

Minutes of the Meeting of the Housing Authority HOME OWNERSHIP COMMITTEE held on Monday, 17 February 1997.

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PRESENT

Mr Walter CHAN Kar-lok (**Chairman**)
Hon Dame Rosanna WONG, DBE, JP
Hon FUNG Kin-kee
Mr Nicholas BROOKE, JP
Ms SIU Yuen-sheung
Mr LAU Kwok-yu
Mr NG Leung-sing
Mr J A MILLER, JP (Director of Housing)
Ms Jennifer CHOW Kit-bing
Mr WONG Wah-keung
Mr Gareth WILLIAMS
Dr Rebecca CHIU Lai-har
Mr WONG Kwok-hing
Mr WONG Kwun
Mr HO Hei-wah
Mr Marco M H WU, JP (Deputy Director/Housing Management)
Mr Y L CHAN (Senior Assistant Director/Housing Administration)

ABSENT WITH APOLOGIES

Hon LEE Wing-tat
Mr LEUNG Chun-ying
Dr Joseph LIAN Yi-zheng
Mr MA Ching-yuk, JP)
Mr Ambrose CHEUNG Wing-sum, JP) Out of Hong Kong
Mr HUI Yung-chung, JP
Principal Assistant Secretary for Housing/2

IN ATTENDANCE

Mr Simon P H LI, MBE, JP (Senior Assistant Director/Estate Management)

Miss Victoria TANG (Principal Assistant Secretary/Investments, FB)

Mr H T FUNG (Assistant Director/Applications and Home Ownership)

Miss Amy WONG (Assistant Secretary for Housing/2)

Mr Simon P S LEE (Legal Adviser)

Mr Y K CHENG (Chief Housing Manager/Applications)

Mr S Y WONG (Chief Estate Surveyor/Home Ownership Scheme)

Miss Peggy CHAN (Chief Estate Surveyor/Rental Housing, Private Sector
Participation Scheme and Agency Management)

Mr C C WONG (Senior Housing Manager/Agency)

Ms Shirley WONG (Principal Publicity Officer/Marketing)

Miss Hazel IP (Senior Publicity Officer/Marketing)

Mr Lawrence CHOW (Committees' Secretary)

Mr K L WONG (Senior Assistant Committees' Secretary /1) (**Secretary**)

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Miss Rosanna WONG welcomed, on behalf of all Members, Mr Walter CHAN Kar-lok who chaired the meeting for the first time. **Mr CHAN Kar-lok** opened the meeting at **10:45 a.m.** In anticipation of a busy year ahead, he requested Members to render him their full support. Apologies for absence were received from Mr LEUNG Chun-ying, the Hon. LEE Wing-tat, Dr Joseph LIAN Yi-zheng, Mr MA Ching-yuk (out of Hong Kong), Mr Ambrose CHEUNG Wing-sum (out of Hong Kong) and Mr HUI Yung-chung.

CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING HELD ON 28 NOVEMBER 1996

2. The Minutes were **confirmed** and **signed**.

MATTERS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING

3. **Mr H T FUNG** highlighted follow up action taken since the last meeting as reported in Paper No. HOC 6/97.
4. In response to Mr LAU Kwok-yu's enquiry, **Mr H T FUNG** said that the consultation with owners of Siu Hong Court was conducted smoothly. The Department would continue to improve the consultation process with owners of HOS estates.
5. **Mr Simon LEE** explained that a disclaimer was not considered necessary as the Department was merely involved in quoting past data. Provision of disclaimer might adversely affect the public's confidence on the reliability of the data quoted.
6. As requested by Mr LAU Kwok-yu, **Mr H T FUNG** reassured that the Department would take action under Para 10 of the Paper in compilation of a data base and submission of progress report.

BRIEFING ON MANAGEMENT ENHANCEMENT PROGRAMME (MEP)

7. Further to a Paper issued earlier, **Mr Y L CHAN** briefed Members on the progress in the launch of MEP. Members requested that more information be provided to enable better understanding of the Programme and facilitate discussion in an appropriate forum.

ITEMS FOR DISCUSSION

(Agenda Item 1) **Annual Review of Management fees for Home Ownership Scheme Estates**
(Paper No. HOC 7/97)

8. **Mr H T FUNG** presented the Paper.

9. In response to Dr Rebecca CHIU' s enquiry, **Mr H T FUNG** said that a flat rate of management fee was adopted for flats in older HOS estates. However since the enactment of the Building Management Ordinance in 1993, the management fee payable had been fixed in proportion to the size of the flats. Commenting on whether owners of estates paying a flat rate could request for adoption of differential rates, **Mr Fung** said that such request would be considered subject to the agreement of all owners in the HOS estates.

10. **Dr Rebecca CHIU** noted the substantial reduction in the proposed increase for Hong Wah Court and wondered whether the original proposal had been worked out realistically. **Mr H T FUNG** confirmed that the proposed increase was based on budgeted expenditure in the coming year. The reduction for Hong Wah Court was made possible by re-scheduling the redecoration work which was just completed in 1996.

11. **Mr HO Hei-wah** found the Professional Management Cost (PMC) and Supervision Cost (SC) unacceptably higher than the corresponding staff cost of the Private Management Agents (PMA) and

urged the Department to exercise more stringent cost control. **Mr H T FUNG** explained that the cost was charged on the bases of cost apportionment and cost recovery. Owing to different salary scales and staffing structure, it was difficult to compare directly the level of cost between private and public sector. However, as management of the remaining 24 HOS estates would be assigned to PMA during the current financial year, the issue on PMC would be resolved in due course.

12. In response to Mr FUNG Kin-kee's enquiry on the use of different words in describing the acceptance by different Residents' Associations (RA) of proposed increase, **Mr H T FUNG** clarified that the Department had merely quoted, at the request of the relevant RA, the term used by RA in their correspondence with the Department during the consultation process.

AD/AH

13. While Miss SIU Yuen-sheung found the proposed increase reasonable, **Mr LAU Kwok-yu** suggested that, depending on the cost involved, the Department should consider conducting a survey on those estates where the residents had consistently objected strongly to increase in management fee for the past 5 years to see if there were genuine discontent about the management service. **Dr Rebecca CHIU** also proposed that the management fee be expressed in terms of \$/m² or per unit share of ownership so as to facilitate comparison with private sector.

AD/AHO

14. To ensure ready acceptance of future revision, **Mr NG Leung-sing** suggested that a comparison with fees charged by comparable estates in the private sector should be made. Moreover, visit to HOS estates managed by PMA should be arranged so that owners could experience the different management standard. The **Chairman** noted that no increase in management fee was recommended for a number of HOS estates which were recently managed by PMA. He considered the message should be widely publicized. **Mr WONG Wah-keung** added that publicity should also be arranged for the rationale to charge SC as well as the basis of its calculation.

Action

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15. With the above comments, Members **endorsed** the Paper.

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16. There being no other business, the meeting closed at 11:50 a.m.

CONFIRMED on

Walter CHAN Kar-lok
(Chairman)

K L WONG
(Secretary)