

(Translation)

**Public Accounts Committee  
10 March 2021**

**Report No. 75 of the Director of Audit  
Efforts of the Home Affairs Department in facilitating building management  
(Chapter 4)**

**Opening Speech by the Secretary for Home Affairs**

Mr. Chairman and Honourable Members,

First of all, I would like to thank the Audit Commission for conducting the value for money audit on “Efforts of the Home Affairs Department (HAD) in facilitating building management”, which offers a lot of valuable comments.

2. Before discussing the contents of the audit report, I would like to first explain the role of HAD in building management. It is the owners’ responsibility to manage private buildings. The Government’s policy is to act as a facilitator to encourage and assist owners to form suitable residents’ organisations through multi-pronged measures, including providing a legal framework for buildings to form owners’ corporations (OCs) under the Building Management Ordinance (Cap. 344), so as to assist owners in discharging their building management responsibilities.

3. Other than legal framework, HAD has been actively providing owners with various support services to assist them in managing their buildings effectively. Since 2011, we have been launching various new services, including advisory services such as Free Legal Advice Service on Building Management and Owners’ Corporations Advisory Services Scheme; dispute resolution services such as Building Management Dispute Resolution Service and Free Outreach Legal Advice Service on Building Management; and services targeting aged buildings such as Central Platform on Building Management and Community Care Fund - Subsidy for Owners’ Corporations of Old Buildings.

4. Part 2 of the audit report reviewed HAD’s measures in supporting “three-nil” buildings (i.e. buildings which do not have OCs or any form of residents’ organisations, or do not engage property management companies). I understand that the community is concerned about the management of “three-nil” buildings. In fact, HAD has been actively assisting “three-nil” buildings in forming OCs through the Building Management Professional Advisory Service Scheme (BMPASS), so that owners can have a platform to discharge their building management responsibilities; and actively providing owners with various support

services to promote good building management. Through these efforts, the number of “three-nil” buildings has continued to decrease, from about 6 600 in mid-2011 to about 4 900 by the end of 2020, representing a decrease of 25% in ten years. It is worth mentioning that effective building management can be achieved through different forms of residents’ organisations. In addition to OCs that I mentioned earlier, other examples include mutual aid committees, owners’ committees, residents’ associations and cooperative societies, etc. We also notice that even if some buildings cannot set up OCs, the owners concerned have still engaged property management companies to manage their buildings, which accounted for 10% of the total number of buildings (i.e. about 4 000). However, as mentioned in the audit report, many “three-nil” buildings are fraught with inherent problems and practical issues. In particular, the audit report notes that many buildings which fail to form OCs share some common characteristics, such as most of the occupants being tenants rather than owners; the prominence of aged owners who are not interested in forming OCs; the existence of multiple Deeds of Mutual Covenant; the buildings concerned are under acquisition, etc., which make the formation of OCs difficult. Therefore, there are considerable hurdles for us to assist “three-nil” buildings in forming OCs. Nevertheless, we accept the recommendations of the audit report. We aim to launch the regularised BMPASS within this year with reference to the audit recommendations and our past experience. This will enable us to continue to assist “three-nil” buildings in achieve better management through different means (e.g. forming OCs), having regard to their individual circumstances.

5. Apart from daily management, “three-nil” buildings have to deal with problems such as fire safety, environmental hygiene and building safety. The formation of OCs alone cannot resolve these problems. In fact, these problems are not unique to “three-nil” buildings, and there were ample cases in the past where buildings with OCs also encountered such problems. The fundamental solution to these problems calls for close cooperation among the owners/residents and the relevant bureaux and departments. For example, to improve the fire safety of aged buildings more effectively, the Chief Executive earlier announced that consideration would be given to amending the Fire Safety (Buildings) Ordinance to empower the Fire Services Department and the Buildings Department to conduct fire safety improvement works on behalf of owners of aged buildings incapable of complying with statutory requirements, and recover relevant costs from them after completion of the works. As regards the drainage conditions of buildings, the Government has earlier announced in the Budget that one billion had been earmarked to launch the Building Drainage System Repair Subsidy Scheme in tandem with the Urban Renewal Authority, with a view to providing financial support to owners of aged buildings with relatively lower rateable values for inspection, repair and upgrading of the building drainage systems. Problems such as fire safety, environmental hygiene, and building safety should therefore be followed up by relevant departments in accordance

with the relevant legislation, and the departments concerned would, having regard to the actual circumstances, provide owners in need with targeted financial and technical assistance. HAD will continue to act as a facilitator to provide support to owners and refer them to relevant support services.

6. As for the recommendations in the Parts 3 and 4 of the audit report concerning support services on other building management matters and administrative matters, we have already taken follow-up action. For example –

- (a) the report recommends increasing the use of electronic means to conduct briefings for the Central Platform on Building Management. In this regard, we conducted a live webcast of the briefing held in Yuen Long in December 2020, and will continue to make similar arrangements regularly in future;
- (b) with reference to the report's recommendations, we have issued new guidelines on record keeping and visit procedures to the District Building Management Liaison Teams; and
- (c) under the relevant guidelines, we require liaison officers to complete a standard report after their liaison work, and record whether updates to the Database of Private Buildings in Hong Kong are required, thereby reminding colleagues to update the database in a timely manner.

7. In summary, we will further improve various measures and arrangements with reference to the recommendations of the audit report. My colleagues from HAD and I are happy to answer questions from Members.

8. Thank you, Mr. Chairman.

Ends