

A. Introduction

The Audit Commission ("Audit") conducted a review to examine the efforts of the Home Affairs Department ("HAD") in facilitating building management.

2. Hon Paul TSE Wai-chun declared that he served as legal adviser for a number of owners' corporations ("OCs"). Hon SHIU Ka-fai declared that he was unremunerated honorary or honorary adviser/member to some non-governmental organizations or trade associations. Hon Tony TSE Wai-chuen declared that he was the Chairperson of the Property Management Services Authority.

Background

3. The Administration's policy is to encourage and assist property owners to form appropriate owners' organizations, such as OCs, for effective building management and to assist owners to discharge their management responsibilities. The Building Management Ordinance (Cap. 344) ("BMO") provides a legal framework to facilitate the incorporation of owners and provides for matters connected with building management.

4. The Secretary for Home Affairs is the authority of BMO. HAD, being the executive arm of the Home Affairs Bureau ("HAB"), assists owners of private buildings to form owners' organizations and deal with building management matters through various support services. Apart from a dedicated division in its Headquarters responsible for coordinating 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 relevant support services at the district level. In 2020-2021, there were 145 LOs in HAD's Headquarters and DBMLTs engaged in building management duties.

5. The Committee held one public hearing on 10 March 2021 to receive evidence on the findings and observations of the Director of Audit's Report ("Audit Report").

The Committee's Report

6. The Committee's Report sets out the evidence gathered from witnesses. The Report is divided into the following parts:

- Introduction (Part A) (paragraphs 1 to 12);
- Support services for the formation of owners' corporations (Part B) (paragraphs 13 to 40);
- Support services on other building management matters (Part C) (paragraphs 41 to 57);
- Other administrative matters (Part D) (paragraphs 58 to 62); and
- Conclusions and recommendations (Part E) (paragraphs 63 to 65).

Opening remarks

7. **Mr John CHU Nai-cheung, Director of Audit**, gave a brief account of the Audit Report at the beginning of the Committee's public hearing held on 10 March 2021. The full text of his speech is in *Appendix 29*.

8. **Mr Caspar TSUI Ying-wai, Secretary for Home Affairs**, made an opening statement at the beginning of the Committee's public hearing held on 10 March 2021. The full text of his opening statement is in *Appendix 30*.

Performance indicators on facilitating building management

9. With reference to paragraph 1.17 of the Audit Report, the Committee asked whether HAD would consider including in its Controlling Officer's Reports the performance indicators on "Visits to buildings with owners' corporations/mutual aid committees/owners' committees/residents' organizations" and "Visits to buildings without any form of management", which were replaced in 2017 by another indicator on "Liaison with owners/management bodies of private buildings".

10. **Miss Janice TSE Siu-wa, Director of Home Affairs** responded at the public hearing and further explained in her letter dated 30 March 2021 (*Appendix 31*)

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that such change was to recognize the closer and more frequent liaison of DBMLTs with owners/management bodies by electronic means, in addition to the traditional means of conducting physical visits. The actual number of liaisons conducted since 2017 was 57 926 (2017), 62 147 (2018) and 58 855 (2019) respectively. In 2020, HAD conducted 77 094 times of liaison, which were attributable to the increase in liaison work arising from the pandemic as well as ad hoc requests from other bureaux/departments ("B/Ds") for promotion of various Government subsidy schemes.

11. The Committee further asked whether HAD would adjust upward the estimates for the two indicators on "Liaison with owners/management bodies of private buildings" and "Building management educational and publicity programmes", which remained largely unchanged from 2017 to 2020.

12. **Director of Home Affairs** responded in her letter dated 30 March 2021 (*Appendix 31*) that the estimated target for the indicator on "Liaison with owners/management bodies of private buildings" was already adjusted upward by 18% from 60 000 in 2020 to 71 000 in 2021. As for the indicator on "Building management educational and publicity programmes", in view of the continuation of the pandemic and the possible impact of social distancing measures on the implementation of the programmes, an estimated target similar to those in previous years had been adopted. HAD would review the targets and make adjustment where necessary.

B. Support services for the formation of owners' corporations

13. With reference to paragraph 2.2 of the Audit Report, the Committee sought details about the free advisory services provided under the Building Management Professional Advisory Service Scheme ("BMPASS")¹ for owners of targeted buildings before the successful formation of OCs. The Committee was concerned whether such free support services would reduce the incentive of owners to set up OCs, and whether there were any further mandatory measures that could be taken by the Administration to incentivize owners to set up OCs and enhance their compliance with BMO.

¹ BMPASS aims at assisting owners of aged buildings (in particular those of "three-nil" buildings) in the formation of OCs with a view to improving building management. HAD has implemented three phases of BMPASS since 2011 and commissioned two contractors to implement the scheme.

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14. **Secretary for Home Affairs** and **Director of Home Affairs** responded at the public hearing, and **Director of Home Affairs** advised in her letter dated 30 March 2021 (*Appendix 31*) that:

- the advisory services provided under BMPASS before the formation of OCs included conducting household visits and contacting owners directly, producing building management audit reports on common parts, recruiting Resident Liaison Ambassadors ("RLAs")² and assisting in the formation of OCs or the reactivation of operation of OCs. These services mainly served to build up a liaison network and lay a foundation for the formation of OCs, and hence would not reduce the incentive of owners to form OCs; and
- while it had been the Administration's policy to encourage owners to organize themselves and form suitable residents' organizations, OC was not the only option and there were other forms of residents' organizations. Owners could decide whether, and if so, which form of residents' organization should be formed, having regard to their own needs, the buildings' conditions, the relevant terms of the Deeds of Mutual Covenant ("DMC"), etc. It might not be appropriate to introduce any mandatory measures for the formation of OCs.

15. Referring to paragraphs 2.2 and 2.10 of the Audit Report, the Committee asked why the contract cost of BMPASS had increased by 34% over the three phases (from \$38 million in Phase 1 to \$51 million in Phase 3) while the number of buildings approached by the two contractors remained steady during the period (from about 1 200 to 1 300 in Phase 1 to Phase 3 (up to March 2020)).

16. **Director of Home Affairs** explained in her letter dated 30 March 2021 (*Appendix 31*) that the increase in contract cost was primarily attributable to the enhanced scope of services to include the recruitment of RLAs and procurement of third party risks insurance for OCs since Phase 2, and the increase in the number of target buildings by over 10% in Phase 3. The changes in the prevailing market price had also been reflected in the contract cost for each phase.

² In 2011, HAD rolled out the Resident Liaison Ambassador Scheme ("the RLA Scheme"), which seeks to establish a resident liaison network for promoting the message of effective building management by recruiting owners or tenants who live in "three-nil" buildings as RLAs.

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17. The Committee noted from paragraph 2.6 of the Audit Report that HAD did not have readily available information on the number of buildings eligible for BMPASS.³ The Committee asked whether HAD would consider maintaining a proper database on the number of buildings eligible for BMPASS and other related statistics, so as to facilitate the resource planning and improve the effectiveness of BMPASS implementation.

18. **Secretary for Home Affairs** and **Miss Vega WONG Sau-wai, Deputy Director of Home Affairs (2)** responded at the public hearing, and **Director of Home Affairs** supplemented in her letter dated 30 March 2021 (*Appendix 31*) that with a view to ascertaining the number of buildings with defunct or inactive management committees ("MCs"), HAD would develop guidelines to help DBMLTs identify buildings with MCs which were defunct or inactive, and to remind DBMLTs to suitably record information about such MCs identified during their daily liaison and report the information to HAD's Headquarters regularly. As for other types of buildings that were unable to form OCs under BMO (e.g. those under single ownership or being town house development), HAD would require DBMLTs to regularly compile information on such buildings known to them in the course of their daily liaison work. These measures would be implemented in the second quarter of 2021.

19. With reference to paragraph 2.7 and Table 2 of the Audit Report regarding the number of target buildings under the three phases of BMPASS, the Committee sought explanations for the variance⁴ in the planned and actual numbers of target buildings ranging from -75 to 75 for individual geographical areas, and the measures to address the issue.

20. **Director of Home Affairs** explained in her letter dated 4 January 2021 (*Appendix 32*) that:

³ Apart from "three-nil" buildings, BMPASS also covered buildings with OCs but management committees ("MCs") of which were defunct or inactive. However, according to HAD, while the number of "three-nil" buildings was readily available, there were no readily available statistics about buildings with defunct MCs.

⁴ "Variance" is defined as the actual number of target buildings in a geographical area under BMPASS minus the planned number of target buildings.

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- during the preparation for BMPASS Phase 3 in 2016, all those "three-nil" buildings⁵ (about 1 400) in HAD's records that had not been approached previously were included. Targets were also set for individual geographical areas. However, in the course of assessing the eligibility of individual buildings after the launch of BMPASS Phase 3, HAD noted that some of those buildings were no longer eligible (e.g. under single ownership). HAD then replaced such buildings by those with defunct MCs, which might be located in other districts, and hence the variance arose. Nevertheless, in overall terms, there was no significant difference between the total planned and actual numbers of target buildings. Such variance in individual districts was only the result of HAD's efforts to ensure optimal use of resources; and
- the experience of the previous BMPASS revealed that the status of a building might change from time to time (e.g. a building had come under single ownership as a result of acquisition, or might be demolished and redeveloped). To address the variance for individual geographical areas arising from the changing status of buildings, HAD would only set an overall planned number of target buildings under the regularized BMPASS.⁶

21. According to paragraphs 2.10 and 2.11 of the Audit Report, in the nine years of BMPASS implementation from 2011 to 2020 (up to March 2020), only 536 (14%) OCs had been successfully formed/reactivated among the 3 820 buildings approached by the two contractors. With reference to paragraph 2.15 of the Audit Report, the Committee asked why HAD still considered the achievement of BMPASS reasonable and the two contractors' performance satisfactory having regard to such a low success rate in forming/reactivating OCs. The Committee also asked whether HAD had reviewed the cost-effectiveness of implementing BMPASS (including the commissioning of contractors) from the perspective of value for money.

22. **Secretary for Home Affairs, Director of Home Affairs and Deputy Director of Home Affairs (2)** explained at the public hearing, and **Director of**

⁵ "Three-nil" buildings refer to those buildings which do not have OCs or any form of residents' organizations, nor engage any property management companies.

⁶ The Government announced in the 2019 Policy Address the regularization of BMPASS. HAD aims to launch the regularized scheme within 2021.

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Home Affairs supplemented in her letters dated 4 January and 30 March 2021 (*Appendices 32 and 31* respectively) that:

- "three-nil" buildings were often fraught with inherent problems and practical issues which made the formation of OCs difficult. Examples included buildings with most of the occupants being tenants rather than owners and buildings with the existence of multiple DMCs leading to complications in ownership and management responsibilities. These inherent difficulties posed considerable hurdles to the BMPASS contractors in assisting owners to form/reactivate OCs;
- HAD had set performance indicators for the past three phases of BMPASS, including the targeted number of OC formation/activation. According to the targets set for and the actual performance achieved by the BMPASS contractors as shown in the above letter, they had in total formed/reactivated 536 OCs, over and above the contractual target of 303 OCs. Given the inherent difficulties in OC formation mentioned above, HAD considered their performance reasonable; and
- other than the formation/reactivation of OCs, the BMPASS contractors also assisted in the recruitment of RLAs, the application for various loan and subsidy schemes for maintenance works, the procurement of third party risks insurance, etc. Hence, the success rate of forming/reactivating OCs should not be taken as the sole indicator for assessing the performance of BMPASS. Nevertheless, HAB and HAD agreed that there was room for improvements, and would strive to enhance the outputs in the regularized BMPASS.

23. The Committee further asked how HAB had come up with the decision to regularize BMPASS, and whether HAB considered it appropriate to regularize BMPASS before the above inherent problems and practical difficulties with "three-nil" buildings could be fully addressed.

24. **Director of Home Affairs** explained in her letter dated 30 March 2021 (*Appendix 31*) that the inherent problems and practical difficulties associated with "three-nil" buildings suggested that the formation of OC had never been easy, and would be increasingly difficult for the remainder of such buildings after three phases of BMPASS. In view of the outcome of the past three phases of BMPASS and the positive feedback from service users and other local personalities, HAB and HAD considered it advisable to regularize BMPASS for the benefit of owners of "three-nil"

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buildings who wished to improve building management through OC formation. To enhance the success rate for the regularized scheme, HAD would require the contractors to step up the recruitment of RLAs as recommended in paragraph 2.34(a) of the Audit Report, in order to increase the chance of OC formation. HAD would also invite tenderers to submit other innovative suggestions to encourage owners to form OCs.

25. In response to the Committee's enquiry about the latest progress of the regularization of BMPASS and the estimated contract price for the regularized BMPASS, **Secretary for Home Affairs** advised at the public hearing and **Director of Home Affairs** supplemented in her letter dated 30 March 2021 (*Appendix 31*) that HAD was working out the details of the regularized BMPASS, taking into account the experience of the past three phases of the scheme, the Audit recommendations and the comments of the Committee. HAD aimed to launch the regularized scheme within 2021. The contract price of the awarded tender would be published upon completion of the tender exercise.

26. In light of the difficulties mentioned in paragraph 22, the Committee enquired about the measures that could be taken by HAD to improve the success rate of forming/reactivating OCs under BMPASS. **Director of Home Affairs** advised in her letter dated 4 January 2021 (*Appendix 32*) that HAD had since 2011 implemented the Resident Liaison Ambassador Scheme ("the RLA Scheme") to recruit owners or tenants living in "three-nil" buildings of 30 years or above as RLAs. The experience of the previous BMPASS indicated that the RLA Scheme was conducive to facilitating the formation of OCs. HAD would step up efforts in recruiting and engaging RLAs under the regularized BMPASS as recommended in paragraph 2.34 of the Audit Report, with a view to increasing the rate of success in OC formation.

27. Referring to paragraph 2.12 and Table 4 of the Audit Report about the large percentage of unsuccessful household visits conducted by a BMPASS contractor in District A (73% for Phase 2 and 81% for Phase 3 (up to March 2020)), the Committee asked whether HAD had identified the reasons for the low completion rate of household visits. The Committee also enquired about the measures to be taken by HAD to increase the completion rate of household visits under the regularized BMPASS.

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28. **Secretary for Home Affairs** and **Director of Home Affairs** responded at the public hearing, and **Director of Home Affairs** further explained in her letter dated 30 March 2021 (*Appendix 31*) that:

- according to HAD's observations and understanding from the BMPASS contractors, common reasons for the low success rate of household visits included the unwillingness of occupants who were tenants to participate in building management, prevalence of vacant units (e.g. for buildings under acquisition), aged owners who were not interested in forming OCs or were reluctant to answer the door when strangers called, etc.;
- to enhance the success rate of household visits, the BMPASS contractors would be required to conduct another round of visits at different times of a day. The BMPASS contractors would, where necessary, conduct further rounds of household visits, particularly to buildings where the participation of just a few more owners would be sufficient for forming OCs;
- the BMPASS contractors were required to re-visit all buildings with low success rate nine months before expiry of the scheme. After the visits, an appeal letter would be issued to encourage households which did not answer the door to contact the BMPASS contractors; and
- under the regularized BMPASS, HAD would explore other channels to reach out to owners of "three-nil" buildings, for instance, setting up mobile counters in the evening at the building entrance to approach owners/residents when they returned home. Other incentives such as the distribution of souvenirs to households visited might also be adopted. Besides, HAD would require tenderers for the regularized BMPASS to suggest innovative measures to enhance the success rate of the outreach work.

29. The Committee further asked how HAD verified the statistics on household visits provided by the BMPASS contractors, and how HAD monitored the work of BMPASS contractors to ensure that they had conducted door-to-door household visits to all target buildings. **Director of Home Affairs** explained at the public hearing and supplemented in her letter dated 30 March 2021 (*Appendix 31*) that the BMPASS contractors were required to provide HAD with the schedules of household visits. The relevant DOs would conduct bi-monthly record checks, including the records on household visits and staff attendance. Besides, the progress of

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household visits would also be reported at the quarterly review meetings with HAD's management at Headquarters' level.

30. Referring to paragraphs 2.17 and 2.18 of the Audit Report about the persistent over-achievement in the output targets set for the three phases of BMPASS, the Committee enquired how the level of such targets for each phase was determined, and whether HAD would re-adjust these targets for the regularized BMPASS to better reflect the contractors' performance and the extent to which BMPASS had achieved its objective.

31. **Secretary for Home Affairs, Director of Home Affairs and Deputy Director of Home Affairs (2)** responded at the public hearing, and **Director of Home Affairs** further advised in her letter dated 30 March 2021 (*Appendix 31*) that:

- various targets as shown in Table 5 in paragraph 2.17 of the Audit Report were set for the BMPASS contractors under the respective contracts. HAD had adopted a prudent approach in setting the target on the number of OCs formed/reactivated given the inherent problems of "three-nil" buildings. The relevant target had already been adjusted upward for Phase 3 in light of the experience of the past two phases;
- as HAD intended to require the BMPASS contractors to recruit at least one RLA for each target building under Phases 2 and 3 (the recruitment of RLAs was not a contract requirement for Phase 1), the target on the number of RLAs recruited corresponded to the number of target buildings. Given that services relating to application for loan/subsidy, engagement with consultants/contractors and procurement of third party risks insurance would only be applicable to buildings with OCs successfully formed/activated, the relevant targets were set with reference to the target on the number of OCs formed/reactivated; and
- HAD agreed that there was room for adjusting the targets upward, and would take this into account in drawing up the details of the regularized scheme. The revised targets would be set out in the tender documents.

32. According to paragraph 2.19 of the Audit Report, the BMPASS contractors should convene users' advisory meetings comprising representatives of users to collect views on BMPASS and their performance half-yearly in each of the

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geographical areas. The Committee sought explanations for the small number of attendees (averaging 22 at each meeting and 26% of the meetings with fewer than 10 attendees) at these meetings.

33. **Director of Home Affairs** explained in her letter dated 4 January 2021 (*Appendix 32*) that:

- some common reasons for the apparently low attendance rate included meeting venues being outside the vicinity of the place of residence of the service users, meeting dates not fit their schedules and insufficient incentives for them to attend the meetings;
- despite the apparently low attendance rate, it should be noted that as gauged from the returns received in the users' satisfaction surveys, respondents were satisfied with the performance of the BMPASS contractors and considered BMPASS helpful in assisting the formation of OCs; and
- HAD would consider measures to further step up publicity to encourage attendance at users' advisory meetings as well as the desirability/feasibility of providing more incentives for service users to attend such meetings under the regularized BMPASS. This would be stipulated as a requirement in the tender documents for the service.

34. Referring to paragraph 2.22 of the Audit Report about the users' satisfaction surveys conducted for the three phases of BMPASS, the Committee expressed concern about the overall decrease of 56% in the number of survey questionnaires distributed and the low response rate with an average percentage of 2.2% only. The Committee asked whether HAD would explore other more effective ways to gauge users' views on BMPASS.

35. **Secretary for Home Affairs, Director of Home Affairs** and **Mr Alfred LEE Koon-yan, Assistant Director (5), HAD** responded at the public hearing, and **Director of Home Affairs** further advised in her letter dated 30 March 2021 (*Appendix 31*) that:

- the survey was conducted twice in each phase of BMPASS. The number of questionnaires distributed in Phase 1, Phase 2 and Phase 3 was 32 434, 17 601 and 14 349 respectively. HAD issued

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questionnaires to RLAs, representatives of OCs, or in the absence of RLAs and OCs, owners/residents of individual flats of the target buildings through different means, including distributing the questionnaires in person during visits and depositing the questionnaires into the letter boxes. As the number of RLAs recruited and OCs formed increased with the implementation of BMPASS, the need for distributing the questionnaires to individual owners/residents reduced and hence the number of questionnaires distributed was decreasing; and

- to gauge users' feedback more effectively, HAD was exploring measures to enhance service evaluation, which included engaging professional polling firms to conduct opinion surveys, designing different sets of questionnaire for different target groups, adopting other means of collecting feedback (e.g. conducting telephone interviews), etc. HAD also planned to invite tenderers to propose measures to step up publicity and encourage users' feedback. These enhanced measures would be implemented under the regularized scheme.

At the request of the Committee, **Director of Home Affairs** provided in her above letter a sample of the questionnaire.

36. The Committee asked whether HAD had conducted any review of BMPASS before proceeding to the subsequent phases of the scheme, or conducted any mid-term review to assess the achievement of the objective and targets by BMPASS. **Secretary for Home Affairs** responded at the public hearing and **Director of Home Affairs** supplemented in her letter dated 30 March 2021 (*Appendix 31*) that a review overseen and endorsed by directorate officers of HAD was conducted towards the end of both Phase 1 and Phase 2 of BMPASS respectively, which showed that the scheme had been conducive to assisting owners of old buildings to improve building management, and had been well-received by the community and owners of target buildings.

37. In response to the Committee's enquiry as to whether HAD had conducted any contractor performance reviews during the nine years of implementation of BMPASS, **Secretary for Home Affairs**, **Director of Home Affairs** and **Deputy Director of Home Affairs (2)** advised at the public hearing, and **Director of Home Affairs** supplemented in her letter dated 30 March 2021 (*Appendix 31*) that the management team of HAD led by a directorate officer had been meeting with the BMPASS contractors quarterly to monitor the overall progress and to share their

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experience and difficulties. HAD staff at both the Headquarters and district levels also monitored the work progress and attended meetings of OCs/owners, performed the audit of office records, etc. The BMPASS contractors' performance was constantly reviewed and necessary action would be taken to ensure their compliance with contract terms. For example, in 2018, HAD issued a warning letter to one of the BMPASS contractors for failure to achieve some of the output targets by the date specified in the contract. The issue was subsequently rectified.

38. According to paragraph 2.33 of the Audit Report, the percentage of "three-nil" buildings aged 30 years or above with incumbent RLAs ranged from 22% to 35%. The Committee asked whether HAD considered such a low percentage unsatisfactory. **Director of Home Affairs** responded in her letter dated 4 January 2021 (*Appendix 32*) that RLAs' participation was entirely voluntary. The generally low level of willingness of the owners/residents to participate in the management of their buildings in "three-nil" buildings posed further challenges to the recruitment of RLAs.

39. The Committee further sought the reasons for the drop in the number of RLAs recruited from its peak in 2017 to 2019 by 59%, and in the total number of OCs formed from its peak in 2018 to 2019 by 44%. **Deputy Director of Home Affairs (2)** explained at the public hearing and **Director of Home Affairs** supplemented in her letter dated 30 March 2021 (*Appendix 31*) that:

- the fluctuation in the number of RLAs recruited was associated with the commencement of each phase of BMPASS. Upon the commencement of each phase of BMPASS (e.g. in 2017 for Phase 3), the BMPASS contractors would conduct household visits and recruit RLAs as a first step. As such, there would be a higher number of RLAs recruited in that particular year. While the BMPASS contractors would continue to recruit RLAs in subsequent years, fewer number of RLAs would be recruited; and
- the number of OCs formed covered OCs formed by owners' initiative or through HAD's support services such as BMPASS. In fact, the number remained steady ranging from 200 to 250 over the years. The number of OCs formed each year might fluctuate due to various reasons and HAD did not have information about the reasons for such decrease in 2019, which might be partly due to the social incidents in the second half of the year.

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40. With reference to paragraphs 2.34 and 2.35 of the Audit Report, the Committee sought details about HAD's measures to step up efforts in recruiting RLAs and to enhance publicity of the RLA Scheme. **Secretary for Home Affairs** responded at the public hearing and **Director of Home Affairs** further advised in her letter dated 30 March 2021 (*Appendix 31*) that:

- HAD produced a set of newly designed poster and application form in January 2021 to promote the recruitment of RLAs. In addition to distributing the new forms to owners/residents through daily liaison, the forms would also be made available on other occasions, such as during the provision of one-off cleaning service to "three-nil" buildings; and
- HAD would set a higher RLA recruitment target for the future contractors of the regularized BMPASS, such that there would be at least two RLAs for each "three-nil" building. HAD also planned to require the BMPASS contractors to organize training for RLAs to strengthen their knowledge and role in building management.

C. Support services on other building management matters

41. The Committee asked whether there were any measures to improve the safety and hygiene environment of those buildings that were unable to form/reactivate OCs under BMPASS. **Director of Home Affairs** advised in her letter dated 4 January 2021 (*Appendix 32*) that:

- HAD had since September 2018 launched the Central Platform on Building Management to regularly organize one-stop briefing sessions, at which representatives from various government departments and organizations introduced their services and schemes on building management and maintenance, including those relating to building safety and environmental hygiene; and
- DOs had also been providing other assistance to "three-nil" buildings, such as one-off cleaning service through the District-led Actions Scheme, with a view to demonstrating the effectiveness of good building management. Such initiatives could help incentivize residents' participation in building management.

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42. For "three-nil" buildings with severe building safety, fire safety or environmental hygiene problems, the Committee asked whether HAD would consider intervening in and tackling these problems, and then recovering the related costs from the owners. **Secretary for Home Affairs** responded at the public hearing and **Director of Home Affairs** advised in her letter dated 13 January 2021 (*Appendix 33*) that:

- it was the responsibility of private owners to manage their buildings. HAD's policy on building management was to assume the role of a facilitator to encourage and assist owners in forming suitable residents' organizations through a multi-pronged approach, including providing a legal framework for buildings to form OCs under BMO and offering suitable support to assist owners in discharging their building management responsibilities;
- building management involved various elements such as building safety, fire safety, environmental hygiene, electrical safety and lift safety, which were regulated by different B/Ds in accordance with the relevant Ordinances. HAD would continue to offer assistance to owners of "three-nil" buildings through the regularization of BMPASS and the provision of one-off free cleaning service; and
- as regards the actions initiated by the Administration to resolve building safety and fire safety problems on behalf of building owners, since HAD was not the department in charge of the relevant policy areas and legislation, HAD did not have the relevant information.

43. The Committee further asked whether HAD had any role to play in the issues relating to building safety, fire safety or environmental hygiene of "three-nil" buildings though these matters were not under the purview of HAD. **Secretary for Home Affairs** responded at the public hearing and **Director of Home Affairs** further explained in her letter dated 30 March 2021 (*Appendix 31*) that:

- while different B/Ds in charge of the respective policy portfolio (e.g. building and fire safety) would take enforcement actions in accordance with relevant legislation and provide various financial subsidies/technical assistance, HAD would closely work with the B/Ds concerned and play a supportive/facilitating role to help owners form OCs or other forms of owners' organizations, and apply for relevant support services; and

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- as regards environmental hygiene, to demonstrate good building management, HAD had been providing one-off cleaning service to old buildings in need, including "three-nil" buildings, having regard to actual circumstances. From 1 December 2019 to 28 February 2021, around 4 900 times of cleaning service had been provided to over 2 300 "three-nil" buildings. As the pandemic persisted, some buildings (including "three-nil" buildings) had reported confirmed cases or been subject to compulsory testing. HAD had since 25 January 2021 been providing one-off enhanced cleaning service to buildings in need. As at 28 February 2021, HAD had provided enhanced cleaning service to over 220 buildings (including 80 "three-nil" buildings).

44. With reference to Figure 1 in paragraph 3.3 and Table 9 in paragraph 3.13 of the Audit Report, the Committee asked why the number of private buildings visited by DBMLTs decreased by 13% from 2016 to 2019 while the staff establishment and expenditure of LOs in DBMLTs increased by 20% from 2015-2016 to 2019-2020.

45. **Secretary for Home Affairs, Director of Home Affairs and Deputy Director of Home Affairs (2)** explained at the public hearing, and **Director of Home Affairs** supplemented in her letter dated 30 March 2021 (*Appendix 31*) that:

- with the revision of the indicators in 2017,⁷ physical visit was no longer regarded as the only means of performing building management liaison work. In fact, there had been an increase in the number of liaison over the years, from 57 926 in 2017 to 77 094 in 2020, representing an overall increase of 33%; and
- in the past few years, LOs were heavily engaged in providing/promoting new services launched by HAD, such as Pre-meeting Advisory Service for Owners' Corporations and Building Management Dispute Resolution Service, as well as promoting the revised Code of Practice issued under BMO, the Best Practices on Building Management, etc.

⁷ The performance indicators on "Visits to buildings with owners' corporations/mutual aid committees/owners' committees/residents' organizations" and "Visits to buildings without any form of management" were replaced in 2017 by another indicator on "Liaison with owners/management bodies of private buildings".

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At the request of the Committee, **Director of Home Affairs** provided in her above letter the general distribution of duties among different ranks of LOs engaged in building management duties.

46. According to paragraphs 3.4, 3.6 and 3.8 of the Audit Report, the Pre-meeting Advisory Service for Owners' Corporations had been launched to strengthen support to OCs for more effective building management. HAD had requested DOs to keep proper records of the services provided under the Pre-meeting Advisory Service for Owners' Corporations. However, one DO could not provide the records of services for three out of the 10 OCs (30%) examined by Audit. The Committee sought explanations for this case and the improvement measures to prevent recurrence of similar problems.

47. **Director of Home Affairs** explained in her letters dated 4 January and 30 March 2021 (*Appendices 32 and 31* respectively) that under the Pre-meeting Advisory Service for Owners' Corporations, DOs might provide services to OCs through various modes, including face-to-face meetings, correspondence exchanges, telephone communication, instant messaging, etc. Due to the diverse modes of service delivery, individual DOs might have difficulties in fully documenting their work and retrieving the records subsequently. Taking into account Audit's recommendations, HAD had drawn up new guidelines for DBMLTs on record-keeping to remind them about the importance of maintaining proper records of the services provided.

48. According to paragraph 3.16 of the Audit Report, the purposes of visits to buildings were to keep in touch with the owners and to ensure that the buildings were well managed continuously. The Committee asked whether HAD had considered any alternative method in facilitating face-to-face communication with owners of buildings.

49. **Director of Home Affairs** responded in her letter dated 4 January 2021 (*Appendix 32*) that HAB and HAD agreed that physical visits and face-to-face communication were conducive to understanding the needs of the owners and observing the conditions of the buildings. Therefore, DBMLTs would continue to conduct visits to private buildings alongside other modes of liaison.

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50. Referring to Case 1 in paragraph 3.18 of the Audit Report about the repeated failures to visit a private building by a DBMLT between 2015 and 2019, the Committee sought explanations for the repeated unsuccessful visits in this case and the mechanism in place to monitor the performance of DBMLTs, in particular those DBMLTs with persistent underperformance.

51. **Secretary for Home Affairs** responded at the public hearing and **Director of Home Affairs** further explained in her letter dated 30 March 2021 (*Appendix 31*) that:

- DBMLTs might experience difficulties in reaching out to the target buildings prior to the visits, particularly those with defunct or inactive MCs, and repeated visits might occur as a result. HAD had looked into Case 1 and approached the officers involved in the case. While one subject officer had resigned, another subject officer had been reminded of the appropriate procedures for conducting visits; and
- in response to Audit's comments, HAD issued guidelines in February 2021 to DBMLTs on the procedures for conducting visits. Under the guidelines, LOs in DBMLTs were required to complete a report for each visit conducted and submit it for endorsement by supervisor, who would take this into account in assessing the LOs' performance. The visit report in prescribed format could facilitate monitoring and proper record-keeping.

52. Referring to Table 11 in paragraph 3.21 of the Audit Report about the training on building management for LOs, the Committee asked why the total number of training hours of LOs had increased by 45% from 96 hours in 2015-2016 to 139 hours in 2019-2020 while the total number of attendees had decreased by 14% from 329 to 282 in the same period, and whether there were compulsory training programmes provided for LOs to ensure that they were equipped with sufficient and latest knowledge and skills required for their duties.

53. **Secretary for Home Affairs**, **Director of Home Affairs** and **Deputy Director of Home Affairs (2)** explained at the public hearing, and **Director of Home Affairs** supplemented in her letter dated 30 March 2021 (*Appendix 31*) that:

- the number of training hours and attendees might vary each year depending on the nature of training programmes organized.

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For example, with respect to mediation training, HAD organized in 2015-2016 a 2.5-hour briefing on Pilot Scheme on Free Mediation Service for Building Management with an attendance of 42 LOs. On the other hand, HAD organized in 2019-2020 a 40-hour General Mediator Training Course for Building Management with attendance of 24 LOs due to the constraint in class size;

- HAD had been providing training programmes and briefing sessions to LOs on a regular and need basis. For newly recruited LOs, HAD provided induction courses on the principles and practices of building management, such as induction training on building management provided for 53 LOs in 2018-2019. Similar training would be provided to newly recruited LOs reporting duty in 2021-2022; and
- for more experienced LOs, HAD organized workshops and theme-talks on the provisions of BMO and judgments of related court cases. A tertiary institute had also been engaged to provide 39-hour training course for LOs responsible for building management duties, with a focus on the legal aspect of multi-storey building management. From 2015-2016 to 2019-2020, over 120 LOs attended this training course.

54. With reference to Table 12 in paragraph 3.22 of the Audit Report, the Committee asked whether HAD would consider providing DBMLTs with dedicated training courses on some of the new services launched, including Pre-meeting Advisory Service for Owners' Corporation, Building Management Dispute Resolution Service and Free Outreach Legal Advice Service on Building Management. **Director of Home Affairs** responded in her letter dated 30 March 2021 (*Appendix 31*) that the three services mentioned above had been covered by the training courses on building management provided for LOs on an on-going basis. All support services had also been introduced in the induction training for all newly appointed officers.

55. In response to the Committee's enquiry about the mechanism put in place by HAD to evaluate the professional competencies of LOs on a regular basis, **Director of Home Affairs** advised in her letter dated 30 March 2021 (*Appendix 31*) that LOs were departmental grade officers of HAD responsible for planning and carrying out different initiatives/activities at the territory and district level to achieve the HAD's goals in serving the community. LOs would be posted to take up various duties in different districts. There was an established mechanism to evaluate the required core competencies of LOs through the annual appraisal system.

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56. With reference to paragraphs 3.25, 3.26, 3.28(b) and 3.29 of the Audit Report, the Committee enquired about the latest progress of updating the "Operational Manual on Building Management for Liaison Officers" ("Operational Manual") to include the pilot services and to revise the requirement for the frequency of visits to private buildings by DBMLTs. **Director of Home Affairs** advised in her letter dated 4 January 2021 (*Appendix 32*) that as frequent changes to the Operational Manual might not be desirable, it had been HAD's plan to update the Operational Manual in one go when all the pilot services were regularized. In updating the Operational Manual, HAD would also consider setting different requirements on the frequency of visits/liaison for buildings with management bodies and "three-nil" buildings, and include the new guidelines on record-keeping and procedures for conducting visits. HAD had already started the updating exercise which was expected to be completed in around mid-2021.

57. Referring to paragraph 3.41 of the Audit Report, the Committee enquired about HAD's measures to encourage participants of the LEAD/Advanced LEAD Programmes to attend all the training sessions. **Secretary for Home Affairs** responded at the public hearing and **Director of Home Affairs** supplemented in her letter dated 30 March 2021 (*Appendix 31*) that as shown in Table 14 of paragraph 3.41 of the Audit Report, 88% and 87% of the attendees for the LEAD Programme and Advanced LEAD Programme respectively had an attendance rate of over 70%. Given that the attendees of the two programmes were mostly MC members serving on a voluntary basis, HAD considered the attendance rate satisfactory. Nonetheless, to further increase the attendance rate, HAD would explore measures, such as online learning, to better serve the needs of participants. HAD would also take on board Audit's recommendation of setting the possession of a Statement of Attendance in the LEAD Programme as a prerequisite for enrolling in the Advanced LEAD Programme.

D. Other administrative matters

58. Referring to Table 16 in paragraph 4.6 of the Audit Report showing the achievement on the target number of liaisons by seven DOs from 2017 to 2019, the Committee sought explanations for the great variance in the percentages of achievement among the seven DOs, which ranged from 8.0% for DO C in 2019 to 99.1% for DO H in 2017, as well as the follow-up actions by HAD against those DOs with persistently low rates of achievement on the target throughout the period.

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59. **Secretary for Home Affairs** and **Director of Home Affairs** responded at the public hearing, and **Director of Home Affairs** supplemented in her letter dated 30 March 2021 (*Appendix 31*) that HAD issued guidelines to DBMLTs in February 2021 on proper record-keeping and enhanced monitoring mechanism to ensure that the target number of liaisons would be met. Specifically, DBMLTs were required to keep a copy of every written liaison on file. For liaison conducted by non-written means (e.g. visits or telephone calls), it should be recorded in a template provided and filed accordingly. The guidelines also required District Officers to assign an officer not lower than the rank of Senior Liaison Officer to conduct regular random inspection to ensure the maintenance of proper records on the liaison conducted. District Officers were reminded to monitor the progress closely to ensure that the annual targets were met. HAD's Headquarters would review the liaison conducted by DBMLTs on a quarterly basis and would require respective District Officers to provide explanation for any failure to achieve the targets.

60. Referring to paragraph 4.14 of the Audit Report about the double counting of the same programmes by HAD's Headquarters and DOs in reporting their outputs under the performance indicator on "Building management educational and publicity programmes", the Committee was concerned that HAD had not set out a clear definition on "programme" for performance measurement purpose, particularly for some programmes of a recurring/repetitive nature. For example, a television advertisement broadcast during a six-day period was counted as 60 "programmes". The Committee enquired about the follow-up actions taken by HAD to address the above issue.

61. **Director of Home Affairs** responded in her letter dated 4 January 2021 (*Appendix 32*) that the basis for the counting of educational and publicity programmes adopted by HAD sought to accurately reflect the extent of outreach to the target audiences concerned, which might vary depending on the nature of the programmes. For example, for television advertisement broadcast, the counting basis corresponded to the frequency of the broadcast during prime time and reflected the efforts in reaching out to target audience as well as the costs involved. In considering the future targets, HAD would set out the counting basis for different types of programmes in the internal guidelines to ensure that a consistent approach would be adopted among Headquarters and DOs for each type of programmes.

62. With reference to paragraphs 4.21 and 4.22 of the Audit Report, the Committee asked about the monitoring efforts that could be made by HAD to ensure the proper input and timely update of data in the Building Management Information

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System by LOs. **Director of Home Affairs** advised at the public hearing and supplemented in her letter dated 30 March 2021 (*Appendix 31*) that according to the new guidelines issued to DBMLTs in February 2021, LOs were required to complete a standard report after completion of their liaison work. They had to indicate in the report whether updates to the Database of Private Buildings in Hong Kong were required. To enhance the accuracy of the database, HAD also planned to obtain relevant information (e.g. "year built") from the B/Ds concerned for cross-checking the information contained in the database.

E. Conclusions and recommendations

Overall comments

63. The Committee:

- notes that it is the Administration's policy to assist property owners in discharging their management responsibilities through various measures. The Home Affairs Department ("HAD") is tasked with assisting owners of private buildings to form owners' corporations ("OCs"), and assisting them in dealing with building management matters and the operation of OCs;
- emphasizes that:
 - (a) building management involves a wide range of complex issues, such as building safety, fire safety, environmental hygiene and electrical safety, all of which are under the portfolios of various government bureaux/departments ("B/Ds"). It is therefore incumbent upon HAD to take a leading role in coordinating the efforts of these B/Ds in providing adequate support services to owners of private buildings to deal with building management matters; and
 - (b) a lack of proper management and maintenance in "three-nil" buildings⁸ might pose serious threats to public health, building safety and fire safety. Provision of effective and timely assistance to the owners of these buildings are vital in helping

⁸ "Three-nil" buildings refer to those buildings which do not have OCs or any form of residents' organizations, nor engage any property management companies.

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them manage and maintain their buildings, in particular amidst the Coronavirus Disease 2019 epidemic;

HAD's role in coordinating the efforts of B/Ds

- expresses serious concern that:
 - (a) in its reply to the Committee's question regarding the actions initiated by the Administration to resolve building safety and fire safety problems on behalf of owners of private buildings, HAD advised that, among others, since it was not the department in charge of the relevant policy areas and legislation, it did not have the relevant information;⁹ and
 - (b) HAD's aforesaid reply has reflected its lack of initiative in coordinating the efforts of various B/Ds in providing support services to owners of private buildings to deal with building management matters, which may not be conducive to facilitating owners in managing their buildings in an effective manner;
- notes that:
 - (a) to demonstrate good building management, HAD has been providing one-off cleaning service to aged buildings in need, including "three-nil" buildings, having regard to actual circumstances. From 1 December 2019 to 28 February 2021, around 4 900 times of cleaning service had been provided to over 2 300 "three-nil" buildings; and
 - (b) HAD will work closely with the B/Ds in charge of the respective policy portfolios (e.g. building safety and fire safety) and play a supportive/facilitating role by helping owners form OCs or other forms of owners' organizations, and apply for relevant support services;
- urges:
 - (a) the Administration to consider vesting the Home Affairs Bureau ("HAB") with greater authority in coordinating via HAD the

⁹ Please refer to the letter dated 13 January 2021 from Director of Home Affairs in *Appendix 33* for details.

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efforts of various B/Ds to provide adequate support services to owners of private buildings in dealing with building management matters; and

- (b) HAD to be more proactive and take a leading role in coordinating the efforts of various B/Ds to promptly and effectively assist owners of private buildings in dealing with building management matters;

Implementation of Building Management Professional Advisory Service Scheme

- is surprised and expresses serious concern about HAD's failure in taking forward the Building Management Professional Advisory Service Scheme ("BMPASS")¹⁰ in an effective manner so as to assist owners of "three-nil" buildings to form OCs, as evidenced by the following:
 - (a) HAD did not have readily available information on the number of buildings eligible for BMPASS;¹¹
 - (b) up to March 2020 (i.e. nine years since BMPASS was launched), only 536 OCs had been formed/reactivated out of 3 820 buildings approached by the two BMPASS contractors. While the total contract cost for the three phases of BMPASS amounted to \$137 million, the overall success rate of the formation/reactivation of OCs under the scheme was only 14%;
 - (c) the completion rate of household visits conducted by the BMPASS contractors was very low (for example, 27% for Phase 2 and 19% for Phase 3 (up to March 2020) in District A);¹²

¹⁰ BMPASS aims at assisting owners of aged buildings (in particular those of "three-nil" buildings) in the formation of OCs with a view to improving building management. HAD has implemented three phases of BMPASS since 2011 and commissioned two contractors to implement the scheme.

¹¹ Apart from "three-nil" buildings, BMPASS also covered buildings with OCs but the management committees ("MCs") of which were defunct or inactive. However, according to HAD, while the number of "three-nil" buildings was readily available, there were no readily available statistics about buildings with defunct MCs.

¹² Please refer to paragraphs 2.12 and 2.13 of the Director of Audit's Report ("Audit Report") for details.

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- (d) there was no documentary evidence showing that HAD had enquired about the difficulties encountered by the BMPASS contractors when helping owners to form/reactivate OCs, so as to formulate effective measures to address the difficulties;
 - (e) while the overall success rate of the formation/reactivation of OCs under BMPASS was only 14%, many of the output targets set by HAD for the two BMPASS contractors had been persistently over-achieved throughout the three phases of the scheme in nine years (for example, overall achievement rate of 177% for the number of OCs formed/reactivated). During the nine-year period, HAD had not reviewed the level of output targets, which has rendered the performance measurement system unable to reflect realistically the contractors' efficacy in achieving the scheme's objectives and to drive the contractors to improve their performance; and
 - (f) while six rounds of users' satisfaction surveys had been conducted and 64 384 survey questionnaires had been distributed up to March 2020, only 1 434 survey questionnaires had been returned (average response rate of 2.2%);
- notes that:
- (a) HAD will develop guidelines to assist the District Building Management Liaison Teams ("DBMLTs")¹³ in identifying buildings with defunct or inactive management committees ("MCs"), and to remind DBMLTs to suitably record information on such MCs identified during their daily liaison and report the information to HAD's Headquarters regularly. HAD will also compile updated information on a regular basis on buildings that are unable to form OCs under the Building Management Ordinance (Cap. 344). These measures will be implemented in the second quarter of 2021;
 - (b) the inherent problems of "three-nil" buildings pose considerable hurdles to the BMPASS contractors in assisting owners to form/reactivate OCs. HAD will continue to render full support

¹³ HAD has set up DBMLTs comprising Liaison Officers ("LOs") in the 18 District Offices ("DOs") to provide support services on building management matters at the district level.

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to HAD in enhancing the success rate of the formation/reactivation of OCs under the regularized scheme;¹⁴

- (c) HAD will explore other effective channels to reach out to the owners of "three-nil" buildings and require tenderers of the regularized BMPASS to suggest innovative measures to enhance the success rate for the outreach work; and
 - (d) HAD will consider adjusting the output targets upward when drawing up the details of the regularized BMPASS. The revised output targets will be set out in the tender documents; and
- urges HAB and HAD to step up their efforts in taking forward BMPASS by:
- (a) engaging community organizations, which have established an extensive network with local residents, in reaching out to the owners/residents of "three-nil" buildings;
 - (b) exploring various means, including mandatory and non-mandatory means, to drive and encourage the formation of OCs by owners of "three-nil" buildings;
 - (c) setting attainable but reasonably challenging output targets for the regularized BMPASS with a view to improving the performance of the BMPASS contractors;
 - (d) maintaining a proper database on the number of buildings that should be covered under BMPASS and other related statistics for effective implementation of the scheme;
 - (e) further exploring more effective ways to gauge users' views on BMPASS, particularly in respect of the questionnaire distribution method of the users' satisfaction survey on the scheme; and
 - (f) conducting a comprehensive review for mapping out the way forward of BMPASS by drawing lessons from the experience gained from the three phases of the scheme as recommended in paragraph 2.26 of the Director of Audit's Report ("Audit Report").

¹⁴ The Government announced in the 2019 Policy Address the regularization of BMPASS. HAD aims to launch the regularized scheme within 2021.

Specific comments

64. The Committee:

Support services for the formation of owners' corporations

- is surprised and expresses serious concern that:
 - (a) the contract cost of BMPASS was increasing over the three phases from \$38 million (Phase 1) to \$51 million (Phase 3) by 34% while the number of buildings approached by the contractors remained largely the same (ranging from 1 200 to 1 367) throughout the three phases of the scheme;
 - (b) while the overall variance¹⁵ between the planned and actual numbers of target buildings under BMPASS was -33(-1%), the variance for individual geographical areas covered under the scheme ranged from -75(-9%) to 75(20%);
 - (c) up to March 2020, the two contractors had held 93 users' advisory meetings¹⁶ for all geographical areas under the three phases of BMPASS. While the users' feedbacks on these meetings were generally positive, the numbers of attendees ranged from 5 to 53, with an average of 22 at each meeting only, and 24 (26%) out of the 93 meetings had fewer than 10 attendees; and
 - (d) while the percentage of OCs formed through the Resident Liaison Ambassador Scheme ("the RLA Scheme")¹⁷ to the total number of OCs formed had doubled from 33% in 2015 to 66% in 2019, the number of Resident Liaison Ambassadors ("RLAs") recruited decreased by 24%, and the percentage of "three-nil" buildings

¹⁵ "Variance" is defined as the actual number of target buildings in a geographical area under BMPASS minus the planned number of target buildings.

¹⁶ The BMPASS contractors shall convene users' advisory meetings comprising representatives of users (e.g. OCs, owners/residents and Resident Liaison Ambassadors ("RLAs")) and DOs' staff to collect views on BMPASS and their performance half-yearly in each of the geographical areas.

¹⁷ The RLA Scheme aims at facilitating residents of aged buildings to enhance building management by recruiting owners or tenants in "three-nil" buildings as RLAs.

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aged 30 years or above with incumbent RLAs ranged from 22% to 35% only during the period;

- notes that:
 - (a) the increase in the contract cost of BMPASS was primarily attributable to the enhanced scope of services, which included the recruitment of RLAs and procurement of third party risks insurance for OCs since Phase 2 of the scheme, and the increase in the number of target buildings by over 10% in Phase 3;
 - (b) instead of setting a planned number of target buildings for each geographical area, HAD will only set an overall planned number of target buildings for the regularized BMPASS having regard to the past experience of the previous BMPASS showing that the changing status of an individual building may affect its eligibility for the scheme;
 - (c) HAD has put in place at operation level a host of monitoring measures to keep track of the performance of the BMPASS contractors. Among these, the management team of HAD led by a directorate officer has been meeting with the BMPASS contractors quarterly to monitor the overall progress and to share experience and difficulties encountered in implementing the scheme;
 - (d) HAD produced a set of newly designed poster and application form in January 2021 to promote the recruitment of RLAs, and will also set a higher RLA recruitment target for the future contractors of the regularized BMPASS, such that there will be at least two RLAs for each "three-nil" building; and
 - (e) Director of Home Affairs has agreed with Audit's recommendations on the implementation of BMPASS and the RLA Scheme in paragraphs 2.27 and 2.34 of the Audit Report;

Support services on other building management matters

- expresses grave concern that:
 - (a) some District Offices ("DOs") have not kept proper records of the services provided under the Pre-meeting Advisory Service for

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Owners' Corporations¹⁸ as requested by HAD's Headquarters, and the record-keeping practices vary among DOs;

- (b) the number of private buildings visited by DBMLTs in the 18 DOs decreased by 13% from 2016 to 2019 while the staff establishment and expenditure of Liaison Officers ("LOs") in DBMLTs increased by 20% from 2015-2016 to 2019-2020;
- (c) while HAD's "Operational Manual on Building Management for Liaison Officers" ("Operational Manual") states that each and every private building will be visited by LOs at least once a year, such requirement was not met during the period from 2016 to 2019. For each year in the period, the percentage of private buildings not visited by DBMLTs ranged from 47% to 54%;
- (d) from 2015-2016 to 2019-2020, the total number of attendees to the training on building management provided for LOs decreased by 14%. HAD has not set any training requirements for LOs;
- (e) the Operational Manual has not been kept up to date with the changes in the daily workflow of LOs and the introduction of new services;
- (f) of the 28 briefing sessions held/planned in the period from 2018 to 2020 under the Central Platform on Building Management,¹⁹ no briefings were held/planned in 6 out of the 18 districts;
- (g) in 2019, the number of educational and publicity programmes organized in each of the 18 DOs ranged from 1 to 37, and no target has been set by HAD for the number of such programmes organized by each DO; and

¹⁸ HAD launched in April 2017 the Pre-meeting Advisory Service for Owners' Corporations under which DBMLTs brief MC members on meeting procedures and provide them with relevant information before OC meetings to ensure compliance with the Building Management Ordinance and the Codes of Practice issued under the Ordinance.

¹⁹ To better assist owners of old buildings in building management, HAD launched in September 2018 the Central Platform on Building Management under which regular briefings on building management and maintenance are organized.

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- (h) for the training provided to the office-bearers of OCs,²⁰ 12% of the participants of the LEAD Programme and 13% of those of the Advanced LEAD Programme had an attendance rate of less than 70%,²¹ including 4% with zero attendance in each of the programmes;
- notes that:
 - (a) with the revision of the performance indicators included in HAD's Controlling Officer's Report in 2017,²² service focus had been placed on liaison between DBMLTs and OCs through electronic means, such as emails, phone calls and mobile applications, instead of traditional means of conducting physical visits to buildings. As such, the number of physical visits to buildings had decreased;
 - (b) HAD issued guidelines in February 2021 to require LOs in DBMLTs to complete a report in a prescribed format for each visit conducted and submit it to supervisors for endorsement. HAD will also draw up guidelines to facilitate identification of buildings with defunct/inactive MCs by DBMLTs, which can help improve the effectiveness of visits to private buildings;
 - (c) HAD plans to update the Operational Manual in one go when all the new support services are regularized, and aims to complete the updating exercise in mid-2021;

²⁰ Since 2011, HAD has engaged tertiary institutions to provide structured training on building management to MC members free of charge, namely the LEAD Programme, and graduates of the LEAD Programme can attend the Advanced LEAD Programme.

²¹ Participants with an attendance rate of over 70% will be awarded with a Statement of Attendance.

²² In recognition of technological advancement and to better reflect the work of HAD in building management, the performance indicators on "Visits to buildings with owners' corporations/mutual aid committees/owners' committees/residents' organisations" and "Visits to buildings without any form of management" in HAD's Controlling Officer's Reports were replaced in 2017 by a new indicator "Liaison with owners/management bodies of private buildings".

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- (d) briefing sessions under the Central Platform on Building Management are organized by making reference and giving priority to districts with a greater number of buildings receiving notices or repair orders issued by government departments; and
 - (e) Director of Home Affairs has agreed with Audit's recommendations in paragraphs 3.28 and 3.43 of the Audit Report relating to the work and training of LOs and the organization of building management educational and publicity programmes;
- recommends that:
- (a) HAD should put in place a stringent mechanism to monitor the work performance of DBMLTs, and provide timely and appropriate advice to those persistently under-performing DBMLTs;
 - (b) HAD should ensure timely update of the Operational Manual, which serves as a guidebook for LOs to perform their duties correctly and properly, to reflect any changes in work procedures and requirements;
 - (c) HAD should consider setting out training requirements for LOs to ensure that they are equipped with sufficient and latest knowledge and skills required for performing their duties;
 - (d) HAD should enhance the provision of dedicated training to LOs on the new services launched, in particular the mediation service for building management, which can better equip LOs with the necessary skills for quality service delivery; and
 - (e) if resources are available, HAD should consider uploading the training materials on building management, particularly in relation to legal aspect, such as provisions of the Building Management Ordinance, and study of court cases, to its website to facilitate better understanding of the relevant issues by stakeholders;

Other administrative matters

- expresses serious concern that:
 - (a) regarding the achievement of performance targets on "Liaison with owners and management bodies of private buildings"²³ by 18 DOs and HAD's Headquarters in 2019, 14 DOs and HAD's Headquarters did not meet their targets for the total number of liaisons; 13 DOs and HAD's Headquarters did not meet their targets on the number of visits to management bodies and "three-nil" buildings; and 13 DOs did not meet their targets on the number of other forms of liaison;
 - (b) out of the 18 DOs, seven (39%) persistently failed to achieve the allocated target numbers of liaisons for three consecutive years from 2017 to 2019, and the variance in the percentages of achievement among the above seven DOs ranged from 8.0% to 99.1%;
 - (c) for the performance indicator on "Building management educational and publicity programmes", there was double counting on the same programmes (i.e. briefing sessions of the Central Platform on Building Management) by HAD's Headquarters and four DOs;
 - (d) there was no clear definition on what constitutes a "programme"²⁴ for HAD's performance measurement purpose. Some of the educational and publicity programmes are of a recurring/repetitive nature, and the methodologies used in counting the number of programmes varied;

²³ Under the performance indicator on "Liaison with owners/management bodies of private buildings", HAD sets target numbers for different forms of liaison, which comprise: (a) visits conducted in person to management bodies of private buildings and "three-nil" buildings; and (b) other forms of liaison (e.g. emails and telephone contacts) with owners/management bodies. The target numbers of liaisons set for HAD's Headquarters refer to the liaisons under other support services (e.g. BMPASS).

²⁴ Building management educational and publicity programmes include: (a) Training courses; (b) Seminars/talks; (c) Appeal letters to owners/owners' organizations; (d) Television/radio advertisement/Announcements in Public Interest; (e) Activities related to fire safety; (f) Homepage/mobile applications updates and promotion; (g) Production of leaflets/posters; and (h) Others (e.g. press release).

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- (e) of 40 944 buildings with data kept in the Building Management Information System ("BMIS") of HAD²⁵ as at 31 March 2020, data of "year built" was not available for 7 099 (17%) buildings, and data of "storeys" or "number of units" was not available for 957 (2%) buildings; and
 - (f) of 111 visit reports for the period from 2016 to 2019 in the 30 building files selected by Audit for examination, data of 24 (22%) reports (involving 15 (50%) buildings) was not input into BMIS for updating; and
- notes that:
- (a) HAD issued guidelines to DBMLTs in February 2021 on proper record-keeping of their liaison work. District Officers are reminded to monitor the progress closely to ensure that the annual targets on liaison work are met. HAD's Headquarters will review the liaison conducted by DBMLTs on a quarterly basis and will require respective District Officers to provide explanation for any failure to achieve the targets;
 - (b) HAD plans to obtain the relevant information (e.g. "year built") from the B/Ds concerned for cross-checking with the information contained in BMIS. Since February 2021, LOs have been required to complete a report on their liaison work, which includes, among others, the updating of data in BMIS; and
 - (c) Director of Home Affairs has agreed with Audit's recommendations in paragraphs 4.9, 4.17 and 4.24 of the Audit Report relating to the performance management of HAD's liaison and publicity work on building management and the maintenance of its database of private buildings.

²⁵ BMIS provides basic information on private buildings in all districts, such as number of units and storeys, year built, and information on management organizations of the buildings.

Follow-up action

65. The Committee:

- requests HAD to report to the Committee the progress on the regularization of BMPASS; and
- wishes to be kept informed of the progress made in implementing the various recommendations of the Committee and Audit.