A brief account of Chapter 4 of Report No. 75
"Efforts of the Home Affairs Department in facilitating building management"
by the Director of Audit
at the Public Hearing of the Public Accounts Committee
of the Legislative Council on Wednesday, 10 March 2021

Mr. Chairman,

Thank you for inviting me here to give a brief account of Chapter 4 of Report No. 75 of the Director of Audit, entitled "Efforts of the Home Affairs Department in facilitating building management".

This Audit Report comprises four PARTs.

PART 1 of the Report, namely "Introduction", describes the background of the audit.

Managing the common parts of a private building is the joint responsibility of its owners. The Home Affairs Department (HAD), responsible for implementing the Government's policy, assists owners of private buildings to form owners' corporations (OCs) and deal with building management matters through various support services.

PART 2 of the Report examines support services provided by HAD for the formation of OCs.

As at the end of 2019, 5,255 private buildings in Hong Kong did not have OCs or any form of residents' organisations, nor engaged any property management companies. These buildings are commonly referred to as "three-nil" buildings. To assist owners of "three-nil" buildings to organise themselves to form OCs so as to improve the management of their buildings, HAD has since 2011 engaged contractors to operate two schemes, namely the Building Management Professional Advisory Service Scheme (BMPASS) and the Resident Liaison Ambassador (RLA) Scheme. Under BMPASS, eligible buildings also include those with OCs but having defunct or inactive management committees, and exclude buildings which might not be able to form OCs in accordance with the Building Management Ordinance (Cap. 344), such as private buildings under single ownership. The Audit Commission (Audit) noted that HAD did not have readily available information on the number of such buildings and, therefore, could not ascertain the number of buildings eligible for BMPASS.

Up to March 2020, among the 3,820 buildings approached since BMPASS was launched 9 years ago, only 536 OCs had been formed or reactivated under the scheme, representing an overall success rate of 14%. As for RLA Scheme, for the period 2015 to

2019, the number of RLAs recruited decreased by 24%, and the percentage of "three-nil" buildings aged 30 years or above with incumbent RLAs ranged from 22% to 35%.

PART 3 examines support services provided by HAD on other building management matters.

HAD has set up District Building Management Liaison Teams (DBMLTs) comprising Liaison Officers (LOs) in the 18 District Offices (DOs) to provide support services on building management matters. For the Pre-meeting Advisory Service for OCs, Audit found that some DOs did not keep adequate records of services provided. In addition, the requirement stated in HAD's "Operational Manual on Building Management for LOs" that "each private building will be visited by LOs at least once a year" had not been met from 2016 to 2019, with 47% to 54% buildings not visited each year. While some of the buildings were not visited in the past 5 years, there were repeated visits in the same year for some other buildings without reaching out to the owners' organisations.

Regarding training on building management provided to LOs in DBMLTs, Audit noted that the total number of attendees had decreased by 14% from 329 to 282 during the period 2015-16 to 2019-20.

PART 4 examines other administrative matters.

For the performance indicator on "liaison with owners/management bodies of private buildings" in its Controlling Officer's Reports, HAD has set target numbers of liaisons for each of the 18 DOs and for the Headquarters. Audit found that in 2019, 14 DOs and the Headquarters did not meet the targets on the total number of liaisons, and 7 (39%) of the 18 DOs had persistently failed to achieve the targets for 3 consecutive years from 2017 to 2019. Also, there was room for improvement in the counting of number of programmes for the performance indicator on "building management educational and publicity programmes", such as double counting of the same programmes by the Headquarters and the DOs, and counting a television advertisement broadcast during a 6-day period as 60 "programmes".

HAD maintains a Building Management Information System (BMIS), which is a database of all private buildings in Hong Kong used by HAD for planning and implementation of services. BMIS provides basic information on private buildings in all districts, such as number of units, year built and information on management organisations of the buildings. As at 31 March 2020, data of 40,944 buildings was kept in BMIS. Audit noted that some of the data was not available or had not been updated. For example, data of "year built" was not available for 7,099 (17%) buildings.

In the light of the above audit findings, Audit has made recommendations to HAD, and HAD has accepted the recommendations. I would like to take this opportunity to acknowledge with gratitude the full cooperation, assistance and positive response of the staff of HAD during the course of the audit review amid the coronavirus disease (COVID-19) epidemic.

Thank you, Mr. Chairman.