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1 June 2017

Public Accounts Committee Legislative Council Legislative Council Complex 1 Legislative Council Road Central Hong Kong (Attn: Mr Anthony Chu)

Dear Mr Chu,

Public Accounts Committee Consideration of Chapter 3 of the Director of Audit's Report No. 68 Management of squatter and licensed structures

I refer to your letter dated 17 May 2017.

Please find attached our responses to the issues mentioned in your letter.

Yours sincerely,

(CHHo) for Director of Buildings

Encl.

12/F-18/F Pioneer Centre, 750 Nathan Road, Mongkok, Kowloon, Hong Kong. 香港九龍旺角彌敦道 750 號始創中心 12 樓至 18 樓

Public Accounts Committee Consideration of Chapter 3 of the Director of Audit's Report No. 68 Management of squatter and licensed structures

For the Buildings Department

Part 4: Clearance of squatter and licensed structures

1. According to paragraph 4.28, as of January 2017, 165 private slopes posing landslide risks to squatter and licensed structures had been issued with 210 Dangerous Hillside Orders ("DHOs") under the Buildings Ordinance (Cap. 123) which had not been satisfactorily complied with. According to paragraph 4.29, the Buildings Department ("BD") may carry out default works and prosecution actions against the pertinent private-slope owners. What actions will BD take against these 210 DHOs to ensure that DHOs are satisfactorily complied with in a timely manner? As for the 34 DHOs on private slopes posing landslide risks to S&L structures which had been long overdue from 10 to 21 years but had not been complied with as stated in paragraph 4.30, what are the reasons for the long time taken by the pertinent private-slope owners to comply with DHOs? What efforts have been/will be taken by the Administration to facilitate compliance of the private-slope owners? What are the latest progress of the situations and the Administration's plans to improve compliance of the private-slope owners?

Audit recommendations

2. What are the Government's executive plans and timetables to adopt Audit's recommendations in paragraph 4.34?

Replies to Questions 1 & 2:

Follow-ups on Dangerous Hillside Orders

i) The 210 Dangerous Hillside Orders (DHOs) mentioned in paragraph4.28 of the Audit Report are in different stages of formulation of the

slope upgrading works proposals or execution of the slope upgrading works. For cases with remedial works being undertaken by the owners, the Buildings Department (BD) will continue to closely monitor their progress. If the owners delay commencement of the required upgrading works without reasonable excuse, the BD will instigate prosecution against them in accordance with the Buildings Ordinance and if necessary, consider carrying out the works in their default and recover the cost plus supervision charge and a surcharge not more than 20% from the owners. For DHOs under default action, the BD will continue to closely monitor the progress of slope upgrading works.

Long outstanding DHOs

- ii) As regards the latest status of the 34 DHOs (outstanding for more than 10 years) mentioned in paragraph 4.30 of the Audit Report, two DHOs have the slope upgrading works near practical completion; eight DHOs have the slope upgrading works in progress; 10 DHOs are in the formulation of slope upgrading works proposal stage; and one DHO is under an appeal which is pending decision from the Appeal Tribunal. For the remaining 13 DHOs, they were previously undertaken by the owners, but in view of the owners' unreasonable delay, the BD is in the course of procuring default works consultants (DWCs) to execute the required slope upgrading works.
- As some of these 34 DHOs involved slopes located in common areas iii) under multiple-ownership, the co-owners have to agree on issues, including the budget and apportionment of costs among them, appointment of registered building professionals and registered contractors, slope investigation and upgrading works proposals, etc. For cases where the proposed slope upgrading works involve adjoining Government land, liaison with the Lands Department for permission to enter and execute works in Government land is also required. Therefore, it is inevitably for these cases to take more time for coordination and preparatory work before carrying out the slope investigation and upgrading works. In some cases, despite the owners' initial efforts in coordinating and arranging the slope upgrading works, some owners stalled or delayed the works in the

midst of the preparation process because of different reasons. Change of ownership, legal disputes against ownership and maintenance responsibilities, lack of cooperation from owners/occupiers, denial of access, etc. have also hindered timely implementation of slope upgrading works.

Facilitating compliance of DHOs

- iv) Whilst the primary responsibility for the upkeep of the safety of private slopes rests with the owners concerned, some owners may lack the financial means or knowledge to effectively arrange the slope upgrading works. In collaboration with partnering organisations and relevant department, there are facilitation measures in place to provide assistance to the owners in need.
- v) Owners of eligible buildings may apply for financial assistance in the form of grants and/or loans under the Integrated Building Maintenance Assistance Scheme administered by the Urban Renewal Authority, as well as the Building Safety Loan Scheme managed by the BD. Taking into account the cost of slope upgrading works, the maximum total amount of financial assistance available to a single applicant, in the form of grants and loans, may exceed \$1 million.
- vi) The BD in collaboration with the Geotehncial Engineering Office of the Civil Engineering and Developemnt Department will enhance technical assistance to the owners to facilitate their compliance with the orders. The BD's in-house Social Service Team will be deployed to assist the owners in compliance with the DHOs according to the needs of the owners. Assistance from the Home Affairs Department will be sought if necessary.
- vii) To further enhance the effectiveness of enforcement actions against DHOs in particular for those slope upgrading works that have not been satisfactorily carried out by the owners over long period of time, facilitation measures have been implemented as mentioned in paragraphs v) and vi) above. In addition, the BD has since 2016 stepped up the default action against these DHOs with DWCs procurement procedures streamlined. The BD will also continue to

closely monitor the compliance status of the DHOs and the progress of the slope upgrading works undertaken by the owners. In parallel, the BD will step up prosecution action against non-complaint owners as necessary. As the response and cooperation of the owners are critical for the smooth implementation of slope upgrading works, we are unable to draw up a definitive timetable for clearance of the DHOs.