# 立法會 Legislative Council

LC Paper No. CB(1)1788/09-10 (These minutes have been seen by the Administration)

Ref : CB1/BC/4/09/2

#### Bills Committee on Buildings (Amendment) Bill 2010

### Third meeting on Wednesday, 31 March 2010, at 2:30 pm in Conference Room A of the Legislative Council Building

**Members present**: Hon IP Kwok-him, GBS, JP (Chairman)

Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP (Deputy Chairman)

Dr Hon Margaret NG Hon James TO Kun-sun

Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP

Hon Miriam LAU Kin-yee, GBS, JP Hon Audrey EU Yuet-mee, SC, JP Hon WONG Kwok-hing, MH

Hon LEE Wing-tat

Prof Hon Patrick LAU Sau-shing, SBS, JP

Hon KAM Nai-wai, MH Hon Cyd HO Sau-lan

**Members absent**: Hon CHAN Kam-lam, SBS, JP

Hon Abraham SHEK Lai-him, SBS, JP Hon CHEUNG Hok-ming, GBS, JP

Hon Starry LEE Wai-king

Dr Hon Priscilla LEUNG Mei-fun

**Public officers Attending** 

: Mr Edward TO Wing-hang

Acting Deputy Secretary for Development

(Planning and Lands) 2

Mr Harry LIN Ting-yan

Assistant Secretary for Development (Buildings) 2

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

Mr LAM Siu-tong Deputy Director of Buildings

Mr Alex CHOW Kim-ping Assistant Director / Support Buildings Department

Ms Rayne CHAI Chih-hui Senior Government Counsel Department of Justice

Miss Elaine NG Pui-kei Government Counsel Department of Justice

Clerk in attendance: Mr WONG Siu-yee

Chief Council Secretary (1)4

Staff in attendance: Miss Winnie LO

Assistant Legal Adviser 7

Mr Daniel SIN

Senior Council Secretary (1)5

Ms Christina SHIU

Legislative Assistant (1)7

#### I Meeting with the Administration

(LC Paper No. CB(1)1390/09-10(08)

-- List of follow-up actions arising from the discussion at the meeting on 19 February 2010

LC Paper No. CB(1)1417/09-10(02)

-- Administration's response dated 18 March 2010 to issues raised at the meeting on 19 February 2010 as set out in LC Paper No. CB(1)1390/09-10(08)

LC Paper No. CB(1)1500/09-10(01)

-- List of follow-up actions arising from the discussion at the meeting on 20 March 2010

LC Paper No. CB(1)1500/09-10(02)

-- Administration's paper on support to building owners and owners'

corporations to facilitate building management -- Letter LC Paper No. CB(1)1390/09-10(07) from Hon **CHEUNG** Hok-ming dated 26 February 2010 LC Paper No. CB(1)1500/09-10(03) -- Administration's response dated 29 March 2010 to questions raised by Hon CHEUNG Hok-ming as set LC Paper No. out in CB(1)1390/09-10(07) LC Paper No. CB(1)1390/09-10(06) -- Letter from Assistant Legal Adviser to the Administration dated 25 February 2010 LC Paper No. CB(1)1417/09-10(01) -- Administration's dated 18 March 2010 in response to letter from Assistant Legal Adviser Paper No. (LC CB(1)1390/09-10(06)))

#### Other relevant papers previously issued

(LC Paper No. CB(3)389/09-10 -- The Bill LC Paper No. CB(1)1168/09-10(01) -- Marked-up copy of Bill the prepared by the Legal Service Division -- Legislative Council Brief File Ref: DEVB(PL-CR) 2-15/08 LC Paper No. LS42/09-10 -- Legal Service Division Report LC Paper No. CB(1)1168/09-10(02) -- Paper on Buildings (Amendment) Bill 2010 prepared by Secretariat Legislative Council (Background brief))

The Bills Committee deliberated (Index of proceedings attached at **Appendix**).

#### Follow-up actions to be taken by the Administration

- 2. The Administration was requested to follow up on the following requests raised by individual members of the Bills Committee --
  - (a) The Administration should provide a staffing plan for handling the anticipated workload increase in forming and assisting owners' corporations (OCs) with building management and maintenance matters when the Mandatory Building Inspection Scheme (MBIS) and Mandatory Windows Inspection Scheme (MWIS) were implemented.
  - (b) The Administration should provide information on the number of community organizers deployed by the Home Affairs Department, their salary ranges and working hours, their knowledge and training on

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building management matters, as well as the average number of buildings served by each community organizer.

- (c) The Administration should quantify the number of private buildings that: did not have OCs, were not being managed by professional estate management companies, were more than 30 years of age, and were within the scope of MBIS and MWIS. In the light of the figures, the Administration should quantify the staff required to help these building owners form OCs and assist them during the implementation of MBIS and MWIS.
- (d) Given the current plan to select 2 000 buildings each year for MBIS, the Administration should give an estimate of the number of these buildings having no OCs, and the number of staff members (such as Liaison Officers and professional support staff) required to help these owners form OCs and to assist them in the subsequent building management and maintenance matters.

#### II Any other business

3. There being no other business, the meeting ended at 4:25 pm.

Council Business Division 1
<u>Legislative Council Secretariat</u>
4 May 2010

## Proceedings of the Bills Committee on Buildings (Amendment) Bill 2010 Third meeting on Wednesday, 31 March 2010, at 2:30 pm in Conference Room A of the Legislative Council Building

Time Marker	Speaker	Subject(s)	Action Required
000000 - 000922	Chairman Administration	(a) The Chairman's opening remarks	Required
000923 – 001823	Chairman Administration	(a) The Administration highlighted the key points of its paper (LC Paper No. CB(1)1500/09-10(02) tabled at the meeting and issued to members on 1 April 2010), including the support to property owners and owners' corporations (OCs) to facilitate building management and the Building Management Professional Service Scheme (BMPSS) which would be launched by the Administration in collaboration with the Hong Kong Housing Society (HKHS) and professional associations of the property management industry in April 2010.	
		(b) Under BMPSS, expert teams would visit households in target building clusters, give professional advice to owners and produce building management audit reports. Suggestions on enhancing management and maintenance of buildings would be provided. The expert teams would also assist owners and OCs in applying for various loan and assistance schemes, render assistance to OCs in preparing tender documents for improvement or maintenance works, evaluate tenders and supervise works implementation.	
001912 – 002530	Chairman Mr WONG Kwok-hing Administration	(a) Mr WONG said that the current staffing level of Liaison Officers (LOs) in each district was not even	

Time Marker	Speaker	Subject(s)	Action Required
		sufficient to help existing OCs with building management matters. District Offices engaged community organizers to attend OC meetings, but the latter could not tender useful advice to OCs. More OCs would have to be formed and more LOs would be needed when the Bill was passed. The Administration had not adequately addressed the staffing issue.	
		(b) The Administration responded that it recognized the possible impact of MBIS and MWIS on the staffing requirement of the Home Affairs Department (HAD). The Home Affairs Bureau (HAB) would review the staffing requirement and seek additional staffing resources as necessary.	
		(c) Mr WONG requested the Administration to provide a staffing plan for handling the anticipated workload increase in forming and subsequently assisting OCs with building management and maintenance matters when MBIS and MWIS were implemented.	Administration to take action as required in paragraph 2 of the minutes
002531 – 003537	Chairman Ms Audrey EU Administration	(a) Ms EU enquired about the number of property management professionals in each BMPSS expert team, the resources the Administration planned to put into this scheme and the support service for property owners to be provided after the pilot scheme.	
		(b) The Administration responded that more than 100 property management professionals from four professional associations in the property management industry had signed up. They would be	

Time Marker	Speaker	Subject(s)	Action Required
		grouped into expert teams, each consisted of ten professionals and led by an experienced property manager.	
		(c) The Administration further advised that BMPSS targeted at helping owners of buildings aged 30 years or above, with average ratable value of units below \$100,000. These buildings generally had about 20 units. Altogether, about 50 buildings could be served under BMPSS. The expert teams would focus on common areas of buildings instead of advising individual owners on the maintenance requirements of their individual premises.	
		(d) Ms EU criticized that the scale of BMPSS was too small and most property owners would not benefit from receiving free professional advice from the expert teams.	
		(e) The Administration responded that the pilot scheme aimed to test the effectiveness of having property management professionals giving direct advice to property owners in addition to the existing efforts of HAD or HKHS staff. As the pilot scheme involved volunteers, its scale could not be too large. The Administration would review the pilot scheme in 12 months' time to determine if there was scope for continued co-operation with property management professional bodies to sustain the scheme.	
		(f) The Administration further advised that HKHS, the Urban Renewal Authority (URA) and Buildings Department (BD) would also help	

Time Marker	Speaker	Subject(s)	Action Required
Warker		owners through various technical and financial assistance schemes. The Administration was considering streamlining the application procedures for the various financial assistance schemes. BD would consider, as a last resort, carrying out prescribed inspection and repair and then recovering the costs from the owners if they were unable to fulfill the statutory requirements. Nevertheless, such action would not be taken frequently as owners had the ultimate responsibility for building maintenance.	Required
003538 - 004324	Chairman Mr James TO Administration	(a) Mr TO said that of the 40 000 private buildings in Hong Kong, 16 000 buildings already had OCs. Some buildings without OCs were being managed by professional property management companies. Some buildings were less than 30 years of age. The remaining buildings would require assistance to form OCs and carry out maintenance under MBIS and MWIS. He asked the Administration to quantify these types of buildings.	
		(b) The Administration responded that it did not have such information. The Administration planned to select about 2 000 private buildings each year for MBIS and 5 800 for MWIS. These targets were set having regard to the staffing resources available and the supply of qualified building professionals and registered contractors.	
		(c) Mr TO requested the Administration to provide a paper to quantify the number of private buildings that: did	Administration to take action as required in

Time	Speaker	Subject(s)	Action
Marker			Required
		not have OCs, were not being managed by professional estate management companies, were more than 30 years of age, and were within the scope of MBIS and MWIS. In the light of the figures the Administration should quantify the staff required to help these building owners form OCs and assist them during the implementation of MBIS and MWIS.	the minutes  the minutes
		(d) Mr TO said that given the current plan to select 2 000 buildings each year for MBIS, the Administration should give an estimate of the number of these buildings having no OCs, and the number of staff members (such as Liaison Officer and professional support staff required to help these owners form OCs and to assist them in the subsequent building management and maintenance matters.	to take action as required in paragraph 2 of the minutes
		(e) The Administration responded that the target buildings of MBIS and MWIS would be selected by the Buildings Authority (BA) on the recommendations of a selection panel. BA would not restrict its choice to certain types of buildings, but would take into account past records of building inspections or maintenance works carried out in the buildings, and other factors such as having been selected for the Operation Building Bright, or having participated in the Voluntary Building Classification Scheme.	
004325– 004857	Chairman Mr KAM Nai-wai Administration	(a) As most of the buildings selected under MBIS were expected to be in a state of disrepair and without OCs, Mr KAM considered that the implementation of MBIS would	

Time Marker	Speaker	Subject(s)	Action Required
		generate considerable workload on HAD to set up OCs. He criticized that the Administration's paper did not mention any staffing implications.	
		(b) Mr KAM also criticized that the services provided in HKHS's Property Management Advisory Centres (PMACs) were insufficient. The Administration should quantify the number of LOs that would be needed to support the implementation of MBIS and MWIS because the expert teams under BMPSS could not satisfy the demand.	
		(c) Mr KAM said that the Administration should commit, as a matter of policy, that while owners were responsible for managing and maintaining their properties, the Administration was responsible for assisting owners in need, and should provide the necessary resources.	
		(d) The Administration responded that it would be responsible for helping owners in need. However, the Administration must be prudent in using public funds to help owners in maintaining their private properties.	
004858 – 005555	Chairman Prof Patrick LAU Administration	(a) Prof LAU queried why an expert team would need as many as ten property management professionals. He was also concerned that the expert teams would only recommend fragmented and ad hoc repairs, which would render the building quite unsightly. He asked if it was the Administration's objective to	

Time Marker	Speaker	Subject(s)	Action Required
Warker		encourage building owners to carry out maintenance for the whole building rather than to carry out patchy repairs.	Required
		(b) The Administration responded that the objectives of the MBIS and MWIS were to ensure building safety and carrying out of decorative works was not a mandatory requirement.	
		(c) The Administration further advised that BMPSS was not designed to serve buildings to be selected for MBIS or MWIS only. The pilot scheme would adopt a holistic approach to building management. The expert teams would look into the conditions of various parts and facilities of a building, such as external walls, roofs, windows in common parts, electricity and water supply systems, and fire safety and lighting equipment. They would give an impartial and credible assessment for convincing owners to carry out the recommended repair works. With owners' agreement, HAD and HKHS staff would help owners form OCs and guide them through the various procedures to effect building maintenance.	
005556 - 010321	Chairman Ms Miriam LAU Administration	(a) Ms LAU criticized BMPSS as half-baked. As there was no statutory professional registration regime in property management, she queried how professional property manager was defined and selected for the pilot scheme. She also queried if the free building audit reports and other advice the expert teams offered to owners would be comparable to those that	

Time Marker	Speaker	Subject(s)	Action Required
Marker		owners could receive from a professional company they engaged in the open market.  (b) The Administration responded that property management was currently self-regulated by professional bodies. The respective professional bodies would accredit professional qualifications. Accredited persons or companies could be admitted as members of the professional bodies. HAD was studying whether a statutory registration system should be introduced for the property management sector. Participants of the expert teams were property management practitioners and members of the professional bodies with service experience. The four professional bodies had formed a joint steering committee to implement BMPSS and developed a manual for participating members; and special training sessions were developed and provided.	Kequirea
010322 - 010854	Chairman Ir Dr Raymond HO Administration	<ul> <li>(a) Ir Dr HO criticized that adopting BMPSS to tackle building management problems was not sufficient. Building management was inherently complex, even for people with professional background. However, it was not apparent from the Administration's paper how the volunteer professionals were trained to participate in the pilot scheme. It was also important that adequate training was provided to OCs' office-bearers.</li> <li>(b) Ir Dr HO said that there was a limit as to how much time and efforts these volunteer professionals could</li> </ul>	

Time Marker	Speaker	Subject(s)	Action Required
		commit in providing free service, and how long the pilot scheme could sustain. He doubted whether BMPSS could meet the high demand for professional advice when MBIS and MWIS were implemented.	
		<ul> <li>(c) The Administration responded that while BMPSS was not designed to support specifically MBIS and MWIS. Experience gained from the pilot scheme would be of useful reference for the effective implementation of MBIS and MWIS, as building and window inspections were part and parcel of proper building management.</li> <li>(d) The Administration also advised that publicity and public education</li> </ul>	
		efforts would continue and be further enhanced.	
	Chairman Dr Margaret NG Administration	(a) Dr NG said the Administration should take the lead in implementing BMPSS and finance the pilot scheme rather than rely on voluntary efforts. As many property management professionals might not be able to commit their time on a long term basis, she was concerned about the fallback measures if they withdrew from pilot scheme.	
		(b) The Administration responded that at present it was not justified to subsidize certain property owners with public funds while many other owners were already paying for professional services on their own. In the pilot scheme, property management professionals were prepared to serve a function that neither HAD nor HKHS could now	

Time Marker	Speaker	Subject(s)	Action Required
		perform, and the effectiveness was not proven. If the pilot scheme was successful, then it would justify sustaining the scheme with public resources on a long term basis.	- <b></b>
		(c) Dr NG said that using public funds for the pilot scheme could be justified if there was a public purpose, such as helping owners who were old and without the means. It was legitimate to spend public funds on pilot schemes to put certain ideas to test.	
011716 – 012239	Chairman Ms Cyd HO Administration	(a) Ms HO expressed concern about the selection of buildings under BMPSS and considered that it should target at those owners most in need of assistance. The Administration should commit resources to mobilize professionals to serve buildings without OCs and where owners had meager means and little motivation to manage and maintain their properties.	
		(b) The Administration responded that the pilot scheme could offer insight for professional involvement in the implementation of MWIS and MBIS. Resources would be available from the Administration, URA and HKHS to help owners in need.	
		(c) Ms HO said that the Administration should first improve the system of dispute resolution between OCs and owners. The mandatory inspection schemes would inevitably create more causes for dispute to be handled by OCs. Without an effective dispute resolution mechanism, few would be persuaded to run for OC offices.	

Time Marker	Speaker	Subject(s)	Action Required
012240 – 012508	Chairman Administration	(a) The Chairman said that members recognized the high demand for assistance and support to owners to carry out inspection and repair when MBIS and MWIS were implemented and were concerned whether sufficient resources would be provided.	Required
		(b) The Administration advised that whereas various financial assistance schemes required means tests on owners, technical advice such as providing assistance with regard to the formation of OCs was available to all owners without conducting any means tests.	
012509 - 013016	Chairman Mr KAM Nai-wai Administration	<ul> <li>(a) Mr KAM was concerned about how the Administration could identify which owners needed support, and what assistance would be provided to them. He was also concerned about how many owners were likely to ignore BD's orders and how many would only be willing to comply if subsidies were provided. He asked if the Administration would carry out inspections and repairs when owners did not comply with an inspection or repair order from BD after a given period.</li> <li>(b) The Administration responded that while it was the community's consensus that owners were responsible for the management and maintenance of their properties, the Administration had a responsibility to help owners in need. After an inspection or repair order was issued, BD staff would follow up with owners concerned and would provide advice in response to</li> </ul>	

Time Marker	Speaker	Subject(s)	Action Required
		(c) The Administration further advised that BD would consider a number of factors in deciding whether to undertake inspection and repair on behalf of owners. These factors included whether owners remained unresponsive when the specified period in the inspection notices had lapsed for a long time, and whether the condition of the building was unsafe. If it was known that owners were in the process of forming an OC, more time would be allowed before BD intervened.	
013017 - 013244	Chairman Mr WONG Kwok-hing Administration	(a) Mr WONG expressed concern about how many community organizers HAD had deployed on building management related duties. He requested the Administration to provide information on the number of community organizers deployed by HAD, their salary ranges and working hours, their knowledge and training on building management matters, as well as the average number of buildings served by each community organizer.	Administration to take action as required in paragraph 2 of the minutes
		(b) The Administration responded that community organizers performed a wide range of tasks apart from building management-related duties.	
013245 - 013700	Chairman Mr James TO	(a) Mr TO suggested that social worker teams could be established on a pilot basis in addition to forming property management expert teams. Social workers could communicate better with owners and facilitate them to organize together to form OCs and to carry out building management and maintenance. Social worker teams would not be a long term burden as the demand for	

Time Marker	Speaker	Subject(s)	Action Required
		social work support in building management would decrease over time.	- 1
013701 - 014656	Chairman Mr LEE Wing-tat Administration	(a) Mr LEE said that the effects of the mandatory inspection schemes and BMPSS were likely to be insignificant to solve building management and maintenance problems. The impact of providing additional manpower or the introduction of social worker teams would also likely be insignificant. He suggested that legislation should be introduced to make it a mandatory requirement for property owners to engage a property management company to take over building management tasks.	
		(b) The Administration responded that the objective of the Bill was to ensure the safety of buildings, and to safeguard the safety of building users as well as pedestrians.	
		(c) The Chairman said that there were two issues: building safety and building management. The pilot scheme alone could not solve all building management problems as voluntary assistance was not sustainable. New resources were needed to help owners of old and dilapidated buildings who were unable to afford quality property management services.	
		(d) The Administration responded that HAD was studying the feasibility of regulating the property management profession, including whether a registration system should be introduced. The first stage of the study, which covered	

Time Marker	Speaker	Subject(s)	Action Required
		overseas experience, had bee completed, and the Panel on Hon Affairs was briefed in July 200 The second stage of the study, to be completed within 2010, wou examine whether and how proper management companies professionals in Hong Kong shou be regulated. Options such establishing a licensing system introducing grades or classes licence for management companie and practitioners would be covered.	en ne 8. be ld ty or ld as or of es
014657 – 015056	Chairman Mrs Sophie LEUNG	(a) Mrs LEUNG suggested that new completed buildings, and building that had undergone major renovation should be required to be managed by a professional proper management agent, and that an O would have to be formed within period of time. Owners should also be required to contribut toward a fund to meet the cost of future maintenance works. The measures should send a cle message that owners we responsible for their ownersted.	gs or oe ty C a ld te of se ar re
015057 – 015739	Chairman Ms Miriam LAU Administration	(a) Ms LAU said that the requirement for new buildings or building having undergone major renovation to form an OC and to engage professional management comparts could possibly be imposed by water of legislation. The mandator inspection schemes were unlikely be able to solve all building safe problems unless there was large scale urban redevelopment.  (b) Ms LAU commented that which is the said of t	gs on a ny ny to ty ge
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Time Marker	Speaker	Subject(s)	Action Required
		quality of the sector, it might not help improve the conditions of old buildings, as those owners would not engage these companies; nor could they even form an OC.	•
		(c) Ms LAU observed that community organizers were often passive, and would not play a role in resolving disputes that arose during a meeting of the OCs. If community organizers were given a mediation task, they should be properly trained and sufficiently empowered.	
		(d) The Administration responded that LOs and community organizers were given training on basic building management matters, including procurement of goods and services and building management and maintenance. Subsidies were also provided to LOs if they attended relevant third party training programmes. HAD also organized regular workshops, case discussions, and briefing sessions for staff. Efforts would continue to be made to encourage staff to take more initiative to help owners and OCs.	
015740 – 015959	Chairman Administration	(a) Members agreed to the schedule of meetings up to mid-July 2010.	
		(b) Members agreed that discussion could focus on target buildings, unauthorized building works and internal alteration works, legal liabilities, service providers, subsidiary legislation, assistance to owners' corporations/owners and other relevant issues.	