

Legislative Council Panel on Development

**The Administration's Responses to
the Motion passed under agenda item IV
"Lift Modernisation Subsidy Scheme"
at the meeting on 23 October 2018**

Regarding the motion moved by Hon LAU Kwok-fan on "Lift Modernisation Subsidy Scheme" and passed by the Legislative Council Panel on Development at its meeting on 23 October 2018, the Administration's responses are as follows:

"Set a retrospective period for the Lift Modernisation Subsidy Scheme, so that those property owners who will carry out or have carried out works to enhance lift safety within this year are also eligible for subsidies under LIMSS."

1. We plan to invite applications under the Lift Modernisation Subsidy Scheme (LIMSS) by the end of 2019 Q1. To prevent deferral of lift modernisation works by owners of eligible buildings in order to obtain the subsidy under the LIMSS, on-going lift modernisation works (i.e. the tender invitation for the lift modernisation works has already been made or the works have already commenced as at the date when the first round applications under the LIMSS are invited) of such buildings will still be eligible for making applications under the LIMSS provided that –

- (a) the Resumption Permit (i.e. Form LE8) allowing resumption of the use and operation of the lift undergoing the modernisation works has not been issued by the Electrical and Mechanical Services Department (EMSD) as at 10 October 2018 when the LIMSS was announced by the Chief Executive in her 2018 Policy Address;
- (b) the lift modernisation works concerned must cover at least one of the "essential safety devices" (i.e. double brake system, unintended car movement protection device, ascending car overspeed protection device, and car door mechanical lock and door safety edge); and
- (c) the tendering process for procuring the modernisation works concerned must comply with the requirements of the Building Management Ordinance (Cap 344). In this connection, the applicants

shall submit relevant documentary proof for vetting by the Urban Renewal Authority.

All the above applications will be assessed based on the same set of criteria together with other applications received.

“Set the average rateable value ceilings for buildings eligible to join LIMSS at a higher level, so as to encourage more property owners to enhance the safety of aged lifts.”

2. Property owners should take primary responsibility for proper upkeep of their lifts. In the implementation of the LIMSS, we have to ensure that public resources are properly used and hence our focus is to provide appropriate support to needy owners to facilitate modernisation of their aged lifts.

3. Based on the ceiling on the average Rateable Value (RV) proposed under the LIMSS, we estimate that there will already have about 13 000 lifts eligible for the LIMSS. Of the 13 000 lifts, about half are more than 30 years and about half are between 15-30 years old. We estimate that the \$2.5-billion LIMSS will be adequate to cover modernisation of about 5 000 aged lifts in 6 years. Relaxing the RV ceiling of the LIMSS will not help increase the number of subsidy recipients but may defeat our policy intent of helping those more needy owners. As discussed at the meeting, we will review the effectiveness of the LIMSS in about two years after its launching.

“Consider afresh the option of allowing elderly owner-occupiers to apply for subsidies under LIMSS independently.”

4. As mentioned in our response above, we have to ensure that public resources are properly used in the implementation of the LIMSS and our policy intent is to use the \$2.5 billion of funds to facilitate modernisation of about 5 000 aged lifts owned by needy people in the community. Under the LIMSS, additional subsidy, at a cap of \$50,000 per domestic unit, will be granted to elderly owner-occupiers of eligible buildings without the need to undergo any asset or income means test. If we were to extend the subsidy scope of the LIMSS to cover those elderly owner-occupiers of those buildings not currently applicable under the LIMSS, our resources to be deployed to help the target subsidy recipients will be diluted. In fact, there are some other existing subsidy schemes including the “Building Maintenance Grant Scheme for Elderly Owners” administered by the Hong Kong Housing Society and the “Building Safety Loan Scheme” provided by the Buildings Department which can offer financial assistance to those elderly owner-occupiers of those buildings not currently applicable under the LIMSS to modernise their aged lifts where appropriate.

“Examine, together with the industry and relevant stakeholders, ways to further attract new blood to join the industry so that sufficient manpower support may be provided for the LIMSS.”

5. In working out the details of the LIMSS, we have already taken the industry capacity into the consideration. The LIMSS will be implemented in an orderly manner in 6 years and the maximum number of lifts to be modernised each year will be set to alleviate the manpower pressure of the industry.

6. In addition, the EMSD has been working closely with the trade to attract more new blood to the lift and escalator industry. A series of measures has been implemented in recent years, including:

- (a) The Vocational Training Council (VTC) and the Construction Industry Council (CIC) jointly introduced the “Earn & Learn Scheme” in 2014. The number of new apprentices joining the lift and escalator industry has significantly increased from about 70 a year to over 200 a year in 2015. The numbers of new apprentices each year exceed 250 from 2016 to 2018;
- (b) In 2016, the VTC and the University of Hong Kong School of Professional and Continuing Education launched two lift and escalator courses for training workers so as to facilitate them to acquire the academic qualification for registration as registered workers;
- (c) The CIC has implemented the Contractor Cooperative Training Scheme for the electrical and mechanical trades (including lift mechanic and escalator mechanic) to provide financial support to those who wish to join the lift and escalator industry;
- (d) The EMSD has injected more than \$600 million in 2016 to train up more than 1 000 technician trainees in five years for supporting the electrical and mechanical industry (including the lifts and escalators industry) to overcome the future challenges; and
- (e) Jointly produced promotional videos with the trade to attract new blood. The videos have been uploaded to the EMSD website for public viewing.