

**立法會**  
***Legislative Council***

LC Paper No. CB(1)821/03-04  
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by the Administration)

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**Panel on Planning, Lands and Works**

**Minutes of special meeting  
held on Monday, 29 December 2003 at 9:00 am  
in the Chamber of the Legislative Council Building**

**Members present** : Dr Hon TANG Siu-tong, JP (Chairman)  
Hon LAU Ping-cheung (Deputy Chairman)  
Dr Hon David CHU Yu-lin, JP  
Ir Dr Hon Raymond HO Chung-tai, JP  
Hon James TO Kun-sun  
Hon Timothy FOK Tsun-ting, SBS, JP  
Hon Abraham SHEK Lai-him, JP  
Hon WONG Sing-chi

**Member attending** : Hon Fred LI Wah-ming, JP

**Members absent** : Hon James TIEN Pei-chun, GBS, JP  
Hon WONG Yung-kan  
Hon LAU Wong-fat, GBS, JP  
Hon TAM Yiu-chung, GBS, JP  
Hon Albert CHAN Wai-yip  
Hon IP Kwok-him, JP

**Public officers  
attending** : Mr Michael SUEN  
Secretary for Housing, Planning and Lands

Ms Olivia NIP  
Deputy Secretary for Housing, Planning and Lands  
(Planning and Lands)<sup>2</sup>

Mr Marco WU  
Director of Buildings

**Clerk in attendance :** Ms Anita SIT  
Chief Council Secretary (1)6

**Staff in attendance :** Ms Rosalind MA  
Senior Council Secretary (1)8

Mr Anthony CHU  
Council Secretary (1)2

Miss LAM Yuen-kwan  
Legislative Assistant

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Action

**I. Briefing by the Administration on the public consultation exercise on building management and maintenance**

1. The Chairman said that this special meeting was arranged at the request of the Administration for briefing Panel members and other Legislative Council Members on the launch of a public consultation exercise on building management and maintenance. The consultation paper was tabled at the meeting.

*(Post-meeting note: The consultation paper and the relevant information paper provided by the Administration were circulated to Members vide LC Paper No. CB(1)674/03-04 on 30 December 2003.)*

2. At the Chairman's invitation, the Secretary for Housing, Planning and Lands (SHPL) gave a brief introduction on the public consultation exercise. He said that as undertaken in the 2003 Policy Agenda, facilitating proper building management and maintenance by owners was one of his major tasks. Following the SARS outbreak, public awareness of the possible dire consequences of building neglect had been heightened. The Housing, Planning and Lands Bureau, after discussions with relevant professional bodies, the industry, academics and District Council members, had prepared a consultation paper on "Building Management and Maintenance" to solicit public views on this complex subject. He highlighted the three major directions advocated in the consultation exercise, as follows:

- (a) Owners must accept responsibility for keeping their buildings in good repair, including the necessary financial commitment.

- (b) Building management and maintenance should be integrated to provide a sustainable solution to the building neglect problem.
- (c) The relevant industries were encouraged to come up with user-friendly and cost-effective one-stop management and maintenance services to assist owners in discharging their responsibilities. The Government, in addition to enforcing the law, should work in collaboration with relevant non-government bodies to support and promote the above efforts.

SHPL said that the Government would explore a package of support measures. These included: instituting some mandatory form of management for buildings in multiple ownership; facilitating sustained contributions to management and maintenance from building owners; promoting recognition of high standard of management and maintenance through a voluntary building classification scheme; and providing targeted financial assistance for the genuinely needy.

3. With the aid of powerpoint presentation, the Deputy Secretary for Housing, Planning and Lands (Planning and Lands)<sup>2</sup> (DSHPL) highlighted the main points in the consultation paper. She pointed out that the existing management and maintenance problem of old buildings in multiple ownership was massive. The problem could not be resolved effectively through the existing measures and programmes undertaken by the Buildings Department (BD), the Home Affairs Department (HAD) and the Urban Renewal Authority (URA). As at August 2003, out of the 38 400 private multi-storey buildings in Hong Kong, about 11 000 had no owners' corporations (OCs) and were not serviced by management firms. To facilitate an informed discussion on how best to tackle the building neglect problem, the Administration set out in the consultation paper two broad principles as follows:

- (a) it was the owners' responsibility to ensure that their buildings were in good repair, including the need to shoulder the attendant financial commitment; and
- (b) focus should continue to be put on private sector efforts to facilitate the market's functioning, whilst ensuring safety standards through enforcement against non-compliance with statutory requirements.

The available options were: (a) maintaining the status quo; (b) introducing a mandatory inspection scheme; and (c) integrating proper maintenance and management. Having examined the merits and shortcomings of the three options, the Administration considered the third option preferable as making building maintenance an integral part of on-going building management could provide a long-term and sustainable solution to the building neglect problem.

4. DSHPL said that the period for public consultation was 29 December 2003 to 15 April 2004. During the consultation period, the Administration would

explain the proposals to and invite views from the Legislative Council (LegCo) and the District Councils. It would also arrange briefings and forums for members of the public and hold discussions with the relevant professions.

#### Approach of the public consultation

5. Mr James TO and Mr Fred LI expressed disappointment with the content of the consultation paper for the absence of concrete proposals to tackle the long-standing problem of building management and maintenance. They criticized that the consultation paper lacked substance, as the Administration simply set out the existing problems and invited public views on broad principles and policy directions without putting forward concrete implementation proposals. They pointed out that over the years, there had already been a lot of discussions on the subject at LegCo and at the district level. There was no lack of consensus on the general principles and many local community organizations had already made in-depth analyses of the building management and maintenance problems encountered in the district and area levels. Mr TO and Mr LI therefore opined that for a meaningful public consultation, the Administration should issue an addendum to the consultation paper setting out various policy options with implementation details for the consideration of the community.

6. Dr Raymond HO shared the views of Mr LI and Mr TO that the Administration should provide concrete proposals with implementation details in the consultation paper instead of simply trying to build a consensus on the broad direction and principles for tackling the building neglect problem. He highlighted a number of problem areas which required concrete measures to tackle: the absence of OCs in some existing buildings; supervision of management firms; the need for mandatory building inspection for certain aspects such as drainage defects in the aftermath of SARS; review of the effectiveness of the Building Safety Loan Scheme; and review of the roles and work programmes of the URA and the Hong Kong Housing Society. Pointing out that the Administration previously had put forward concrete proposals to tackle the building neglect problem, such as the work plans under the building safety and timely maintenance strategy, Dr HO considered the present consultation a move backward if no implementation proposals were put forward. He also sought information on the timeframe for the Administration to work out concrete proposals.

7. SHPL explained that although there had been previous discussions in LegCo and other forums on measures to tackle the long-standing problem of building neglect, there had been no clear consensus in the community on the owners' responsibilities for their buildings' upkeep and the attendant financial commitment. The aim of the present consultation was to build a consensus in the community on the new direction for tackling the building neglect problem. Before mapping out the implementation details, the Administration would like to ascertain if the community was in general agreement that owners should be responsible for the good repair of their buildings, including the need to shoulder the attendant financial implications, and that integrating proper maintenance and management

should be a long-term solution to the building neglect problem. The Administration believed that through consulting the public on the fundamental principles to tackle the problem, the implementation measures formulated on the basis of these principles would likely have the support of the community. For issues of wide public concern and complexity like building management and maintenance, such an approach would be more acceptable to the public than putting forward a set of implementation proposals in the first instance.

8. On efforts to tackle the building neglect problem, SHPL explained that over the years, the Administration had put in place a framework to address the problem through statutory requirements, law enforcement, support for owners, public education and publicity and the urban renewal programme. Notwithstanding the efforts and considerable resources devoted, the existing measures had met with limited success. For example, it would take more than 18 years for HAD to help the 11 000 buildings currently without an OC and not serviced by a management firm to form OCs. Hence, there was a need to seriously consider whether the existing efforts were effective and the approach was sustainable. There was no definite timetable for the next stage of action as it depended on the public views collected in the consultation period. Implementation details might be worked out in about six months after the end of the consultation period if there was general support for the fundamental principles and policy direction proposed in the consultation paper. Subject to the outcome of the public consultation, the Administration would approach LegCo on the proposed implementation details as appropriate.

9. Referring to paragraphs 5.6 to 5.8 of the consultation paper on ensuring sustained contribution to management expenses by property owners, Mr James TO criticized that the Administration only set out how it considered various suggested support measures for ensuring sustained contributions impracticable without providing any feasible proposals for assisting OCs in this respect. He also expressed concern about the Administration's commitment in assisting owners in the formation of OCs, and commented that despite his continued concern about the slow progress in the formation of OCs, the Administration did not provide any concrete plans in the consultation paper to improve the efficiency of its work in this area. Mr Fred LI shared Mr TO's view that there had been inadequate assistance provided to owners, in particular, in the recovery of outstanding contributions from individual owners and the provision of legal advice necessary for the smooth operation of OCs.

10. In response, SHPL said that the important role and functions of OCs in building management was beyond doubt, and therefore HAD had been providing advice, information and support services to OCs through its District Building Management Liaison Teams and the Building Management Resource Centres. However, given the complexity of the issues relating to day-to-day building management as well as building defects rectification works, building owners needed long-term professional input on various aspects of building management and maintenance. The consultation paper (Chapter 4) put forth the idea of a

multi-disciplinary building management industry for the provision of one-stop services to meet the different needs of different owners and different buildings. The industry could fully tap the potential business opportunity by working out creative solutions to provide the services that owners needed. He added that possible support measures which could be pursued to complement the integration of maintenance and management were outlined in Chapter 5 of the consultation paper.

11. Mr Abraham SHEK expressed support for the approach adopted for the public consultation exercise. He agreed that the Administration should seek public consensus on the fundamental principles and policy direction for tackling the building neglect problem given the substantial financial implications of building repairs. As it was impossible and inappropriate for the Government to provide funding for the management and maintenance of private buildings, building owners' acceptance of their responsibilities and attendant financial commitment in their buildings' upkeep was crucial.

12. Mr Fred LI said that being a non-Executive Director of URA, he understood that public resources had been devoted in assisting building owners in the building rehabilitation scheme. Noting that the issue of financial commitment in building maintenance was the crux of problem, Mr LI asked whether the Administration would consider expediting urban rehabilitation through cooperation with URA and if so, the resources implications would have to be considered.

13. In reply, SHPL shared Members' view that the crux of the problem was whether, to what extent and how public resources should be directed to the maintenance of private buildings. Given the fundamental principle that owners should be responsible for their buildings' upkeep, the Administration should consider any forms of financial assistance with prudence. Any financial assistance had to be targeted at the genuinely needy only. He said that URA's rehabilitation initiatives were able to demonstrate the benefits of proper maintenance and he hoped that these initiatives would encourage building owners to take up their responsibilities in the management and maintenance of their buildings.

#### Options for tackling the building neglect problem

14. Referring to the mandatory requirement for inspection of cars, Dr Raymond HO considered that mandatory building inspection was worth pursuing as building decay problem posed risks to structural and fire safety, which in turn involved public safety. Mr LAU Ping-cheung concurred and pointed out that there had been considerable debate on the implementation of a mandatory building safety inspection scheme in the past few years. He opined that the Administration should further explore the feasibility of implementing a mandatory building inspection scheme.

15. As regards the option on integrating building management and maintenance, Mr LAU Ping-cheung said that while the idea sound appealing, resolving the epidemic problem of unauthorized building works (UBWs), i.e. the existence of some 700 000 UBWs in the territory, was a pre-requisite for pursuing this option. He pointed out that it would be difficult, if not impossible, for buildings with UBWs to take out public liability insurance for the common parts of the buildings. Without the necessary insurance coverage, no management firms would be willing to take up the management of these buildings. Hence, unless the Government stepped up enforcement actions against UBWs and managed to resolve the problem, the option of integrating building management and maintenance would not be feasible.

16. In response, SHPL said that Members' views expressed so far on the available options illustrated the complexity and magnitude of the building neglect problem. The proposal of mandatory building inspection was one of the available options to be considered and would be examined in the light of public views collected during the consultation. As to Mr LAU's concern about enforcement actions against UBWs, SHPL explained that in the past few years, BD had significantly stepped up its enforcement actions in this respect. The efforts of BD in tackling UBWs problem had been discussed in detail on 8 December 2003 at the public hearing of the Public Accounts Committee on the Director of Audit's Report No. 41. The on-going enforcement actions against UBWs as well as other on-going measures to tackle the building neglect problem would continue. The present consultation mainly sought to explore a new policy direction to achieve sustainable building management and maintenance. The measures resulting from the consultation exercise and the existing on-going measures should be complementary.

17. Director of Buildings (D of B) supplemented that under the building safety and timely maintenance strategy introduced in early 2001, BD had stepped up enforcement actions against UBWs for public safety. These actions included issuing statutory orders to building owners for removal of UBWs, prompt removal of unauthorized works in progress and prosecution against non-compliant owners. In the past three years, the number of UBWs had decreased from over 800 000 to about 700 000. He echoed SHPL's view that enforcement actions against UBWs and the promotion of an integrated approach to building management and maintenance were not mutually exclusive.

18. Noting that about 50% of some 50 000 statutory orders issued by BD in 2002 in respect of building defects and UBWs remained outstanding one year after these were issued, Dr Raymond HO expressed concern about the possible lack of vigour of BD in taking follow-up actions against non-compliant owners. In reply, D of B explained that while the progress of rectification of building defects and removal of UBWs had been encouraging in the past few years, BD faced resources constraints in taking follow-up actions on the statutory orders issued. For cases where reasonable justifications were provided, owners could be granted extra time in the execution of the statutory orders. However, D of B agreed that in general,

there was room to strengthen the follow-up actions to ensure owners' compliance with the statutory orders issued.

#### One-stop services for building owners

19. Mr LAU Ping-cheung said that according to the consultation paper, the Administration believed that the development of an integrated building management and maintenance industry and the provision of one-stop services would ultimately be brought about by market forces. Mr LAU expressed reservation about this discourse and said that as evidenced by past experience, the various professions would not naturally get together to come up with solutions for building management and maintenance problems. He also doubted the existence of potential business opportunity in the provision of one-stop building management and maintenance services as portrayed by the Administration. He asked if the Administration had any planned support measures to facilitate the provision of one-stop services, as well as to encourage owners to accept the new idea of integrating building management and maintenance.

20. SHPL responded that the idea of developing a multi-disciplinary building management industry for the provision of one-stop services to building owners was not entirely new. Indeed, some professional building management firms already had such capability. There was however scope for further development. The role of the Government was to empower the owners and to support and facilitate proper building management and maintenance by setting up the necessary legislative framework; providing a conducive environment for both the owners and the industry to work together; promoting the owners' awareness by undertaking education and publicity; and enforcing the law. The Administration believed that the community's general support for the fundamental principles advocated in the consultation paper and an effective legislative framework would be conducive to the development of a multi-disciplinary building management and maintenance industry.

21. Mr WONG Sing-chi criticized the Administration for the lack of concrete measures to co-ordinate relevant professions and to promote the development of one-stop services. He opined that the Administration should offer adequate assistance to owners, in particular those of older buildings, in the formation of OCs and in identifying suitable management firms to service the buildings at reasonable cost. He considered the Administration irresponsible for asking the building owners to shoulder the entire responsibilities of tackling the problem of building neglect and decay, without concrete proposals on support measures, such as measures required for strengthening supervision of building management firms.

22. SHPL reiterated that the present public consultation aimed at consensus building on the direction and fundamental principles for tackling the building neglect problem, and involving the public in the policy formulation process. The Administration would work out the detailed implementation proposals if the broad policy framework was agreed upon. He added that the idea of one-stop services



initiated by the private sector for building management and maintenance was in line with the principle of "big market, small government". He pointed out that under certain circumstances, services provided by the private sector were more cost-effective than those provided by the Government. The Government's role was to provide necessary support measures to complement and facilitate the provision of these services by the private sector.

#### Positive recognition of good building management and maintenance

23. Referring to paragraph 5.10 of the consultation paper on the introduction of a voluntary classification scheme for positive recognition of good building management and maintenance, Mr LAU Ping-cheung opined that this might not provide adequate incentive for the industry and building owners. Pointing out that the Hong Kong Building Environmental Assessment Method (Hong Kong BEAM) initiated by the Real Estate Developers Association provided similar recognition to good building management and maintenance with only limited success, Mr LAU enquired whether the Administration had plans to provide additional incentives, such as concessions in rates or Government rent, in addition to mere recognition under a classification scheme.

24. D of B responded that the Hong Kong BEAM was an environmental performance assessment scheme in which property developers participated on a voluntary basis. As set out in the consultation paper, BD was considering a broad framework of building classification assessment criteria and scoring system which could provide recognition for good building management and maintenance and thus encourage owners to take up their responsibility.

## **II. Any other business**

25. There being no other business, the meeting ended at 10:30 am.