possible for the Administration to accede to all DCs' requests, taking into account their implication on the overall policy and interest of the community, it had in fact implemented many suggestions made by DCs.

21. Referring to his earlier motion on increasing the powers and responsibilities of DCs in district planning, Prof Patrick LAU said that in the absence of DCs' involvement in district planning, the actual circumstances and wishes of residents of the respective districts could not be relayed promptly to the Administration during the planning process, and the district planning undertaken by the Government often did not have support from the local community. He urged the Administration to confer powers and responsibilities to DCs to participate in the planning of major community works and ancillary facilities required by the respect districts, so as to develop an integrated and comprehensive community. Mr WONG Yung-kan expressed support for

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enhancing the role of DCs in district planning, and added that such planning should incorporate the characteristics of individual districts.

22. PSHA said that District Planning Officers would attend DC meetings of their respective districts to listen to the view of DC members, and solicit their support on major development proposals before taking forward these proposals.

Communication between the Administration and DCs

23. Mr WONG Kwok-hing expressed concern about the complaints made by some DCs on the non-attendance of directorate staff at DC meetings. Ms Emily LAU expressed similar concern. The Chairman said that where sufficient notice had been served to the government officials for attending DC meetings, the officials concerned should be requested to explain the reasons for being not able to attend the meetings. He urged the Administration to follow up on these cases.

24. PSHA said that to enhance the communication with DCs, HoDs with direct interface with the public had attended over 150 DC meetings, Directorate officers from the relevant bureaux and departments also met with DC members on numerous occasions to explain and consult them on various policy proposals and other matters affecting the well-being of the people in the district. The Administration would continue to encourage this practice as far as practicable. On members' concern about the non-attendance of officials to DC meetings, PSHA explained that depending on the agenda and the meeting time, the relevant bureaux and departments would arrange appropriate representatives to attend the meetings as far as practicable. In the event that the representatives concerned could not attend, they would provide a reply to the questions raised and an explanation on the non-attendance before the meeting. He believed the cases as raised by members were not common and undertook to follow up with the relevant bureaux or departments on these cases.

25. Mr CHEUNG Hok-ming declared that he was currently serving as a DC member. He considered that government officials attending DC meetings should give more weight to DCs' views and be prepared to offer practical solutions to issues raised by DC members rather than taking these visits as an act of formality. Mr CHEUNG further suggested that the Home Affairs Bureau should take the lead to coordinate with various bureaux/departments in tackling district issues requiring inter-departmental collaboration. He considered that the Steering Committee on District Administration had proven to be an effective platform for the Administration to coordinate the strategies and measures in this regard. Mr WONG Yung-kan urged the Administration to expedite the handling district issues involving cross-departmental efforts.

26. PSHA responded that he chaired a Steering Committee to tackle problems requiring inter-departmental or cross-district efforts, and undertook to further strengthen this mechanism with a view to resolving issues raised by

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DCs as far as possible and practicable. PSHA further advised that apart from district affairs, cross-district and territory-wide issues, as set out in the Annex to the Administration's paper, were discussed by DCs from time to time. He further highlighted the role of DCs in enabling the successful implementation of works project of wide public interest such as the Kwun Tung Promenade and cross-district cultural projects such as the Trial Scheme of the Community Arts Performance Programme.

Support to DCs

27. To provide more comprehensive support to DCs and ensure that DCs would enjoy a high degree of autonomy in performing their work, Ms Cyd HO and Ms Emily LAU called for the setting up of an independent secretariat for each DC, which in their view was essential for DCs to take on enhanced role and responsibilities. The Chairman expressed reservation on the need for an independent secretariat, taking into account the small scale operation of individual DC. While he considered that the existing secretariat support provided by the District Offices should be effective in assisting DCs to discharge their duties, he saw the need to further strengthen the manpower support for DC secretariats to complement DCs' enhanced role and functions in district affairs.

28. PSHA advised that although DC secretariats were part of the civil service establishment under HAD, they had been providing administrative support to DCs in an independent manner. The existing arrangement should adequately serve the need of DCs as an advisory body, and allow flexibility in the deployment of manpower. While the Administration had strengthened the manpower support to DC Secretariats in 2008-2009, it would endeavour to further enhance the support to DCs if necessary.

29. Ms Emily LAU expressed concern about the difficulties for some DC members in renting ward offices. Deputy Director of Home Affairs (2) ("DDHA(2)") responded that the Administration was aware of this problem, particularly in districts where Housing Authority properties were not available. He advised members that the issue was raised by DC members in the current review on DC members' remuneration package.

30. Ms Emily LAU considered that the reimbursement system for Operating Expenses Allowance ("OEA") for DC members should be reviewed to obviate the need for DC members to pay in advance various expenses for their offices. She suggested that OEA should be advanced to DC members on a rolling basis as soon as possible. The Chairman shared similar views.

Admin 31. In response, DDHA(2) undertook to consider members' suggestion in the review on DC members' remuneration package and revert to the Panel on the outcome. He advised that if a proposal did not involve substantial changes to the remuneration package, subject to the view of the Independent

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Commission, the proposal could in principle be implemented in the same term.

DMW

32. Miss Tanya CHAN considered that the implementation of DMW projects should be better coordinated, and suggested that guidelines should be issued for DCs to formulate long-term plan on facilities to be required under these projects. She also expressed concern about the gradual rise in management and maintenance work with the completion of DMW projects over the years. In response, PSHA advised that the Administration would consider making provision in the existing allocation for DMW projects for the management and maintenance of the related facilities.

IV. The role of Home Affairs Department in dealing with disputes under the Building Management Ordinance (Cap. 344) and regulation of property management companies
[LC Paper Nos. CB(2)1980/09-10(03) and (04)]

33. PSHA briefed members on the key findings of the consultancy study on the regulation of property management industry as set out in the Administration's paper. He said that the Consultant had examined three possible regulatory models, viz. enhanced self-regulation by the professional bodies concerned; voluntary accreditation; and mandatory licensing. Having weighted the pros and cons of these models, the Consultant recommended that a mandatory licensing regime should be introduced through legislation, as well as measures to address concerns about the mandatory regime. To take forward the consultancy study, the Administration would conduct a public consultation to solicit opinions of the general public including those of the stakeholders and DCs on the matter, examine the possible institutional arrangements for the regulatory authority; and study the financial and staffing implications of the proposal. PSHA stressed that the Administration had yet to take a stance on the regulation of the industry at this stage.

Mandatory licensing regime for property management companies ("PMCs")

34. Mr WONG Kwok-hing expressed disappointment at the Administration's undue delay in introducing a mandatory licensing regime for the regulation of PMCs. He said that during the discussion of the mandatory building inspection and window inspection schemes, the deputations from the property management sector had strongly urged for the introduction of a mandatory licensing regime, and representatives of some Owners' Corporations ("OCs") and DCs had criticized HAD for not being able to render adequate support to OCs. These deputations considered that the introduction of a mandatory licensing system should help ensure the professionalism and quality of PMCs. Mr WONG queried the need for further public consultation when there was already a clear and direct message from the public. He urged

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the Administration to work out the implementation timetable as soon as possible.

35. PSHA said that the Administration had followed up the issue according to the planned schedule. In view of the impact of the proposed legislative regime on the property management industry, the Administration would need to study and consider carefully the views and concerns of the public and stakeholders in a responsible manner. He further advised that while some stakeholders supported a mandatory regulatory regime, some were concerned that such an approach might drive the small and medium sized PMCs out of the market. There were also worries that the compliance costs might increase the management fees. In the light of these divergent views, it was undesirable to proceed with the legislative process without further public consultation.

36. Mr WONG Kwok-hing expressed dissatisfaction about PSHA's remark that public consensus had yet to be reached on a regulatory regime for PMCs, despite the clear message conveyed by the public. He criticized the Administration for being insensitive to the public concerns and sufferings, and stressed that the implementation of a mandatory regulatory regime for PMCs was most essential and effective in protecting owners' interest, and promoting the standard of building management.

37. PSHA said that the Administration was aware of the strong demand of the public to put in place a regulatory system for PMCs, but reiterated the need to proceed carefully with due regard to the concerns expressed on the issue, and follow the established practice to conduct public consultation before the introduction of a legislative proposal.

38. Ms Emily LAU shared Mr WONG Kwok-hing's concern. She said that there was already a clear voice in LegCo and the public for the Administration to proceed with a mandatory licensing regime when issues related to the regulation of PMCs were deliberated in the Bills Committee on Building Management (Amendment) Bill 2005. She found it unacceptable that there was no notable progress in the matter since then.

39. The Chairman considered that the introduction of a licensing regime for PMCs would promote the quality of building management, and might help avoid tragic accidents like the one at Ma Tau Wei Road earlier this year. Given LegCo Members had already conveyed a clear message on the need to introduce a licensing system for PMCs many years ago, he urged the Administration to speed up the public consultation and law making process.

40. PSHA undertook to expedite the public consultation on the implementation of a mandatory licensing regime for PMCs before the end of 2010 with a view to arriving at a decision early.

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41. Mr LEUNG Kwok-hung said that the proposal was put forth at the request of the majority of the stakeholders with a view to rectifying problems in the property management industry and protecting the interests of the practitioners, and remarked that he was not surprised to learn that parties with vested interests would object to the regulatory framework. He further commented that it would not be practical to get unanimous views from the public and a consensus should be reached when the majority of the general public supported the proposal.

42. Ms Cyd HO said that the proposed legislation framework should aim at resolving problems that could not be addressed without a statutory regime. For instance, it should define clearly the respective role, duties and liabilities of OCs and PMCs, as well as PMCs' relationship with OCs and property owners. Ms HO also expressed concern about the possibility of the property management market being monopolized by some major PMCs, if the compliance requirements were too stringent. She further enquired about the timeframe for the enactment of the legislation, and the number of PMCs operated by major property management corporations or their subsidiaries among the 800 PMCs in Hong Kong.

43. DDHA(2) responded that the property management industry was currently self-regulated by professional bodies. However, PMCs and practitioners did not need to be members of these bodies to practise in the industry. As this self-regulatory system did not have enforcement power against unethical acts or malpractice of practitioners in the industry, one of the objectives of the mandatory licensing regime was to entrust a regulatory body with statutory powers to monitor the performance of PMCs and practitioners according to a code of conduct which was binding on the industry. The regulatory body could impose penalty and take disciplinary action against PMCs, including revoking their licence if necessary. To cater for the need of PMCs of various sizes, promote healthy competition and development of the property management industry, the Consultant had also recommended a two-tier licensing system, which prescribed a higher level of licensing requirements for major PMCs, and less stringent requirements for small and medium sized PMCs.

44. DDHA(2) further advised that of the 800 PMCs in Hong Kong, 300 were members of the Hong Kong Association of Property Management Companies ("HKAPMC") or its members' subsidiary companies, and the remaining 500 were mostly small or medium sized PMCs. As the consultancy study had focused mainly on the mode of regulation for PMCs, it did not provide information on the background of these companies, such as their parent companies, as requested by members.

Voluntary accreditation system

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45. In response to the Chairman's enquiry about the implementation of a voluntary accreditation system, PSHA advised that taking into account the lengthy process for law enactment, the Administration would consider introducing a voluntary accreditation with a view to paving way for the eventual mandatory licensing system. This included gaining implementation experience which could serve as useful reference in the drafting of legislation, assisting companies and individuals in meeting the future licensing requirements, as well as providing the public with a certain degree of quality assurance of the PMCs. PSHA added that the accreditation system, if adopted, would only be an interim measure before the regulatory regime was in place, and the property management industry had yet to have a consensus on the proposal.

46. DDHA(2) assured members that this interim measure would not delay the legislation process and the implementation of the mandatory licensing system. To inspire public confidence on the service quality of PMCs, the Administration would consider collaborating with the industry to draw up a list of qualified PMCs for the reference of the public, and conduct publicity and promotion campaigns to enhance the public awareness of the importance of engaging a qualified PMC.

The way forward

47. Ms Emily LAU suggested that the Administration should revert to the Panel in late October 2010 on the outcome of the public consultation, and submit the legislative proposal for members' consideration by the first quarter of 2011. She also requested PSHA to relay members' view on the need to step up the implementation of the regulatory regime to the relevant Heads of Bureaux and Secretary for Justice. Mr WONG Kwok-hing shared similar view.

Admin 48. PSHA advised members that he was unable to confirm the timeframe for the Department of Justice to draft the relevant legislation, but undertook to expedite the follow up on the recommendations of the consultancy study and revert to the Panel on the public consultation exercise as soon as possible.

Clerk 49. The Chairman suggested and members agreed that the regulation of PMCs should be included in the list of outstanding items for discussion, and be accorded the first priority for future deliberation.

V. Redevelopment of the Hong Kong Sports Institute
[LC Paper Nos. CB(2)1980/09-10(05) and (06)]

Briefing by the Administration/Hong Kong Sports Institute ("HKSI")

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50. PSHA briefed members on the latest progress with the redevelopment of Hong Kong Sports Institute ("the Project"), which had been approved by the Finance Committee ("FC") of LegCo at an estimated cost of \$1,707.5 million in money-of-day (MOD) prices in June 2008. He said that due to the reasons stated in paragraphs 6 and 7 at the Annex of the Administration's paper, it was anticipated that the overall works period for the Project would be lengthened by about two years, with the overall completion projected in the fourth quarter of 2013 instead of the third quarter of 2011 as originally proposed. In addition, the project cost could possibly increase to \$1,957.6 million in MOD prices, which would exceed the Approved Project Estimate ("APE") by \$250.1 million (or about 15% of the APE). He added that a more accurate project estimate would be prepared when the tenders for Contract 3 were received in August 2010. Should an increase in APE be necessary, the Administration would only award Contract 3 subject to the approval of the Public Works Subcommittee ("PWSC") and FC to the revised APE.

51. Chief Executive of HKSI conducted a PowerPoint presentation on the refurbished/new facilities of the redeveloped HKSI, which comprised fully integrated facilities for elite athletes, including athletes with disabilities. She further advised members that the refurbishment of the existing sports hall and the construction of the temporary velodrome at Whitehead had been completed in February and April 2010 respectively, and the HKSI had moved back from its temporary site at the Wu Kwai Sha Youth Village ("WKSJV") to Fo Tan since March 2010. She assured members that the delay in project completion should have no adverse impact on athletes as evidenced in their good performance in the various regional and international games in recent years.

Anticipated increase in project estimate

52. Ms Emily LAU considered that the Administration/HKSI should have provided the Panel with detailed justifications for the anticipated increase in the project estimate. She asked the Administration to provide further detail on the additional decanting cost arising from the extension of HKSI's stay at the WKSJV until February 2010, and the additional costs for the in-house technical team due to project delay and new furniture/equipment items to cope with developments in the detailed design of the Project. She further enquired as to whether the Quantity Surveying ("QS") consultant would be charged with any penalty for early withdrawal from the Project. Members in general considered that detailed breakdown and justifications should have been provided to the Panel to enable members to make an informed decision as to whether to support the revised project estimate.

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53. PSHA undertook to provide the Panel with updated project estimates and detailed breakdown/justifications around September 2010 when the tender price of Contract 3 of the Project would be known. Senior Project Director of HKSI supplemented that the higher-than-expected pre-tender project estimates could be attributed to the increase in price levels in the past three years. For

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instance, the Architectural Services Department's Building Works Tender Price Index had increased by 25% from 906 in 2007 to 1 134 in 2010. The pre-tender cost estimate for Contracts 3 and 4, which accounted for about 70% of the cost of the Project, was higher than original estimate by about 16%. As regards the cost to extend HKSI's stay at WKS YV, the figure was some \$3.5 million. Senior Project Director of HKSI further explained that since the QS consultant voluntarily offered his withdrawal, it had been mutually agreed that the QS consultant would not be charged with any penalty. The additional equipment, such as score boards, bowling lane installation and public address systems were not included in the original estimate.

Delay in project completion

54. Pointing out that some of the situations which caused the delay as cited by the Administration were foreseeable, Mr WONG Kwok-hing considered that the two-year delay in project completion was unacceptable and asked whether the delay was unavoidable. Mr WONG was also worried that the delay would result in rising labour and material costs, and enquired whether there was further room to compress the Project with a view to shortening the delay period. Miss Tanya CHAN expressed concern about the impact of the delay on the performance of athletes in the London 2012 Olympic and Paralympic Games.

55. Dr LAM Tai-fai declared that he was currently serving on the Board of Directors of HKSI. He said that many of the factors accounting for the delay in project completion and increase in project estimates were beyond HKSI's control, such as the voluntary withdrawal of the previous QS consultant and the unforeseen technical difficulties arising from the construction of the velodrome. He suggested that a site visit should be arranged to enable members to grasp first-hand information on the Project. Dr LAM considered that it was important to deliver a quality project for the long term development of both sport and athletes in Hong Kong. He believed that the achievement of Hong Kong athletes would make the additional time and resources on the Project a worthwhile investment, and appealed to members for their support of this valuable cause.

56. Senior Project Director of HKSI advised that the delay in project completion was unavoidable for a number of technical reasons. These included the need to carry out a detailed condition survey on all the electrical and mechanical services in the existing indoor sports complex at Fo Tan, which was almost 30 years old and did not have accurate and updated as-built records to facilitate the refurbishment work; the unforeseen technical difficulties in the construction of the international standard velodrome, which was the first of its kind in Hong Kong; and the need to revise the foundation design for the new 9-storey multi-purpose building to align with the improved building design. As public funds were involved, it was necessary to comply fully with the requirements of the tendering procedures, and hence it was not possible to

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further compress the timeframe. Chief Executive of HKSI stressed that the project needed be given sufficient time for completion to ensure that the facilities at HKSI would meet the required international standards and the development needs of sport in Hong Kong for the next 10 to 15 years.

Technical issues

57. Miss Tanya CHAN expressed concern as to whether the cost-saving measures set out in the Administration's paper, such as adopting a revised design for excavation and omitting fire-rated coating to the structural steel framework, would compromise the safety and environmental standards of the Project.

58. Senior Project Director of HKSI explained that the revised excavation design could achieve cost-savings without jeopardizing safety standards; and that the Buildings Department had waived the requirement for spraying the fire-rated coating to the structural steel framework due to low risk of fire at the sports complex.

2023 Asian Games

59. Miss Tanya CHAN enquired how HKSI could cope with the sport development needs should Hong Kong decide to bid for the hosting of the 2023 Asian Games. Mr WONG Kwok-hing said that in view of the experience gained in the Project, the Government should exercise due caution in deciding whether or not to submit a bid for the Games. Referring to paragraph 6(c) of the Legislative Council Brief on Support for Bid to Host the Asian Games issued to Members of LegCo on 25 June 2010, in which the Government explained that there was a need to make a 10-year undertaking for training of athletes to enable them to attain an internationally competitive level for participation in the 2023 Asian Games, Ms Emily LAU expressed concern on the impact of the Government's position on the morale and development of Hong Kong athletes currently taking part in international games.

60. PSHA advised that should a decision be made to submit a bid for hosting the 2023 Asian Games, the Government would review the adequacy of the existing support for sport. Apart from sports facilities, it would consider devoting more resources to the training of elite athletes and the development of popular sports which had yet to become elite sports.

The way forward

61. PSHA advised members that Contract 3, which was the largest of the four contracts and accounted for about 60% of the total cost estimate, was being tendered out and returns were expected in August 2010. With the information from the tender returns, the Administration would be able to provide members with a more detailed cost estimate for the Project. To

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facilitate members' understanding of the progress of the Project and consideration of the revised cost estimate, PSHA invited members to visit the new and refurbished facilities at the HKSI. Members requested and the Administration agreed that the following actions should be taken before the submission of the revised proposal on the Project to PWSC and FC-

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(a) the Administration should provide the Panel with an information paper setting out in detail the revised cost estimate (with breakdown and justifications for individual items) following the tender exercise for Contract 3 (i.e. around mid to late September 2010);

(b) a site visit to HKIS should be arranged for Panel members and other interested LegCo Members in early October 2010;

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(c) the findings and observations of the site visit would be reported to the Panel. Further meetings would be held to discuss the subject, where necessary.

VI. Any other business

62. There being no other business, the meeting ended at 11:35 a.m.

Council Business Division 2
Legislative Council Secretariat
29 October 2010