REPORT OF THE

PUBLIC ACCOUNTS COMMITTEE

ON

REPORT NO. 84 OF THE DIRECTOR OF AUDIT

ON

THE RESULTS OF

VALUE FOR MONEY AUDITS

July 2025

P.A.C. Report No. 84

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The Establishment of the Committee The Public Accounts Committee is established under Rule 72 of the Rules of Procedure of the Legislative Council of the Hong Kong Special Administrative Region, a copy of which is attached in *Appendix 1* to this Report.

2. **Membership of the Committee** The following Members are appointed by the President under Rule 72(3) of the Rules of Procedure to serve on the Committee:

Chairman	**:**	Hon SHIU Ka-fai, BBS, JP
Deputy Chairman	**:**	Hon Paul TSE Wai-chun, JP
Members	**:**	Hon YUNG Hoi-yan, JP Hon LUK Chung-hung, JP Hon Edmund WONG Chun-sek Hon Louis LOONG Hon-biu Hon Carmen KAN Wai-mun, JP
Clerk	**:**	Shirley CHAN
Legal Adviser	**:**	Joyce CHAN

The Committee's Procedure The practice and procedure, as determined by the Committee in accordance with Rule 72 of the Rules of Procedure, are as follows:

(a) the public officers called before the Committee in accordance with Rule 72 of the Rules of Procedure, shall normally be the Controlling Officers of the Heads of Revenue or Expenditure to which the Director of Audit has referred in his report except where the matter under consideration affects more than one such Head or involves a question of policy or of principle in which case the relevant Director of Bureau of the Government or other appropriate officers shall be called. Appearance before the Committee shall be a personal responsibility of the public officer called and whilst he may be accompanied by members of his staff to assist him with points of detail, the responsibility for the information or the production of records or documents required by the Committee shall rest with him alone;

(b) where any matter referred to in the Director of Audit's Report on the accounts of the Government relates to the affairs of an organization subvented by the Government, the person normally required to appear before the Committee shall be the Controlling Officer of the vote from which the relevant subvention has been paid, but the Committee shall not preclude the calling of a representative of the subvented body concerned where it is considered that such a representative could assist the Committee in its deliberations;

(c) the Director of Audit and the Secretary for Financial Services and the Treasury shall be called upon to assist the Committee when Controlling Officers or other persons are providing information or explanations to the Committee;

(d) the Committee shall take evidence from any parties outside the civil service and the subvented sector before making reference to them in a report;

(e) the Committee shall not normally make recommendations on a case on the basis solely of the Director of Audit's presentation;

(f) the Committee shall not allow written submissions from Controlling Officers other than as an adjunct to their personal appearance before the Committee; and

(g) the Committee shall hold informal consultations with the Director of Audit from time to time, so that the Committee could suggest fruitful areas for value for money study by the Director of Audit.

2. **Confidentiality undertaking by members of the Committee** To enhance the integrity of the Committee and its work, members of the Committee have signed a confidentiality undertaking. Members agree that, in relation to the consideration of the Director of Audit's reports, they will not disclose any matter relating to the proceedings of the Committee that is classified as confidential, which shall include any evidence or documents presented to the Committee, and any information on discussions or deliberations at its meetings, other than at meetings held in public. Members also agree to take the necessary steps to prevent disclosure of such matters at all times unless the Committee decides to declassify the materials.

3. A copy of the Confidentiality Undertaking signed by members of the Committee has been uploaded onto the Legislative Council ("LegCo") website.

4. **The Committee's Report** This Report corresponds with Report No. 84 of the Director of Audit on the results of value for money audits which was tabled in LegCo on 30 April 2025. Value for money audits are conducted in accordance with the guidelines and procedures set out in the Paper on Scope of Government Audit in the Hong Kong Special Administrative Region – 'Value for Money Audits' which was tabled in the Provisional Legislative Council on 11 February 1998. A copy of the Paper is attached in *Appendix 2*.

5. **The Government's Response** The Government's response to the Committee's Report is contained in the Government Minute, which comments as appropriate on the Committee's conclusions and recommendations, indicates what action the Government proposes to take to rectify any irregularities which have been brought to notice by the Committee or by the Director of Audit and, if necessary, explains why it does not intend to take action. It is the Government's stated intention that the Government Minute should be laid on the table of LegCo within three months of the laying of the Report of the Committee to which it relates.

Consideration of the Director of Audit's Report tabled in the Legislative Council on 30 April 2025 In line with past practice, the Committee did not consider it necessary to investigate in detail every observation contained in the Director of Audit's Report, and selected Chapter 4 "Management of Mandatory Window Inspection Scheme by the Buildings Department" and Chapter 6 "Street cleansing services" of the Director of Audit's Report No. 84 for detailed investigation. The Committee also sought and obtained information from the Administration on some of the issues raised in other chapters of the Director of Audit's Report No. 84. The Administration's responses have been included in this Report.

2. **Meetings** The Committee held a total of four meetings and four public hearings in respect of the subjects covered in this Report. During the public hearings, the Committee heard evidence from a total of 12 witnesses, including two Directors of Bureau and two Heads of Department. The names of the witnesses are listed in *Appendix 3* to this Report. The evidence of the witnesses who appeared before the Committee, and the Committee's specific conclusions and recommendations, based on the evidence and on its deliberations on the relevant subjects, are set out in Chapters 4 and 6 of Part 4 of this Report.

3. The live broadcasts and archives of the Committee's public hearings are available on the Legislative Council website.

4. **Acknowledgements** The Committee wishes to record its appreciation of the cooperative approach adopted by all the persons who were invited to give evidence in the public hearings, and to all the bureaux/departments/organizations which provided the Committee with detailed information to facilitate the Committee's consideration of the Director of Audit's Report No. 84. In addition, the Committee is grateful for the assistance and constructive advice given by the Secretary for Financial Services and the Treasury, the Legal Adviser and the Clerk. The Committee also wishes to thank the Director of Audit for the objective and professional manner in which he completed his Report, and for the many services which he and his staff have rendered to the Committee throughout its deliberations.

The Audit Commission ("Audit") conducted a review of the Dedicated Fund on Branding, Upgrading and Domestic Sales ("BUD Fund").

2. Hon SHIU Ka-fai declared that he was invited to serve as an unremunerated honorary adviser or an unremunerated member of some non-governmental organizations/trade associations, and remunerated director of some commercial organizations. The trade associations/organizations concerned, or their members, might have participated in business related to BUD Fund. He was also a Legislative Council Member representing the Wholesale and Retail Functional Constituency. The members of that sector might have participated in business related to BUD Fund.

3. BUD Fund was set up in June 2012 to assist enterprises in exploring and developing the Mainland market through developing brands, upgrading and restructuring their operations and promoting domestic sales. The geographical coverage of BUD Fund was subsequently extended to include other markets/economies. Up to February 2025, the total approved funding commitment of BUD Fund was $7 billion. It was announced in the 2024 Policy Address and the 2025-2026 Budget that the Government would further inject $1 billion and $0.75 billion respectively into BUD Fund. Up to December 2024, a total of 9 830 BUD Fund applications had been approved, involving total approved funding amount of $6.05 billion with about 6 500 beneficiary enterprises. Funding of BUD Fund will be provided on a matching basis, i.e. the Government will cover a maximum of 25% of the total approved project cost (for applications received before 14 March 2025, the maximum coverage would be 50%) and the applicant has to contribute no less than 75% of the total approved project cost in cash (for applications received before 14 March 2025, the cash contribution would be no less than 50%).

4. There are three types of applications under BUD Fund, i.e. general application, "Easy BUD" application and "E-commerce Easy" application. The Commerce and Economic Development Bureau and the Trade and Industry Department are responsible for administering BUD Fund. The Government has engaged the Hong Kong Productivity Council ("HKPC") as the implementation partner and the secretariat of BUD Fund (hereinafter referred to as BUD Fund Secretariat).

5. The Committee noted the following Audit's findings:

Processing of applications

- in some cases, long time had been taken to receive all the necessary information and clarifications from the applicants. For instance, for the 7 571 general applications received from January 2021 to December 2024 that were approved/approved with conditions or rejected as at 31 December 2024, the time taken from the date of receiving the applications to the date of receiving all the necessary information and clarifications ranged from 2 to 446 days (averaging 120 days);

- it took BUD Fund Secretariat a long time to sign funding agreements with the successful applicants after issuance of result notification letters. Audit noted that as at 31 December 2024:

  (a) among the 5 122 general applications approved in the period from January 2021 to December 2024 with funding agreements signed, 64 (1%) were applications with funding agreements signed more than six months after issuance of result notification letters. The delays ranged from 1 day to 1.2 years (averaging 2.8 months); the funding agreements for 359 approved general applications were not yet signed, among which, the time elapsed from the date of issuance of result notification letters for 20 (6%) applications was more than six months, ranging from 6.2 months to 2.3 years (averaging one year), and the time elapsed for six (2%) applications was more than a year; and

  (b) among the 485 "Easy BUD" applications approved in the period from June 2023 to December 2024 with funding agreements signed, five (1%) were applications with funding agreements signed more than six months after issuance of result notification letters. The delays ranged from 10 days to 3.7 months (averaging two months); the funding agreements for 30 approved "Easy BUD" applications were not yet signed. The time elapsed from the date of issuance of result notification letters ranged from 12 days to 4.9 months (averaging 1.1 months);

- Audit analysed 124 applications where the approvals with conditions had been given more than six months ago as at 31 December 2024, and found that none of the applicants could fulfil the stipulated conditions within

the required time frames. The delays ranged from 5 days to 13.3 months. BUD Fund Secretariat did not provide guidelines on the follow-up actions to be taken, and no time frame was set for lapsing the approvals-in-principle for applicants who did not fulfil the stipulated conditions within the required time frames;

Monitoring of approved projects

- Audit noted that some grantees did not submit the final reports and progress reports in a timely manner. Of the reports accepted in 2024, 333 (46%) of the 727 final reports and 8 (47%) of the 17 progress reports for projects under general applications were submitted late, as were 37 (25%) of the 146 final reports for projects under "Easy BUD" applications. The delays ranged from 1 to 806 days, 9 to 519 days and 1 to 135 days respectively;

- as at 31 December 2024, 1 937 final reports and 102 progress reports for projects under general applications, as well as 75 final reports for projects under "Easy BUD" applications were still being processed. According to BUD Fund Secretariat, the processing of final reports and progress reports took a long time because, among other factors, the reports submitted by grantees generally had many discrepancies and lacked clarity;

- BUD Fund Secretariat conducts on-site checks on selected projects, and takes four specified criteria into account when conducting on-site checks (e.g. quality of the progress/final reports submitted, past/existing performance of the grantee and potential risk of abuse in delivering the approved project). Audit reviewed the on-site checks conducted on 20 projects from 2022-2023 to 2024-2025 (up to September 2024) and found that the checks for eight (40%) projects were not conducted within the target time frames;

- upon termination or completion of the project, whichever is earlier, the grantee shall return any residual funds to the Government before the prescribed date. Audit analysed the recoupment of residual funds from grantees in the period up to 31 December 2024:

    (a) BUD Fund Secretariat had recouped residual funds of $172 million from grantees (i.e. $114 million of the $189 million from the grantees of terminated projects, and $58 million of the $73 million from the grantees of completed projects). In the same period,

residual funds of $457,551 (involving five terminated projects) had been written off; and

(b) the amount of residual funds to be recouped from the grantees of terminated projects (involving 150 projects) and completed projects (involving 63 projects) increased significantly by $72.9 million and $14.2 million respectively since 31 March 2020, and the ageing situation of such residual funds to be recouped ranged from 4 days to 9 years (averaging one year) and from 12 days to 2.4 years (averaging 193 days) respectively;

- Audit reviewed five terminated projects with long outstanding residual funds and found that for one of these projects, the final reminder issued by BUD Fund Secretariat to the grantee did not specify the final repayment deadline by which legal actions might be initiated if the grantee failed to repay by the deadline;

Other related issues

- since the launch of BUD Fund, several rounds of enhancement measures have been introduced. Such enhancement measures on BUD Fund were incorporated in the updated agreements. However, Audit found that the four recent service agreements between the Government and HKPC were signed three to nine months (averaging seven months) after the effective dates of the respective agreements;

- according to the service agreements signed between the Government and HKPC, BUD Fund Secretariat is required to produce, for each financial year, an Annual Implementation Plan for acceptance by the Government and the Programme Management Committee ("PMC"). However, Audit found that for all the six financial years from 2019-2020 to 2024-2025, there were delays in the submissions of Annual Implementation Plans by BUD Fund Secretariat, ranging from 86 to 115 days (averaging 100 days). In three (50%) of the six years, the Plans were submitted after the respective financial years had commenced;

- for the financial years from 2019-2020 to 2023-2024, BUD Fund Secretariat submitted five sets of Annual Reports and audited accounts to PMC, and there were delays in the submissions of four (80%) sets of Annual Reports and audited accounts. The delays ranged from 8 to

90 days (averaging 36 days) for Annual Reports and 9 to 92 days (averaging 38 days) for audited accounts; and

- PMC adopts a two-tier reporting system under which the first-tier declaration requires non-official members to register their interests upon appointment. Of all the 14 first-tier declarations of interests made on first appointment of members from July 2020 to December 2024, the declarations were made 1 to 21 days (averaging 6 days) after the first appointment of the members concerned.

6. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses to the issues raised by Audit. The replies from the **Director-General of Trade and Industry** are in *Appendix 4*.

7. The Committee wishes to be kept informed of the progress in implementing Audit's recommendations.

The Audit Commission ("Audit") conducted a review on Hong Kong Council for Accreditation of Academic and Vocational Qualifications ("HKCAAVQ").

2. HKCAAVQ was established in 1990 as an independent statutory body to accredit the academic standards of degree programmes in higher education institutions in Hong Kong. In 2007, HKCAAVQ's purview was extended to cover the vocational and professional education and training sector and HKCAAVQ was appointed as the Accreditation Authority and the Qualifications Register Authority under the Qualifications Framework. In the period from 2019-2020 to 2023-2024, the income of HKCAAVQ ranged from $105.9 million to $125.5 million each year, and the expenditure of HKCAAVQ ranged from $82.4 million to $100.3 million each year.

3. The Committee noted the following Audit's findings:

Provision of services

- according to HKCAAVQ's manual, HKCAAVQ should issue the accreditation report within 16 to 24 weeks (depending on the type of accreditation and Qualifications Framework level) after the date of receipt of the accreditation document. Of the 1 654 accreditations completed by HKCAAVQ in the period from 2019-2020 to 2023-2024, 400 (24%) accreditations were not issued with accreditation reports within the specified timelines. The delays ranged from 1 day to 29.1 weeks (averaging 2.6 weeks);

- HKCAAVQ maintained a register of specialists to shortlist those with relevant experience and expertise for participation in accreditation exercises and other work as required. The appointment of specialists for the second term was subject to no negative observations in accreditation exercises. After each accreditation exercise was completed, HKCAAVQ staff would assess the performance of the specialists and give ratings according to their performance and their suitability to serve as panel members in future accreditation exercises, namely "Green" (i.e. comfortable with engagement in future accreditation exercises), "Yellow" (i.e. some concerns over engagement in future accreditation exercises) and "Red" (i.e. serious concerns over engagement in future accreditation exercises). Audit reviewed the ratings of the 705 specialists as at 31 December 2024 and found that:

  (a) HKCAAVQ did not have guidelines on how to assess specialists' performance in accreditation exercises and the follow-up actions to

be taken on the specialists who were rated as "Yellow" or "Red"; and

(b) of the above 705 specialists, 12 (2%) were rated as "Yellow". However, there was no documentary evidence showing the rationale of giving the rating of "Yellow" and the follow-up actions taken on these specialists. Of the 12 specialists, 11 (92%) had been appointed for the second term or re-appointed, and 10 (83%) of them participated in subsequent accreditation exercises;

- in the course of accreditation exercise, each specialist was required to declare any conflict of interests with the operator by submitting a declaration form to HKCAAVQ. Audit's examination of the declaration forms submitted by 91 specialists in 20 accreditation exercises completed in 2023-2024 found that:

  (a) 3 (3%) declaration forms were returned to HKCAAVQ after the submission deadline. The delays ranged from 6 to 73 days (averaging 31 days);

  (b) 15 (16%) declaration forms were not dated by the specialists concerned; and

  (c) 1 (1%) declaration form was not signed by the specialist concerned;

- HKCAAVQ provided a range of assessment services, such as qualifications assessments. Of the 24 150 qualifications assessments completed in the period from 2019-2020 to 2023-2024, 5 200 (22%) were not completed within the target processing time. The delays ranged from 1 to 394 working days (averaging 12.8 working days); the percentage of qualifications assessments which were not completed within the target processing time increased from 13% in 2020-2021 to 32% in 2023-2024;

- the number of suspected fraudulent academic qualifications cases set out in HKCAAVQ's Annual Reports for 2019-2020, 2020-2021 and 2021-2022 was understated by 8, 1 and 5 respectively. In addition, for the 32 suspected fraudulent academic qualifications cases reported to the Hong Kong Police Force in 2023-2024, the average time elapsed between the dates of receipt of prima facie evidence and completion of clarification and the dates of reporting was 73 days (ranging from 0 to 172 days);

- the number of non-compliant advertisements increased by 450% from 10 in 2019-2020 to 55 in 2023-2024. HKCAAVQ monitored non-compliant advertisements only through five newspapers and one social media platform. According to HKCAAVQ's guidelines on monitoring non-compliant advertisements, HKCAAVQ would contact the operators of non-compliant advertisements to request them for rectification of the non-compliant advertisements by the deadline stipulated in the emails to them. Upon the expiry of the deadline, HKCAAVQ would follow up by checking the compliance of the advertisements concerned. However, in the period from 2019-2020 to 2023-2024, 71 operators had published non-compliant advertisements and, among them, 29 (41%) operators had published more than one non-compliant advertisement, with the highest number being nine;

Corporate governance and human resource management

- as at 31 December 2024, HKCAAVQ had yet to release the updated Strategic Plan for the period from 1 October 2023 to 30 September 2027 (i.e. with a delay of 15 months from the original commencement date);

- in January 2025, the Council approved the revision of the timeline of drafting the updated Strategic Plan to August 2025 and extension of the coverage of the current Strategic Plan to August 2025;

- HKCAAVQ had set a target on staff turnover rate at 20% or below for the period from 2019-2020 to 2021-2022, and 15% or below for the period from 2022-2023 to 2023-2024. Audit noted that in the period from 2019-2020 to 2023-2024, HKCAAVQ's actual staff turnover rates decreased from 20.7% in 2019-2020 to 3.3% in 2020-2021, and then increased to 21.1% in 2023-2024. The actual staff turnover rates were above the targets in 3 (60%) of the 5 years (i.e. by 0.7 to 7.4 percentage points);

- in the period from 2019-2020 to 2023-2024, 75 posts became vacant due to staff members leaving HKCAAVQ, and 55 (73%) posts were filled 2 to 611 days (averaging 146 days) after the posts became vacant; 2 (3%) posts were still under recruitment process as at 31 December 2024, and the vacancy periods were 431 and 1 187 days respectively;

- HKCAAVQ engaged experienced professionals with specialties in higher education and/or quality assurance to provide project-based and time-limited services as individual consultants. Audit reviewed all the

48 contracts for individual consultants engaged by HKCAAVQ since the issue of the relevant guidelines in January 2020 and up to December 2024 and found that:

(a) the award of the 48 contracts involved a total of 25 individual consultants and, among them, 13 (52%) consultants were awarded contracts for 2 times or more; and in 12 (25%) of the 48 contracts, only 1 potential candidate was invited to provide services; and

(b) 37 contracts were completed as at 31 December 2024, but there was no documentary evidence showing that HKCAAVQ had conducted performance evaluations for the individual consultants engaged in 36 (97%) of the 37 contracts;

- HKCAAVQ formulated an annual staff development plan to enhance the knowledge, skills and competencies of its staff. The plan stipulated an annual budget for staff training which was proposed during the budgetary process for endorsement by the Finance Committee and approval by the Council. Audit reviewed HKCAAVQ's budgeted expenses and actual expenses for staff training in the period from 2019-2020 to 2023-2024, and found that the actual expenses were less than the budgeted expenses for staff training every year over the 5-year period, representing 26% to 57% of the budgeted expenses in each year, averaging 37%;

Other issues

- according to HKCAAVQ's guidelines, open tendering or restricted/single tendering might be used. The guidelines also stipulated that single tendering should be avoided as far as possible, and for restricted tendering, the list of tenderers must be approved by the Executive Director before the tender exercise was conducted. Audit noted that all the 23 tender exercises for procurement of services in the period from 2019-2020 to 2023-2024 were conducted through restricted tendering. Although 5 to 30 contractors (averaging 10 contractors) were invited to submit tenders in each exercise, only 1 or 2 tenders were received in 12 (52%) exercises; and

- while HKCAAVQ had issued principles and procedures for the handling of complaint cases, it had not set any timeframe for resolving a complaint case. In the period from 1 January 2020 to 31 December 2024, 111 complaint cases were recorded in HKCAAVQ's complaint register,

and the time taken to resolve some complaint cases was long. Of the 111 complaint cases, 103 cases were resolved and, among them, the dates of resolving the cases were not available in 4 (4%) cases, and the time taken to resolve the remaining 99 (96%) complaint cases ranged from 1 to 685 working days (averaging 55 working days). In addition, 8 complaint cases were still under processing. The longest time elapsed from the dates of receipt of the complaint cases to 31 December 2024 was 392 working days.

4. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses to the issues raised by Audit. The replies from the **Executive Director, Hong Kong Council for Accreditation of Academic and Vocational Qualifications** are in *Appendix 5*.

5. The Committee wishes to be kept informed of the progress in implementing Audit's recommendations.

The Audit Commission ("Audit") conducted a review of the work of the Sustainable Lantau Office ("SLO") of the Civil Engineering and Development Department in the administration of Lantau Conservation Fund ("LCF").

2. To promote and implement conservation of rural Lantau, and to pursue livelihood improvement works in remote villages and communities, a $1 billion LCF was set up in October 2020, among which $500 million was earmarked for conservation and related projects, while the remaining $500 million was for supporting minor local improvement works ("MLIW") projects.

3. The Development Bureau is responsible for overseeing the implementation of LCF and SLO of the Civil Engineering and Development Department is responsible for the day-to-day administration of LCF and secretariat support. The Lantau Conservation Fund Advisory Committee ("LCFAC") was established to advise on the overall administration and operation related to LCF, vet applications under LCF, monitor the progress of funded projects and advise on the priority of MLIW project proposals.

4. As at 31 October 2024, there were a total of 48 approved conservation and related projects (with total approved grants of $141.8 million) and 11 approved MLIW projects (with total approved project estimate of $75.3 million).

5. The Committee noted the following Audit's findings:

Conservation and related projects

- two Subcommittees were formed to assist LCFAC in assessing the applications for research projects and education and engagement projects under LCF, while each application was assigned to two members of the Subcommittees for giving marks and an average mark was compiled by SLO. Audit noted that, of the four rounds of application from December 2020 to October 2024, applications for some projects with higher marks were not recommended by the Subcommittees for approval. According to SLO, at the meetings of the Subcommittees, members would holistically review the preliminary assessments of the two Subcommittee members before coming up with final recommendations on the applications. However, there was no

documentation showing the justifications of not recommending the applications with higher marks for approval;

- of the 164 project deliverables due for submission by the grantees from December 2020 to October 2024: (a) there were delays in some of the submissions; and (b) cases involving repeated late submissions of project deliverables had not been reported to LCFAC, contrary to SLO guidelines;

- according to SLO guidelines, major variations (e.g. change of project leader) should be approved by LCFAC or the delegated authority, and regular reporting items (e.g. variation requests) should be provided to LCFAC by SLO. Audit noted that, from December 2020 to October 2024: (a) there were seven requests for major variations from the grantees to change project leaders and all were approved by SLO instead of LCFAC. There was no documentation showing that SLO had been delegated the authority to approve the major variations; and (b) there was also no documentation showing that regular reporting items (including the seven requests for major variations) had been provided to LCFAC by SLO;

- according to the project agreements and SLO guidelines, upon completion of projects, any unspent grants paid to the grantees should be returned to the Government. Audit noted that SLO did not set any time target to request the grantees for returning the unspent grants upon completion of projects. As at 31 October 2024, three completed projects had unspent grants ranging from about $86,000 to about $390,000 (totalling about $570,000). While the final accounts of the three completed projects had been accepted by SLO 2 to 10 months (averaging 7 months) ago as at 31 October 2024, the demand notes for the return of unspent grants were only issued in December 2024 and settled by the grantees in January 2025;

<u>Minor local improvement works projects</u>

- from October 2020 to October 2024: (a) the 11 approved MLIW projects had a total approved project estimate of $75.3 million (i.e. 15% of the $500 million earmarked funding); and (b) the number of MLIW projects approved (from 8 between 2020 and 2021 to 3 between 2022 and 2023) and the yearly approved project estimate (decreased by 89% from $55.4 million in 2020 to $6 million in 2023) were on a decreasing trend;

- of the 15 MLIW project proposals received from October 2020 to October 2024, six (40%) project proposals did not contain any views from relevant statutory and advisory bodies and two of these proposals were subsequently withdrawn;

- as at 31 October 2024, regarding the seven completed projects: (a) four (57%) had delays in substantial completion of works by 1 to 18 months; and (b) the total actual project expenditure incurred was $30.9 million, which was $21.2 million (41%) less than the approved project estimate of $52.1 million, but SLO had not ascertained the reasons for the variances;

Governance and other issues

- LCFAC comprises both official and non-official members from relevant fields appointed by the Secretary for Development for a term of two years. Audit noted that: (a) the average attendance rate of LCFAC meetings decreased from 84% in Term 1 (from 1 October 2020 to 30 September 2022) to 74% in Term 2 (from 1 October 2022 to 30 September 2024); and (b) from October 2020 to October 2024, there were some non-official members of LCFAC with low attendance (i.e. less than or equal to 50%) at LCFAC meetings but some of them were re-appointed;

- from October 2020 to October 2024: (a) SLO did not maintain some of the records of the declarations of interests made by the members of LCFAC; (b) the initial and annual declarations were not made by some members of LCFAC before the stipulated deadlines; and (c) declarations of interests with applications were not received from some members prior to the issuance of project digests to members;

- to promote LCF, a public relations plan is prepared annually by SLO indicating the project milestones and planned public relations initiatives during the period. From 2021-2022 to 2023-2024, a total of $3.4 million had been incurred by SLO in promoting LCF. Audit noted that: (a) SLO did not conduct any evaluation (e.g. participant satisfaction surveys) to ascertain whether the publicity and promotion programmes had achieved their intended objectives; and (b) in October 2023, SLO engaged an external service provider at a cost of $0.4 million to formulate a comprehensive public relations strategy for LCF. The public relations strategy and the associated measures proposed by the service provider were accepted by SLO in September 2024. As at

31 January 2025, SLO had not yet set a timetable for implementing the proposed public relations strategy and the associated measures for LCF; and

- as at 31 October 2024, SLO did not set any performance measures for monitoring the performance of LCF.

6. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses to the issues raised by Audit. The replies from the **Director of Civil Engineering and Development** are in *Appendix 6*.

7. The Committee wishes to be kept informed of the progress in implementing Audit's recommendations.

A. Introduction

The Audit Commission ("Audit") conducted a review on the management of the Mandatory Window Inspection Scheme ("MWIS") by the Buildings Department ("BD").

2. Hon Louis LOONG Hon-biu declared that he was a Legislative Council Member representing the Real Estate and Construction Functional Constituency, and contractors in the sector might have carried out related work projects.

Background

3. MWIS has been fully implemented since 30 June 2012 to require owners to regularly inspect the windows in their buildings with a view to identifying problems at an early stage, and carry out timely remedial works to prevent them from falling into disrepair thus causing danger to the public. Under MWIS, BD is empowered under the Buildings Ordinance (Cap. 123) to issue statutory notices to owners of private buildings aged 10 years or above (except domestic buildings not exceeding three storeys) ("MWIS statutory notices"), requiring them to appoint a Qualified Person ("QP") to carry out the prescribed inspection and, if necessary, a Registered Contractor to carry out the prescribed repair under the supervision of a QP for the windows in their buildings. As at 31 December 2024, there were a total of 27 168 buildings covered by MWIS. Since the commencement of MWIS in June 2012 and up to December 2024, a total of 13 461 target buildings had been selected for issuance of MWIS statutory notices, and a total of 723 219 MWIS statutory notices had been issued. BD is responsible for the implementation of MWIS and ensuring proper regulation of QPs.

4. To enhance the transparency and promote community participation, a Selection Panel has been established to tender advice to BD on the selection criteria and the selection of target buildings for the purpose of issuance of MWIS statutory notices. Each year, a certain number of target buildings will be selected by BD based on two selection mechanisms (hereinafter referred to as "Selection Mechanism A" and "Selection Mechanism B") from the buildings covered by MWIS for endorsement by the Selection Panel and issuance of MWIS statutory notices.

Public hearings

5. The Committee held two public hearings on 16 and 19 May 2025 to receive evidence. The opening statements made by **Ms Bernadette LINN Hon-ho, Secretary for Development** and **Mr HO Chun-hung, Director of Buildings** at the first public hearing are in *Appendices 7* and *8*.

Expenditure of MWIS

6. According to paragraph 1.9 of the Director of Audit's Report No. 84 ("the Audit Report"), the two Mandatory Building Inspection ("MBI") Sections under BD's MBI Division are responsible for the implementation of MWIS. The total recurrent expenditure of the two MBI Sections for 2023-2024 was about $231 million. The Committee requested BD to provide a breakdown of the expenses under the recurrent expenditure of the two MBI Sections and the division of work in implementing MWIS. **Director of Buildings** explained at the public hearings and in his letter dated 27 June 2025 (*Appendix 9*) that the two MBI Sections primarily allocate the work under the Mandatory Building Inspection Scheme ("MBIS") and MWIS on a regional basis. The aforesaid recurrent expenditure of about $231 million included about $217 million for staff cost and departmental expenses, and about $14.1 million for consultancy assignments. The estimated recurrent expenditure for 2024-2025 was about $252 million, including about $229 million for staff cost and departmental expenses, and about $23 million for consultancy assignments. The above expenditures covered the work under both MBIS and MWIS.

B. Selection of target buildings for issuance of statutory notices

7. Referring to the composition of the Selection Panel as mentioned in Note 8 to paragraph 2.2 of the Audit Report, the Committee asked BD to provide the basis for the establishment of the Selection Panel, its terms of reference and operational rules, as well as the procedures and consideration in appointing its members. **Secretary for Development**, **Director of Buildings** and **Ms Pelene NG, Deputy Director of Buildings** explained at the public hearings and **Director of Buildings** added in his letter dated 18 May 2025 (*Appendix 10*) that the Selection Panel was established in 2012 as an advisory body to render advice to BD. Its terms of reference included (a) selecting the target buildings nominated for MBIS and MWIS; and (b) advising BD on aspects related to the nomination and selection of target buildings including any proposed changes to the established selection criteria and scoring system as considered appropriate. Chaired by Assistant Director/MBI of BD, the Selection Panel comprised two official members (i.e. Chief Structural Engineer of MBI Section 1 and

Chief Building Surveyor of MBI Section 2 of BD), and representatives of the Hong Kong Housing Society ("HKHS"), the Hong Kong Institute of Architects, the Hong Kong Institution of Engineers, the Hong Kong Institute of Surveyors, the Hong Kong Association of Property Management Companies and the District Councils as non-official members. Non-official members were nominated by the above five organizations and 18 District Councils, and appointed by the Director of Buildings for a term of three years. The terms of reference and membership of the Selection Panel were available to the public on BD's website.

8. The Committee further asked whether there would be any conflict of interest when members of the Selection Panel engaged in building selection exercises given that the Selection Panel comprised industry players. **Director of Buildings** advised at the public hearings and in his letter dated 27 June 2025 (*Appendix 9*) that the Selection Panel comprised representatives from BD, professional institutions, relevant non-governmental organizations, property management professionals and the District Councils. Upon appointment, each non-official member was required to declare in writing any matters constituting actual, potential or perceived conflicts of interest with the Selection Panel's terms of reference. In addition, members were required to make declarations as to whether there was any possible conflict of interest in respect of the meeting agenda, items for discussion, and nomination lists of target buildings, etc. prior to each meeting. Any declaration was subject to the deliberation and decision of the Selection Panel, and where necessary, the members concerned might be required to withdraw from the meeting.

9. According to paragraph 2.3 of the Audit Report, the current Building Score System under Selection Mechanism A accorded varying weights to the five selection criteria, namely building age, building condition, building management, critical building elements and building cluster. The Committee sought details on the operation of the Building Score System, including the weights accorded to the five criteria. The Committee also asked BD to elaborate on the criterion "building cluster" and explain whether this criterion would go against the risk-based approach of MWIS and reduce the chance of single-block buildings being selected. **Secretary for Development** and **Director of Buildings** explained at the public hearings and **Director of Buildings** added in his letter dated 27 June 2025 (*Appendix 9*) that:

- BD adopted a risk-based approach in selecting target buildings based on five criteria (i.e. Selection Mechanism A). On 27 February 2024, the Development Bureau ("DEVB") reported to the Panel on Development of the Legislative Council that the Building Score System of both MBIS and MWIS would be refined for identifying high-risk buildings in a more

precise manner for the issuance of statutory notices under MBIS ("MBIS statutory notices") and MWIS statutory notices by, among other things, putting greater emphasis on the exterior elements of buildings, focusing more on "three-nil" buildings, and capturing more data on building conditions. The revised Building Score System was put into effect in the second quarter of 2024, under which scores were accorded to buildings based on four criteria (namely building age, building condition, building management and critical building elements). Details were set out in the above letter from the Director of Buildings;

- each year, BD would score and rank the private buildings eligible for MBIS or MWIS according to Building Score System. In general, buildings with the highest scores would be nominated as target buildings under MBIS or MWIS. Given that some of the buildings with high scores were located within the same housing estate, or formed an integral part of a development, the Selection Panel endorsed "building cluster" as the fifth criterion for selecting target buildings in 2017;

- a "building cluster" generally referred to buildings that were located within the same lot or housing estate, or subject to the same Deed of Mutual Covenant of the selected target building. As the selected building and other buildings in the building cluster were mostly developed during the same period, their building design and construction as well as future management arrangement were similar. From the perspective of building safety and risk consideration, buildings in a building cluster generally had the same potential risks, and owners were generally required to share the maintenance and repair responsibilities and costs of the common parts of the buildings or housing estates, such as external walls and windows thereof. As such, when BD found that a building with a relatively higher score was part of a housing estate or formed an integral part of a development, all buildings in the building cluster would be nominated; and

- concurrent building or window inspection and maintenance for buildings in the same building cluster was conducive to the arrangement for inspection and maintenance works, as well as engagement of consultants and contractors by the relevant owners' corporations ("OCs") and management companies. Not only could this reduce building safety hazards and potential risks, but also avoid duplication of works for the common parts in the same housing estate at different times, thereby shortening the overall maintenance period and minimizing the nuisance

caused to occupants. This approach took risk considerations into account while facilitating owners' arrangement for inspection and repair.

10. According to paragraph 2.5 of the Audit Report, under Selection Mechanism B, which was not a scoring system, buildings satisfying the three risk-based criteria (i.e. (a) a record of fallen window incident in the building in the previous year; (b) with windows in a state posing relatively higher potential risk to the public; and (c) building cluster) would be selected as target buildings. The Committee asked whether a more objective scoring system could be introduced, on the basis of the above criteria, under Selection Mechanism B, and whether the criterion "building cluster" might result in a waste of resources. **Secretary for Development** and **Director of Buildings** explained at the public hearings and **Director of Buildings** supplemented in his letter dated 27 June 2025 (*Appendix 9*) that:

- Selection Mechanism B covered private buildings aged 10 years or above (except domestic buildings not exceeding three storeys). The selection criteria included all buildings with records of fallen window incidents in the previous year; buildings with windows in a generally defective or dilapidated state; and buildings in the same building cluster. As Selection Mechanism B mainly targeted at buildings with previous records of fallen window incidents or windows in a generally defective or dilapidated state, BD considered it more prudent to directly include them as target buildings under MWIS instead of adopting a scoring system; and

- the number of buildings selected in building clusters under Selection Mechanism B only accounted for an average of 3% of the total number of target buildings, which was a rather low percentage. It addressed the potential public safety risks of multiple buildings in the same cluster without utilizing excessive resources for window inspection. As past data showed that there had been fallen window incidents involving more than one building in the same building cluster, BD considered it justifiable to retain the criterion of building cluster. At the request of the Committee, a breakdown of buildings in building clusters under Selection Mechanism B in the past five years was set out in the above letter from the Director of Buildings.

11. Referring to paragraph 2.6 of the Audit Report about buildings exempted from selection, the Committee asked BD to explain why buildings having participated in the HKHS's Voluntary Building Assessment Scheme ("VBAS") and buildings with

inspection or repair carried out on a voluntary basis in accordance with the requirements of BO and in compliance with the relevant requirements might still be included in Selection Mechanism B, and to provide the number of such buildings which had been selected under Selection Mechanism B for issuance of MWIS statutory notices in the past five years. **Director of Buildings** explained at the public hearings and in his letter dated 27 June 2025 (*Appendix 9*) that:

- buildings accredited under VBAS implemented by HKHS were recognized by BD as having fulfilled the requirements under MWIS (in respect of windows in common parts only) within the respective inspection cycles. In addition, if building owners (including common parts or individual flats) voluntarily carried out window inspections or repairs in accordance with the requirements of BO without receiving MWIS statutory notices, their properties could also be recognized by BD as having fulfilled the requirements under MWIS within the respective inspection cycles. In the event of a fallen window incident in a building, even if the common parts of the building had participated in VBAS, or the individual flats or common parts of the building had completed voluntary window inspection, if some of its windows had not yet completed voluntary window inspection, the building would still have to be included in Selection Mechanism B; and

- in the past five years, with the implementation of VBAS by HKHS, no such buildings were selected as target buildings of MWIS under Selection Mechanism B as a result of fallen window incidents. BD did not keep statistics on buildings with voluntary window inspection completed for some of its individual flats or common parts that were selected as target buildings of MWIS under Selection Mechanism B.

12. According to paragraphs 2.8 to 2.10 of the Audit Report, Audit found that, for the 2023 and 2024 target building selection exercises, 11 and 20 buildings with records of fallen window incidents in the previous year were not selected as target buildings respectively under Selection Mechanism B in accordance with BD guidelines. As explained by BD, as these 31 buildings had been served MWIS statutory notices in the past, BD, having considered certain additional factors (such as compliance status of the MWIS statutory notices previously served and causes of the fallen window incidents), did not include them as target buildings for issuance of a new MWIS statutory notice. The Committee queried whether BD's exclusion of these 31 buildings would pose potential risks to public safety, and enquired why BD had not incorporated the additional factors to be considered in its guidelines so that the Selection Panel was clear about the criteria in selecting target buildings.

13. **Secretary for Development**, **Director of Buildings** and **Deputy Director of Buildings** explained at the public hearings and **Director of Buildings** added in his letter dated 27 June 2025 (*Appendix 9*) that in 2023 and 2024, 11 and 20 buildings with records of fallen window incidents in the previous year were not selected as target buildings under Selection Mechanism B respectively. The consideration at that time was that although MWIS statutory notices had been served on those buildings in the past, there were still outstanding MWIS statutory notices at the time of the fallen window incidents. If MWIS statutory notices were issued to all owners again, those who had already complied with the notices might consider it unfair. However, upon review, BD considered that the selection of target buildings should focus on minimizing safety risks, and agreed that in future, if a building had been involved in fallen window incidents in the previous year and previous MWIS statutory notices had been served for more than five years, the building should be included as a target building as soon as possible for issuance of MWIS statutory notices again, regardless of whether the MWIS statutory notices issued earlier had been fully complied with, especially in the case of recurrent fallen window incidents in the same building. BD would update the relevant guidelines, provide such information in the documents and materials prepared for the Selection Panel, as well as seek the agreement of the Selection Panel at the meeting to be held in the third quarter of 2025. BD would proactively follow up on the outstanding MWIS statutory notices of the buildings concerned, including issuing warning letters and fixed penalty notices ("FPNs"), as well as instigating prosecution actions. Regarding individual fallen window incidents, BD would take follow-up actions in accordance with other requirements under BO, such as issuing repair orders to flat owners and carrying out emergency works to remove the hazards when necessary to safeguard building safety.

14. According to paragraph 2.10 of the Audit Report, BD had not informed the Selection Panel of the additional factors to be considered for selecting buildings under Selection Mechanism B. The Committee asked BD to confirm the above. **Secretary for Development**, **Director of Buildings** and **Deputy Director of Buildings** explained at the public hearings and **Director of Buildings** further explained in his letter dated 18 May 2025 (*Appendix 10*) that:

- to enhance the transparency in the selection process of target buildings and community acceptance, BD conducted preliminary selection on the basis of buildings with higher scores under the Building Score System (i.e. Selection Mechanism A) and buildings involving fallen window incidents (i.e. Selection Mechanism B) respectively in compiling the nomination lists of target buildings for submission to the Selection Panel for consideration prior to its meeting. At the annual meeting, BD first introduced and explained to members of the Selection Panel the selection

criteria and other consideration factors with the aid of a PowerPoint presentation. Taking the Selection Panel meeting in 2024 as an example, when presenting the list of target buildings under Selection Mechanism A, BD staff informed Selection Panel members of the total number of buildings eligible for MBIS and MWIS in terms of building age at that time but had not yet been selected as target buildings. However, the buildings would be shortlisted according to the building score criteria for members' discussion after excluding the buildings that were not applicable (e.g. those that had participated in VBAS);

- when briefing Selection Panel members on the selection of target buildings under Selection Mechanism B at the same meeting, BD staff explained that the selected buildings did not include those with fallen window incidents due to improper use, as recorded in the minutes of the meeting. Having commented and deliberated on the lists of target buildings compiled by BD, the Selection Panel endorsed the lists of target buildings. The relevant PowerPoint slide and an extract of the relevant minutes were set out in the above letter from the Director of Buildings; and

- although BD staff had briefed the Selection Panel members on some of the additional factors to be considered under the selection mechanisms at the Selection Panel meeting, not all the factors were covered. BD agreed with and would adopt the recommendations made by Audit to optimize the consideration factors and practice for selecting target buildings in light of past experience, and incorporate them into BD's guidelines. BD would report on the arrangements at the next meeting of the Selection Panel. Future discussions by the Selection Panel would also be clearly recorded.

15. The Committee also noted from an extract of the minutes of the meeting of the Selection Panel on 10 July 2024 provided in the above letter from the Director of Buildings that the said meeting was conducted via video conferencing. As explained by the Administration at the public hearings, after the epidemic, some Selection Panel members continued to opt for attendance via video conferencing and BD therefore allowed members to choose whether to attend meetings in person. The Committee queried whether holding meetings via video conferencing was a desirable form of deliberation for building selection exercises by the Selection Panel. Given that daily operations had returned to normal, the Committee asked whether BD would consider arranging for the Selection Panel to fully resume physical meetings. **Secretary for Development** and **Director of Buildings** explained at the public hearings and

Director of Buildings further explained in his letter dated 2 July 2025 (*Appendix 11*) that BD agreed with the Committee's recommendation to resume the physical meeting arrangement of the Selection Panel starting from the third quarter of 2025. In case individual members requested to participate in the form of video conferencing due to special circumstances, such requests should be made prior to the meeting with the approval of the Chairperson of the Selection Panel.

16. According to paragraph 2.12 of the Audit Report, 372 buildings with MWIS or MBIS statutory notices previously served more than 5 and 10 years ago respectively were excluded from selection by BD under Selection Mechanism A, but they had higher scores than some of the buildings in the nomination list under Selection Mechanism A. As explained by BD, this was because priority was given to buildings that had never been inspected/repaired under the scope of MWIS/MBIS. However, Audit pointed out that the above consideration factor was not incorporated in BD guidelines, and BD had not informed the Selection Panel that some buildings excluded due to the above consideration factor in fact had higher scores than certain buildings in the nomination list. The Committee queried whether BD's exclusion of those buildings with higher scores under Selection Mechanism A would pose potential risk to public safety, and asked why BD did not specify in its guidelines the additional consideration factors beyond the Building Score System of Selection Mechanism A, and how it ensured that the Selection Panel was clear about BD's criteria in setting the priority for compiling the building nomination lists and made appropriate considerations on this basis. **Director of Buildings** explained at the public hearings and in his letter dated 27 June 2025 (*Appendix 9*) that:

- as the objective of MWIS or MBIS was to uphold the concept of "prevention is better than cure", priority was given to buildings that had never been inspected or repaired under the scope of MWIS or MBIS. This would extend the schemes and their concept to cover more buildings, enhance the effectiveness of publicity and education, and uphold the risk-based approach by focusing resources on buildings that had never been selected for issuance of MWIS statutory notices, instead of selecting the same buildings as target buildings repeatedly;

- for the 372 buildings excluded from the selection under Selection Mechanism A, they had been previously selected as target buildings under MBIS and MWIS and served with MWIS and MBIS statutory notices. The 372 buildings were subsequently accorded higher scores under the Building Score System primarily because BD had issued statutory orders under sections 26, 26A or 28 of BO in respect of the common parts of the buildings to follow up on the defects thereof.

Therefore, the higher scores accorded to the 372 buildings were not directly related to the conditions of windows in individual flats;

- under the principle of optimizing the use of resources, such buildings were not re-selected so that other buildings that had never carried out prescribed inspections and repairs under MBIS and MWIS could be selected. It was noteworthy that, as at December 2024, 14 676 buildings aged 10 years or above which were eligible for MWIS had not yet been selected as target buildings. Of these, 9 246 buildings were aged 30 years or above. It was believed that some of these buildings warranted the issuance of statutory notices by BD to urge the owners to carry out window inspections for safety's sake. Allocation of resources and selection of target buildings should be made carefully in accordance with the risk-based principle. If dilapidations or defects were identified in the buildings not being re-selected due to prior issuance of MWIS statutory notices, the Existing Buildings Division of BD would also proactively initiate other law enforcement actions, or emergency or default works to uphold building and public safety; and

- BD agreed that it was unsatisfactory to omit the additional factor in its guidelines, and had therefore updated the relevant guidelines and would continue to implement improvement measures. BD would provide such information in the documents and materials prepared for the Selection Panel, and seek their agreement at the meeting to be held in the third quarter of 2025.

17. According to paragraph 2.14 of the Audit Report, from January 2017 to December 2024, BD recorded 445 fallen window incidents, of which 6 incidents resulted in a total of 1 death and 7 injuries. Of these 445 fallen window incidents, 295 (66%) cases occurred at buildings that had not been selected by BD's building selection mechanisms when the incidents occurred; 140 (32%) cases occurred at buildings that were selected by BD's building selection mechanisms; and 10 (2%) cases occurred at buildings not covered by MWIS (for reasons including buildings aged below 10 years, domestic buildings not exceeding three storeys, etc.). The Committee asked BD to provide the respective numbers of buildings involved in the aforesaid 295 and 140 cases of fallen window incidents, and enquired for the 6 fallen window incidents resulting in death and injuries, whether the buildings involved had been selected under BD's selection mechanisms and whether any of these incidents involved recurrence in the same building.

18. **Director of Buildings** advised at the public hearings and in his letter dated 15 May 2025 (*Appendix 12*) that the above-mentioned 295 fallen window incidents involved a total of 250 buildings, among which 221 buildings involved 1 incident each, 18 buildings involved 2 incidents each and 11 buildings involved 3 or more incidents each; 140 fallen window incidents involved a total of 134 buildings (including 70 buildings selected under Selection Mechanism A and 64 buildings selected under Selection Mechanism B), among which 128 buildings involved 1 incident each and 6 buildings involved 2 incidents each; for the 6 fallen window incidents resulting in death and injuries, they involved 6 buildings, of which 4 had been selected as target buildings and issued with MWIS statutory notices before the incidents, one received MWIS statutory notice after the incident, and the remaining one was issued with an order on the same day after the incident requiring the owner concerned to carry out investigation and remedial works, and thus no inspection and repair under MWIS were required. The window inspections and necessary repair works had been completed for all the 6 buildings. A detailed breakdown of the above-mentioned fallen window incidents was set out in the above letter from the Director of Buildings.

19. The Committee pointed out that the buildings involved in the aforesaid 295 fallen window incidents had not been selected under BD's selection mechanisms when the incidents occurred, and among these buildings, some involved 2 or more incidents each; for the aforesaid 140 fallen window incidents, the buildings involved had been selected under BD's selection mechanisms and among these buildings, none involved more than 2 incidents each. The Committee asked whether this reflected the deficiencies in the current building selection criteria and additional consideration factors, and why the 29 buildings had not been selected under BD's selection mechanisms at the time. **Secretary for Development** and **Director of Buildings** explained at the public hearings and **Director of Buildings** further explained in his letter dated 27 June 2025 (*Appendix 9*) that:

- in addition to Selection Mechanism A, BD had introduced Selection Mechanism B since December 2016 to identify buildings with a higher risk of falling windows as target buildings for issuance of MWIS statutory notices. In light of the experience gained, the Selection Panel agreed to revise the selection criterion under Selection Mechanism B in 2019 from three or more fallen window incidents occurred within six months prior to the date of selection, to any fallen window incidents occurred within a year prior to the date of selection. Of the 250 buildings involved in the 295 fallen window incidents that had not been selected by the selection mechanism when the incidents occurred, 204 buildings had been selected as target buildings after the revision of the selection mechanism, while another 14 buildings would be included

as target buildings this year. The revised criterion was more effective in including more buildings with a higher risk of falling windows as target;

- BD was currently conducting an analysis on the statistics of the 295 cases of fallen window incidents with a view to improving the selection mechanism. Preliminary analysis showed that the buildings involved in approximately 80% of such incidents were aged 30 years or above. The Eastern District, Yau Tsim Mong District and Kowloon City District, where old buildings were more prevalent, recorded with a higher number of fallen window incidents, each accounting for about 10% to 20% of the incidents, with only a few "three-nil" buildings involved. Statistics on other parameters, such as the number of storeys and materials of windows, were still being analysed. Depending on the results of the analysis, BD would consider further enhancing the selection mechanism with an aim to complete the work in the next two months;

- BD would also step up the use of information technology, including leveraging big data to improve the efficiency of daily operations. BD would launch a geographical 2D heatmap in 2025, which would display in the form of a map the building age, building type, enforcement work carried out or in progress, as well as records of fallen window incidents of all buildings across the territory through data visualisation. By incorporating the criteria of the building selection mechanisms into the relevant system, it would facilitate the quick retrieval of useful information from the vast amount of data and assist BD in analysing the trends and anomalies in the large datasets of building conditions and building scores in a more systematic manner, thereby enhancing the efficiency in the selection of target buildings under MBIS and MWIS; and

- the 29 buildings had not been selected when the incidents occurred because they had not fulfilled the then prevailing selection criterion of target buildings (i.e. three or more fallen window incidents occurred within six months). However, upon revision of the relevant criterion in 2019, 27 out of the 29 buildings had been selected as target buildings and issued with MWIS statutory notices; one building would be shortlisted for the Selection Panel's consideration; for the remaining one building, a repair order was issued by BD on 28 June 2018 requiring the owner to repair the defective windows and had been complied with. At the request of the Committee, a breakdown of the 29 buildings by

building age group and details of the buildings involved in 6 fallen window incidents resulting in death and injuries were provided in the above letter from the Director of Buildings.

20. According to paragraph 2.16 of the Audit Report, for enhancing cost effectiveness, BD had outsourced certain administrative work for issuance of MWIS statutory notices to consultants. Such tasks included submitting desk study reports, preparing and serving MWIS statutory notices, and updating the Building Condition Information System ("BCIS") records. The Committee asked whether such tasks could be absorbed by the existing BD staff through upgrading of the departmental information technology systems so as to reduce outsourcing. **Director of Buildings** advised at the public hearings and in his letter dated 15 May 2025 (*Appendix 12*) that:

- in view of the significant number of MWIS statutory notices to be issued and handled every year, BD had engaged outsourced consultants to assist in the administrative work of non-statutory functions, issuing 49 930, 32 588 and 40 530 MWIS statutory notices in each of the past three years respectively. This arrangement enabled BD staff to focus on discharging their statutory functions, which included issuing reminders, warning letters and FPNs to owners for non-compliance with the MWIS statutory notices, instigating prosecution against owners without reasonable excuse, conducting audit checks on cases in which owners had arranged for QPs to carry out inspections and repair works, issuing reminders or warning letters to non-compliant QPs, as well as instigating prosecution or disciplinary actions when necessary. In addition, BD staff were also tasked with providing technical support and assistance to owners in need, and taking forward relevant public education and publicity work. In view of this, it was a cost-effective arrangement for BD to outsource part of its administrative work to consultants. At the request of the Committee, the minimum qualifications required of the staff of the consultants under the consultancy agreements, and the contract sum as well as the number of staff involved in each of the consultancy agreements were set out in the above letter from the Director of Buildings; and

- BD had been optimizing the administrative work of MWIS through streamlining procedures and enhancing its information technology systems, such as automating the generation of MWIS statutory notices by a computer information system. BD was also developing an electronic "Case Management and Reporting Platform for Statutory Orders/Notices and Warning Letters" ("Case Management and

Reporting Platform"), which could automatically generate reminders and warning letters upon expiry of the due dates of the MBIS and MWIS statutory notices in place of the existing arrangement of issuing letters manually, thereby enhancing enforcement efficiency. It was expected to be implemented in the fourth quarter of this year. BD would continue to enhance its information systems and utilize technology, with a view to reducing the administrative work pertaining to MBIS and MWIS statutory notices and enhancing enforcement efficiency.

21. The Committee further asked BD why the task related to issuance of MBIS and MWIS statutory notices was handled under four separate consultancy agreements, and whether BD would consider consolidating the agreements to improve administrative efficiency and facilitate supervision. **Director of Buildings** explained at the public hearings and in his letter dated 27 June 2025 (*Appendix 9*) that BD had since 2022 outsourced the administrative work for issuance of statutory notices to target buildings under MWIS and MBIS to consultants. To mitigate the impact in the event of problems arising from the failure of a single consultant to discharge their duties, four consultancy agreements with a contract period of one year were awarded to a total of three consultants. While the number of consultancy agreements awarded in 2023 remained at four, the contract period was extended to two years, involving a total of two consultants. Each of the two MBI Sections under the MBI Division was assisted by the two consultants respectively for the issuance of MBIS and MWIS statutory notices. BD had extended the contract period from one year to two years in the tendering process in 2023 to reduce the frequency of tender invitations and enhance administrative efficiency. The extended contract period also facilitated consultants in making long-term planning and retaining staff, as well as attracting more consultants to submit tenders, thereby enhancing the competitiveness among bidding consultants. Taking into account the experience in supervising consultancy agreements in the past few years and the availability of consultants in the market to undertake larger contracts, BD would consider whether to consolidate the existing four consultancy agreements and/or further extend the contract period.

22. The Committee also enquired about the response during the tender invitations for the four consultancy agreements, and whether the bid prices offered by the four successful tenderers were the lowest. **Director of Buildings** advised at the public hearings and in his letter dated 27 June 2025 (*Appendix 9*) that BD invited tenders from 61 and 71 eligible consultants for the engagement of consultancies in 2022 and 2023 respectively. The number of returned tenders for each contract was five or more. Not all of the successful tenderers were awarded the contracts at the lowest price. Consultants' technical proposals were one of the important factors

considered. Details of tenders regarding the above-mentioned consultancy agreements were set out in the above letter from the Director of Buildings.

23. According to paragraph 2.18 of the Audit Report, the performance of three of the four consultants engaged by BD for issuance of statutory notices for buildings selected in 2022 to 2024 was unsatisfactory. The Committee enquired about the reasons for the unsatisfactory performance of the three consultants, the circumstances under which BD would issue reminders, advisory letters and warning letters to the consultants, and whether guidelines had been drawn up to enable BD staff to effectively monitor the work progress and performance of the consultants. **Director of Buildings** advised at the public hearings and in his letter dated 27 June 2025 (*Appendix 9*) that:

- the main reason for the unsatisfactory performance of the three consultants was the high staff turnover rate. As new recruits needed time to familiarize themselves with the work, they were unable to take over the heavy workload in a timely manner. At present, if a consultant failed to meet the contract requirements in carrying out the work required under the contract, BD staff would, depending on the severity of the situation, issue a reminder to the consultant concerned, requesting them to submit improvement measures and expedite the follow-up on outstanding matters. Substandard performance would also be reflected in the relevant items of the consultant's quarterly performance report, with a lower rating accorded. If no improvement was shown, BD staff would issue a warning letter and an adverse performance report to the consultant;

- a consultant having received two and three consecutive adverse performance reports under the same consultancy would be suspended from bidding BD's consultancy work of the same category for at least 3 and 12 months respectively. Consultants with good performance during the contract period would be accorded a higher rating in the performance report. During tender assessment, BD would score the consultants' technical proposals, and the consultants' past performance scores would account for 20% of the total scores, thus increasing the chance of winning future tenders for consultants with good performance; and

- BD would continue to take the following measures to strengthen the management and monitoring of consultants' work:

(a) BD would incorporate the criteria for issuing reminders and warning letters in its guidelines. Such criteria included issuance of reminders to consultants failing to submit reports and documents in a timely manner at the monthly progress meeting to remind them of the outstanding reports and documents and to revise the submission schedule as appropriate for further monitoring. If consultants still failed to complete the work by the revised schedule, warning letters would be issued to them and an interview would be arranged with their senior management, requiring the submission of specific measures to improve performance and expedite the follow-up on outstanding items;

(b) BD would further enhance the consultant monitoring system, including the enhancement of BCIS to record the target completion date for each target building and send reminder emails of to-do items to consultants through the system in a timely manner; and

(c) BD would explore ways to enhance the current assessment mechanism and contractual arrangements for consultant companies, including considering the possibility of introducing an incentive and penalty mechanism, such as increasing the percentage of consultants' past performance scores in the technical proposals for assessments of consultants, with a view to enhancing consultants' performance.

24. Referring to paragraph 2.19 of the Audit Report, the Committee enquired why BD still considered the overall performance of the three consultants acceptable and thus no adverse performance reports had been issued to them; and whether they had been imposed any penalty (such as deducting consultancy fee) for their unsatisfactory performance. **Director of Buildings** explained at the public hearings and in his letter dated 27 June 2025 (*Appendix 9*) that although the three consultants underperformed in certain work areas, their performance in other work areas was satisfactory. As the assessment criteria were based on the overall performance of consultants, their performance was still considered acceptable in the assessment. For example, despite Consultant A's poor performance in preparing desk study reports and/or draft statutory notices, its performance in serving statutory notices, submission of statutory notice posting records and updating BCIS records was satisfactory. Moreover, consultants' performance had also improved upon receipt of reminders and therefore their overall performance was acceptable.

25. According to paragraph 2.24(a) of the Audit Report, since the commencement of MWIS in June 2012 and up to December 2024, for buildings covered by MWIS (27 168 buildings as at 31 December 2024), only 342 buildings had participated in HKHS's VBAS, indicating that the participation in voluntary window inspection was on the low side. The Committee was of the view that BD should enhance the provision of information about voluntary window inspection on its website, and enquired about the measures or incentives put in place by BD to promote voluntary window inspection. **Secretary for Development** and **Director of Buildings** advised at the public hearings and **Director of Buildings** further explained in his letter dated 27 June 2025 (*Appendix 9*) that BD would continue to step up public education and publicity activities to promote voluntary window inspection and repair, and collaborate with other stakeholders such as the Property Management Services Authority, HKHS and the Urban Renewal Authority, to assist and encourage owners to carry out regular building inspection and maintenance, as well as formulate maintenance manuals and programmes through licensed property management companies. In addition, BD would continue to step up publicity to promote the "WIN SAFE" mobile application and the chatbot on its website, including deploying the Mobile Command Unit to promote "WIN SAFE" and window inspection, and organize briefings to introduce MWIS to the public. Meanwhile, HKHS had been promoting VBAS through introducing incentive measures to encourage owners to participate in the early bird scheme by waiving their building accreditation fees. Taking into account the views raised by individual members during the hearings, BD would also consider giving recognition to buildings that carried out window inspection and repair works voluntarily.

C. Follow-up actions on statutory notices

26. Referring to the 29 781 MWIS statutory notices that had been withdrawn as mentioned in paragraph 3.4(a) of the Audit Report, the Committee sought the number of MWIS statutory notices involving buildings about to be demolished. **Director of Buildings** advised at the public hearings and in his letter dated 27 June 2025 (*Appendix 13*) that as at 31 December 2024, 29 781 MWIS statutory notices were withdrawn or superseded by new notices, of which 18 632 were withdrawn due to reasons such as buildings having been demolished or about to be demolished, and the absence of windows in the premises concerned (e.g. ground floor shops) upon alteration. BD did not compile breakdown statistics on the withdrawal of MWIS statutory notices involving buildings about to be demolished.

27. According to paragraphs 3.4(c) and 3.5(b) of the Audit Report, as at 31 December 2024, 26 647 MWIS statutory notices had not been complied with,[1] of which 11 410 (43%) had remained outstanding for more than 3 years and up to 11.6 years from compliance due dates of statutory notices. The Committee asked BD to explain the reasons for so many long-outstanding statutory notices, and provide the details on the case that remained outstanding for as long as 11.6 years. **Director of Buildings** explained at the public hearings and in his letter dated 27 June 2025 (*Appendix 13*) that:

- as at 31 December 2024, of the 26 647 outstanding MWIS statutory notices, 3 049 involved common parts of the buildings, while the remaining 23 598 involved windows in individual premises. Regarding the reasons for the long-outstanding MWIS statutory notices, in respect of common parts, it was mainly due to the absence of OCs or management companies to coordinate window inspection, or the failure in reaching a consensus among owners on the engagement of QPs or the sharing of costs; for windows in individual premises, it was mainly due to practical difficulties, such as financial hardship, old age, infirmity or illness, encountered by owners who required the assistance from BD's in-house social service teams; and

- the case that remained outstanding for 11.6 years involved windows in an individual premises, and the owner concerned was a woman aged about 50, to whom BD had issued warning letters and FPNs, as well as instigated multiple prosecutions. She was convicted and fined by the Court in 2021 and 2023. BD's social service teams had reached out to the woman to offer assistance. She responded that she was aware of the requirement to engage a QP for window inspection and declined further assistance from the social service teams. While she was well aware of the requirement to engage a QP to carry out window inspection in her premises, she had not fulfilled her responsibility. Since the MWIS statutory notice had not yet been complied with, BD instigated a third prosecution against her in 2024, and would continue to follow up on the enforcement actions, including considering carrying out default works under BO. However, in view of the past interactions with the woman, BD might need to apply to the Court for a warrant in order to enter the premises to carry out default works.

[1] As at 31 December 2024, the number of MWIS statutory notices that had been complied with was 657 670, among which, 8 202 involved windows in common parts and 649 468 involved windows in individual premises owned by individual owners.

28. The Committee enquired about the number and percentage of cases involving "three-nil" buildings among the 26 647 outstanding MWIS statutory notices, and the measures to assist owners of "three-nil" buildings in complying with the MWIS statutory notices. **Secretary for Development** and **Director of Buildings** advised at the public hearings and **Director of Buildings** further explained in his letter dated 27 June 2025 (*Appendix 13*) that of the 26 647 outstanding MWIS statutory notices, 4 212 involved "three-nil" buildings, accounting for about 16% of the total number. In the past four months (i.e. as at 30 April 2025), 531 of them had been complied with, and 644 of the remaining 3 681 MWIS statutory notices involved windows in common parts. The buildings concerned had been included as Category 2 buildings under Operation Building Bright 2.0 (OBB 2.0), and BD would carry out the requisite inspection and repair works for the windows in common parts in default of the owners. BD would continue to adopt the risk-based approach by selecting the "three-nil" buildings in need to carry out default works for windows in common parts under OBB 2.0. As for owners of individual premises in "three-nil" buildings who had not complied with the MWIS statutory notices, BD staff would, where necessary, provide technical support, deploy its in-house social service teams to provide appropriate assistance to owners and occupants concerned, and provide information on the engagement of QPs. In addition, BD had been providing technical support to owners, including those of "three-nil" buildings, for complying with the MWIS statutory notices through "Central Platform on Building Management" briefings regularly organized by the Home Affairs Department ("HAD"). BD would enrich the content on MWIS in the briefings to assist the OCs or building owners, including those of "three-nil" buildings, to carry out prescribed inspection and/or prescribed repair works.

29. The Committee further asked whether BD was empowered under the law to carry out default window repair works for a building. **Secretary for Development** and **Director of Buildings** explained at the public hearings and **Director of Buildings** added in his letter dated 27 June 2025 (*Appendix 13*) that if owners subject to non-complied MWIS statutory notices had difficulties in coordinating the prescribed inspection and repair works for the common parts of their buildings, BD would, based on the risk-based approach and the actual conditions of the buildings, proactively select such buildings, including "three-nil" buildings, as Category 2 buildings under OBB 2.0, and exercise its statutory power to arrange for consultants and government contractors to carry out the prescribed inspection and necessary works in default of the owners. The cost of the inspection and required works plus a supervision charge would be recovered from the owners concerned afterwards. Eligible owners might apply for a subsidy under OBB 2.0 to cover all or part of such cost. As at 30 April 2025, about 860 buildings, including 430 "three-nil" buildings, had been selected as Category 2 buildings under OBB 2.0 with inspection/repair works in progress.

30. According to paragraph 3.5(a) of the Audit Report, for the aforesaid 26 647 outstanding MWIS statutory notices, the non-compliance rate for windows in common parts of the buildings (27%) was much higher than that for windows in individual premises owned by individual owners (4%). The Committee asked what measures were put in place to raise the rate of compliance with MWIS statutory notices issued for windows in common parts of the buildings. **Secretary for Development** advised at the public hearings and **Director of Buildings** further explained in his letter dated 27 June 2025 (*Appendix 13*) that:

- as the common parts of buildings generally involved a large number of owners, negotiation was often necessary in preparing the required inspection and repair works, which included the invitation of tenders for the engagement of consultants and contractors. Therefore, owners or OCs generally needed more time to comply with MWIS statutory notices for common parts. BD would continue to provide technical support to building owners for complying with relevant MWIS statutory notices through the "Central Platform on Building Management" briefings regularly organized by HAD. In addition, DEVB also established a multi-partite collaboration platform in the third quarter of 2023, comprising members from BD, the Urban Renewal Authority, HAD, etc. to coordinate appropriate support including the formation of OCs through HAD with a view to assisting owners in complying with MWIS statutory notices. BD would continue to step up its efforts in explaining to the public the details of MWIS and assist OCs or building owners in carrying out prescribed inspections and/or prescribed repairs. Meanwhile, BD would also deploy its in-house social service teams to provide the owners/occupants concerned with appropriate assistance in cases of need. While providing assistance to owners who were willing to comply with MWIS statutory notices, BD would instigate prosecutions against owners who continuously failed to comply with the notices without reasonable excuse; and

- DEVB announced at the end of 2024 the proposals to amend BO to expedite building inspection and repair, which included increasing the fixed penalty for non-compliance with MWIS statutory notices from the current $1,500 to $3,000, with the maximum fine in prosecution cases to be increased from the current $25,000 to $100,000 and the imprisonment term to be kept at three months; introducing a new offence with a maximum fine of $300,000 and imprisonment for one year to be imposed for cases of non-compliance with MWIS statutory notices with casualties or damage to property caused as a result of fallen windows in buildings; and proposing to increase the penalty from the current $10,000 to

$25,000 for uncooperative owners who obstructed OCs in carrying out inspection and repair for windows in common parts. The Government was consolidating public views and planned to introduce an amendment bill into the Legislative Council in the first half of 2026. BD believed that the above-mentioned proposals to amend BO in respect of the relevant penalties would enhance the deterrent effect and it was expected that the compliance rate of MWIS statutory notices would be boosted in future.

31. The Committee further enquired how the aforesaid fixed penalty level of $1,500 was set. **Secretary for Development** and **Director of Buildings** explained at the public hearings and **Director of Buildings** supplemented in his letter dated 2 July 2025 (*Appendix 11*) that the current FPN penalty level of $1,500 was set in 2011 with reference to the penalty level for littering under the Fixed Penalty (Public Cleanliness and Obstruction) Ordinance (Cap. 570), and was not related to the costs of inspection and repair. If owners continuously failed to comply with statutory notices without reasonable excuse, BD would instigate prosecution against them, and the fines imposed by the Court in the past were higher than those of FPNs.

32. Paragraph 3.6 of the Audit Report mentioned that of the 445 fallen window incidents recorded from January 2017 to December 2024, 131 (29%) cases had been served with MWIS statutory notices before the incidents occurred, of which the notices of 25 cases had not been complied with when the incidents occurred (of which 18 notices had remained outstanding for a period ranging from 15 to 2 928 days from compliance due dates of statutory notices); and as at 31 December 2024, 5 of these 25 MWIS statutory notices were still outstanding. Regarding the 445 fallen window incidents, the Committee enquired about the causes of the incidents, and whether the owners concerned or parties involved shall bear any criminal liability; for the 106 cases (i.e. 131 less 25) of fallen window incidents which had complied with the MWIS statutory notices when the incidents occurred, the Committee enquired about the causes of the incidents and queried whether they were attributed to negligence in window inspection. **Director of Buildings** explained at the public hearings and in his letter dated 27 June 2025 (*Appendix 13*) that:

- BD primarily obtained information on fallen window incidents through emergency incidents notified by the Police, reports from members of the public, as well as media and internet reports identified by its staff. The main causes of fallen windows included corrosion or loosening of some parts of the windows, broken glass panels or improper use of windows, etc. Among the above fallen window cases, four cases were associated

with QPs based on prima facie evidence. Two of these cases involved negligence on the part of QPs in window inspection. Upon detailed investigation, BD instigated prosecution against the two QPs concerned under BO, and they were convicted and fined $10,500 and $5,000 respectively. The other two cases were considered with doubts by the Department of Justice/expert witnesses, and, as a result, were respectively withdrawn and could not be prosecuted. At the request of the Committee, a breakdown of the 445 fallen window incidents by year was set out in the above letter from the Director of Buildings. BD did not keep breakdown statistics on the causes of the incidents; and

- of the 106 cases of fallen window incidents in which the MWIS statutory notices had been complied with when the incidents occurred, 68 cases involved a time lapse of over two years between the occurrence of the incident and the time of compliance with the relevant MWIS statutory notices, and BD was unable to ascertain, upon investigation, any irregularities in the window inspection conducted by the QPs concerned; no further action could be taken or was required in 20 cases due to insufficient evidence or verified as misreporting (i.e. no fallen windows); no further investigation could be carried out in 14 cases due to failure to identify the exact premises in which the incidents took place; prosecution actions were considered or taken for the remaining 4 cases (i.e. the 4 cases mentioned above).

33. The Committee further asked whether the cases involved in the 18 outstanding MWIS statutory notices as mentioned above included the six incidents that resulted in death and injuries as mentioned in paragraph 2.14 of the Audit Report, and enquired about the latest compliance status of the remaining five MWIS statutory notices. **Director of Buildings** advised at the public hearings and in his letter dated 27 June 2025 (*Appendix 13*) that for the 18 MWIS statutory notices, one of them pertained to a premises involved in a fallen window incident resulting in injuries. BD issued an MWIS statutory notice to the premises concerned on 8 August 2016, and the fallen window incident occurred on 18 November 2018, with the owner subsequently carrying out window inspection and completing repair works on 30 November of the same year. As at the end of May 2025, the latest compliance status of the remaining five MWIS statutory notices was as follows: the MWIS statutory notice of one case had been complied with; one case had commenced repair works; two cases were under prosecution proceedings; and the remaining one had been issued with an FPN.

34. According to paragraph 3.9(b) and (c) of the Audit Report, starting from July 2024, BD required that an FPN should be issued within six months from the compliance due date of the MWIS statutory notice. As at 31 December 2024, of the 21 672 non-complied MWIS statutory notices with warning letters issued, no FPNs had been issued to the owners for 18 352 (85%) MWIS statutory notices (involving some $27.5 million), of which the time lapsed from the compliance due date to 31 December 2024 for 15 913 MWIS statutory notices was more than one year. For the 4 208 FPNs that were issued for the 3 320 (15%) non-complied MWIS statutory notices, 2 045 were not yet paid as at 31 December 2024 and BD had not yet referred these cases of unpaid FPNs to the Court for settlement. The Committee asked why BD had not set a time frame for issuing FPNs until last year, why the time frame was set at six months, and why in more than 80% of the non-compliance cases, no FPNs had yet been issued to the owners concerned. Regarding a case mentioned in Note 4 to Table 4 in paragraph 3.9(b) of the Audit Report, where BD issued the FPN 10.9 years after the compliance due date of the MWIS statutory notice due to file mislocation, the Committee sought details on the incident and the current progress of the case. **Director of Buildings** and **Deputy Director of Buildings** explained at the public hearings and **Director of Buildings** added in his letter dated 27 June 2025 (*Appendix 13*) that:

- experience showed that after the issuance of warning letters by BD, the majority of owners would respond positively and follow up on the MWIS statutory notices, which was also reflected in the overall compliance rate of 96% for MWIS statutory notices. Some owners would also actively discuss with BD the follow-up actions and status of complying with the MWIS statutory notices, for example, seeking to understand the specific requirements and procedures for compliance with the notices, obtaining information on engaging QPs, seeking technical support or social service assistance from BD, as well as applying for extension of time by stating the reasons for their failure to comply with the MWIS statutory notices in a timely manner and the practical difficulties they encountered. BD had all along adopted a pragmatic approach in communicating with owners and providing them with the necessary technical support as far as possible to assist them in the early completion of window inspection and follow-up works. To further increase the compliance rate, BD had since July 2024 set a time frame for the issuance of FPNs, which was normally within six months from the compliance due date of the MWIS statutory notices. BD considered that such time frame allowed reasonable time for owners with difficulties to seek assistance and comply with the MWIS statutory notices; and

- regarding the case involving file mislocation, BD officers normally handled enforcement matters through the file created for each building. As the file concerned had previously been mislocated to another section, the case could not be followed up in a timely manner. BD believed this was an isolated incident. BD had introduced the Bar-Coding File Management System in the early years to facilitate the tracking of file movements, so as to minimize the chance of file mislocation. For this case, an FPN was issued on 18 October 2024 and the owner concerned paid the fixed penalty on 21 November 2024. As the owner had not yet complied with the MWIS statutory notice, BD issued a warning letter to the owner and instigated prosecution.

35. As mentioned in paragraphs 3.11(a) and 3.12 of the Audit Report, BD agreed to closely monitor the compliance with MWIS statutory notices and take appropriate follow-up actions on non-compliant cases. The Committee enquired about the progress made by BD and whether efforts had been stepped up to enhance owners' sense of responsibility for maintenance and repairs through public education and publicity, as well as collaboration with other government departments or community organizations to promote window inspection. **Director of Buildings** advised at the public hearings and in his letter dated 27 June 2025 (*Appendix 13*) that:

- as at 31 May 2025, of the 26 647 outstanding MWIS statutory notices, 5 265 were complied with while four were withdrawn, accounting for about 20%; for the remaining 21 378 outstanding MWIS statutory notices, BD issued warning letters against 20 444, and among them, 3 575 cases were issued with FPNs for continuous non-compliance without reasonable excuse upon receipt of warning letters, and prosecutions were also instigated against 529 cases that remained non-compliant even after being issued with FPNs. The owners of the remaining 934 MWIS statutory notices were relatively more proactive and were discussing with BD the follow-up actions for complying with the MWIS statutory notices. BD would closely follow up and take further actions against the owners who failed to take active follow-up actions, including issuing warning letters and FPNs, as well as instigating prosecutions; and

- BD would continue to strengthen its efforts in public education and publicity. In addition to promoting MWIS and providing technical support to the public through the aforesaid "Central Platform on Building Management" briefing, BD would also collaborate with various stakeholders, including the construction industry and the

property management industry, to promote regular inspections and timely repairs for buildings. These included enhancing owners' awareness of the importance of regular building maintenance; organizing briefings for the Property Management Services Authority, highlighting the points to note for compliance with MWIS notices to licensed property management companies associated with target buildings, so as to assist owners in complying with MWIS statutory notices through property management companies; as well as formulating maintenance manuals and programmes, etc. BD would continue to step up the promotion of the "WIN SAFE" mobile application and its online chatbot to facilitate owners in searching for QPs and the public in directing enquiries regarding MWIS statutory notices to BD.

36. As mentioned in paragraphs 3.11(c) and 3.12 of the Audit Report, BD agreed to issue warning letters to owners who did not comply with MWIS statutory notices in a timely manner in accordance with the time targets as stipulated in its guidelines. BD also remarked at the public hearings that it was developing an electronic platform that could automatically generate reminder letters and warning letters upon expiry of the due date of MWIS statutory notices in place of the current arrangement of issuing letters manually. The Committee requested BD to provide the progress, estimated completion time, and total expenditure for the development of the electronic platform, and enquired whether the expenses had been included in the Budget for the financial year 2025-2026, and whether BD had taken other measures to ensure timely issuance of warning letters. Noting that the task of preparing and serving statutory notices had been outsourced to consultants, the Committee also queried whether there was a need for BD to allocate additional resources to develop the said electronic platform.

37. **Director of Buildings** and **Deputy Director of Buildings** advised at the public hearings and **Director of Buildings** advised in his letter dated 27 June 2025 (*Appendix 13*) that BD was developing the Case Management and Reporting Platform, the functions of which included automatic generation of warning letters requiring owners or responsible persons to handle unauthorized building works or follow up the MBIS or MWIS statutory notices. It was expected that the Case Management and Reporting Platform would be put under test in the third quarter of 2025, with the application to be launched by the end of the year. The total expenditure on the development was about $12 million, which had been earmarked under the Capital Works Reserve Fund. The electronic Platform aimed to assist BD staff in issuing warning letters to owners who failed to comply with MWIS statutory notices by the due date, whereas outsourced consultants were responsible for issuing and serving MWIS statutory notices to owners of target buildings. There was no overlapping of

work between the two. Moreover, BD would closely monitor the compliance with MWIS statutory notices through the Progress Monitoring Committee at three levels, including regularly monitoring the progress of follow-up actions at the Sectional Progress Monitoring Meetings, and reminding BD staff to follow up on non-compliant cases in a timely manner. BD would also further enhance the functions of BCIS, including sending timely reminders to staff for issuance of warning letters and FPNs as well as instigation of prosecutions as scheduled.

38. According to Note 17 to paragraph 3.13 of the Audit Report, BD set up the Fast Track Prosecution Teams ("FPT") under the MBI Sections in January 2019 to expedite prosecution actions on non-complied MWIS and MBIS statutory notices. The Committee asked why, despite the setting up of FPT, there were still as many as 2 045 cases of unpaid FPNs (involving some $3 million) that had not yet been referred to the Court for settlement as mentioned above; whether BD had increased additional manpower for the establishment of FPT, and what measures were in place to expedite prosecutions. **Director of Buildings** advised at the public hearings and in his letter dated 27 June 2025 (*Appendix 13*) that:

- the issuance of FPNs under MWIS was indeed effective in increasing the compliance rate of MWIS statutory notices. However, referring cases of outstanding FPNs to the Court solely for recovery of the penalties (i.e. recovery of the fixed penalty of $1,500 and an additional statutory penalty of $300 from owners concerned) might not further enhance compliance with statutory notices. Therefore, for optimizing the use of resources and streamlining the workflows, BD was exploring the feasibility of requesting the Court to also take into account any outstanding FPNs when conducting prosecution against owners for non-compliance with MWIS statutory notices, so that the Court might consider whether to impose heavier penalties to enhance the deterrent effect; and

- BD set up FPT in each of the MBI Sections (Section 1 and Section 2) under the MBI Division in January 2019 to expedite the prosecution of overdue non-complied MBIS and MWIS statutory notices. BD supplemented its then staff establishment with time-limited posts for a period of five years, including two professional grade staff, ten technical grade staff and two clerical grade staff, which were subsequently extended to be lapsed in March 2027. Regarding performance indicators, the target number and actual number of summonses issued in 2024 were 2 750 and 2 893 respectively. The relevant numbers for the past six years were set out in the above letter from the Director of

Buildings. Since October 2024, BD had simplified the checklist of documents to be vetted for referral to FPT and handed over the checking of information relating to MBIS and MWIS statutory notices, such as serving records of MBIS and MWIS statutory notices and records of owners of the premises, to FPT, with a view to reducing the time taken by BD for repeated checking of information, thereby expediting the prosecution procedures.

39. The Committee asked BD to elaborate on the handling of prosecution cases by the Judiciary. **Secretary for Development** and **Director of Buildings** explained at the public hearings and **Director of Buildings** added in his letter dated 27 June 2025 (*Appendix 13*) that currently, case information was submitted electronically by BD through the "Integrated Court Case Management System" ("iCMS") of the Judiciary to initiate summons procedures. Given the substantial number of summons cases handled by Magistrates' Courts, the scheduling of hearings had always been conducted in an orderly and systematic manner. Under its current arrangement, the Judiciary would, having regard to the anticipated prosecution caseloads and demand for hearings of different prosecution departments, set aside hearing days and timeslots every week at various Magistrates' Courts for individual prosecution departments for the scheduling of the first hearings. At present, over 30 prosecution departments were scheduled for regular departmental hearings of summons conducted in designated timeslots in the seven Magistrates' Courts. All cases, whether scheduled automatically through iCMS or arranged through liaison and coordination with court staff, would be assigned a hearing date. iCMS imposed no limit on the number of summons cases submitted. In the view of the Judiciary, the above arrangement, which proved to be effective and operating smoothly, helped optimize the use of judicial resources while accommodating the caseloads of different prosecution departments. Prosecution departments might also consult the Magistrates' Courts to adjust the individual and overall hearing timeslots and quotas as needed. In light of specific circumstances, the Chief Magistrate or the Principal Magistrate would make flexible adjustments.

40. The Committee requested the following figures from BD for the period from July 2024 to May 2025: the number of MWIS statutory notices due each month, the number of warning letters issued, the number of FPNs issued, the number of MWIS statutory notices that had not been complied with by the compliance due date, and among them, the number of cases where FPNs were not issued within six months from the compliance due date as required. **Director of Buildings** advised at the public hearings and in his letter dated 27 June 2025 (*Appendix 13*) that:

- between July 2024 and May 2025, the respective numbers of warning letters and FPNs issued by BD for MWIS statutory notices that were due and had not yet been complied with were 9 889 and 2 918. During the above-mentioned period, 4 854 MWIS statutory notices were due and had not yet been complied with, of which 4 584 exceeded the compliance due dates for over one month, resulting in the issuance of a total of 3 547 warning letters by BD; for the 1 434 MWIS statutory notices that had been issued with warning letters and exceeded the compliance due dates for over six months, BD issued a total of 529 FPNs; and

- in general, upon issuance of MWIS statutory notices by BD, most owners would respond positively to BD staff including making enquiries about details and procedures of complying with MWIS statutory notices, obtaining information on engaging QPs, seeking technical support or social service assistance from BD, as well as applying for extension of time by stating the reasons for their failure to comply with the MWIS statutory notices in a timely manner and the practical difficulties encountered. If positive responses were received from owners, BD would normally allow time for them to handle the cases and defer the issuance of warning letters. Similarly, if owners responded positively or expressed their difficulties encountered upon the issuance of warning letters by BD, BD staff would address the cases pragmatically and provide assistance to the owners. Therefore, some FPNs would not be issued immediately after the expiry of the original due dates. BD's Progress Monitoring Committee would continue to closely monitor non-complied MWIS statutory notices, and had reminded its staff to promptly take follow-up actions on continuous non-compliant cases without reasonable excuse that had not been issued with FPNs.

41. According to paragraphs 3.13 and 3.14 of the Audit Report, as at 31 December 2024, of the 3 320 non-complied MWIS statutory notices with FPNs served: 2 792 MWIS statutory notices had not yet been referred to FPT for instigating prosecution actions, and in particular, the FPNs for 2 736 (98%) of them were served in or after January 2019. The remaining 528 (16%) non-complied MWIS statutory notices had been referred to FPT for instigating prosecution actions, of which 299 (56% of 528) were referred to FPT more than 1 year and up to 9.4 years from the date of FPN. The Committee asked whether BD had set any time frame for referring cases to FPT. **Director of Buildings** advised at the public hearings and in his letter dated 27 June 2025 (*Appendix 13*) that BD had formulated guidelines in May 2025. For cases where there was no positive response after the FPN had been served and the MWIS statutory notice had not been complied with, a warning letter would be issued

to the owners concerned within one month from the deadline of the FPN (except for cases with positive response). If there remained no positive response from the owners, BD would refer the cases to FPT for follow-up actions three months after the issuance of warning letters (except for cases with positive response).

42. According to paragraphs 3.16 to 3.18 of the Audit Report, Audit pointed out that as at 31 December 2024, defendants for 107 non-complied MWIS statutory notices had been convicted, but no referral for instigating second prosecution actions for continuous non-compliance had been made as required in the guidelines for 85 (79%) statutory notices, of which their convictions were made 12 to 1 496 days ago. As explained by BD, for convicted cases, BD might provide further support with a view to facilitating owners' voluntary compliance with the MWIS statutory notices, rather than instigating second prosecution actions. The Committee asked whether BD's above practice had been incorporated in its guidelines, and what criteria were adopted by the subject officers in determining whether to exercise discretion in handling such cases.

43. **Director of Buildings** explained at the public hearings and in his letter dated 27 June 2025 (*Appendix 13*) that for convicted cases with continued non-compliance, BD would normally enquire with the owners convicted to see whether they had practical difficulties and make further attempts to render appropriate assistance, so as to help them comply with the MWIS statutory notices as soon as possible before second prosecution was considered by BD. Nevertheless, BD would take prosecution actions if the owners did not respond positively. As mentioned above, BD had formulated guidelines in May 2025 on follow-up measures and the time limit for second prosecution of convicted cases. For convicted cases, BD would issue a warning letter to the owners upon the prosecution result. If no positive response was received from the owners after three months, the cases would be referred to FPT for second prosecution (except for cases with positive response).

D. Monitoring of qualified persons and other issues

44. According to paragraph 4.2 of the Audit Report, owners served with MWIS statutory notices were required to appoint a QP to complete the prescribed inspection and/or supervise the completion of the prescribed repair for windows in individual premises and windows in common parts of the buildings respectively within the specified time frame. The Committee requested BD to explain the procedure in appointing QPs. An enquiry was also raised about the mechanism in place to address potential conflicts of interest if a QP was to undertake both inspection and repair work

for the windows of the same premises/building. **Secretary for Development** and **Director of Buildings** advised at the public hearings and **Director of Buildings** further explained in his letter dated 2 July 2025 (*Appendix 11*) that:

- under BO, owners of buildings served with MWIS statutory notices were required to appoint QPs to carry out prescribed inspections of all windows of their buildings. QPs referred to Authorized Persons, Registered Structural Engineers, Registered Inspectors, Registered General Building Contractors or Registered Minor Works Contractors registered for the class, type and item of minor works in respect of windows under the registers kept by BD;

- since the work involved in window inspection and repair was relatively simple incurring lower cost and could be completed in short period of time, a single contract could be entered into to engage the same QP to carry out window inspection and repair. As such, there were no restrictions by the law on appointed QP to undertake both inspection and repair for windows of the same premises/building. The publicity pamphlets issued by BD, such as "MANDATORY WINDOW INSPECTION SCHEME", "Window inspection and repair, Choose with extra care" and "Layman's Guide on Mandatory Window Inspection Scheme", had already explained that owners might, according to their individual needs or considerations, engage different or the same QPs to carry out the relevant inspections and the necessary repairs; and

- to safeguard consumer interests, BD would conduct audit checks to ensure that the inspections and repairs carried out by QPs complied with the specified requirements. BD's website also provided cost information for window inspection for owners' reference, and owners were advised to invite quotations from different QPs for comparison. In addition, the "WIN SAFE" mobile application launched by BD in August 2022 also facilitated owners with the search and appointment of QPs for early compliance with MWIS statutory notices to ensure building safety.

45. As pointed out in paragraph 4.3 of the Audit Report, under the Building (Inspection and Repair) Regulation (Cap. 123P), a QP shall submit to BD a notification of appointment of QP within seven days after the date of appointment. However, as mentioned in paragraph 4.7(a) of the Audit Report, to streamline the form submission process, and with the support from the trade, BD no longer required QPs to submit the notification of appointment of QP effective from April 2018. Given that submitting

a notification of appointment of QP was a statutory requirement, the Committee queried whether exempting such process would affect law enforcement and prosecution efforts, thereby creating loopholes in the regulatory mechanism for QPs and setting a bad precedent of disregarding the law. **Secretary for Development** and **Director of Buildings** explained at the public hearings and **Director of Buildings** added in his letter dated 2 July 2025 (*Appendix 11*) that to streamline the form submission process for owners and with the support from the trade, BD had since 2018 allowed owners and QPs to notify BD of their appointment in a specified form together with the submission of the certificate of prescribed inspection/repair. As BD's enforcement actions mainly involved the issuance of FPNs or instigation of prosecutions against owners who failed to comply with MWIS statutory notices, the exemption of the submission of notification of the appointment of QPs within seven days had not had any impact on the enforcement and prosecution work. Nevertheless, BD would propose amending the relevant regulations during the amendment exercise of BO in the first half of 2026 to bring the legislation in line with the current practice.

46. According to paragraph 4.4 of the Audit Report, to ensure that the inspection and repair of windows were carried out in accordance with BO, BD conducted sample checking on MWIS submissions from QPs and conducted audit checks. As mentioned in paragraph 4.10 of the Audit Report, the success rates in conducting audit checks (i.e. the number of successful audit checks as a percentage to the total number of audit checks completed) from 2021 to 2024 were on the low side, ranging from 11% to 29%. The Committee asked whether BD guidelines had stipulated the number of sample checking or success rate of audit checks, and requested BD to elaborate on the definitions of cases with "successful audit checks" and "audit checks completed" in Table 8 of paragraph 4.10 of the Audit Report.

47. **Director of Buildings** and **Deputy Director of Buildings** advised at the public hearings and **Director of Buildings** further explained in his letter dated 2 July 2025 (*Appendix 11*) that to ensure that the inspection and repair of windows were carried out in accordance with BO, BD conducted audit checks on MWIS forms submitted by QPs and its target was to complete a minimum of 500 "successful audit checks" each year in accordance with the sampling criteria of the international standard ISO2859-1. As shown in Table 8 of paragraph 4.10 of the Audit Report, BD had achieved the target of completing a minimum of 500 successful audit checks each year. The "audit checks completed" mentioned in Table 8 of paragraph 4.10 of the Audit Report referred to the total number of cases sampled for audit, which included the number of "successful audit checks" (i.e. successful completion of both document audit and site audit) and "unsuccessful audit checks" (i.e. successful completion of document audit only and unsuccessful completion of site audit).

48. Referring to the remark of the Director of Buildings in paragraph 4.21(c) of the Audit Report that BD would continue to explore measures to improve the success rate of audit checks, the Committee enquired about the progress and measures in this regard, and whether BD staff were empowered under the existing law to enter selected premises for site audits. **Director of Buildings** advised at the public hearings and in his letter dated 2 July 2025 (*Appendix 11*) that:

- the main reasons for unsuccessful site audits were that the owners or occupants expressed that they had already complied with the MWIS statutory notices as required by the law, and therefore did not wish to take extra time to let BD staff enter their premises to conduct audits, which would cause disruption to their daily life, or that the owners had not responded to BD's letters requesting for site audits in the first place. At present, BD staff were not empowered by BO to enter selected premises for site audits, and therefore they were required to obtain permission from the owners or occupants before entering the premises concerned; and

- to increase the success rate of site audits, BD had revised the relevant invitation letter in March 2025 with an aim to let owners understand that site audits conducted by BD staff would ensure the safety of their windows. Besides, BD would require their appointed QPs to carry out rectification if the inspection and repair works failed to comply with the requirements of MWIS, thereby safeguarding the interests of owners as consumers. In addition, BD planned to add a QR code in the invitation letter by the end of 2025 so that owners no longer had to call BD to make appointments for site audits as in the past, thus facilitating the making of appointments between owners and BD. Moreover, as the Administration was working on the legislative amendments to BO, it would also consider strengthening the power of BD staff to enter premises for site audits.

49. As pointed out in paragraph 4.7(b) and (d) of the Audit Report, QPs failed to timely submit some MWIS submissions (such as certificates of prescribed inspection and repair of windows), not meeting the 14-day statutory requirement. Of the 21 759 certificates of prescribed inspection of windows submitted by QPs (for cases where prescribed repairs were not required) in 2024, 1 977 (10%) certificates were received by BD more than 14 days and up to 5 years after the completion of the prescribed inspections of windows. Besides, of the 16 741 certificates of prescribed repair of windows submitted by QPs in 2024, 1 204 (8%) certificates were received by BD more than 14 days and up to 4.6 years after the completion of the prescribed repairs

of windows. The Committee asked how BD handled the overdue cases and whether punishment was imposed in this regard.

50. **Director of Buildings** explained at the public hearings and added in his letter dated 2 July 2025 (*Appendix 11*) that BD conducted quarterly audit checks on MWIS submissions by QPs. If QPs were found to have failed to make timely MWIS submissions during audit checks, warning letters would be issued to them. BD maintained a watch list of QPs with warning letters issued and conducted extra audit checks on submissions by the QPs on the list. In other words, in addition to normal quarterly audit checks of MWIS submissions from QPs, BD would also select one submission from each of the QPs on the watch list for extra audit checks. QPs would be removed from the watch list only if the results of the audit checks were found satisfactory in two consecutive quarters. If repeated irregularities were identified (i.e. failure to make timely MWIS submissions on another occasion), BD would consider taking disciplinary action against the QP concerned. Moreover, if the QP concerned was a Registered Contractor, they would be required to attend a Performance Enhancement Course under the Contractor Performance Enhancement Scheme for continued irregularities. To provide QPs with clear rules to follow, BD was currently revising relevant guidelines to further specify the circumstances under which disciplinary actions would be taken.

51. The Committee requested BD to provide the number of overdue cases, the number of QPs issued with warning letters and subject to disciplinary action in each of the past three years, and enquired about the measures in place to ensure that QPs observed the statutory time frame for submitting MWIS submissions. **Director of Buildings** advised at the public hearings and in his letter dated 2 July 2025 (*Appendix 11*) that:

- the figures requested by the Committee were set out in the above letter from the Director of Buildings. The number of QPs issued with warning letters did not account for all the QPs involved in the late MWIS submissions. This was mainly because at present BD only issued warning letters to QPs who were selected for audit checks and failed to make timely submissions. BD acknowledged that this was undesirable and would therefore further enhance the Electronic Forms Submission System ("EFSS") at the end of 2025 to enable automatic issuance of warning letters to all QPs who failed to make MWIS submissions within the statutory time frames directly, regardless of whether they were selected for audit checks; and

- upon updating the information system, BD would, starting from the end of 2025, issue warning letters to all QPs who failed to make timely submissions. In addition, to strengthen the monitoring of QPs' MWIS submissions, BD issued a circular letter to all QPs on 15 May 2025 to remind them of the statutory time frames for submissions, advise them of common irregularities found in completed specified forms, and encourage them to make submissions by electronic means. Additionally, a briefing for QPs was held on 5 June 2025 to remind them of the statutory time frames and other requirements for submissions. Similar briefings would be held from time to time in the future as needed.

52. According to paragraphs 4.11 and 4.12 of the Audit Report, BD's audit checks should be completed within 14 weeks (i.e. about 3.2 months), counting from the date of issuance of letter to the owner or occupant notifying the conduct of site audit to the completion date of audit check. However, according to BD, under the current practice, the date of receipt of QP's submission (i.e. when BD was first aware of the completion of a window inspection or repair) was counted as the start date of the audit check. Of BD's audit checks on 2 070 submissions submitted by QPs which were completed in 2024, 233 (11%) audit checks were completed more than 6 months and up to 2.2 years after the receipt of QPs' submissions by BD. The Committee asked why audit checks were not completed within the time frame specified in the guidelines, and what measures were in place to ensure timely completion of audit checks, and requested BD to give an account of the case that took the longest time to conduct the audit check. **Director of Buildings** and **Deputy Director of Buildings** explained at the public hearings and **Director of Buildings** added in his letter dated 2 July 2025 (*Appendix 11*) that:

- audit checks included document audits and site audits. BD guidelines required that audit checks on MWIS submissions should be completed within 14 weeks, counting from the date of issuance of letter to the owner or occupant notifying the conduct of site audit to the completion date of audit check. However, as mentioned above, the conduct of site audits required cooperation from owners or occupants, often resulting in a longer time taken to complete the whole audit process. Therefore, during the amendment exercise of BO in the first half of 2026, BD would propose to empower it to enter premises to conduct site audits, with a view to enhancing the efficiency of conducting audit checks in premises;

- BD was enhancing BCIS to provide timely reminders to its staff to complete audit checks as scheduled, including issuing reminder letters to QPs requiring rectification of irregularities identified, and issuing

warning letters to QPs who did not respond within the time limit set out in the reminder letters. It was expected that the system enhancement would be completed by the end of 2025. BD would also enhance the monitoring of the progress of audit checks through regular progress monitoring meetings between the management and the sections; and

- BD had established a Dedicated Team in 2019 through internal redeployment of manpower to expedite the issuance of warning letters for outstanding backlog cases, while the follow-up work including audit checks for individual cases was still carried out by the teams originally responsible for the cases. BD subsequently found that having two separate teams of staff to send reminders and carry out follow-up work might easily give rise to errors due to inadequate coordination, and therefore reorganized the two aforementioned teams in 2024 to strengthen communication and enhance efficiency. The case that took the longest time to conduct audit checks was the one of which the owner had complied with the MWIS statutory notice after a warning letter was issued by the Dedicated Team in 2022. The case was randomly selected by the computer for audit checks upon the submission of relevant documents by the QP. The audit checks were not followed up in a timely manner during that period due to mislocation of the file and lack of coordination among staff of the two teams. The case was identified in 2024 after the above-mentioned reorganization arrangement, and was followed up by BD staff immediately for audit checks. BD believed the case was an isolated incident and the implementation of the above-mentioned reorganization arrangement should be able to prevent the recurrence of similar incidents.

53. According to paragraph 4.14(b) of the Audit Report, Audit examined the BD's audit checks on 10 MWIS submissions. For four MWIS submissions, BD issued reminder letters to the QPs concerned regarding the irregularities identified during its audit checks more than two weeks after the completion of audit checks, not meeting the two-week requirement under BD guidelines. Besides, for one of the above four MWIS submissions, while the QP concerned had failed to provide a response within the time limit set out in the reminder letter, BD had not issued a warning letter to the QP as at 31 December 2024, not meeting the requirement under BD guidelines. The Committee requested BD to account for the above non-compliance with the guidelines. Furthermore, as mentioned in paragraph 4.21(c) of the Audit Report, the Director of Buildings remarked that BD would conduct reviews on the follow-up actions on irregularities identified during audit checks with a view to enhancing effectiveness of issuing reminder letters and warning letters to the QPs

concerned. The Committee enquired about the progress and outcome of the reviews. **Director of Buildings** advised at the public hearings and in his letter dated 2 July 2025 (*Appendix 11*) that:

- for the four cases in which reminder letters were issued to the QPs concerned more than two weeks after the completion of the audit checks with irregularities identified, BD staff were unable to issue the reminder letters on time as they had to handle a number of audit cases concurrently at that time. To avoid recurrence of the above situation, BD was enhancing BCIS to provide timely reminders to its staff to complete audit checks as scheduled;

- besides, for a case in which the QP failed to respond within the time limit set out in the reminder letter and BD did not issue a warning letter to the QP, the QP concerned contacted BD staff after the time limit set out in the reminder letter (i.e. late June 2024) and proposed a solution and subsequently reached out to the owner. However, in the course of arranging for the rectification works, the QP concerned informed BD staff that the owner could only allow access to the premises for the rectification works after December 2024. The QP notified BD in January 2025 that the rectification works had been completed and submitted the amended document records. As the minor deficiency of the QP in the window inspection did not involve any safety concern and he responded positively by rectifying the irregularity under the arrangement of the owner, no warning letter was issued to the QP. Upon review of the above case, BD reminded its staff to issue reminder letters for all overdue cases in a timely manner in accordance with the guidelines; and

- BD was conducting a review on the follow-up actions and procedures taken in respect of irregularities identified during the audit checks, including evaluating the effectiveness of issuing reminder letters and direct issuance of warning letters to non-compliant QPs, with a view to formulating clear and streamlined procedural guidelines. The review was expected to be completed by July 2025.

54. Regarding the 106 fallen window incidents mentioned in paragraph 4.17(a) of the Audit Report, the buildings concerned had complied with the MWIS statutory notices when the incidents occurred but no follow-up actions could be taken on 14 cases because the exact premises in which the fallen window incidents took place could not be identified even after attending site by BD staff. According to

paragraph 4.16 of the Audit Report and as explained by the Director of Buildings at the public hearings, BD staff reviewed media reports every six months to identify any fallen window incidents. For cases identified through media reports, BD could only identify the relevant buildings but could not pinpoint the specific units where the incidents occurred. The Committee requested BD to explain the underlying purpose and cost-effectiveness of the above media review process. The Committee also asked whether BD would consider setting up a public reporting hotline for fallen window incidents in buildings and establishing a reporting mechanism with the Police, other relevant government departments, property management companies, and the media to ensure timely enforcement actions against the owners concerned. **Secretary for Development** and **Director of Buildings** explained at the public hearings and **Director of Buildings** added in his letter dated 2 July 2025 (*Appendix 11*) that:

- BD obtained information on fallen window incidents mainly through three channels: (a) fallen window emergency incidents notified by the Police; (b) reports by members of the public or the media; and (c) information collected regularly (every six months) by BD staff from the media and Internet. Under the existing mechanism, it was a standing arrangement for the Police to notify BD of emergency incidents, while members of the public, property management companies, the media, government departments, etc. might also report fallen window incidents to BD through various means such as telephone hotline, email and fax. As regards the collection of information from the media and internet every six months by BD staff, the objective was to identify fallen window incidents that had not been made known to BD by the above two means to assist BD in conducting analyses and selecting target buildings under MWIS; and

- upon review, BD agreed that reviewing the media every six months had limited effect. The emphasis should be placed on the communication mechanism with the Police (as members of the public would mostly call the Police for assistance in respect of fallen window incidents), and review of media reports on a same-day-basis so that information could be promptly collected from OCs, property management companies, etc. for follow-up. As such, BD and the Police agreed to further strengthen their communication mechanism. Starting from May 2025, the Police would report all fallen window incidents to BD through BD's 24-hour hotline. In addition, BD would conduct daily searches of media reports to collect information on fallen window incidents, and take the initiative to collect information and step up follow-up actions on fallen window incidents, including promptly contacting the relevant parties such as OCs and property management companies to understand the situation. The

relevant information would also be used for assisting BD in selecting target buildings under MWIS.

55. According to paragraph 4.17(b) of the Audit Report, BD could locate the exact premises in which the 92 cases of fallen window incidents took place and ascertain that the relevant MWIS statutory notices had been certified by QPs as being complied with before the incidents occurred. While BD advised that follow-up actions had been taken on all the 92 cases to confirm if there was any malpractice of the QPs concerned, only 4 of the cases had been warranted for full investigations for the purpose of instigating prosecution or disciplinary actions against the QPs concerned. For the remaining 88 cases, BD had not maintained records of follow-up actions taken and justifications of not conducting full investigations. The Committee enquired about the factors considered by BD in determining whether a case warranted full investigations. The Committee questioned how BD could, without maintaining relevant records, confirm that follow-up actions had been taken on the 88 cases and that its decision not to conduct full investigations was reasonable and well-founded. The Committee asked whether BD would consider conducting any analysis on the above 88 cases. **Director of Buildings** explained at the public hearings and supplemented in his letter dated 2 July 2025 (*Appendix 11*) that:

- in general, upon receipt of a fallen window incident, BD staff would conduct site inspection to ensure building safety. If it was confirmed that the relevant statutory notice for the premises involved in the fallen window incident had been certified as complied with by a QP prior to the incident, BD staff would take follow-up actions, including reviewing previous submissions by the QP or conducting site inspections, to ascertain whether there was any malpractice on the part of the QP concerned. When there was preliminary evidence that a QP failed to discharge his duties or comply with the relevant requirements under BO, such as failure to carry out the prescribed inspection personally, failure to provide proper supervision of the prescribed repair, failure to ensure the safety of the windows, or failure to comply with the requirements of the Code of Practice which might result in personal injuries or damage to the property, BD staff would conduct a full investigation and collect evidence including taking statements from the QP to facilitate prosecution and/or disciplinary action against him under BO; and

- BD completed incident investigations for the 88 cases, of which 68 occurred more than two years after the relevant MWIS statutory notices had been complied with. Upon investigation, BD had no reasonable cause to suspect any irregularities in the window inspection

by the QPs. The remaining 20 cases could not proceed with further action due to insufficient evidence. In June 2025, BD formulated the procedures of the follow-up on fallen window incidents and drew up a standard template for incident reporting, which had been incorporated into BD guidelines. BD staff were required to upload the investigation results to BD's BCIS to maintain full records, so as to further assist in analysing fallen window incidents in the future.

56. According to Note 24 to paragraph 4.17(b) of the Audit Report, of the four fallen window cases with full investigations conducted, the QP concerned of one case was convicted of an offence and fined $5,000; for another case, the charges were dropped due to insufficient evidence. The Committee sought the relevant details. While noting that the existing section 4B of the Summary Offences Ordinance (Cap. 228) dealt with issues of "objects dropped from buildings" and those committing the offence might face criminal liability, the Committee enquired whether there was any plan to impose legal liability and more targeted penalties on individuals involved in fallen window incidents during the amendment exercise of BO, with a view to enhancing deterrence. **Secretary for Development** and **Director of Buildings** advised at the public hearings and **Director of Buildings** further explained in his letter dated 2 July 2025 (*Appendix 11*) that:

- in respect of one case involving the conviction of a QP, the MWIS notice was issued in early December 2018, and the QP submitted the certificate of prescribed inspection and repair of windows in late December 2018. A fallen window incident occurred thereafter on 25 February 2019. BD staff visited the premises concerned on 26 February 2019 and found that a number of defective windows had not been repaired. Prosecution was therefore instigated under section 40(2A)(c) of BO, i.e. "knowingly misrepresents a material fact in any plan, certificate, form, report, notice or other document given to the Building Authority under this Ordinance". The maximum penalty for the offence was a fine of $500,000 and imprisonment for 18 months;

- for another case in which the charge was withdrawn due to insufficient evidence, as there was insufficient evidence to prove that the QP had conducted the window inspection improperly or intentionally made false statements in the specified form, upon consulting the Department of Justice, the case was considered with doubts and the likelihood of a successful conviction was not high, and the charge was therefore withdrawn; and

- the Administration agreed that the deterrent effect of the relevant provisions of the Summary Offences Ordinance was inadequate, and that there was a need to introduce a new offence under BO to urge owners to comply with MWIS statutory notices. In this connection, DEVB earlier proposed to amend BO by introducing a new offence targeting non-compliance with MWIS statutory notices beyond due date where the windows of the buildings were defective, resulting in casualties or damage to property, with a proposed maximum fine of $300,000 and imprisonment for one year.

57. According to paragraph 4.19 of the Audit Report, while the percentage of MWIS submissions by electronic means had increased from 2% in 2020 to 8% in 2024, the number of MWIS submissions by electronic means was still on the low side. The Committee asked BD to provide the respective numbers and percentages of MWIS submissions made via email and EFSS, and enquired what measures or incentives were put in place by BD to encourage QPs to submit MWIS submissions via EFSS. **Director of Buildings** advised at the public hearings and in his letter dated 2 July 2025 (*Appendix 11*) that the number of MWIS submissions received by electronic means referred to in Table 10 of paragraph 4.19 of the Audit Report only included specified forms submitted online through EFSS. Submissions made via e-mail could not be linked to EFSS directly and were therefore categorized as submissions in paper form. BD did not keep separate statistics on submissions made via e-mail. To encourage QPs to use EFSS for MWIS submission, apart from providing detailed guides on the use of e-forms on its website, BD would continue to step up its efforts in introducing and encouraging the use of EFSS by QPs for MWIS submissions in the briefings held for QPs. Meanwhile, BD would seek to understand QPs' usage of and reasons for not using EFSS by questionnaires so that appropriate system enhancement could be made in future to increase the usage rate.

58. According to paragraph 4.27 of the Audit Report, BCIS could not automatically prompt BD subject officers for issuing warning letters and FPNs in a timely manner, and BD had not regularly compiled management information on the late MWIS submissions to enhance the monitoring of QPs, nor compiled management information on fallen window cases with complied MWIS statutory notices (e.g. the follow-up actions taken to investigate possible malpractice of QPs). In Audit's view, there was room for improvement in enhancing BCIS and compiling management information. The Committee enquired about BD's follow-up measures in response to Audit's recommendations. **Director of Buildings** advised in his letter dated 2 July 2025 (*Appendix 11*) that to assist BD staff in enhancing the efficiency in handling cases, BD expected to launch the Case Management and Reporting Platform by the

end of 2025 to help its staff to automatically generate warning letters in a timely manner to owners who failed to comply with MWIS statutory notices upon expiry of the due dates of the notices. BD would also further enhance BCIS by the end of 2025 to send reminders to its staff for issuance of warning letters and FPNs, and instigation of prosecutions as scheduled; as well as to indicate MWIS statutory notices with fallen window incidents in the to-do-list for easy identification and prompt follow-up by BD.

59. According to paragraph 4.29 of the Audit Report, out of 27 168 private buildings covered by MWIS as at 31 December 2024, 14 676 (54%) buildings had not been selected for issuance of MWIS statutory notices. Based on BD's 2024 target of selecting 600 buildings each year, it would take about 24 years to cover these 14 676 buildings. The Committee asked whether DEVB accepted the above. In paragraphs 4.36(d) and 4.37 of the Audit Report, the Director of Buildings advised that BD would keep under review the target number of buildings to be selected for issuance of MWIS statutory notices and formulate a long-term strategy for MWIS, for example, further developing and leveraging on "new quality productive forces" (e.g. by the use of artificial intelligence). The Committee requested BD to provide the details. **Secretary for Development** and **Director of Buildings** advised at the public hearings and **Director of Buildings** further explained in his letter dated 2 July 2025 (*Appendix 11*) that:

- as at 31 December 2024, although 14 676 buildings that had reached the building age of ten years had not been selected for issuance of MWIS statutory notices, it did not imply that the windows of all these buildings posed risks. In fact, when comparing the 14 676 buildings not issued with MWIS statutory notices to the 12 492 buildings that had been issued with MWIS statutory notices, the former had a noticeably lower building age (see the above letter from the Director of Buildings for details), and the safety risk was correspondingly lower;

- under the current policy, BD adopted a risk-based approach in selecting 600 buildings from the above for issuance of MWIS statutory notices each year, most of which were selected in accordance with the Building Score System, i.e. Selection Mechanism A. BD enhanced Selection Mechanism A in early 2024 to identify high-risk buildings in a more precise manner for inclusion in MBIS and MWIS, which would, among others, focus more on "three-nil" buildings and incorporate more data on building conditions. BD was reviewing the 295 cases of fallen window incidents in the past few years, with a view to further enhancing the selection mechanisms, including Selection Mechanism B, so as to

include more buildings with a higher risk of falling windows as target buildings more effectively;

- the target number of 600 buildings was set having regard to the risk-based strategy and the availability of QPs in the market. DEVB and BD considered that the current priority was to improve the selection mechanism by identifying buildings with the highest risk of falling windows, so as to optimize the annual quota of 600 buildings to require owners of high-risk buildings to carry out window inspection. Meanwhile, the Administration would continue to encourage owners to carry out voluntary window inspection. Any upward adjustment of the quota of 600 buildings would require consultation with the industry to ensure that the market had sufficient capacity to cope with the increase in the number of buildings. A review would be conducted at an appropriate time in the future;

- in the long run, on the front of information technology, BD would step up the use of big data in its daily operations and launch a geographical 2D heatmap by 2025, which would display in the form of a map the building age, building type, enforcement work carried out or in progress, as well as records of fallen window incidents, etc. of all buildings across the territory through data visualisation. By incorporating the criteria of the building selection mechanisms into the relevant system, it would facilitate the quick retrieval of useful information from the vast amount of data and assist BD in analysing the trends and anomalies in the large dataset of building conditions and building scores in a more systematic manner, thereby enhancing the efficiency in the selection of target buildings under MBIS and MWIS; and

- however, as owners had the primary responsibility to maintain and repair their properties, the issue of ageing and dilapidated buildings could not be sustainably and effectively resolved by BD's actions alone. To promote the concept of "prevention is better than cure", BD would continue to strengthen its efforts in public education and publicity, and promote voluntary inspections and timely repairs of windows among owners in collaboration with various stakeholders, including the construction industry and the property management industry, so as to enhance owners' awareness of the importance of regular building maintenance.

60. According to paragraphs 4.31 to 4.33 and Table 13 of the Audit Report, BD launched the mobile application "WIN SAFE" in August 2022 to enable owners to search for and appoint QPs for early compliance with MWIS statutory notices. The development cost of "WIN SAFE" was over $2.6 million. Since its launch date and up to December 2024, there were a total of 3 933 registered users, of which 3 298 were owners and 635 were QPs, and only 1 026 invitations by owners for quotations from QPs had been successfully awarded through "WIN SAFE". According to the Administration's information provided to the Finance Committee, BD had previously launched a mobile application "Quick Guide for MBIS/MWIS" in 2016 to enhance public understanding of the process of MBIS/MWIS but the application, attracting only 25 000 cumulative downloads from its launch until the end of January 2024, was eventually discontinued in September 2024. The Committee asked whether BD had reviewed the reasons for the low download and usage rates of the above mobile application, particularly whether this was due to its limited functionality, and whether BD would consider launching an integrated mobile application with multiple BD services to encourage public usage.

61. **Director of Buildings** advised at the public hearings and in his letter dated 2 July 2025 (*Appendix 11*) that overall, the download and utilization rates of the "WIN SAFE" mobile application continued to show an upward trend. As of April 2025, the accumulative number of downloads increased from 13 043 at the end of 2024 to 14 937, and the number of registered users increased from 3 933 to 4 560, representing an increase of 15% and 16% respectively over the past four months. BD was actively considering to update the "WIN SAFE" mobile application as an online service. The "WIN SAFE" would be re-provisioned to enable its access via both general internet browsers and the Digital Policy Office's "iAM Smart" platform, thereby realizing the goal of "single portal for online government services" to encourage greater public usage.

E. Conclusions and recommendations

Overall comments

62. The Committee:

- stresses that:

  (a) as Hong Kong is a densely populated city dominated by high-rise buildings, effective management of MWIS is crucial to protecting

the safety of the public. The significance of MWIS lies not only in its legislative framework, but also in the rigour and effectiveness of its administration. Only when every aspect is taken seriously and all acts of non-compliance are promptly addressed can MWIS achieve its objective of safeguarding public safety; and

(b) while property owners have the primary responsibilities to maintain and repair their properties, and the number of fallen window incidents shows a downward trend with 90, 78 and 43 cases respectively in 2017, 2019 and 2024, the Government should not rely solely on property owners to fulfil their responsibilities voluntarily when it comes to matters concerning the safety of the public. Instead, a more proactive regulatory approach should be adopted in order to build a strong safety net for the urban landscape of Hong Kong;

Selection of target buildings for issuance of statutory notices under MWIS

- notes that:

(a) to enhance the transparency and promote community participation, the Selection Panel has been established to tender advice to BD on the selection criteria and the selection of target buildings for the purpose of issuance of statutory notices under MBIS and MWIS;

(b) since the implementation of MBIS and MWIS in June 2012, BD has developed a Building Score System (i.e. Selection Mechanism A). Under Selection Mechanism A, buildings with higher scores have relatively higher potential risk and are thus given priority in the annual target building selection exercise for issuance of MBIS and MWIS statutory notices. As MBIS only covers private buildings aged 30 years or above, only buildings aged 30 years or above are subject to selection as target buildings under Selection Mechanism A;

(c) to cover all buildings subject to MWIS[2] (i.e. including private buildings aged 10 years or above and below 30 years), BD has since December 2016 adopted a risk-based selection mechanism in selecting other target buildings for issuance of MWIS statutory

[2] Under MWIS, BD is empowered under BO to issue MWIS statutory notices to owners of buildings aged 10 years or above (except domestic buildings not exceeding three storeys).

notices (i.e. Selection Mechanism B). Under Selection Mechanism B, buildings with records of fallen window incidents in the previous year and buildings with windows in a generally defective or dilapidated state will be selected as target buildings;

(d) according to BD guidelines, buildings with statutory notices served under MWIS and MBIS will not be selected as target buildings again within 5 and 10 years respectively after the issue dates of the preceding notices; and

(e) each year, a certain number of target buildings will be selected by BD based on Selection Mechanisms A and B for endorsement by the Selection Panel and issuance of MWIS statutory notices;

- expresses concern that:

(a) according to BD, while the Selection Panel is an advisory body to render advice to BD, its terms of reference include selecting the target buildings nominated for MBIS and MWIS. In this regard, BD would select target buildings for endorsement by the Selection Panel and issuance of MWIS statutory notices, and as such the Selection Panel is not restricted to an advisory role;

(b) in respect of the year 2024, 372 buildings with statutory notices previously served under MWIS and MBIS more than 5 and 10 years ago respectively were excluded from the selection under Selection Mechanism A, but these buildings had higher scores than some of the buildings in Nomination List A compiled under Selection Mechanism A. As explained by BD, under the current practice, priority was given to buildings that had never been inspected or repaired under the scope of MWIS or MBIS. However, BD's such current practice had not been incorporated in its guidelines, and BD had not informed the Selection Panel that some buildings not selected in fact had higher scores than certain buildings in Nomination List A; and

(c) in 2023 and 2024, 11 and 20 buildings with records of fallen window incidents in the previous year were not selected as target buildings respectively under Selection Mechanism B. As explained by BD, these buildings had been served MWIS statutory notices in the past, and BD had not selected them as target buildings after considering certain additional factors. However, BD did not

incorporate such additional factors in its guidelines, and had not informed the Selection Panel of these additional factors;

- notes BD's following explanations:

  (a) as MWIS and MBIS uphold the concept of "prevention is better than cure", priority was given to buildings that had never been inspected or repaired under the scope of these schemes. This would focus resources on buildings that had never been selected for issuance of MWIS statutory notices, instead of selecting the same buildings as target buildings repeatedly. However, BD agrees that it is unsatisfactory to omit this additional factor in its guidelines and has therefore updated the relevant guidelines;

  (b) the aforesaid 372 buildings excluded from the selection under Selection Mechanism A had been selected as target buildings under MBIS and MWIS previously and served with MBIS and MWIS statutory notices. These buildings were accorded higher scores under Selection Mechanism A primarily because BD had issued statutory orders in respect of the common parts of the buildings to follow up on the defects thereof. The higher scores were not directly related to the conditions of windows in individual premises. Under the principle of optimizing the use of resources, such buildings were not re-selected;

  (c) for the aforesaid buildings with records of fallen window incidents in the previous year but not selected as target buildings under Selection Mechanism B, BD's consideration at that time was that although MWIS statutory notices had been served on those buildings in the past, there were still outstanding statutory notices at the time when the fallen window incidents occurred. If MWIS statutory notices were issued to all owners again, those who had already complied with the notices might consider it unfair. However, upon review, the Administration considers that the selection of target buildings should focus on minimizing safety risks, and it is agreed that in future, if a building has been involved in fallen window incidents in the previous year and previous MWIS statutory notices have been served for more than five years, the building should be included as a target building as soon as possible for issuance of MWIS statutory notices again, regardless of whether the notices issued earlier have been fully complied with. BD will update the relevant guidelines;

(d) at the annual meetings of the Selection Panel, BD staff will introduce and explain to Selection Panel members the selection criteria and other consideration factors with the aid of a PowerPoint presentation. The Administration agrees that although BD staff had briefed on some of the additional factors to be considered under the existing selection mechanisms at the Selection Panel meeting, not all the factors were covered; and

(e) BD agrees to optimize the consideration factors and practice for selecting target buildings, and incorporate them into BD's guidelines. BD will report on the arrangements at the Selection Panel meeting. BD will also clearly record all future discussions by the Selection Panel;

- recommends that:

(a) the current practice of BD in selecting target buildings for issuance of MWIS statutory notices may rely heavily on the personal experience and expertise of its staff, leading to discrepancies or human errors. BD should regularly review the non-guideline practices, and standardize and regularize them for incorporation into departmental guidelines to ensure consistency; and

(b) to enhance the participation and transparency of the Selection Panel in selecting target buildings, the Administration should consider reviewing the Selection Panel's terms of reference so that its powers and responsibilities align with its functions, and ensure that the Selection Panel is well informed through information papers prior to discussions in order to make informed decisions. Besides, BD should maintain complete records of the Selection Panel's discussions to ensure that the decision-making process can be traced in future;

<u>Follow-up actions on statutory notices under MWIS</u>

- notes that:

(a) since the commencement of MWIS in June 2012 and up to December 2024, BD had issued 723 219 MWIS statutory notices. As at 31 December 2024, of the MWIS statutory notices issued: 29 781 (4%) had been withdrawn or superseded by new MWIS statutory notices; 9 121 (1%) statutory notices were not yet due and

had not been complied with; and for the remaining 684 317 (95%) statutory notices, 657 670 (96% of 684 317) notices had been complied with and 26 647 (4% of 684 317) notices had not;

(b) for non-compliance with MWIS statutory notices, a warning letter should be issued to the owner within one month from the compliance due date. In case the non-compliance continues without reasonable excuse after the issuance of the warning letter, BD should serve an FPN on the owner concerned;

(c) in general, prosecution actions should be instigated if the non-compliance with MWIS statutory notices continues without reasonable excuse after serving an FPN;

(d) to speed up the prosecution actions, since January 2019, cases of non-complied statutory notices after serving the FPN will be referred to BD's FPT to arrange for issuance of summonses on the owners concerned for warranted cases; and

(e) after the Court has convicted an owner for non-compliance with an MWIS statutory notice, a warning letter should be issued to the owner for taking action to comply with the MWIS statutory notice without further delay. Once continuous non-compliance without reasonable excuse is ascertained, immediate referral to FPT for instigating second prosecution actions should be made;

- expresses serious concern that:

(a) for the 26 647 MWIS statutory notices not complied with as at 31 December 2024:

- the non-compliance rate for windows in common parts of the buildings (27%) was much higher than that for windows in individual premises owned by individual owners (4%);

- 11 410 (43%) MWIS statutory notices had remained outstanding for more than 3 years and up to 11.6 years (averaging 6.5 years) from compliance due dates of statutory notices; and

- BD had issued warning letters to the owners for 21 672 (81%) MWIS statutory notices, of which 19 313 were issued more

than one month from the compliance due date of the MWIS statutory notice; of the 4 975 (19%) statutory notices for which no warning letters had been issued, warning letters were due for issuance for 2 565 MWIS statutory notices but had not been issued;

(b) for the aforesaid 21 672 MWIS statutory notices for which warning letters had been issued:

- no FPNs had been issued to the owners for 18 352 (85%) MWIS statutory notices, of which the time lapsed from the compliance due date of the statutory notice to 31 December 2024 for 15 913 notices was more than 1 year;

- 4 208 FPNs had been issued to the owners for 3 320 (15%) statutory notices, of which for 2 899 MWIS statutory notices, the related FPNs were issued more than 1 year from the compliance due date of the MWIS statutory notice; and

- of the 4 208 FPNs issued, 2 045 (49%) were not yet paid as at 31 December 2024 and BD had not yet referred these cases of unpaid FPNs to the Court for settlement;

(c) of the aforesaid 3 320 MWIS statutory notices with FPNs served by BD:

- cases involving 2 792 (84%) non-complied MWIS statutory notices had not yet been referred to FPT for instigating prosecution actions; and

- cases involving 528 (16%) non-complied MWIS statutory notices had been referred to FPT for instigating prosecution actions. 299 of these non-complied MWIS statutory notices were referred to FPT more than 1 year and up to 9.4 years (averaging 2.4 years) from the date of FPN;

(d) of the aforesaid cases which had been referred to FPT for instigating prosecution actions, 126 defendants for 107 non-complied MWIS statutory notices had been convicted, but as at 31 December 2024, 85 of these MWIS statutory notices had not yet been complied with, and no referral for such cases had been made for instigating second

prosecution actions, of which their convictions were made 12 to 1 496 days (averaging 570 days) ago;

- notes BD's following explanations:

  (a) regarding the reasons for long-outstanding MWIS statutory notices, in respect of common parts of buildings, it is mainly due to the absence of OCs or management companies to coordinate window inspections, or the failure in reaching a consensus among owners on the engagement of QPs or the sharing of costs. For windows in individual premises, it is mainly due to the practical difficulties (such as financial hardship, old age, infirmity or illness) encountered by owners who require the assistance from BD's in-house social service teams;

  (b) in general, upon issuance of MWIS statutory notices by BD, most owners will respond positively to BD staff including, among others, making enquiries about details and procedures about MWIS statutory notices, obtaining information on engaging QPs, seeking technical support or social service assistance from BD, as well as applying for extension of time by stating the reasons for their failure to comply with the statutory notices in a timely manner. If positive responses are received from owners, BD will normally allow time for them to handle the cases and defer the issuance of warning letters. Therefore, some FPNs will not be issued immediately after the expiry of the original due dates;

  (c) for convicted cases with continued non-compliance with MWIS statutory notices, BD will normally enquire with the owners convicted to see whether they have practical difficulties and make further attempts to render appropriate assistance, so as to help them to comply with MWIS statutory notices as soon as possible before second prosecution is considered by BD. Nevertheless, BD will take second prosecution actions if the owners do not respond positively;

  (d) as at 31 May 2025, of the aforesaid 26 647 outstanding MWIS statutory notices, 5 265 were complied with while 4 were withdrawn. BD issued warning letters against 20 444 of the remaining 21 378 outstanding MWIS statutory notices. Among them, 3 575 cases were issued with FPNs for continued non-compliance without reasonable excuse upon receipt of warning

letters, and BD also instigated prosecutions against 529 cases that remained non-compliant even after being issued with FPNs. Excluding those 20 444 MWIS statutory notices, the owners concerned of the remaining 934 MWIS statutory notices are relatively more proactive and are discussing with BD the follow-up actions on compliance with the statutory notices. BD will continue to closely monitor the compliance with MWIS statutory notices through its Progress Monitoring Committees, and has reminded its staff to promptly take follow-up actions on non-compliant cases without reasonable excuse that have not been issued with FPNs;

(e) BD has formulated guidelines in May this year. For cases where there is no positive response after an FPN is served and the statutory notice has not been complied with, a warning letter will be issued to the owner within one month from the deadline of the FPN (except for cases with positive response). If there remains no positive response from the owners, BD will refer the cases to FPT for follow-up actions three months after the issuance of warning letters. BD has also simplified the checklist of documents to be vetted for referral to FPT, thereby expediting the prosecution procedures. In parallel, BD has formulated guidelines on follow-up measures and the time limit for second prosecution of convicted cases. For convicted cases, BD will issue a warning letter to the owners upon the prosecution result. If no positive response is received from the owners after three months, the cases will be referred to FPT for second prosecution; and

(f) as an effort to increase the deterrent effect, DEVB intends to expedite building inspection and repair through amendments to BO which include increasing the fixed penalty for non-compliance with MWIS statutory notices from the current $1,500 to $3,000, with the maximum fine in prosecution cases to be increased from the current $25,000 to $100,000 and the imprisonment term to be kept at three months; for cases of non-compliance with MWIS statutory notices with casualties or damage to property caused as a result of fallen windows in buildings, it is proposed to introduce a new offence with a maximum fine of $300,000 and imprisonment for one year to be imposed; to deal with uncooperative owners who obstruct OCs in carrying out inspection and repair for windows in common parts, it is also proposed to increase the maximum penalty on them

from the current $10,000 to $25,000. The plan is to introduce the amendment bill into the Legislative Council in the first half of 2026;

- agrees that in implementing MWIS, BD should provide support to owners who have practical difficulties and seek assistance from social workers or non-profit-making organizations where necessary. However, given that safety is no trivial matter, BD must deal with faulty windows as soon as possible based on risk levels, and even carry out the required work in default of owners in high-risk cases, and subsequently recover the costs from the owners concerned;

Review on fallen window incidents in buildings

- expresses serious concern that:

  (a) from January 2017 to December 2024, BD recorded 445 fallen window incidents, of which 6 incidents resulted in a total of 1 death and 7 injuries. Of these 445 fallen window incidents:

  - 295 (66%) cases occurred at buildings that had not been selected by BD's building selection mechanisms when the incidents occurred. Among these buildings, 29 of them had two or more fallen window incidents but had not been selected as target buildings under BD's building selection mechanisms; and

  - 140 (32%) cases occurred at buildings that were selected by BD's building selection mechanisms, and among them, in 131 cases, the buildings concerned had been served with MWIS statutory notices before the incidents occurred, and among these cases, in 25 cases, the MWIS statutory notices had not been complied with when the incidents occurred. 5 of these 25 MWIS statutory notices were still outstanding as at 31 December 2024;

  (b) of the above-mentioned 131 cases where the buildings concerned had been served with MWIS statutory notices when the incidents occurred, excluding the 25 cases in which the MWIS statutory notices had not been complied with when the incidents occurred, among the remaining 106 cases, no further investigation could be carried out in 14 cases due to failure to identify the exact premises in which the incidents took place, while for the remaining 92 cases

where the exact premises in which the incidents took place could be located, the relevant MWIS statutory notices had been certified by QPs as being complied with before the incidents occurred.[3] Upon investigation into these 92 cases, BD advised that:

- no further action could be taken or was required in 20 cases due to insufficient evidence or verified cases of misreporting;

- 68 cases involved a time lapse of over two years between the occurrence of the incident and the time of compliance with the relevant statutory notices, and BD was unable to ascertain, upon investigation, any irregularities in the window inspection conducted by the QPs concerned; and

- prosecution actions were considered for the remaining 4 cases; and

(c) while BD had followed up on the aforesaid 92 cases to confirm if there was any malpractice of the QPs concerned, BD had only maintained records of follow-up actions on 4 cases which had been warranted for full investigations, and it had not maintained records of follow-up actions and justifications of not conducting full investigations on the QPs concerned for the remaining 88 cases;

- notes BD's following explanations:

(a) to include more buildings with a higher risk of falling windows as target buildings more effectively, the Selection Panel agreed to revise the selection criterion under Selection Mechanism B in 2019 from three or more fallen window incidents occurring within six months prior to the date of selection, to the current any fallen window incidents occurring within a year prior to the date of selection;

(b) of the 250 buildings involved in the aforesaid 295 fallen window incidents that had not been selected by the selection mechanisms when the incidents occurred, 204 buildings have been subsequently selected as target buildings after the revision of Selection

[3] According to BD, fallen window incidents which occurred after the completion of the prescribed inspection/repair under MWIS may indicate possible malpractice of the QPs who carried out the prescribed inspection and/or the supervision of the prescribed repair for the fallen windows.

Mechanism B, while the other 14 buildings will be included as target buildings this year;

(c) the aforesaid 29 buildings involving two or more fallen window incidents each had not been selected as target buildings when the incidents occurred because they had not fulfilled the then prevailing selection criterion of target buildings. Upon revision of the relevant criterion in 2019, 27 out of the 29 buildings have been selected as target buildings and issued with MWIS statutory notices; one building will be shortlisted for the Selection Panel's consideration; for the remaining building, a repair order was issued by BD on 28 June 2018 and has been complied with;

(d) regarding the aforementioned five cases with outstanding MWIS statutory notices as at 31 December 2024, up to end of May 2025, the MWIS statutory notice had been complied with in one case, repair work had been commenced in another case, two cases were undergoing prosecution proceedings, and an FPN had been issued for one case;

(e) at present BD obtains information on fallen window incidents mainly through three channels, namely notification by the Police, reports by members of the public or the media, and information collected regularly (every six months) by BD staff from the media and Internet. Upon review, BD agrees that reviewing the media every six months has limited effect. The emphasis should be placed on the communication mechanism with the Police, and review of media reports on a same-day-basis so that information can be promptly collected for follow-up. BD and the Police have agreed to further strengthen their communication mechanism. Since May 2025, the Police would report all fallen window incidents to BD through BD's 24-hour hotline. In addition, BD will conduct daily searches of media reports to collect information on fallen window incidents, and collect information and step up follow-up actions on fallen window incidents, including promptly contacting the relevant parties such as OCs and property management companies. The relevant information will also be used for assisting BD in selecting target buildings under MWIS;

(f) in June this year, BD formulated the procedures of the follow-up on fallen window incidents and drew up a standard template for incident reporting, which have been incorporated into BD

guidelines. BD staff are required to upload the investigation results to BCIS of BD to maintain full records, so as to further assist in analysing fallen window incidents in the future;

(g) to assist BD staff in enhancing the efficiency in handling cases, BD expects to launch the Case Management and Reporting Platform by the end of 2025 to help its staff to automatically generate warning letters in a timely manner to owners who fail to comply with MWIS statutory notices upon expiry of the statutory period. BD will also further enhance BCIS by the end of 2025 to send reminders to its staff for issuance of warning letters and FPNs, and instigation of prosecutions as scheduled; as well as to indicate MWIS statutory notices with fallen window incidents in the to-do-list for easy identification and prompt follow-up by BD; and

(h) BD is conducting an analysis on the aforesaid 295 cases of fallen window incidents which had not been selected under the selection mechanisms when the incidents occurred, with a view to refining the selection mechanisms, and its aim is to complete the task by August 2025. BD will also step up the use of information technology, including using big data to enhance efficiency of its daily operations, so as to analyse the building conditions in a more systematic manner, thereby enhancing the efficiency in the selection of target buildings under MWIS;

- demands BD to report to the Committee the outcomes and follow-up actions upon completion of the analysis on the 295 cases of fallen window incidents;

- recommends that:

(a) according to data from BD, the number of fallen window incidents in Hong Kong showed a decreasing trend between 2017 and 2024, indicating that MWIS is effective to a certain extent. However, what causes concern is that a significant proportion of the buildings involved in fallen window incidents during the same period had not been selected as target buildings for issuance of MWIS statutory notices, while a certain number of buildings that had been issued MWIS statutory notices had not complied with the notices at the time when the incidents occurred, worse still, fallen window incidents occurred even though the buildings had complied with the statutory notices. These situations reflect room for improvement

in BD's selection mechanisms, administration of MWIS statutory notices and monitoring of QPs. In addition to comprehensively reviewing the management of all aspects of MWIS, the Administration should introduce legislative amendments expeditiously to enhance deterrence and enforcement efficiency; and

(b) in addition to strengthening enforcement, to achieve better enforcement outcomes and promote social harmony, the Administration should use non-compulsory means such as incentive, education, advice, and warnings to promote among members of the public the proper use of windows (such as avoid using windows for hanging clothes or as support when doing cleaning, and refraining from opening windows during strong winds), to prevent fallen window incidents;

- is surprised and expresses serious concern that out of 27 168 private buildings covered by MWIS, as at 31 December 2024, 14 676 (54%) buildings had not been selected for issuance of MWIS statutory notices. Based on BD's 2024 target of selecting 600 buildings each year, it will take about 24 years to cover these 14 676 buildings; and

- notes BD's following explanations:

(a) as at 31 December 2024, although 14 676 buildings that have reached the age of ten years have not been selected for issuance of MWIS statutory notices, it does not imply that the windows of all these buildings pose risks. In fact, when comparing the 14 676 buildings not issued with MWIS statutory notices to the 12 492 buildings that have been issued with MWIS statutory notices, the former have a noticeably lower building age, and the safety risk is correspondingly lower;

(b) under the current policy, BD adopts a risk-based approach in selecting 600 buildings for issuance of MWIS statutory notices each year, most of which are selected in accordance with the Building Score System, i.e. Selection Mechanism A. BD enhanced Selection Mechanism A in early 2024 to identify high-risk buildings in a more precise manner for inclusion in MBIS and MWIS, which will, among others, focus more on "three-nil" buildings and incorporate more data on building conditions. In addition, BD is reviewing the aforementioned 295 cases of fallen

window incidents in which the buildings concerned had not been selected under BD's selection mechanisms when the incidents occurred, with a view to further enhancing the selection mechanisms;

(c) the target number of 600 buildings was set having regard to the risk-based strategy and the availability of QPs in the market. BD considers that the current priority is to improve the selection mechanisms by identifying buildings with the highest risk of falling windows, so as to optimize the annual quota of 600 buildings to require owners of high-risk buildings to carry out window inspection. Meanwhile, BD will continue to encourage owners to carry out voluntary window inspection. Any upward adjustment of the quota of 600 buildings will require consultation with the industry to ensure that the market has sufficient capacity to cope with the increase in the number of buildings. BD will conduct a review at an appropriate time in the future;

(d) in the long run, on the front of information technology, BD will step up the use of big data in its daily operations and launch a geographical 2D heatmap this year, which will display in the form of a map the building age, building type, enforcement work carried out or in progress, as well as records of fallen window incidents, etc. of all buildings across the territory through data visualization. This will assist BD in analysing building conditions in a more systematic manner, thereby enhancing the efficiency in the selection of target buildings under MBIS and MWIS; and

(e) to promote the concept of "prevention is better than cure", BD will continue to strengthen its efforts in public education and publicity, and promote voluntary inspections and timely repairs of windows among owners in collaboration with various stakeholders, including the construction industry and the property management industry, so as to enhance their awareness of the importance of regular building maintenance.

Specific comments

63. The Committee:

Monitoring of QPs and other issues

- expresses serious concern that:

  (a) a QP should submit relevant MWIS submissions to BD within the specified time frame after the completion of the prescribed inspection and/or the prescribed repair under MWIS. However, Audit finds that some MWIS submissions were not timely submitted by QPs. Audit notes that 1 977 (10%) of 21 759 certificates of prescribed inspection of windows and 1 204 (8%) of 16 741 certificates of prescribed repair of windows submitted by QPs under MWIS in 2024 were received by BD more than 14 days and up to 5 years (averaging 53 days) after the completion of the prescribed inspections of windows and more than 14 days and up to 4.6 years (averaging 54 days) after the completion of the prescribed repairs of windows respectively, which failed to meet the 14-day statutory requirement;

  (b) to ensure that the inspection and repair of windows have been carried out in accordance with BO, BD conducts sample checking on MWIS submissions from QPs. After preliminary checks on the submissions (e.g. verification of the registration status of QPs), BD will select some of the submissions for audit checks. However, the success rates in conducting audit checks (i.e. the number of successful audit checks as a percentage to the total number of audit checks completed) from 2021 to 2024 were on the low side, ranging from 11% to 29%; and

  (c) for some successful audit check cases, follow-up actions were not timely taken by BD for irregularities identified during its audit checks on MWIS submissions from QPs. Of Audit's examination on the subject files of audit checks on 10 MWIS submissions with unsatisfactory results:

    - for 4 MWIS submissions, BD issued reminder letters to the QPs concerned more than two weeks (ranging from 27 to 146

days, averaging 71 days) after the completion of audit checks, failing to meet the two-week requirement under BD guidelines; and

- for 1 of the 4 MWIS submissions mentioned above, while the QP concerned had failed to provide a response within the time limit set out in the reminder letter (i.e. 18 June 2024), BD had not issued a warning letter to the QP as at 31 December 2024, which failed to meet the requirement under BD guidelines;

(d) regarding the time required for BD's audit checks on 2 070 MWIS submissions from QPs completed in 2024, the audit checks on 233 (11%) submissions were completed more than 6 months and up to 2.2 years (averaging 282 days) after the receipt of QPs' submissions; and

(e) under the Building (Inspection and Repair) Regulation, a QP shall submit a notification of appointment of QP within 7 days after the date of appointment. However, to streamline the form submission process, and with the support from the trade, effective from April 2018, the notification of appointment of QP has been combined with the certificate of prescribed inspection or repair of windows. Thereafter, BD no longer requires QPs to submit the notification of appointment of QP;

- notes BD's following explanations:

(a) BD conducts quarterly audit checks on MWIS submissions by QPs. If QPs are found to have failed to make timely MWIS submissions during audit checks, warning letters will be issued to them. BD maintains a watch list of QPs with warning letters issued and conducts extra audit checks on submissions by the QPs on the list. QPs will be removed from the watch list only if the results of the audit checks are found satisfactory in two consecutive quarters. If repeated irregularities are identified, BD will consider taking disciplinary action against the QP concerned. BD is currently revising relevant guidelines to further specify the circumstances under which disciplinary actions will be taken. BD will further enhance EFSS at the end of this year to enable automatic issuance of warning letters to all QPs who fail to make MWIS submissions within the statutory time frames directly, regardless of whether they are selected for audit checks;

(b) BD's audit checks include document audits and site audits. The main reasons for unsuccessful site audits were that the owners or occupants did not wish to let BD staff enter their premises to conduct audits, which would cause disruption to their daily life, or that the owners had not responded to BD's letters requesting for site audits in the first place. BD guidelines require that audit checks on MWIS submissions should be completed within 14 weeks, counting from the date of issuance of letter to the owner or occupant notifying the conduct of site audit to the completion date of audit check. However, the conduct of site audits requires cooperation from owners or occupants, often resulting in a longer time taken to complete the whole audit process. Therefore, during the amendment exercise of BO, the Administration will propose to empower BD to enter premises to conduct site audits, with a view to enhancing the efficiency of conducting audit checks in premises;

(c) BD is conducting a review on the follow-up actions and procedures taken in respect of irregularities identified during the audit checks, including evaluating the effectiveness of issuing reminder letters and direct issuance of warning letters to non-compliant QPs, with a view to formulating clear and streamlined procedural guidelines. The review is expected to be completed by July 2025; and

(d) to streamline the form submission process for owners and with the support from the trade, BD has since 2018 allowed owners and QPs to notify BD of their appointment in a specified form together with the submission of the certificate of prescribed inspection or repair. As BD's enforcement actions mainly involve the issuance of FPNs or instigation of prosecutions against owners who fail to comply with MWIS statutory notices, the exemption of the submission of notification of the appointment of QPs within seven days has not had any impact on the enforcement and prosecution work. Nevertheless, the Administration will propose amending the relevant regulations during the amendment exercise of BO to bring the legislation in line with the current practice;

- expresses concern that while the percentage of MWIS submissions by electronic means had increased from 2% in 2020 to 8% in 2024, the number of MWIS submissions by electronic means was still on the low side;

- notes BD's following explanations: to encourage QPs to use EFSS for MWIS submission, BD will continue to step up its efforts in introducing and encouraging the use of EFSS by QPs for MWIS submissions in the briefings held for QPs. Meanwhile, BD will seek to understand QPs' usage of and reasons for not using EFSS by questionnaires so that suitable system enhancement can be made in future to increase the usage rate;

Outsourcing the administrative work of MWIS

- expresses serious concern that for enhancing cost effectiveness, BD has outsourced certain administrative work for issuance of MWIS statutory notices to consultants, such as submitting desk study reports, preparing and serving statutory notices, and updating BCIS. However, the performance of three of the four consultants engaged for issuance of statutory notices for buildings selected from 2022 to 2024 was unsatisfactory;

- recommends that BD should consider reviewing the administrative work outsourced to consultants, simplifying and standardizing the work, and gradually reducing outsourcing of such work through upgrading departmental information technology systems, or even absorbing the work with the existing manpower, so as to enhance cost-effectiveness and reduce reliance on outsourcing;

- notes BD's following explanations:

  (a) in view of the significant number of MWIS statutory notices to be issued and handled every year, BD has to engage outsourced consultants to assist in the administrative work of non-statutory functions, so that BD staff could focus on discharging their statutory functions, providing technical support and assistance to owners in need, and taking forward public education and publicity work, etc.;

  (b) although the three consultants underperformed in certain work areas, their performance in other work areas was satisfactory. Therefore, their performance was still considered acceptable in the assessment;

  (c) BD will continue to take measures to strengthen the management and monitoring of consultants' work, including exploring ways to

enhance the current assessment mechanism and contractual arrangements for consultant companies, and considering the possibility of introducing an incentive and penalty mechanism; and

(d) BD will continue to minimize the administrative work through streamlining procedures and enhancing its information technology systems; and

- notes that the Director of Buildings agrees with all Audit's recommendations in the Audit Report.

Follow-up action

64. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by the Committee and Audit.

The Audit Commission ("Audit") conducted a review to examine the administration of the Maritime and Aviation Training Fund ("MATF").

2. MATF was established in April 2014. It sustains and enhances the Government's support for the manpower development and promotion of the maritime, aviation and logistics industries. Since its establishment, MATF has been providing funding support for training incentives, subsidy schemes and scholarship schemes for students and in-service practitioners of relevant disciplines and industries. The Transport and Logistics Bureau ("TLB") is responsible for providing secretariat support to MATF and for administering the Professional Training and Examination Refund Scheme ("ProTERS"), the Maritime and Aviation Internship Scheme ("MAIS") and the Maritime Services Traineeship Scheme — Legal and the Internship Scheme on Modern Logistics. The Marine Department ("MD") is responsible for administering the three seafaring training schemes, namely the Sea-going Training Incentive Scheme ("SGTIS"), the Local Vessel Trade Training Incentive Scheme and the Local Vessel Competency Enhancement Scheme.

3. Of the 18 training schemes operating under MATF as at 31 December 2024, besides the four schemes administered by TLB and the 3 schemes administered by MD, 13 partner institutions/organizations have been engaged by TLB as the administrators (i.e. non-governmental administrators) for the remaining 11 training schemes. As at 31 December 2024, the total commitment of MATF was $500 million and its accumulated expenditure was about $234 million.

4. The Committee noted the following Audit's findings:

<u>Training schemes administered by TLB and MD</u>

- Audit analysed ProTERS applications from 2019-2020 to 2024-2025 (up to December 2024) and noted that 118 applications from the maritime sector received in 2023 and 2024, in which no supplementary information had been requested from the applicants, had been processed for more than 8 weeks;

- under ProTERS, an applicant should not have been granted any other forms of subsidy or financial assistance for the relevant course/examination. However, in one case, while the applicant was refunded the full examination fee of $4,550 under SGTIS Phase 1 in October 2021, he was refunded $3,640 in October 2023 for an

application submitted under ProTERS for the same examination in December 2022;

- from August 2023 onwards, the course providers were requested by TLB to state whether their courses were also funded by other schemes when applying for inclusion of their courses in the pre-approved list under ProTERS, in order to prevent cases of double subsidies. However, Audit found that, as of December 2024, nine courses were covered by both the Continuing Education Fund and ProTERS (Aviation). For these nine courses, 58 applications (involving seven courses) were approved, with a total refund of $470,080 to applicants;

- course providers/examination authorities are required to apply for inclusion of their courses/examinations in the pre-approved list under ProTERS. Audit analysed the list of the 469 pre-approved courses/examinations as at 31 December 2024, and noted that from 2019-2020 to 2024-2025 (up to December 2024), no applications were received for 226 (48%) pre-approved courses/examinations and only 10 or fewer applications were received for 122 (26%) pre-approved courses/examinations;

- the eligibility criteria of MAIS were extended to cover secondary six school leavers for the aviation sector and the maritime sector in 2017 and 2023 respectively. However, for the maritime sector, only 7 (2%) of the 289 interns with approved reimbursement applications in 2023 and 2024 were secondary six school leavers; for the aviation sector, only 8 (1%) of the 893 interns with approved reimbursement applications from 2020 to 2023 were secondary six school leavers;

- interns repeatedly working in the same companies may depart from the primary objective of MAIS. For example, 8 (1%) of the 785 students recruited as interns from 2020 to 2024 for the maritime sector had been employed by the same participating companies for more than once;

- between 2023-2024 and 2024-2025 (up to December 2024), the number of beneficiaries under the Local Vessel Trade Training Incentive Scheme was only four and five respectively, representing a significant drop compared to the 33 beneficiaries in 2021-2022;

- for the three seafaring training schemes administered by MD, there were late applications approved from 2019-2020 to 2024-2025 (up to December 2024) under all three schemes. For example, for SGTIS

Phase 1, 136 (77%) of the 177 approved applications were submitted late with delays ranging from 1 to 855 working days and averaging 66 working days;

Training schemes administered by non-governmental administrators

- as at 31 December 2024, of the 11 training schemes administered by non-governmental administrators, TLB had not entered into contractual agreements with the administrators of six schemes;

- of the five training schemes with contractual agreements entered into between TLB and pertinent administrators, four had no specific clauses concerning the safeguarding of national security in the contractual agreements;

- a significant portion of graduates/beneficiaries dropped out of the Ship Repair Training Incentive Scheme, the Partial Tuition Refund Scheme for the Specialized Aircraft Maintenance Programme, and the Aviation Operations Training Incentive Scheme;

- for scholarship recipients from 2019-2020 to 2023-2024: (a) among the 80 recipients of the maritime sector, the employment records of 22 (28%) recipients could not show that the employment requirements had been fulfilled and no employment records were provided by the relevant administrators for 17 (21%) recipients; and (b) the relevant undertakings for satisfying the employment requirements from 56 (46%) of the 121 recipients of the aviation sector were collected by TLB only after TLB's approval of disbursements to the administrators;

Promotion initiatives under MATF

- Audit selected 10 (29%) of the 34 projects completed from 2019 to 2024 to examine TLB's work in vetting expenditure incurred and found scope for improvement in six projects. For example, in four (40%) projects, there were occasions that the quotation requirements had not been complied with;

- a registered organization in Hong Kong may submit an application form with a project proposal for a maritime promotion project to apply for funding under MATF. The expected number of participants for all activities under the project must be specified. Full or partial sponsorship for an individual activity may have to returned in case it falls

short of the expected performance and participation from the maritime sector and the general public. However, regarding the evaluation reports submitted for the 34 projects completed from 2019 to 2024, Audit noted that: (a) no evaluation reports were submitted for two (6%) projects; and (b) the actual number of participants in 21 (62%) projects did not meet the expected number of participants, and the reasons for the shortfall in the number of participants were not provided in the evaluation reports for 15 (71%) of the 21 projects. Furthermore, no organizers of those projects were required to return all or partial sponsorship due to the shortfall in the number of participants;

Way forward

- in 7 (58%) of the 12 schemes under the initial approved commitment of funding for establishing MATF in 2014, the total number of beneficiaries up to 31 December 2024 was lower than the number of beneficiaries estimated in 2014 for the ensuing five years;

- when consulting the Legislative Council on the two rounds of increase in commitment of MATF, which were approved by the Legislative Council in 2019 and 2023 respectively, TLB did not provide an estimation of the number of beneficiaries. To ensure prudent use of public funds, the Secretary for Transport and Logistics advised that TLB would consider the inclusion of performance indicators to quantify the benefits brought to the manpower development of the maritime, aviation and logistics industries; and

- in 2024, TLB conducted a comprehensive review to evaluate the impact and effectiveness of MATF. The consultant found that some of the schemes of MATF could be further enhanced to improve or sustain their efficiency and effectiveness and proposed a number of enhancement measures.

5. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses to the issues raised by Audit. The replies from the **Secretary for Transport and Logistics** are in *Appendix 14*.

6. The Committee wishes to be kept informed of the progress in implementing Audit's recommendations.

A. Introduction

The Audit Commission ("Audit") conducted a review of the street cleansing services provided by the Food Safety and Environmental Hygiene Department ("FEHD").

2. Hon SHIU Ka-fai declared that he was invited to serve as an unremunerated honorary adviser or an unremunerated member of some non-governmental organizations/trade associations. The organizations/trade associations concerned, or their members, might have participated in business related to the environmental hygiene and cleansing sector.

Background

3. FEHD is responsible for providing quality environmental hygiene services and facilities, and safeguarding public health. The core duties include monitoring street cleansing service delivery as well as carrying out enforcement actions against illegal disposal of refuse under the relevant Ordinances. FEHD's street cleansing services mainly include street sweeping services, street washing services, gully cleansing services and poster removal services (including the removal of illegal bills and posters). Street cleansing services are delivered by FEHD's staff (i.e. in-house) as well as by contractors (i.e. outsourced). As at 30 September 2024, the total workforce was about 13 200 (comprising about 3 000 in-house staff and about 10 200 contractors' staff), with about 82% of the street cleansing services outsourced. In 2024-2025, FEHD's expenditure on public cleansing services (including street cleansing, refuse collection, public toilets, and other related cleansing services and facilities) amounted to about $5.1 billion in total.

Public hearings

4. The Committee held two public hearings on 27 May and 3 June 2025 to receive evidence. The opening statements made by **Mr TSE Chin-wan, Secretary for Environment and Ecology** and **Mr Donald NG Man-kit, Director of Food and Environmental Hygiene** at the first public hearing are in *Appendices 15* and *16*.

Street cleansing services

5. As stated in paragraph 1.8 of the Director of Audit's Report No. 84 ("the Audit Report"), the outsourcing policy aims at greater cost-effectiveness and flexibility in the delivery of services, according to FEHD. As at 30 September 2024, about 82% of the street cleansing services was outsourced. The Committee asked how outsourcing street cleaning services could achieve cost-effectiveness and whether FEHD would review the ratio of in-house to outsourced services. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 2 June 2025 (*Appendix 17*) that:

- outsourcing was one of the ways through which the Government delivered public services. Generally speaking, private organizations were more flexible in personnel management and resource deployment, and the Government could make use of the expertise of outsourced contractors. Departments might choose to outsource the services concerned after weighing the operational needs, service nature, cost-effectiveness, quality of service and efficiency, so as to capitalize on the positive impact of procurement, enabling departments to focus on their core business; and

- the ratio of outsourced street cleansing services had remained at around 80% for some time. The current ratio of in-house street cleansing services in Hong Kong, which was about 20%, enabled the department to mobilize its staff to provide services for affected areas temporarily in the event of contingencies (such as the sudden closure of individual outsourced contractors' companies), so as to buy time to engage other contractors in filling the gap. At present, six contractors provided street cleansing services across the territory. Each contractor provided about 17% of the services on average, which was comparable to the ratio of in-house street cleansing services in Hong Kong (i.e. about 20%). On the whole, FEHD considered the overall ratio of outsourced to in-house street cleansing services appropriate. FEHD would review the arrangements for outsourcing services from time to time, taking various factors into account.

6. The Committee further enquired whether FEHD had conducted quality assessments and comparisons of its in-house and outsourced street cleansing services, and whether it would consider establishing a unified assessment mechanism for this purpose. This would enable the department to take into account not only the cost-effectiveness, but also the service quality of both types of service when reviewing

the ratio of in-house to outsourced services. **Director of Food and Environmental Hygiene** advised at the public hearings and in his letter dated 19 June 2025 (*Appendix 18*) that FEHD had drawn up specific operational guidelines for street cleansing services and would monitor the performance of in-house staff and contractors' staff with reference to the same criteria so as to ensure that the required performance standards were met. Based on FEHD's observation, there was no significant difference in the performance of in-house staff and contractors' staff in the provision of street cleansing services.

7. According to paragraph 1.9 of the Audit Report, the duration of current street cleansing service contracts was three years, whereas the periods of previous contracts ranged from one to three years. The Committee enquired about the reasons for this change, as well as whether the longer contract period would result in the lack of flexibility in monitoring contractor's services by FEHD. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 19 June 2025 (*Appendix 18*) that according to Financial Circular No. 3/2019, the Government had introduced a series of measures to improve the employment benefits of non-skilled workers since April 2019. Also, in procuring service contracts that relied heavily on the deployment of non-skilled workers, departments were encouraged to preferably adopt a contract duration of at least three years where operational situations permitted, in order to provide a more stable working environment and more employment opportunities for employees of government service contracts. FEHD had then immediately extended the contract period to three years for those contracts that procured services (including street cleansing services) relying heavily on the deployment of non-skilled workers on or after 1 April 2019. At present, there were contract provisions in place that enabled FEHD to terminate the contract if the contractor failed to comply with the contract terms. However, in considering the invocation of these provisions, FEHD must exercise prudence and take into account important factors such as the potential impact on public services and the administrative costs associated with re-tendering. FEHD would continue to enhance contractor performance in the contract period through inspection, supervision, issue of default notices against defaults, deduction of monthly fees and consideration of the contractors' past performance during the tender process.

<u>Expenditure on public cleansing services</u>

8. According to paragraph 1.14 of the Audit Report, FEHD's expenditure on street cleansing and related services amounted to about $5.1 billion in 2023-2024. This included the expenditure on waste collection services and management of public cleansing facilities. The Committee requested FEHD to provide the expenditure and

percentage of street cleansing services in each financial year from 2019 to 2025, the expenditure on street cleansing service contracts, and the breakdown of the costs for in-house and outsourced street cleansing services (including the average monthly salary of in-house and outsourced street cleansing staff).

9. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letters dated 2 and 26 June 2025 (*Appendices 17* and *19*) that from 2019-2020 to 2024-2025, FEHD's expenditure on street cleansing and public toilet services ranged from $3 billion to $4.3 billion (including contract expenditures for outsourced services). This accounted for around 80% of total expenditure on public cleansing services during this period. FEHD was gradually separating public toilet services from street cleansing services. However, among the existing contracts in force, there were still street cleansing service contracts covering public toilet services. During this period, expenditure on street cleaning contracts ranged from $1.7 billion to $2.8 billion, accounting for around 60% of FEHD's total expenditure on street cleansing and public toilet services. There were technical difficulties in precisely separating the costs of outsourced and in-house street cleansing services. For instance, some supervisory staff of FEHD were responsible for overseeing the services provided by both outsourced contractors and in-house staff, thus making it difficult to accurately separate the expenditures associated with these supervisory staff. Nevertheless, the salaries of cleansing workers constituted a significant portion of the overall street cleansing service expenditure. At present, there was not much difference between the average monthly salary of Workmen II in FEHD and that of street cleansing workers committed to be paid by contractors. Detailed data on this information was provided in the aforementioned letters from the Director of Food and Environmental Hygiene.

10. According to the reply from the Director of Food and Environmental Hygiene dated 2 June 2025, the expenditure on outsourced street cleansing services had increased by over 60% from approximately $1.7 billion in 2019-2020 to approximately $2.73 billion in 2024-2025, and exceeded $2.8 billion in 2022-2023. In addition, the average monthly salary for outsourced street cleansing staff during the same period had risen by nearly 40% from $10,798 to $14,994. The Committee enquired whether the upward trend in contract expenditures and salaries was reasonable and about the measures in place to control costs. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that:

- according to Financial Circular No. 3/2019 which applied to all government departments, FEHD had introduced a series of measures to

improve the employment benefits of non-skilled workers since April 2019, including an increase in the weighting for the technical score from 30% to 50% during the tender process, along with an increase in the weighting for the wage level of non-skilled workers to 25% within the technical score. In addition, the statutory minimum wage had been raised in recent years. The above factors as well as the supply and demand situations of the labour market had contributed to a rise in the salary for cleansing workers. As street cleansing service contracts involved a large number of non-skilled workers, the rise in their salary would lead to the increase in the expenditure for the service contracts; and

- FEHD would carefully consider the practical service needs in drawing up the service contract terms. To maintain the level of public services and achieve savings as far as practicable, FEHD would explore the consolidation of services and application of technologies wherever practicable. FEHD would also, through vigorous evaluation and monitoring mechanisms, ensure that the tenderer with the most desirable conditions was awarded the contract and that the contractor could meet the required standard when carrying out the contract. FEHD would continue to implement various measures to ensure the proper use of public funds.

B. Monitoring of service delivery

Monitoring of outsourced street cleansing services

11. According to paragraph 2.3 of the Audit Report, FEHD adopted a multi-tier monitoring mechanism (i.e. daily inspections, formal inspections, assigned risk-based surprise inspections, supervisory checks and systematic inspections) for outsourced and in-house street cleansing services in each District Environmental Hygiene Office ("DEHO"). The Committee asked whether FEHD had reviewed the abovementioned multi-tiered monitoring mechanism for potential streamlining. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 19 June 2025 (*Appendix 18*) that after an initial review of the monitoring mechanism, FEHD considered that each type of inspection had its unique purpose and function. For example, daily inspections aimed to check the daily performance of contractors and in-house staff in street cleansing services; assigned risk-based surprise inspections sought to uncover irregularities which were difficult to identify in daily inspections; while formal inspections were intended to clearly communicate to frontline staff of contractors or the department the requirements and standards of street cleansing

services, and to set performance targets for future inspections. Nevertheless, FEHD would continuously review the existing monitoring mechanism and explore the wider use of information technology ("IT") systems to optimize and streamline the workflow.

12. Paragraph 2.3(a) of the Audit Report stated that Senior Foremen, Foremen and Overseers of FEHD were responsible for the day-to-day supervision and monitoring of the street cleansing service delivery. According to paragraph 2.11 of the Audit Report, FEHD advised that it would consider developing an IT system to monitor inspections of both outsourced and in-house street cleansing services. The Committee enquired about the academic qualifications and skills required for the positions of Senior Foreman, Foreman and Overseer, and how to ensure that the staff would be able to operate the IT system in the future, as well as the progress of development and the implementation schedule of the IT system.

13. **Director of Food and Environmental Hygiene** advised at the public hearings and in his letter dated 2 June 2025 (*Appendix 17*) that there were no additional academic qualifications or skill requirements for Senior Foreman and Overseer which were the promotion ranks for the Foreman grade. Sufficient training would be provided to members of the Foreman grade, so that they would be able to operate the IT system as required in their jobs. The entry requirements for Senior Foreman of FEHD were detailed in the Director's aforementioned letter. The new system would provide an integrated information monitoring platform which could enable electronic submission, updating and approval of work programmes and reports, facilitate the checking of completed services as well as real-time monitoring of compliance and implementation by in-house staff, issue automatic reminders to staff for timely submission of reports, and collect and analyse relevant data for generation of management reports so as to assist the department in the planning and deployment of resources. FEHD planned to prioritize the commissioning of some new functions (including electronic submission of work programmes and reports) within 12 months and have the remaining ones implemented as soon as possible.

14. According to paragraphs 2.6 and 2.7 of the Audit Report, Audit examined the daily attendance records of Central/Western, Sham Shui Po and Yuen Long DEHOs for outsourced street cleansing services in December 2023 and September 2024, and found that on some days, there were no contractors' workmen on duty or the number of staff on duty did not meet the minimum requirements. As FEHD explained, based on the contractors' attendance books, all the above work shifts were actually attended by contractors' workmen and provided with the stipulated minimum number of contractor staff. However, the relevant daily attendance records submitted by the

contractors to FEHD did not accurately reflect the situation, and FEHD's Senior Foremen had reviewed these daily attendance records. The Committee enquired about the procedures for contractors' staff signing in and the Senior Foremen of FEHD verifying the workmen's daily attendance records submitted by contractors, and why the relevant Senior Foremen had not identified errors in the workmen's daily attendance records submitted by contractors. In addition, based on the explanation of FEHD stated above, contractors maintained a 100% staff attendance rate in December 2023 and September 2024. The Committee asked FEHD to explain how contractors ensured that the number of staff on duty met FEHD's minimum requirements and how to ensure the accuracy of the information reported by contractors.

15. **Director of Food and Environmental Hygiene** and **Mr Peter POON Ping-yeung, Assistant Director (Operations)3, Food and Environmental Hygiene Department** advised at the public hearings, and **Director of Food and Environmental Hygiene** added in his letter dated 2 June 2025 (*Appendix 18*) that:

- every day when contractors' staff arrived at work, they had to go to the roll call points to sign the contractors' "attendance books" to record their attendance. Moreover, contractors were required to submit to FEHD information in relation to their staff at different posts on a daily basis (i.e. "daily attendance records"), mainly for Senior Foremen to verify the daily attendances and identities of staff through random spot checks of the attendance records. It was an inadvertent mistake by individual Senior Foremen who failed to notice the omission of information in the daily attendance records during inspection. Furthermore, when the incidents occurred, there was a shortage of Senior Foremen in two of the districts concerned and the workload of staff had increased, thus increasing the chance of making mistakes;

- the tender documents for outsourced services had clearly stipulated the performance standards to be met by contractors, and the minimum requirements for the manpower, work shift and frequency of service for each cleansing task based on operational needs. Outsourced service contractors would, having regard to the number of workmen required to be provided daily under the contracts, reserve sufficient relief staff for flexible replenishment of manpower in response to the absence of workmen due to vacation leave, statutory holidays, compensatory leave or unforeseen circumstances during operation, so as to maintain the services; and

- FEHD had an established mechanism to monitor the service performance of outsourced contractors. Based on a risk management principle, spot checks, surprise inspections and examination of the contractors' job records were performed. In addition, contractors were required to submit monthly returns certified by certified public accountants for verification of the number of staff in attendance. Where necessary, FEHD might also request contractors to provide the attendance books of staff for verification, so as to ensure the accuracy of information. In fact, for the cases mentioned in paragraph 2.6 of the Audit Report, it was confirmed in both the returns certified by the certified public accountants and the attendance books of the contractors' staff that there were indeed sufficient staff in attendance.

16. The Committee further pointed out that contractors currently submitted daily attendance records in paper form, which were checked manually by Senior Foremen of FEHD. The Committee enquired about the new measures that would ensure contractors submitted accurate daily attendance records of workmen and improve FEHD's verification work. **Director of Food and Environmental Hygiene** advised at the public hearings and in his letter dated 19 June 2025 (*Appendix 18*) that to improve service efficiency and monitoring, FEHD was exploring ways to enhance the application of IT systems, including the digitalization of attendance records and the related workflows. The system would automatically check the daily attendance records to see if they met the required standard.

17. According to paragraph 2.9 of the Audit Report, Audit examined the inspection records of contractors' inspection teams for outsourced street cleansing services of Central/Western DEHO for September 2024 and found that the Health Inspectors concerned had not assigned tasks/the required number of tasks to the contractors' inspection teams for conducting the self-discipline quality inspections for the period. As FEHD explained, this was mainly because the inspection teams were redeployed by district staff to conduct urgent inspections and discharge ad-hoc duties. The Committee requested FEHD to explain the above situation and enquired whether records of urgent inspections were kept. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 19 June 2025 (*Appendix 18*) that:

- the above situation occurred because DEHO required contractors to arrange vehicles to carry departmental staff in order to conduct emergency inspections and discharge ad-hoc duties, which included handling unforeseen situations which affected public hygiene,

emergency complaints, service disruptions caused by damage to public facilities under the department's management and urgent street cleaning service requests from other departments, and conducting surprise enforcement operations. However, the relevant staff did not clearly document the situations at the time; and

- FEHD had reviewed and updated the relevant guidelines and workflows (including explicitly requiring frontline staff to submit "self-discipline quality inspection" records to supervisors for review) and would monitor their compliance and implementation. In addition, FEHD was exploring the enhanced application of IT systems to improve service efficiency and monitoring, which included reminding staff to arrange "self-discipline quality inspections" in accordance with the guidelines.

18. According to paragraph 2.11(a) of the Audit Report, Audit found that, with regard to the outsourced street cleansing services, in the period from 1 to 14 September 2024, 21 (12%) of the 182 daily inspections required for Yuen Long DEHO did not cover the required beats (against the requirement of covering at least 10% of the cleansing sector each working day). Moreover, there was no documentation showing that 6 (2%) of the 271 beats were covered in daily inspections (against the requirement of covering the whole cleansing sector (i.e. every beat) once every 10 working days.) As FEHD explained, Yuen Long DEHO experienced a shortage of inspection staff in September 2024. The Committee enquired whether FEHD planned to further expand the application of Internet Protocol ("IP") cameras or adopt other technological devices to mitigate the impact of staff shortages on inspection work, and whether any staff had been disciplined for not conducting inspections in accordance with FEHD guidelines.

19. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 19 June 2025 (*Appendix 18*) that apart from the installation of IP cameras at approximately 500 locations in various districts, FEHD was considering a significant increase in the number of IP cameras and exploring their use in monitoring street cleansing work at certain locations so as to facilitate the review of contractors' performance by the inspection officers. Regarding the situation in Yuen Long as mentioned in paragraph 2.11(a) of the Audit Report, FEHD acknowledged that the situation was unsatisfactory. However, there was in fact a shortage of Senior Foremen in the district at that time, which resulted in the substandard performance of inspection and record-keeping work. Based on the information currently available, FEHD had not identified any instances where its staff had deliberately violated the guidelines that would warrant disciplinary actions.

20. According to paragraph 2.11(b) of the Audit Report, while formal inspections shall be conducted by Overseers of FEHD monthly, in the period from January 2023 to September 2024 (comprising 21 months), for Central/Western and Sham Shui Po DEHOs, formal inspections were not conducted in one month. FEHD advised that the two DEHOs arranged to make up for the formal inspections in the following month, keeping the total number of formal inspections remained unchanged. The Committee asked FEHD why the two DEHOs did not conduct formal inspections in the relevant months and whether FEHD agreed that making up for such inspections on a later date defeated the purpose of regular inspection arrangements.

21. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 19 June 2025 (*Appendix 18*) that the Overseers concerned were unable to conduct formal inspections on schedule due to various circumstances, and they had obtained approval from their supervisors to postpone or make up for such inspections on a later date. Formal inspections aimed to clearly communicate the requirements and standards of street cleansing services to contractors or in-house frontline staff, and set performance indicators for future inspections. The Audit Report indicated that most of the formal inspections were conducted on schedule. FEHD considered that the delay in inspections in individual cases would not affect the overall effectiveness of inspection, but such arrangements should be approved by the management and properly recorded. FEHD would issue guidelines to staff in this respect.

22. According to paragraph 2.12 of the Audit Report, Audit reviewed the monitoring inspection reports of Central/Western, Sham Shui Po and Yuen Long DEHOs for outsourced street cleansing services from January 2023 to September 2024. It found that some reports were not submitted or reviewed within the timeframes stipulated in FEHD guidelines, and some were not dated. The Committee enquired about the mechanisms or measures put in place by FEHD to urge staff to timely submit and properly complete monitoring inspection reports. **Director of Food and Environmental Hygiene** advised at the public hearings and in his letter dated 19 June 2025 (*Appendix 18*) that while the situations of missing dates and late submissions of reports were not serious (a delay of two to six working days on average), they were not desirable. FEHD had reviewed and updated the relevant guidelines and workflows, and would monitor their compliance and execution, in order to better supervise the service performance of outsourced street cleansing contractors. FEHD were considering the strengthened application of IT systems to enhance service efficiency and supervision, including the timely issue of reminders for frontline staff to submit reports.

23. According to paragraph 2.14 of the Audit Report, under the street cleansing service contracts, warnings (verbal/written) and/or default notices would be issued to contractors for breach of contract terms. The Committee enquired whether FEHD had formulated guidelines specifying the circumstances under which warnings or default notices were issued. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 19 June 2025 (*Appendix 18*) that the relevant guidelines and terms in the service contracts had clearly stated the principles of issuing various default notices/warning letters. Simply put, default notices could be issued to contractors if they failed to meet the performance requirements in the contract terms. However, under certain circumstances, for example, where the nature of irregularities was relatively mild, where contractors had rectified the irregularities within the specified time or where FEHD did not have sufficient grounds to issue default notices after investigation, warning letters would be issued by departmental staff to contractors, demanding their improvements. If contractors failed to do so within the specified time, FEHD would issue default notices to them.

24. According to paragraph 2.15 of the Audit Report, FEHD guidelines stipulated that all warning letters/default notices should be delivered to contractors within seven working days after the discovery of the breaches. However, FEHD did not maintain readily available information on the delivery dates of warning letters/default notices. Audit examined the warning letters and default notices issued by FEHD to contractors of 19 DEHOs in the period from January 2019 to September 2024, and found that 230 (66%) of the 351 warning letters and 2 103 (54%) of the 3 870 default notices were issued more than seven working days after discovering the breaches, with the time lag averaging between 15 and 114 working days. Director of Food and Environmental Hygiene indicated that the relevant FEHD guidelines would be refined in the light of the above situation. The Committee enquired about the details.

25. **Director of Food and Environmental Hygiene** advised at the public hearings and in his letter dated 19 June 2025 (*Appendix 18*) that FEHD had reviewed and updated the guidelines and workflows concerned, and would continue to monitor their execution status. The new guidelines instructed frontline staff to issue warning letters or default notices within seven working days after making the decision to do so, so that they could have sufficient time to complete the required investigation, documentation and record work. In addition, in case any unsatisfactory performance was found on the part of contractors, FEHD staff would, apart from conducting investigations and considering issuing warning letters or default notices, contact the contractors as soon as possible to request their rectifications and to prevent recurrence of similar situations.

26. As regards paragraph 2.17 of the Audit Report, the Committee asked FEHD to explain the marking scheme used in the tender assessment exercises of street cleansing service contracts. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 22 May 2025 (*Appendix 20*) that the marking scheme and the technical score sheet for street cleansing services were devised according to Financial Circular No. 2/2019, which was applicable to all government departments, and the "Standard Marking Scheme" annexed thereto. Under the marking scheme, the technical score and price score each accounted for 50% of the total score. The assessment criteria of the technical score covered factors such as the tenderer's proposed execution plan for the contract (including the proposed work plan, innovative suggestions and proposed daily maximum working hours for drivers to be employed under the contract), past experience in provision of street cleansing services, accreditation of relevant services, past performance, the amount of remuneration to be paid to non-skilled workers to be employed, proposed daily maximum working hours for non-skilled workers and the past record of demerit points in relevant government contracts for non-skilled workers. FEHD would, in accordance with the marking criteria for "past performance", compare the tenderer's defaults in relation to the FEHD's cleansing service contracts in the past three years with those of other tenderers to calculate the score of each tenderer. To ensure that the contractors were fully capable of fulfilling the relevant service contracts, tenderers were required to obtain passing marks in their proposed work plans under technical evaluation before their tenders could proceed to the next stage of price evaluation. The tender with the highest combined score in the technical and price proposals would normally be accepted by the Government.

27. Regarding the 10 contracts (involving a total of four contractors, three of whom were existing contractors) with the highest number of default notices among the 38 street cleansing service contracts reviewed by Audit as mentioned in paragraph 2.18 of the Audit Report, the Committee asked FEHD to provide details of these 10 contracts (including the amount of each contract) and the percentage of service fees deducted against the contract value due to default notices. The Committee also enquired whether any street cleansing service contractors (including the above four contractors) had been debarred from bidding for government non-skilled worker contracts under the demerit point system described in paragraph 2.17(a) of the Audit Report after accumulating three or more demerit points. **Director of Food and Environmental Hygiene** and **Ms Jacqueline HO Yuen-man, Assistant Director (Grade Management and Development), Food and Environmental Hygiene Department** advised at the public hearings, and **Director of Food and Environmental Hygiene** added in his letter dated 2 June 2025 (*Appendix 17*) that the total amount of the 10 contracts was about $2.03 billion, and the percentage of service fees deducted from the four contractors due to default notices ranged from 0.02% to

0.29% of the contract value (from about $56,500 to about $338,000), with details provided in the Director of Food and Environmental Hygiene's aforementioned letter. In addition, the demerit point system aimed to enhance the protection of non-skilled workers' employment terms and conditions. If a contractor accumulated three demerit points, its tender for all government service contracts requiring the employment of non-skilled workers (including the street cleansing service contracts of FEHD) would not be considered for five years from the date of accumulating the third demerit point. The four contractors did not accumulate three or more demerit points. However, other street cleansing service contractors had previously been debarred from bidding for government service contracts after accumulating three or more demerit points under the demerit point system.

28. The Committee pointed out that according to the reply of Director of Food and Environmental Hygiene dated 2 June 2025, the total amount of the above 10 contracts exceeded $2 billion, and the total service fees deducted from contractors due to default notices were about $1.27 million, accounting for only about 0.06% of the total contract value. The Committee questioned whether the current amount of service fee deductions could effectively deter contractors' misconduct. The Committee also enquired about the circumstances under which FEHD could claim compensation from contractors according to the relevant contract terms and whether there were cases where debarred contractors participated in tendering exercises again by changing their company names. **Director of Food and Environmental Hygiene** advised at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that:

- as the provision of services involved considerable spending, under a competitive tendering system, the profit of a contractor might hence take up only a small part in the service contract value. The ratio of service fees deducted (due to the issue of default notices) to the profit of a contractor was much higher than that to the service contract value. In addition, apart from the deduction of service fees, the number of default notices issued to a contractor would also affect its future chances of being awarded a contract. Under the current marking scheme, the score calculated based on the number of past default notices accounted for 15% of the technical score. Upon review of the recent 10 tender exercises for street cleansing service contracts, it was found that the score differences between the winners and the runner-up competitors were always less than 15 points, indicating that the number of default notices would definitely influence the chances of winning a contract. In those 10 tender exercises for street cleansing services contracts, the winners were always either the first or second best performers in terms

of default scores. Therefore, FEHD considered that the current system had, to some extent, driven contractors to raise their service standards;

- apart from issuing a default notice, if a contractor was found in breach of any terms in the contract and the Government considered that the contractor was unable to remedy and rectify the situation, it might immediately terminate the contract in accordance with the termination clauses in the contract. The Government was also entitled to claim compensation from the contractor for all losses, damages, expenses and costs incurred from the termination of the contract. Since January 2019, no such severe circumstances had ever occurred in respect of the street cleansing service contracts of FEHD; and

- FEHD had been following the procurement regulations and procedures of the Government in conducting open tender exercises. When evaluating a tender submitted by a tenderer, FEHD would check the compliance with the requirements as specified in the tender, including whether the tenderer had been convicted of any specified offence. A tenderer (including the tenderer itself, its partners or the company's shareholders) who was convicted of any specified offence would be debarred from bidding government service contracts for five years from the date of conviction, and its tender would not be considered. FEHD would only award a contract after confirming that the tenderer had no conviction record and met the relevant requirements of the tender. From January 2019 until now, the Department had not received any cases where tenderers, who were debarred from tendering, participated in tender exercises again by changing the company name. According to the terms of tender, a tenderer was required to furnish the Articles of Association, the Certificate of Incorporation and the Certificate of Change of Name for review by FEHD. If it was found that any shareholder of the company was debarred from tendering, the tender would not be further considered.

29. The Committee further enquired why the three contractors could still acquire street cleansing service contracts after being issued with such a number of default notices, and whether this was because there were limited qualified contractors in the market. In paragraph 2.21(c) of the Audit Report, Director of Food and Environmental Hygiene advised that FEHD would review the effectiveness of its measures on contractors' past performance with respect to future tender assessments. The Committee enquired whether there was a need of adjustment in the technical scores allocated to contractors' past records of demerit points and service

performance , the weightings of price score and technical score under the current tender assessment mechanism of FEHD, as well as the scope of application of the contractors' demerit point system. **Director of Food and Environmental Hygiene** and **Assistant Director (Grade Management and Development), Food and Environmental Hygiene Department** explained at the public hearings, and **Director of Food and Environmental Hygiene** added in his letter dated 19 June 2025 (*Appendix 18*) that:

- as at December 2024, the contracts awarded to the three contractors between 2022 and 2024 had not expired yet. Of these three contractors, two have not been awarded new street cleansing service contracts since 2023 and 2025 respectively (as at 31 May). The renewal dates for the current street cleansing service contracts varied among districts. To assess a contractor's past performance, FEHD would calculate the number of default points received in the 36 months' period of service preceding the tender closing date. If there was enhanced performance during the period, the contractor would have a better chance of winning the contract and continuing to be street cleansing service contractor. At present, the open tender exercises for street cleansing service contracts were quite competitive, with quite a number of tenders received from contractors;

- under the existing tender assessment system, the price score and the technical score each accounted for 50% of the final score. If the weighting for the technical score was further raised, the relative weighting for the price score would be reduced, which might lead to an increase in the contract price. After consideration, FEHD found the current weightings for the price score and the technical score appropriate as they could strike a balance between the price and quality of a tender, thus ensuring the proper use of public funds;

- the existing demerit point system was applicable to service contracts of all government departments that rely heavily on the deployment of non-skilled workers. Should the Government make any amendments to the procurement policy regarding the demerit point system, FEHD would take matching actions. Under FEHD's existing marking scheme for tender assessment of street cleansing services, the record of demerit points accounted for seven points, which was already higher than the minimum of five points as stipulated in the Standard Marking Scheme Framework; and

- FEHD was considering raising the score of past performance under the marking scheme established by the Standard Marking Scheme Framework. At the same time, FEHD would examine if there was room to adjust the existing amount of monthly service fees deducted due to default and the calculation method of the relevant score, including the introduction of a progressive system where the number of default notices had a proportional impact on the score, thereby increasing the deterrent effect on contractors.

30. The Committee asked FEHD to provide the number of contracts held by the six current street cleansing service contractors, the value of each contract, the contract period, and the services covered (e.g. whether public toilet services were included), as well as the number of default notices (including those related to service performance, behaviour, employment, blatant defaults, etc.) received by the six contractors in the 36 months preceding the tender closing dates of their latest contracts. **Director of Food and Environmental Hygiene** advised in his letter dated 26 June 2025 (*Appendix 19*) that:

- in terms of the contract expenditures, in 2024-2025, FEHD spent $2.415 billion on 56 street cleansing service contracts (covering public toilet services), $271.9 million on 13 street cleansing service contracts (not covering public toilet services), and $38.84 million on 6 public toilet service contracts. In terms of the estimated contract expenditures, in 2025-2026, FEHD planned to spend $1.4153 billion on 36 street cleansing service contracts (covering public toilet services), $1.151 billion on 28 street cleansing service contracts (not covering public toilet services), and $191.9 million on 13 public toilet service contracts. The information on the street cleansing and public toilet service contracts held by the six contractors between 1 April 2024 and 31 May 2025 was detailed in the above letter from the Director of Food and Environmental Hygiene; and

- during the 36 months immediately preceding the tender closing dates of their latest contracts, the six contractors were issued with about 7 to 18 default notices for each contract on average due to blatant, performance and behavioural defaults in the execution of FEHD's street cleansing service contracts.

31. According to paragraph 2.22 of the Audit Report, regarding the in-house street cleansing services provided by Central/Western, Sham Shui Po and Yuen Long

DEHOs in December 2023 and September 2024, Audit found that some street sweeping services were not provided at all or not provided at the planned frequency, and in some work shifts of Sham Shui Po and Yuen Long DEHOs, street washing vehicles were not deployed as planned or had to suspend operations. The Committee enquired whether FEHD agreed that the above situation was undesirable and what follow-up measures were in place. **Director of Food and Environmental Hygiene** advised in his letter dated 19 June 2025 (*Appendix 18*) that FEHD agreed that the situation was undesirable. When in-house street washing services had to be suspended, DEHO would arrange workmen to perform other cleansing work (e.g. cleaning litter containers and refuse collection points) so as to better utilize the manpower resources. In addition, regarding the situation that some service locations were not washed as planned, FEHD staff had been monitoring the street cleanliness of these locations during daily inspections and would enhance the relevant cleansing services where necessary. Failure to deploy street washing vehicles as planned was mainly due to the shortage of Special Drivers. In this connection, since November 2024, the vacancies of Special Drivers had been gradually filled through a recruitment exercise arranged by the Government Logistics Department, and the shortage had eased.

32. According to paragraph 2.22(a)(i) and Note 36 of the Audit Report, the respective shortfall of 1% of in-house workmen in December 2023 and September 2024 for Yuen Long DEHO was attributed to the shortage of in-house workmen (i.e. 17 (9%) in December 2023 and 14 (7%) in September 2024). According to Note 3 of Table 4 in paragraph 2.33 and paragraph 2.37 of the Audit Report , the vacancy rate of in-house workmen was 13% as at September 2024. For street sweeping services, the percentage of work shifts with absent in-house workmen was higher than that for contractors' workers. The Committee enquired whether FEHD had investigated the reasons for the high vacancy and absence rates of in-house workmen and how to address the absenteeism and shortages of in-house workmen. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 19 June 2025 (*Appendix 18*) that:

- Workmen II of FEHD were responsible for a wide range of duties. In addition to public cleansing, their duties also included removal/disposal of dead bodies; cemeteries/crematoria related duties; and pest control. These duties of different natures required substantial physical strength, and some duties were even of an obnoxious nature. While FEHD had been making efforts in job matching and the provision of appropriate training, the wastage of Workmen II had remained at a high level. As a result, FEHD was unable to fill the vacancies in a timely manner. Regarding in-house street sweeping services, under special

circumstances (e.g. workmen unable to attend work in the morning due to unexpected situations, shortage of relief staff, etc.), frontline supervisors would deploy manpower in a flexible manner, including sharing the work among workmen from nearby areas, to ensure the delivery of street sweeping services as much as possible;

- FEHD would strive to improve the manpower shortage situation. In addition to carrying out recruitment exercise once every one to two years, it had also implemented a series of measures to enhance the efforts on the publicity of recruitment exercises and expand the publicity channels in the past two years. These included creating a dedicated job vacancy webpage on the department's website; putting up recruitment posters at suitable venues of the department; promoting to members of the public our recruitment exercises through the Job Centres of the Labour Department and the Support Service Centres for Ethnic Minorities of non-profit-making organizations; and actively participating in suitable open recruitment exercises to attract people from different backgrounds to apply for the post of Workman II; and

- while upholding the principle of appointment by merit through a fair, open and competitive process, FEHD had amended the entry requirements to expand the base of eligible applicants and further streamlined the recruitment procedures, so as to complete the procedures in a more efficient manner, and arrange for new recruits to report duty as soon as possible to fill the Workman II vacancies. FEHD would continue to arrange for regular recruitment exercises and review the relevant recruitment procedures, with a view to ensuring a continuous and stable supply of Workmen II. FEHD would also strive to provide high-quality public services in a cost-effective manner through reprioritization, internal redeployment, streamlining of work procedures and application of technology.

33. According to paragraph 2.34(a) of the Audit Report, as at September 2024, the percentage of in-house street cleansing services in the 19 DEHOs varied (ranging from 5% to 37%). The Committee asked FEHD to explain the reasons for the differences and how the ratio of in-house to outsourced street cleansing services was determined for each DEHO. The Committee also enquired whether there was room for reviewing the cost-effectiveness and percentage of in-house street cleansing services, and whether the adoption of technology could be enhanced to improve the quality and efficiency of street cleansing services. **Director of Food and**

Environmental Hygiene advised at the public hearings and in his letter dated 19 June 2025 (*Appendix 18*) that:

- FEHD had not set specific targets for the ratio of outsourced street cleansing service to in-house street cleansing service for each district. It had started outsourcing certain street cleansing services years ago, and each DEHO would decide on outsourcing certain services based on factors such as service needs and resources at different junctures, resulting in differences in the proportion of outsourced services among districts. Overall speaking, the proportion of outsourced street cleansing service had remained at around 80% in the past few years. There were six contractors providing street cleansing services at present. In other words, each of them provided on average around 17% of outsourced services, comparable to the approximately 20% provided by in-house staff. If a contractor was suddenly unable to provide services, FEHD could promptly mobilize in-house street cleansing resources to maintain the basic street cleansing services;

- outsourcing was one of the ways adopted by the Government to deliver public services. Government departments would, having regard to their operational needs, service nature and effectiveness, etc., adopt the most suitable mode of public service delivery. Generally speaking, private organizations were more flexible in personnel management and resource deployment, and the Government could also make use of the expertise of outsourced contractors. The departments might choose to outsource the services concerned after weighing the operational needs, service nature, cost-effectiveness, quality of service and efficiency, so as to capitalize on the positive impact of procurement and to enable the departments to focus on their core business. FEHD found it necessary to retain a portion of street cleansing work to be handled by in-house staff so that it could maintain a certain level of responsiveness to unforeseen circumstances in outsourced services; and

- FEHD would continue to review its in-house street cleansing service. It was considering the strengthened application of IT systems to enhance service efficiency and supervision. The new functions included an integrated information monitoring system platform that facilitated in-house staff in submitting, updating and vetting work plans and reports; assisting in-house staff in submitting reports on time, which included sending automatic reminders to frontline and supervisory staff; and generating management reports based on the data collected to help FEHD analyse and respond. FEHD strove to study and test out new

technologies to improve work efficiency and enhance the safety of frontline staff, thereby reducing the risk of strains and injuries. Measures being studied included working with the Electrical and Mechanical Services Department to introduce automated sweeping robots and electrically assisted trolleys, as well as bringing in robot dogs from the Mainland.

C. Tackling illegal disposal of refuse

34. According to paragraph 3.5 of the Audit Report, FEHD guidelines stipulated that district management should explicitly look into those long outstanding and/or recurring cases and critically review the strategy in taking enforcement action and staff deployment with a view to deleting them from the list as soon/far as practicable. Paragraph 3.8 of the Audit Report mentioned that Audit examined the Situation Reports on Handling of Locations with Littering Activities by Dedicated Enforcement Team ("DET") ("situation report") of Eastern, Sham Shui Po and Yuen Long DEHOs for October 2024 which included details of locations with littering activities meeting specific criteria for monitoring by DETs. As at October 2024, 37 locations had been included in the situation reports for a long time, ranging from about 1.5 years to about 7.3 years (averaging about 3.6 years). The Committee asked whether FEHD agreed that the above situation was undesirable, and what specific measures were in place to resolve the issue.

35. **Director of Food and Environmental Hygiene** advised at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that FEHD had been proactively following up on the conditions at the locations concerned, which included deploying DETs to take enforcement action against littering, with a view to improving the environmental hygiene of these locations. However, given the complexity of the environmental and hygiene conditions at some locations, it would take a long period of time to address the issues. Despite improvements made at some locations, persistent monitoring was still required due to the high risk of recurrence. Such locations would be included in the situation reports for a longer period of time. FEHD would continuously review the conditions at these locations and the response strategies, striving to improve the environmental hygiene as soon as possible.

36. According to paragraph 3.6(a)(i) of the Audit Report, while the number of DETs under the purview of Sham Shui Po, Eastern and Yuen Long DEHOs was similar (i.e. five to six DETs as at October 2024), the number of locations selected for daily inspection by DETs of the three DEHOs as shown in their work programmes for 2024

(as at October) varied significantly (i.e. 2, 22 and 58 locations on average, respectively). The Committee requested FEHD to explain the definition and coverage of "location" in DET inspections, the reasons for the significant difference in the number of locations that the DETs of the three DEHOs were required to inspect daily and how the number of DETs in each DEHO was determined.

37. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that the locations covered under the work programmes of DETs varied in size and could not be directly compared. For instance, the two locations in Sham Shui Po District were in the vicinity of Pei Ho Street Market and Po On Road Market which covered areas comprising 10 and 9 streets respectively, and were actually equivalent to 19 locations in other districts. In general, DEHOs would determine the locations that required follow-up actions by their DETs based on the situation in the districts and the nature of environmental hygiene issues. Since the littering situation varied from district to district, DEHOs exercised flexibility in deploying DETs, and the enforcement officers also needed to respond resiliently to the actual circumstances right at the scene. FEHD had set up DETs since 2017 and gradually increased the number of which based on the actual needs of different districts at various times, such as the number of complaints, the number of locations with illegal disposal of refuse and the severity, the number of prosecutions made, opinions of the local community and resource allocation. Therefore, the number of DETs in each district might differed.

38. According to paragraph 3.6(a)(ii) of the Audit Report, the DETs' work programmes of Sham Shui Po DEHO remained unchanged from late March 2023 to October 2024 (i.e. about 1.6 years), i.e. only including the above-mentioned two inspection locations. The Committee enquired whether FEHD's DEHOs would regularly review the work programmes of DETs. **Director of Food and Environmental Hygiene** advised at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that the two locations in Sham Shui Po, which were in the vicinity of Pei Ho Street Market and Po On Road Market, covered areas comprising 10 and 9 streets respectively. Due to the heavy passenger flow and frequent commercial activities, there had been more cases of littering in the areas. It was therefore necessary to deploy DETs to conduct long-term monitoring and enforcement. District staff had also been keeping an eye on the effectiveness of DETs' enforcement efforts in the above locations.

39. According to paragraph 3.6(a)(iii) of the Audit Report, among the 57 locations selected for conducting daily inspection in the DETs' work programme of Yuen Long

DEHO for October 2024, six (11%) locations were planned by two different DETs on the same day under the same work shifts to handle the same target type of offence (e.g. littering of bagged refuse). The Committee asked FEHD to provide the six locations and explain why it was necessary to deploy two DETs to conduct inspections at the same times and locations. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that Yuen Long was a densely-populated district with a blend of urban and rural elements. The locations covered under the work programme involved large areas, rather than a single spot. The six locations included On Ning Road, Yuen Long Nullah, Kau Yuk Road, Ching Yu Path, Sau Fu Street and Fook Hong Street, Hung Min Court, and the vicinities of the said locations, all of which were long roads or large areas with high pedestrian flow. After consideration, the district staff found it necessary to deploy more than one DET to conduct inspections at the above locations in order to step up enforcement efforts. In addition to conducting daily inspections at the above locations, the DEHO also deployed DETs to inspect other locations within the district based on the complaints or intelligence received. Within different work shifts, targeted enforcement actions were taken according to the characteristics of locations and the nature of violations to address illegal acts occurring at different times and of varied natures.

40. According to paragraph 3.6(b) of the Audit Report, the documentation maintained by Eastern, Sham Shui Po and Yuen Long DEHOs for the work performed by DETs varied. For example, Eastern and Sham Shui Po DEHOs summarized the inspections conducted in computerized spreadsheets while Yuen Long DEHO did so in emails. In addition, there was no documentation showing that the three DEHOs had compared the locations inspected against those in the work programmes of DETs for monitoring compliance. The Committee enquired, under the above circumstances, how FEHD effectively monitored the work situation and progress of DETs of various DEHOs.

41. **Director of Food and Environmental Hygiene** advised at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that FEHD had improved the work programmes and records of DETs and updated the relevant operational guidelines. The new guidelines required the immediate superiors of the teams to give thorough consideration to the intelligence provided by IP cameras or other sources, such as the frequency and time of occurrence of the offences, in order to formulate a list of target locations and the corresponding inspection times. The new guidelines also required team supervisors to keep proper records of the inspection time and the outcomes of the law enforcement actions, such as the number of fixed penalty notices ("FPNs") issued. To facilitate the monitoring of the execution of work programmes,

the daily work programme and work report were to be submitted in the same report form for the team supervisors to fill in the record of work according to the actual circumstances of the day, including the handling of unforeseen incidents and temporary deployment arrangements. The management personnel could summarize the content of the work reports for data analysis to evaluate the work effectiveness of each DET. District management staff would continuously review the effectiveness of the work of DETs, including the number and trend of FPNs issued, and the cumulative number of black spots addressed. They would also adjust the work of DETs as appropriate based on the needs of each district, with a view to strengthening enforcement against public cleanliness offences in the district.

42. According to paragraph 3.6(c) of the Audit Report, the requirements for supervisory inspections on DETs' work were not specified in FEHD guidelines, and the arrangements for supervisory inspections of Eastern, Sham Shui Po and Yuen Long DEHOs were inconsistent. The Committee enquired whether FEHD had taken specific measures to improve the above-mentioned situation. **Director of Food and Environmental Hygiene** advised at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that FEHD had formulated guidelines on the supervisory inspections to the work of DETs. Under the new guidelines, the immediate superiors of the DETs of each district were required to conduct inspection on the teams under their management based on the formulated daily work programmes of DETs at least once per week. After the inspection, the supervisory staff should, using the prescribed format, report the relevant results to their superiors on a monthly basis.

43. According to paragraph 3.8(a) of the Audit Report, Audit examined the situation reports of Eastern, Sham Shui Po and Yuen Long DEHOs for October 2024 and found that while 39 locations were identified as the top five hotspots in the Complaint Management Information System ("CMIS") reports in the period from July to September 2024, 32 (82%) of them were not included in the situation reports as required in FEHD guidelines for monitoring by DETs. According to FEHD, some DEHOs had used an obsolete form for situation reports which had not included the criterion of including the top five hotspots in CMIS reports. In addition, if some hotspots involved environmental hygiene issues not falling within the purview of DETs, DEHOs would make their judgment to consider whether it was necessary to include such locations in the situation reports. The Committee was concerned whether the use of an obsolete form for situation reports by district staff reflected inadequate supervision by FEHD over the work of frontline staff, and asked FEHD whether the considerations for not including hotspots in situation reports had been set out in its guidelines or documented, as well as what measures were in place to enhance

cooperation among government departments in handling environmental hygiene issues.

44. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that although the revised form for situation reports were not used in some DEHOs, the deployment of DETs was not affected. The environmental hygiene issues handled by DETs were determined by a basket of factors, among which the content and number of complaints were of paramount importance. Other factors included opinions and intelligence provided by the local communities. DEHOs would refer to the top five hotspots with the most complaints received as identified in CMIS and analyse the content and nature of the complaints (such as whether they were repeated complaints and whether they were issues which could not be handled effectively by DETs) to determine work arrangements. The 32 locations were not included in situation reports mainly because the hygiene conditions of those locations could be followed up by personnel other than members of DETs. For example, the management issue of refuse collection points could be followed up by the Cleansing Sections, while illegal hawking of cooked food and shop front extension could be followed up by the Hawker Control Teams. FEHD would also sought assistance from other relevant departments according to the established mechanism where necessary, such as when complicated issues involving street sleepers were found at the locations. FEHD had improved the work programmes and records of DETs and updated the relevant operational guidelines.

45. According to paragraph 3.8(b) of the Audit Report, while 49 locations were detected by IP cameras with illegal disposal of refuse from July to September 2024, 39 (80%) of them were not included in the situation reports, and 8 (21%) of the 39 locations had been reported with illegal disposal of refuse activities for over 500 to 2 141 times in the three-month period. The Committee asked FEHD to explain the above-mentioned situation. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that:

- The installation of IP cameras at illegal refuse deposit locations could serve various functions, which included: (a) identifying cases of littering from vehicles, which allowed FEHD to institute direct prosecutions; (b) assisting in identifying the time and pattern of littering cases where vehicles were not involved, which facilitated FEHD in planning law enforcement actions; (c) deterring the act of littering; and (d) monitoring the hygiene conditions of individual locations; and

- District management staff would, based on the actual circumstances (including the severity and frequency of littering, the nuisance caused to the public, and the presence of specific time or pattern of littering), decide if DETs should be dispatched to handle the issues at individual locations and whether such locations should be included in situation reports. The absence of individual locations in the situation reports did not mean the issues were left unattended. For example, regarding the location near a refuse collection point in Yuen Long with 2 141 cases of illegal refuse deposit recorded, the district management staff decided to resort to the use of IP cameras having regard to the fact that there were cases of litter deposition from vehicles. At the same time, the DEHO had deployed DETs to handle other illegal refuse deposit spots in the town centre where refuse was mostly deposited by individuals, which could enhance effectiveness in law enforcement work. FEHD would continue to review the actual circumstances of various locations, and make plans and adjustments to enforcement and other follow-up actions.

46. According to paragraph 3.8(c) of the Audit Report, 37 locations had been included in the situation reports of Eastern, Sham Shui Po and Yuen Long DEHOs for a long time, ranging from about 1.5 years to about 7.3 years. In the period from July to September 2024, 2 to 62 blitz operations had been organized by the three DEHOs for each location. According to FEHD, such locations usually had inherent complicated environments associated with environmental hygiene problems. The Committee enquired about the measures taken by FEHD against such locations, and whether successful prosecutions had been made in the blitz operations mentioned above. **Director of Food and Environmental Hygiene** advised at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that the environmental and hygiene conditions at the locations concerned were relatively complicated (due to problems such as the activities of street sleepers and scavengers, or the presence of a large number of fresh provision shops and other frequent commercial activities in the vicinity), and hence required continuous attention and follow-up actions over a long period of time. Some locations, despite improvements, still required persistent monitoring due to the high risk of recurrence and would therefore remain in the situation reports for a longer period of time. FEHD would continuously review the conditions at these locations and the response strategies, striving to improve the environmental hygiene as soon as possible. The three DEHOs organized 2 to 62 (averaging 6) blitz operations in the period from July to September 2024 for each location, and a total of 212 FPNs were issued.

47. According to Table 6 in paragraph 3.10(a) of the Audit Report, from 2020 to 2024, the number of members of DETs under the 19 DEHOs of FEHD and the average number of FPNs issued by each DET member fluctuated from year to year. The number of DET members increased by about 34% from 158 as at 31 December 2020 to 211 as at 31 December 2024. Although the total number of FPNs issued each year increased by about 23% from 16 520 to 20 366 during the same period, the average number of FPNs issued by each DET member decreased by about 8% from 105 in 2020 to 97 in 2024. The enforcement manpower resources increased during the above period, but the average number of FPNs issued by each enforcement officer did not rise but fell. The Committee enquired whether the above situation was due to the improvement in public cleanliness after the increase in fixed penalty levels from 22 October 2023, or a decline in enforcement efforts; and whether FEHD had set performance indicators for the work of DETs, and reviewed the number of FPNs issued by each DEHO.

48. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that the amended Fixed Penalty (Public Cleanliness and Obstruction) Ordinance (Cap. 570) came into effect on 22 October 2023. During the 12-month period from its commencement to 21 October 2024, 30 047 FPNs were issued for cleanliness offences, representing a drop of over 30% as compared with 44 075 notices issued during the 12-month period before the legislative amendment. It showed that the increase in the fixed penalty levels and the enforcement actions of the Government had achieved a substantial deterrent effect. FEHD was conducting a review on the operations of DETs, during which the deterrent effect after the increase in the fixed penalty levels would be taken into account. FEHD had drawn up operational guidelines for DETs to set out in detail the duties of DETs, which included taking enforcement actions against offenders of public cleanliness legislation within DETs' purview, handling complaints on cleanliness enforcement actions, and reporting on the investigation results and actions taken in this regard. District management staff would also regularly review the effectiveness of the enforcement actions, including the cumulative number of illegal refuse deposit black spots handled by DETs, the improvement of black spots, as well as the number and trend of FPNs issued, so as to refine the operational tactics.

49. According to Table 6 (Note 2) in paragraph 3.10(a) of the Audit Report, each DET generally comprised one Senior Foreman and four Foremen. The Committee enquired about the division of work among the team members. In addition, according to paragraphs 3.12 and 3.24 of the Audit Report, as of February 2025, there was no documentation showing that FEHD had conducted an evaluation on the operations of DETs since their establishment in 2017. In this regard, Director of Food and

Environmental Hygiene advised that a review would be conducted on the operations of DETs. The Committee enquired about the progress. **Director of Food and Environmental Hygiene** advised at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that generally speaking, the Senior Foremen and Foremen of DETs would perform their duties in small teams and in plain clothes. They would be deployed to various illegal refuse deposit black spots to conduct ambushes based on intelligence, with the aim of issuing FPNs to offenders on the spot. DET members would make observations from different locations with different angles, and when individual members took action, other members would render support as needed. FEHD was currently conducting a review on the operational arrangements of DETs, including examining and adjusting the number of teams, their distribution, and the staffing of team members.

50. According to Table 7 in paragraph 3.10(b) of the Audit Report, the increase in the annual number of black spots of refuse dumping dealt with by DETs dropped significantly from over 260 in 2020 and 2021 to less than 70 in each of the recent three years. The Committee enquired why the increase in the annual number of black spots of refuse dumping dealt with by DETs had dropped significantly since 2022. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that littering was affected by various factors, such as the epidemic and the increase in fixed penalty levels. As the current-term Government stepped up efforts to tackle hygiene black spots, public awareness of keeping Hong Kong clean had been enhanced, and the publicity and enforcement actions taken by the Government had yielded positive results. All these had helped reduce littering. Overall, DETs were effective in their enforcement actions against illegal deposit of refuse. Coupled with the installation of IP cameras at suitable black spots and FEHD's proactive review and follow-up actions on illegal refuse deposit black spots, the number of new black spots had decreased in recent years.

51. According to Note 50 in paragraph 3.13 of the Audit Report, FEHD outsourced the work on installation and operation of IP cameras. The contract was awarded to a contractor through open tender at a contract value of about $16 million. The current contract period was from 1 September 2023 to 31 August 2025. The Committee enquired whether it would be more cost-effective for FEHD to handle the installation and operation of IP cameras in-house. **Director of Food and Environmental Hygiene** advised at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that in 2024, the expenditure for the service contract of IP cameras was about $7.8 million. It was stipulated in the IP camera service contract that apart from the provision of installation and maintenance services for IP cameras during the

contract period, the contractor was also required to conduct artificial intelligence image analysis on all images, so as to identify acts of illegal deposit of refuse therein. As the behavioural patterns of illegal deposit of refuse were varied and complex, FEHD would also regularly adjust the IP cameras in aspects ranging from shooting angles to installation locations, in order to enhance enforcement efficiency. To capitalize on the more mature artificial intelligence technology available in the market, having taken into account the greater flexibility of the contractor in adding or deploying cameras, as well as the in-house manpower and resources, FEHD considered it more appropriate for the contractor to provide such services at this stage. In view of the imminent expiry of the current contract, the tender procedures for the IP camera service contract had been commenced earlier.

52. According to paragraphs 3.13 and 3.14 of the Audit Report, as of December 2024, 45 illegal refuse deposit black spots had been installed with operating IP cameras by Eastern, Sham Shui Po, and Yuen Long DEHOs for more than six months. Audit found that the three DEHOs had never issued FPNs or summonses for seven (16%) of these locations from 2022 to 2024. In addition, as of October 2024, 37 illegal refuse deposit black spots had been included in the situation reports for a long time (ranging from about 1.5 years to about 7.3 years), but 23 (62%) of them had not been installed with operating IP cameras. The Committee enquired how FEHD determined the locations for installation of IP cameras, whether it had regularly reviewed such locations and made timely adjustments, and whether the contractor's contract covered the service of relocating IP cameras.

53. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that IP cameras, in addition to monitoring illegal deposit of refuse, also had a deterrent effect and other functions. Therefore, FEHD had to consider actual circumstances of individual locations and nature of littering problem when deciding whether to install IP cameras. During the process, the views of the local communities would also be taken into account. District management staff would review the installation locations of IP cameras on a regular basis. Since the implementation of the IP camera installation scheme, IP cameras in various districts had been relocated approximately 20 times in total. FEHD would keep reviewing the configuration of IP cameras to enhance their effectiveness. For example, FEHD had recently installed cameras on central dividers of roads at 38 locations to combat littering from vehicles by irresponsible drivers or passengers. Under the current contract, contractors had to install, relocate and dismantle IP cameras as required by FEHD. FEHD had formulated new guidelines requiring district management staff to continue to assess the locations and

effectiveness of IP cameras, and document the considerations and outcomes of the assessment concerned.

54. According to paragraphs 3.17 and 3.18 of the Audit Report, during Audit's site visits to 10 locations with environmental hygiene problems under the purview of Eastern, Sham Shui Po and Yuen Long DEHOs, environmental hygiene problems were observed at some problematic spots or adjacent areas. In paragraph 3.21 of the Audit Report, FEHD advised that such environmental hygiene problems involved the accumulation of styrofoam boxes or carton boxes generated by the operations of markets and shops. These styrofoam boxes or carton boxes were recyclable or reusable. FEHD would step up street cleansing services at locations with active recycling activities and carefully balance the need to facilitate recycling activities and upkeep environmental hygiene in public places in consultation with relevant departments. The Committee enquired how FEHD's frontline staff identified owners of miscellaneous articles piled up on roadside during inspections and took enforcement actions, and what specific measures were in place to address the above-mentioned cases that hindered street cleansing work.

55. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that recycling workers generally collected recyclables in specific areas. Based on their experience and observation in law enforcement operations, FEHD's frontline staff could identify recycling workers and give them reminders or advice. If the owner could not be identified, FEHD staff might affix a Notice to Remove Obstruction to the recyclables or miscellaneous articles requiring the owner to remove them within a specified time. Otherwise, FEHD staff would seize the articles. FEHD would closely monitor the hygiene condition of the relevant locations and, where necessary, remind recycling workers to review their operational mode, minimize the nuisance and avoid piling up articles on busy streets for a long period of time. FEHD would also step up street cleansing services at locations with active recycling activities.

56. The Committee further enquired about the policy support provided by the Environment and Ecology Bureau ("EEB") to FEHD regarding the environmental hygiene problems caused by accumulation of recyclables. **Secretary for Environment and Ecology** and **Director of Food and Environmental Hygiene** advised at the public hearings, and **Director of Food and Environmental Hygiene** supplemented in his letter dated 26 June 2025 (*Appendix 19*) that the operation of markets and shops would generate a certain amount of styrofoam boxes and carton boxes, which were valuable recyclables. These articles were put together and

collected by recycling practitioners before being taken away for recycling. However, if these articles were placed at inappropriate locations on a prolonged basis, they might cause environmental hygiene and obstruction problems. EEB had instructed the Environmental Protection Department and FEHD to jointly explore ways to reduce environmental hygiene impacts of recyclables during the collection process, such as to identify less obstructive locations for practitioners to carry out recycling activities, examine setting up a regulatory framework and carry out education campaigns, and draw up guidelines on recycling activities, so as to facilitate orderly recycling activities while minimizing impacts on environmental hygiene or avoiding obstruction as far as possible.

57. According to paragraphs 3.26 and 3.27 of the Audit Report, prosecution actions might be taken by way of summons against repeat offenders of specified public cleanliness offences in accordance with FEHD guidelines. However, Audit found that no summons was issued against the 15 repeat offenders of the same or similar public cleanliness offences selected for examination from 2020 to 2024. As FEHD explained, it was because the officers could only verify whether the offenders were repeat offenders after they got back to office, but not on the spot. The Committee enquired whether FEHD had considered the practicality of relevant enforcement procedures when formulating the guidelines and whether it had explored if FPNs might have a greater deterrent effect than summonses.

58. **Director of Food and Environmental Hygiene** and **Mr Arsene YIU Kai-cheuk, Deputy Director of Food and Environmental Hygiene (Environmental Hygiene)** explained at the public hearings, and **Director of Food and Environmental Hygiene** supplemented in his letter dated 26 June 2025 (*Appendix 19*) that FEHD staff would take into account the evidence and actual circumstances of each case when determining whether to institute prosecution by issuing an FPN or by way of summons. Generally speaking, for straightforward and non-contentious cases, FPNs would be issued. For some serious, complicated and contentious cases, prosecutions would be instituted by way of summons against the persons concerned for court judgment. As required in FEHD guidelines, law enforcement officers might consider prosecuting repeat offenders by way of summons, which was more applicable in pre-planned operations, particularly those against repeat offenders who often appeared at specific locations (such as habitual feeders of wild birds). In other circumstances, law enforcement officers might not be able to identify repeat offenders on the spot. Additionally, with effect from 22 October 2023, the fixed penalty for littering had been increased to $3,000, and that for unlawful depositing of waste to $6,000. With the increase in fixed penalties, issuing multiple FPNs to repeat offenders would have a

considerable deterrent effect. FEHD would review its guidelines on law enforcement actions according to the latest situation.

59. The Committee further enquired whether FEHD had explored the use of new technologies and equipment, such as body-worn video cameras ("BWVCs"), to enhance efficiency of inspections and enforcement work. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that FEHD had launched the trial of Mobile Printing Fixed Penalty Notice System in three districts starting from March 2025 and would review its effectiveness in due course for consideration of extending its application where resources permitted. Moreover, FEHD had already explored the feasibility for DETs to use BWVCs. As members of DETs performed their duties in plain clothes, wearing BWVCs might reveal the identity of the enforcement officers and affect effectiveness of enforcement. Therefore, there was currently no plan of using BWVCs.

D. Other related matters

60. According to paragraphs 4.4 and 4.7 of the Audit Report, Audit had examined the monthly and quarterly returns submitted by the 19 DEHOs from 2019 to 2023. For the performance measure in the Controlling Officer's Report ("COR"), Audit found that some information in 47 (4%) of the 1 140 returns was not available. In addition, the achievement of some performance measures on street washing services was not required to be reported in the quarterly returns. Therefore, based on the information reported in DHEO's returns, it was not possible to ascertain the achievement of the performance measures set in COR and on FEHD's website. The Committee questioned whether, under the above reporting mechanism, FEHD could effectively monitor the street cleansing services in various districts.

61. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that FEHD had reviewed the records of the relevant periods and confirmed that there were no instances where the performance measures were not achieved. FEHD deployed supervisory officers daily to monitor contractors and in-house cleansing workers, ensuring that street sweeping and washing services were carried out in strict compliance with the established operational guidelines. Nevertheless, FEHD acknowledged that there was room for improvement in the maintenance and reporting of information and had implemented corresponding improvement measures. Specifically, FEHD had optimized the Environmental Hygiene Statistical Information System ("EHSIS") by

introducing an automatic detection function to prevent data omissions, as well as updated the relevant operational guidelines and enhanced the management of record updating and storage. Furthermore, the updated guidelines required inspecting officers to monitor street sweeping and washing services in accordance with a standard checklist, so as to ensure that the records were complete and accurately reflected the relevant performance indicators.

62. According to paragraph 4.5(a) of the Audit Report, FEHD advised that street sweeping services were assumed if cleansing workmen did not raise any exception reports of service failure. Additionally, supervisory/inspecting officers would conduct risk-based and random checks on the cleansing conditions after sweeping. It was considered that the established targets had been met if there were no reports of non-compliance with performance requirements. The Committee considered that the above monitoring work was too passive and enquired whether FEHD would adopt a proactive management approach, requiring reporting and analysis even in the absence of abnormalities and irregularities, so as to prevent environmental hygiene problems at an early stage.

63. **Director of Food and Environmental Hygiene** advised at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that FEHD agreed to adopt a proactive approach in management and had enhanced EHSIS and updated the relevant operational guidelines. The new guidelines required each district to maintain a list of main roads for which the first round of street sweeping services should be completed before 9:00 a.m. and to review the list quarterly. Inspection officers would also conduct inspections. If special circumstances causing under-performance of service were identified (e.g. accumulation of refuse due to non-compliance of staff with working instructions), they had to complete the relevant records. Designated officers would input the inspection findings into EHSIS periodically and verify if the relevant service indicators were met.

64. According to paragraph 4.11 of the Audit Report, Audit found non-compliances with contracts by outsourced contractors and inadequacies in FEHD's monitoring of street cleansing services. However, some management information (e.g. compliances with staff attendance requirement for street cleansing services) was not readily available or regularly compiled to facilitate monitoring. In paragraphs 4.13 and 4.14 of the Audit Report, the Director of Food and Environmental Hygiene agreed to regularly compile management information for monitoring delivery of street cleansing services for all DEHOs and the enforcement figures against public cleanliness offences. The Committee enquired about the progress.

65. **Director of Food and Environmental Hygiene** advised in his letter dated 26 June 2025 (*Appendix 19*) that an IT system that FEHD planned to develop could serve as an integrated information monitoring system platform to facilitate the submission, update, storage and approval of work programmes and reports. It would also facilitate FEHD staff's checking of the completed services and real-time monitoring of their compliance and performance. In addition, the system would send reminders automatically to remind the staff to submit reports on time. As a centralized data source centre, the system would support analysis of reports for integrated management of public cleansing services provided by both FEHD and its contractors. FEHD planned to optimize the existing system and roll out some of the new functions, including electronic submission of work programmes and reports, within 12 months, with other functions to be rolled out progressively as soon as possible thereafter.

66. According to paragraph 4.17(a) of the Audit Report, 9 (18%) of the 50 street cleansing service contracts as of December 2024 did not require the contractors to use mini-street washing vehicles with pressure washer surface cleaners. According to FEHD's explanation, while the nine contracts did not provide mini-street washing vehicles with pressure washer surface cleaners, the services were covered by other street cleansing service contracts of the same district. All districts (except the outlying islands) had used mini-street washing vehicles under the contracts as the contract provisions would allow cross-contract mobilization of the mini-street washing vehicles within each district. The Committee enquired why the nine street cleansing service contracts did not require the contractors to use mini-street washing vehicles with pressure washer surface cleaners; and what other equipment the contractors could use to meet FEHD's required level of street cleansing service. Furthermore, under the above arrangement of allowing cross-contract mobilization of street washing vehicles, contractors without such vehicles could also participate in the tendering exercise. The Committee enquired whether this would be unfair to those contractors who could provide such vehicles. **Director of Food and Environmental Hygiene** explained at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that:

- currently, mini-street washing vehicles with pressure washer surface cleaners were provided by street cleansing service contractors and the services for both outsourced and in-house areas of every district had been covered. Under the provisions of the street cleansing service contracts, DEHOs were allowed to deploy mini-street washing vehicles to any service location within the same district in light of the actual circumstances. As the services for the districts under the nine contracts concerned could be covered by mini-street washing vehicle fleets

provided under other contracts, mini-street washing vehicle fleets were not required for those 9 contracts;

- if the provision of mini-street washing vehicles was not stipulated in the tender documents of street cleansing services, the contractors concerned were not required to provide such service during the contract period. Nevertheless, FEHD would, where necessary, set out in street cleansing service contracts the requirement for the contractors to provide high pressure hot water cleaners to enhance the cleansing of some streets. In addition, district management staff would, in light of the actual circumstances, deploy mini-street washing vehicles in the district to the location in need of services; and

- FEHD had all along followed the Government's procurement requirements and procedures in conducting open tender exercises. Depending on actual operational needs, the specific requirements might vary from contract to contract, and such requirements were spelt out clearly in the tender documents. All contractors might make a bid according to their capabilities on a voluntary basis, and hence there was no unfair treatment to individual contractors.

67. According to paragraph 4.17(b) of the Audit Report, as at December 2024, contractors used 63 mini-street washing vehicles with pressure washer surface cleaners to provide street washing services on a routine and need basis, while no such mini-street washing vehicles were used by in-house staff. In paragraphs 4.21(a) and 4.22 of the Audit Report, the Director of Food and Environmental Hygiene agreed to explore the wider use of technologies in delivering street cleansing services. The Committee enquired about the progress. **Director of Food and Environmental Hygiene** advised at the public hearings and in his letter dated 26 June 2025 (*Appendix 19*) that the scope of application of mini-street washing vehicles had been extended since January 2025, with the number of service locations increasing from approximately 1 800 to 3 600 across the territory, covering both in-house areas and outsourced areas. In addition, FEHD was committed to introducing new technologies for enhanced efficiency and protection of the safety of frontline staff, so as to reduce their risk of sustaining strains and injuries. The technologies being studied for introduction included: (a) working with the Electrical and Mechanical Services Department to introduce automated sweeping robots for street cleansing so as to reduce the physical exertion of cleansing staff; (b) introducing electrically assisted trolleys equipped with indicator lights, buffers and reflective stickers for enhanced safety and efficiency, so as to ease the physical burden on street cleansing staff; and (c) bringing in advanced industrial grade robot dogs from the Mainland to enhance the efficiency in refuse transportation and reduce the chance of injuries to cleansing workers caused

by handling heavy objects. FEHD would conduct tests on the refuse handling capacity of the robot dogs on slopes, stairs and rugged areas, and explore ways to upgrade ancillary facilities.

68. The Committee requested FEHD to provide information on the types and number of vehicles currently used in carrying out street cleansing services, as well as the expenditure (e.g. purchase of new vehicles, maintenance and fuel) on the above vehicles in 2023-2024. **Director of Food and Environmental Hygiene** advised at the public hearings and in his letter dated 2 June 2025 (*Appendix 17*) that FEHD currently had a total of 40 specialized vehicles for street cleansing services, including 35 street washing vehicles and 5 gully emptiers. In addition, 68 street washing vehicles, 53 mini-street washing vehicles, 7 new mechanical street sweepers and 3 gully emptiers were provided by contractors under public cleansing service contracts with FEHD. The expenditures on the maintenance and fuel for the contractors' vehicles were included in their contract fees, while those for in-house vehicles were about $3.6 million in 2023-2024. The above expenditures had been included in the overall expenditure on public cleansing services of about $5.1 billion in 2023-2024.

69. According to paragraph 4.19 of the Audit Report, DEHOs relied heavily on paper-based documents submitted by contractors to monitor the delivery of street cleansing services, and the work programmes and reports of in-house street cleansing services were also kept in paper forms. The Committee considered that the above mode of monitoring work lacked efficiency and quality, and enquired about FEHD's improvement measures. **Director of Food and Environmental Hygiene** advised at the public hearings and in his letter dated 22 May 2025 (*Appendix 20*) that FEHD agreed that electronic means was better than paper-based methods in document submission and record-keeping. Hence, FEHD was progressively digitalizing various types of records. Currently, contractors bidding for FEHD's street cleansing service contracts might submit tender documents electronically. Successful tenderers might use electronic means to submit work programmes, and so might contractors in their daily submission of documents (such as the work schedules of street washing vehicles) to FEHD. In addition, the E-Management System for In-house Cleansing Services and Pest Control Services, Contract Management System and relevant mobile apps were in place to assist supervisory staff of street cleansing services in recording the results of daily inspections of in-house and outsourced services electronically. However, not only the work programmes and reports for each day submitted by contractors as mentioned in the Audit Report were still submitted to the district offices in paper form, but those for in-house street cleansing services were still kept in paper form by the district offices. The IT system being developed by FEHD would provide

an integrated information monitoring system platform which could enable electronic submission, updating and approval of work programmes and reports.

70. According to paragraph 4.27 of the Audit Report, it was stipulated in FEHD guidelines that "employment-related inspections" were conducted on a daily basis, subject to manpower deployment. During the inspections, some non-skilled workers employed by the contractors would be interviewed by the Central Investigation Team under the Quality Assurance Section of FEHD on-site randomly and invited to complete questionnaires to see whether they had any complaint against the contractor. However, for the 61 street cleansing service contracts examined by Audit, only 41 "employment-related inspections" (involving 36 street cleansing service contracts) had been conducted. The Committee asked whether FEHD agreed that the above situation was unsatisfactory, and enquired about the measures in place to ensure that the workers could be interviewed and complete the questionnaires without interference. **Director of Food and Environmental Hygiene** and **Assistant Director (Grade Management and Development), Food and Environmental Hygiene Department** explained at the public hearings, and **Director of Food and Environmental Hygiene** supplemented in his letter dated 26 June 2025 (*Appendix 19*) that:

- FEHD had all along been concerned with the performance of outsourced service contractors and the rights of outsourced service contract staff. Although the Central Investigation Team might not be able to conduct "employment-related inspections" on a daily basis due to resource and manpower constraints, FEHD would enhance the protection of employees' rights through other means. Under the existing mechanism, FEHD's district contract management staff would include inspections, interviews and checks relating to non-skilled workers into their routine inspection work when checking the service performance of contractors. They also held working meetings with the contractors from time to time to address staff concerns. In addition, the Central Investigation Team operated a telephone hotline to handle employment-related enquiries or complaints concerning non-skilled workers. Upon receipt of a complaint, the Central Investigation Team would carry out follow-up investigation in an independent, objective and impartial manner. Moreover, the Central Investigation Team had embarked on a comprehensive review of the mechanism of audit inspections and employment-related inspections for service contracts. This included conducting risk assessment for the contracts and reviewing existing guidelines to determine how to increase the number of meetings with non-skilled workers of street cleansing service contractors as far as

practicable. Depending on the results of the review, the Central Investigation Team would look into the implementation of the improvement measures; and

- in conducting "employment-related inspections", the Central Investigation Team of FEHD would visit the contractors' non-skilled workers at their workplaces and interview them to check whether the contractors had breached any employment-related requirements. To ensure that each non-skilled worker was interviewed without interference, the interviews were conducted individually through sampling with the non-skilled workers on duty that day. During the interviews, the Central Investigation Team would ask each interviewee to complete a questionnaire to see whether he/she had any complaint against the contractor. In general, the interviewees were able to complete the questionnaires successfully at the request and with the assistance of the Central Investigation Team. At the request of the Committee, a sample questionnaire was attached to the letter of Director of Food and Environmental Hygiene dated 22 May 2025 (*Appendix 20*).

E. Conclusions and recommendations

Overall comments

71. The Committee:

- stresses that:

  (a) in the wake of the COVID-19 epidemic, keeping public places clean and hygienic has become an essential service that every government must provide for its citizens. As Hong Kong is an international metropolis, members of the public and visitors have higher expectations of the city's environmental hygiene; and

  (b) currently, FEHD outsources approximately 80% of the city's street cleansing services to contractors through open tender, with the remaining 20% handled by in-house staff. Due to the labour-intensive nature of traditional cleansing services, as well as the associated challenges and implications for human resource management, there has been a global trend towards adopting new

technologies for street cleansing and related monitoring and enforcement work. The Government should further promote automated street cleansing services to achieve the goal of improving the quality and efficiency of these services, enhancing the occupational safety of frontline staff and strengthening the effectiveness of enforcement;

Cost-effectiveness of outsourced services

- expresses concern that:

  (a) the expenditure on FEHD's public cleansing services (including street cleansing, refuse collection, public toilets and other related cleansing services and facilities) increased by around 40% from approximately $3.7 billion in 2019-2020 to approximately $5.15 billion in 2024-2025. Among these, the expenditure on street cleansing and public toilet services accounted for approximately 80% of the total public cleansing services expenditure during the same period, increasing from approximately $3 billion to approximately $4.3 billion, a rise of over 40%. FEHD does not maintain detailed breakdowns of expenditure on street cleansing services;

  (b) the expenditure on outsourced street cleansing service contracts is included in FEHD's expenditure on street and public toilet cleansing services. The expenditure on outsourced street cleansing service contracts increased by over 60% from approximately $1.7 billion in 2019-2020 to approximately $2.73 billion in 2024-2025, and the contractual expenditure even exceeded $2.8 billion in 2022-2023. During this period, the expenditure on outsourced street cleansing service contracts remained at around 60% of FEHD's expenditure on street cleansing and public toilet services. In addition, the average monthly salary of outsourced street cleansing workers also rose by nearly 40% from $10,798 to $14,994 during the same period; and

  (c) as at September 2024, the percentage of in-house street cleansing services among the 19 DEHOs varied, ranging from 5% to 37%. According to FEHD, overall, the proportion of outsourced street cleansing services has remained at around 80% for some time, with in-house street cleansing services accounting for approximately 20%. As at June 2025, six contractors provided street cleansing

services across Hong Kong, with each contractor providing an average of about 17% of the services;

- demands FEHD to:

  (a) maintain detailed breakdowns of expenditure on street cleansing services, regularly compare the costs and quality of in-house and outsourced street cleansing services based on the relevant data for the analysis of their cost-effectiveness, and strengthen cost monitoring and control by keeping a close watch on the upward trend in expenditure on street cleansing service contracts;

  (b) regularly review the allocation ratio between in-house and outsourced street cleansing services, and make timely adjustments in accordance with operational conditions and needs; and

  (c) consider conducting a holistic study and review of the policy and way forward of outsourced street cleansing services;

Mechanism for assessing and monitoring contractor performance

- notes that the Government's demerit point system for contractors serves to improve the treatment and protection of non-skilled workers, such as cleaners. If a contractor has been issued a default notice and accumulates three demerit points or more over a rolling 36-month period due to employment-related issues or non-compliance with the heat stroke prevention work plan, it will be debarred from bidding for non-skilled worker service contracts (including FEHD's street cleansing service contracts) for five years from the date on which the third demerit point is obtained;

- expresses grave concern that:

  (a) as at June 2025, FEHD adopted 50%-50% weighting for the price and technical scores in the tender assessment mechanism for street cleansing service contracts. FEHD will also consider the demerit point records and past service performance records of the tendering contractor. Within 36 months immediately preceding the tender closing date, the technical score (the total score was 100) allocated to a contractor's demerit point record under all non-skilled worker service contracts of the Government is only 7 points, and the technical score for past service performance under all FEHD street

cleansing service contracts is only 15 points (This score is calculated based on the weighted total number of default notices issued to the contractor for blatant, performance-related and behaviour-related defaults);

(b) as regards the 38 most recently completed street cleansing service contracts for 19 DEHOs as at September 2024, Audit examination of the 10 contracts with the highest number of default notices issued (involving four contractors in total) revealed that on average, each contract was issued 74 default notices (ranging from 45 to 179). Approximately a total of $1.27 million was deducted from the monthly service fees of the four contractors due to default notices (with the deducted amount ranging from about $56,500 to about $338,000 for each contract), accounting for merely 0.06% of the total sum of contracts. According to FEHD, significant expenses will be incurred in providing services by contractors, and the ratio of the monthly service fees deducted due to default notices to a contractor's profit is much higher than that to the service contract value; and

(c) in the period from 2019 to 2024 (up to September), there was no record of the four aforementioned contractors being debarred from bidding for street cleansing service contracts under the demerit point system. As at December 2024, three of the contractors were still providing street cleansing services. According to FEHD, the contracts awarded to these three contractors between 2022 and 2024 had not expired by December 2024. Furthermore, two of these contractors had not been awarded new street cleansing service contracts since 2023 and 2025 respectively (as at 31 May 2025);

- strongly recommends that FEHD should:

(a) study whether there is room for adjustment in the technical scores allocated to contractors' above-mentioned demerit point records and past service performance records, as well as the weightings of price and technical scores under the tender assessment mechanism for street cleansing service contracts; and

(b) review whether issuing default notices and deducting monthly service fees can effectively deter contractors' misconduct, and explore further measures to enhance the monitoring of contractors' service performance;

- notes that FEHD is considering raising the score allocated to contractors' past performance under the marking scheme established by the Standard Marking Scheme Framework. At the same time, it will examine whether there is room to adjust the existing amount of monthly service fees deducted due to default, as well as the calculation method for the relevant score, including introducing a progressive system (i.e. the greater the number of default notices, the greater the proportional impact on the score) to increase the deterrent effect on contractors;

- demands FEHD to report to the Committee the result of the aforesaid review on the mechanism for assessing contractor performance;

Application of technology

- expresses grave concern that:

  (a) according to the street cleansing service contracts, contractors are required to provide the stipulated minimum numbers and types of contractor personnel and ensure their full attendance. Audit found that some of the daily attendance records of street cleansing services submitted by contractors to three of FEHD's DEHOs in December 2023 and September 2024 were inaccurate. Despite these attendance records being reviewed by FEHD's Senior Foremen, the inaccuracies were not identified. According to FEHD, the inspections of outsourced street cleansing services were conducted to monitor the performance of the street cleansing services provided by contractors; and the contractor must submit monthly returns, certified by a certified public accountant, which verified the number of staff on duty;

  (b) when conducting monitoring inspections of outsourced and in-house street cleansing services, as well as submitting and reviewing inspection reports, DEHOs did not always comply with FEHD guidelines (including inspection frequency and coverage, and the timeframes for report submission and review); and

  (c) street cleansing services rely heavily on human resources. However, in December 2023 and September 2024, workmen of one DEHO were absent from some work shifts due to a shortage of in-house workmen (9% and 7% respectively). As at September 2024, the overall vacancy rate for FEHD in-house workmen was

13% (283 workmen). Furthermore, in September 2024, one DEHO had a vacancy rate of 14% for Foremen;

(d) contractors submit work programmes and reports to DEHOs in paper form. The documents used by DEHOs for monitoring outsourced and in-house street cleansing services are also mainly kept in paper records. The manual vetting procedures involved are resource-intensive, time-consuming and prone to errors; and

(e) as at December 2024, 9 (18%) of the 50 street cleansing service contracts which commenced on or after 1 January 2022 did not require contractors to use mini-street washing vehicles with pressure washer surface cleaners. According to FEHD, other street cleansing service contracts in the same district included the requirement for the use of mini-street washing vehicles with pressure washer surface cleaners, and the contract terms also allowed the cross-contract mobilization of these vehicles within each district. Consequently, all districts (except the outlying islands) used mini-street washing vehicles. Moreover, as at December 2024, 63 mini-street washing vehicles with pressure washer surface cleaner were among the vehicles used by contractors to provide street washing services on a routine and need basis. However, in-house staff did not use such mini-street washing vehicles to provide street cleansing service;

- urges EEB to provide policy support to step up FEHD's promotion of digitalization and the use of innovative technologies to enhance the department's work efficiency and the quality of service monitoring;

- urges FEHD to:

(a) explore possible measures to encourage contractors to adopt electronic attendance management systems that can accurately record workers' attendance and facilitate FEHD's verification;

(b) make good use of IT systems to monitor inspection work, expand the application of IP cameras, and proactively introduce other technological devices to help monitor street hygiene conditions, so as to facilitate staff compliance with the relevant inspection requirements in the department's guidelines and mitigate the impact of inspection staff shortages on monitoring work;

(c) foster the electronic submission of work programmes and reports by contractors, and the use of IT by DEHOs in handling documents for the monitoring of outsourced and in-house street cleansing services; and

(d) continue to explore the wider application of new technologies and equipment in street cleansing services, provide incentives to encourage contractors to put forward proposals on the use of new technologies that can promote automated cleansing services, with a view to enhancing the efficiency of street cleansing services in terms of human resources and costs;

- notes that FEHD:

(a) is exploring the wider use of IT systems, including the digitalization of attendance records and related workflows, as well as the optimization and streamlining of inspection workflows;

(b) is developing a new IT system, which will provide an integrated information monitoring platform to enable real-time monitoring of compliance and implementation of service, as well as electronic submission, updating and approval of work programmes and reports. It can also issue automatic reminders to frontline and supervisory staff for the timely submission of reports, and generate management reports based on the data collected to help the department to plan and deploy resources; and

(c) is studying the introduction of various automated cleaning machinery and technologies to improve work efficiency and enhance the protection of the safety of frontline staff; and

- demands FEHD to report to the Committee its progress in taking forward the aforementioned information and innovative technology projects.

Specific comments

72. The Committee:

Monitoring of outsourced street cleansing services

- expresses grave concern about the following inadequacies in complying with FEHD guidelines by FEHD's DEHOs revealed by Audit's examination of their work of imonitoring outsourced street cleansing services:

  (a) the Health Inspectors of Central/Western DEHO did not assign tasks or the required number of task to the contractor's inspection teams for the self-discipline quality inspections conducted in September 2024, in contravention of FEHD guidelines. According to FEHD, this was mainly because the contractor's inspection team was redeployed by district staff to carry out urgent inspections and handle ad-hoc duties, and the relevant staff did not keep records of the work at that time;

  (b) FEHD staff conducted monitoring inspections under a multi-tier monitoring mechanism (including daily inspections, formal inspections, assigned risk-based surprise inspections, supervisory checks and systematic inspections) to monitor outsourced street cleansing services. Audit examined the monitoring inspection records of Central/Western, Sham Shui Po, and Yuen Long DEHOs for outsourced street cleansing services from January 2023 to September 2024. It found that some monitoring inspections in the three DEHOs were not conducted in accordance with the frequencies and coverage stipulated in FEHD guidelines. According to FEHD, Yuen Long DEHO experienced a shortage of inspection staff during the above period. Furthermore, the three DEHOs did not always submit and review monitoring inspection reports for outsourced street cleansing services within the timeframes stipulated in FEHD guidelines during the above period. The delays ranged from 1 to 10 working days. Some reports were even not dated; and

  (c) according to FEHD guidelines, all warning letters or default notices should be delivered to contractors as soon as possible, and this

process should be completed within seven working days after the discovery of the breach. Regarding the warning letters and default notices issued by FEHD to contractors of the 19 DEHOs from January 2019 to September 2024, Audit found that FEHD did not maintain readily available information on the delivery dates of warning letters or default notices. In addition, 230 (66%) of the 351 warning letters and 2 103 (54%) of the 3 870 default notices given to contractors were issued more than 7 working days after the discovery of non-compliance, with the time lag averaging between 15 and 114 working days;

Monitoring of in-house street cleansing services

- expresses grave concern about the following inadequacies revealed by Audit's examination of the records of the in-house street cleansing services provided by Central/Western, Sham Shui Po and Yuen Long DEHOs in December 2023 and September 2024:

  (a) for street sweeping services, some workmen in Central/Western and Yuen Long DEHOs were assigned to provide street sweeping services in more than one beat within one work shift. This has contravened the arrangements prescribed in FEHD guidelines, which stipulate that workmen should be assigned to one beat per work shift. According to FEHD, Yuen Long DEHO had staff shortages of 17 (9%) and 14 (7%) in December 2023 and September 2024 respectively; and

  (b) for street washing services, some work shifts in Sham Shui Po and Yuen Long DEHOs (for example, 33 (53%) of 62 work shifts and 4 (17%) of 24 work shifts in December 2023, respectively) did not deploy street washing vehicles as planned or the street washing vehicles had to suspend operation. According to FEHD, this was mainly due to a shortage of street washing vehicle drivers and the street washing vehicles requiring maintenance;

- expresses grave concern about the following inadequacies revealed by Audit's examination of the monitoring inspection work for in-house street cleansing services conducted by Central/Western, Sham Shui Po and Yuen Long DEHOs:

  (a) according to FEHD guidelines, Foremen should conduct daily inspections of every beat on alternate days, but some daily

inspections in the three DEHOs were not conducted in accordance with the frequency and coverage stipulated in the guidelines. For example, in the period from 1 to 14 September 2024 (i.e. seven rounds of daily inspections should be conducted according to the guidelines), most of the daily inspections conducted by the Foremen of the three DEHOs did not meet the frequency and coverage stipulated in the guidelines;

(b) from January 2023 to December 2024, the number of daily inspections conducted by Overseers of the three DEHOs on the Foremen's routine inspection work varied, ranging from 152 to 556 times;

(c) the Overseers of Central/Western DEHO conducted 152 daily inspections, of which 150 were not entered into the department's E-Management System for In-house Cleansing Services and Pest Control Services as required, and no reports were submitted for these 150 daily inspections;

(d) no timeframe was set in FEHD guidelines for reviewing the Overseers' daily inspection reports by senior officers of FEHD. The 796 daily inspection reports of the three DEHOs were reviewed 1 to 519 working days (averaging 43 working days) after the inspections; and

(e) the various types of monitoring inspection reports from the three DEHOs from January 2023 to September 2024 were not always submitted and reviewed within the timeframes stipulated in FEHD guidelines, with delays ranging from 1 to 17 working days;

- urges FEHD to:

(a) take measures to ensure that its staff comply with the requirements and stipulations for the inspection, monitoring and reporting of outsourced and in-house street cleansing services; and

(b) take measures to expedite the recruitment of in-house staff and attract more people to join the street cleansing service industry;

<u>Enforcement</u>

- expresses grave concern that FEHD did not specify in its guidelines the information that should be included in the work programmes of DETs,

and the following inadequacies revealed by Audit when examining the work of DETs in Eastern, Sham Shui Po, and Yuen Long DEHOs:

(a) while the number of DETs under the purview of the three DEHOs was similar (i.e. five to six DETs as at October 2024), the number of locations selected for conducting daily inspection by DETs as shown in their then work programmes varied significantly (2, 22 and 58 locations respectively). As FEHD explained, the locations covered by DETs' work programmes varied in size and could not be directly compared. The two locations in Sham Shui Po District covered areas comprising 10 and 9 streets respectively, which were actually equivalent to 19 locations in other districts;

(b) the three DEHOs kept different documentation of the work performed by DETs. In addition, there was no documentation showing that the three DEHOs compared the locations inspected by DETs against their work programmes in order to monitor compliance. The content of DETs' work programme of Sham Shui Po DEHO remained unchanged from the end of March 2023 to October 2024 (approximately 1.6 years), with only two inspection locations; and

(c) as at February 2025, FEHD guidelines did not specify any requirements relating to supervisory inspections on DETs' work (e.g. frequency). Among the above-mentioned three DEHOs, Sham Shui Po and Yuen Long DEHOs had no records of drawing up the relevant requirements. Only Eastern DEHO had specified the frequency of supervisory inspections for its DETs;

- expresses grave concern about the following inadequacies revealed by Audit's examination of the situation reports (containing locations with littering activities and actions taken by DETs) of the above three DEHOs for October 2024:

(a) while 39 locations were identified as the top five hotspots in CMIS reports from July to September 2024 (i.e. with littering activities in the past three months), 32 (82%) of these locations were not included in the situation reports for monitoring by DETs. According to FEHD, some DEHOs used old situation report forms that did not incorporate the criterion of including the top five hotspots from the CMIS management reports. In addition, if some hotspots involved environmental hygiene issues outside DETs'

remit, DEHOs would make their judgment as to whether these locations were needed to be included in situation reports. However, FEHD did not incorporate these considerations into its guidelines or document them;

(b) while 49 locations were detected by IP cameras installed at illegal refuse deposit black spots by FEHD with illegal disposal of refuse from July to September 2024, 39 (80%) of these locations were not included in the situation reports; and among these 39 locations, 8 (21%) had been reported with illegal disposal of refuse activities for over 500 to 2 141 times during the above period; and

(c) 37 locations had been included in the situation reports for a long time, ranging from about 1.5 years to about 7.3 years, despite the fact that 2 to 62 blitz operations had been organized by the three DEHOs for each location from July to September 2024. According FEHD, the environmental and hygiene conditions at some of the locations concerned were relatively complicated and required continuous attention, so they would remain on the situation report for a longer period of time;

- expresses grave concern about the following inadequacies revealed by Audit's examination of the overall operation of DETs and other issues relating to enforcement actions:

(a) while the number of DET members increased by about 34% from 158 on 31 December 2020 to 211 on 31 December 2024, the average number of FPNs issued by each DET member and the number of black spots of refuse dumping dealt with by DETs decreased generally during the same period. According to FEHD, in the 12-month period since the increase in the penalty levels of FPNs arising from the amended Fixed Penalty (Public Cleanliness and Obstruction) Ordinance on 22 October 2023, 30 047 FPNs were issued for cleanliness offences, representing a drop of over 30% as compared with 44 075 notices issued during the 12-month period before the legislative amendment. Besides, as at February 2025, no documentation was available showing that an evaluation on the operations of DETs had been conducted since their set up in 2017;

(b) for the 10 locations with environmental hygiene problems which Audit selected and conducted three site visits between December

2024 and February 2025, Audit noted that articles with environmental hygiene problems had been accumulated at four of the aforesaid locations or their adjacent areas. According to the Public Health and Municipal Services Ordinance (Cap. 132), if any article obstructs or is likely to obstruct any cleansing operations, FEHD may serve the owner of such article or attach to such article a notice requiring removal by the owner within the timeframes. However, Audit did not see any notice for removal attached to the aforesaid articles. According to FEHD, such accumulated articles were styrofoam boxes or carton boxes that could be recycled or reused and some members of the public might pass them to recycling operators after sorting. Hence, such articles might at times stay on the street for a period of time and FEHD had been adopting a flexible approach towards such situation; and

(c) of the 223 347 FPNs issued for specified public cleanliness offences between 2020 and 2024, 20 743 (9%) were issued to 3 742 repeated offenders, with the number of FPNs issued to each repeated offender ranging from 3 to 111. While prosecution actions by way of summons might be taken against repeated offenders in accordance with FEHD guidelines, for the 15 repeated offenders examined by Audit, FEHD did not take any prosecution actions by way of summons against them. According to FEHD, the officers could only verify whether the offenders were repeated offenders after they got back to office, but not on the spot;

- expresses concern about the following issues: FEHD has installed IP cameras at illegal refuse deposit black spots and outsourced the work on installation and operation of IP cameras to a contractor. The current contract spans two years (from 1 September 2023 to 31 August 2025) with a value of about $16 million. As at December 2024, there was 470 locations installed with IP cameras. Audit's examination of the deployment of IP cameras at 141 locations under the purview of the Eastern, Sham Shui Po, and Yuen Long DEHOs revealed the following inadequacies:

(a) as at December 2024, 45 illegal refuse deposit black spots were installed with IP cameras which had been operating for more than six months, but the three DEHOs had never issued FPNs or summons for seven (16%) locations from 2022 to 2024; and

(b) as at October 2024, among the 37 locations that had been included in the situation reports for a long time (ranging from about 1.5 years to about 7.3 years), 23 (62%) were not installed with operating IP cameras;

- demands EEB to:

(a) discuss with other relevant bureaux and take measures to strengthen collaboration among government departments in handling environmental hygiene issues; and

(b) explore with FEHD measures to facilitate recycling activities without compromising the environmental hygiene conditions of public places;

- strongly urges FEHD to:

(a) regularly review the operation of DETs, formulate clear and practical operational guidelines and codes of practice, and set work targets for them so as to monitor the effectiveness of law enforcement;

(b) for repeated offenders of public cleanliness offences, examine whether the relevant enforcement and evidence collection procedures are practical, and review the deterrent effect of FPNs and summonses on repeated offenders to enhance enforcement effectiveness; and

(c) regularly review whether the outsourced services for the installation and operation of IP cameras are cost-effective, and ask various DEHOs to step up efforts in reviewing the deployment of IP cameras for effective monitoring;

<u>Performance measurement</u>

- expresses grave concern about the following inadequacies revealed by Audit's examination of the monthly and quarterly returns submitted by various DEHOs from 2019 to 2023, while noting that according to FEHD's guidelines, DEHOs are required to submit monthly and quarterly returns for the performance measures in COR and on FEHD's website respectively to report the relevant achievement:

(a) regarding the performance measure in COR (i.e. "completion of first round street sweeping services on main roads before 9:00 am to ensure removal of overnight street litter"), 47 (4%) of the 1 140 returns from DEHO did not provide complete information, and the achievement of 100% of the performance measure in COR as recorded by FEHD could not be ascertained. Although the street cleansing service contracts had stipulated the requirement on the completion time of first round street sweeping services before 9:00 am, such a requirement was not laid down in FEHD guidelines;

(b) regarding the performance measure in COR mentioned in (a) above and the performance measure on street sweeping services on FEHD's website (i.e. "sweeping streets and emptying litter bins at least four times daily in built-up areas and up to a frequency of eight times daily in very busy locations or black spots"), since FEHD adopted an outcome-based approach (i.e. services were assumed if no exception report was raised) in reporting achievement of performance measures, whether the stipulated timeframe for cleansing services in COR and the required cleansing frequency on FEHD's website mentioned above had been achieved could not be ascertained; and

(c) regarding the reporting of the performance measure "to wash streets on a need basis, at least once a week in busy areas, and at least two times weekly in problematic areas/black spots" on FEHD's website, since the returns only required the reporting of achievement of "washing streets at least once a week" (i.e. the achievement of washing streets "on a need basis" and "at least two times weekly" was not required to be reported), the achievement of 100% of the performance measure as recorded by FEHD could not be ascertained;

- demands FEHD to:

(a) enhance the reporting mechanism of the performance measures on street cleansing services to ensure the submission of complete information and accurate reflection of achievement; and

(b) adopt a proactive management approach to prevent environmental hygiene problems at an early stage by reporting and analysis even in the absence of irregularities and non-compliance;

Protection of non-skilled workers

- expresses grave concern about the following issue: according to FEHD guidelines, employment-related inspections are conducted on a daily basis, subject to manpower deployment. Some non-skilled workers employed by the contractors will be interviewed on-site randomly while conducting employment-related inspections. They will also be asked to complete a questionnaire to see whether they have any complaints against the contractor. For the 61 street cleansing service contracts examined by Audit, FEHD only conducted 41 related inspections (involving 36 street cleansing service contracts), with a frequency far lower than that in FEHD's guidelines;

- demands FEHD to strengthen its regular communication with contractors' workmen to ensure that the requests and concerns raised by workers can be conveyed to FEHD;

- notes that FEHD is reviewing existing guidelines to determine how to increase the number of meetings with non-skilled workers of street cleansing service contractors as far as practicable;

- demands FEHD to report to the Committee the outcome of the review and improvement recommendations; and

- notes that the Director of Food and Environmental Hygiene agrees with all the Audit's recommendations in the Audit Report.

Follow-up action

73. The Committee wishes to be kept informed of the progress made in implementing the various recommendations made by the Committee and Audit.

The Audit Commission ("Audit") commenced a review of The Society for the Aid and Rehabilitation of Drug Abusers ("SARDA") on the areas including voluntary residential drug treatment and rehabilitation ("T&R") services, aftercare and counselling services, and corporate governance and administrative issues. Established in 1961, SARDA is a non-profit-making non-governmental organization ("NGO") incorporated under the Registered Trustees Incorporation Ordinance (Cap. 306) providing voluntary T&R services, free of charge to drug abusers.

2. Hon Edmund WONG Chun-sek declared that he was the director of a practice unit which provided audit services to SARDA.

3. The Narcotics Division of the Security Bureau is tasked with coordinating policies and measures across the public sector, NGOs and the community to combat the problem of drug abuse. The Government has long-adopted a multi-modality approach in providing T&R services, including the residential drug T&R programmes run by NGOs which are under the subvention of the Department of Health ("DH") and/or the Social Welfare Department ("SWD") or on a self-financing basis. In 2023-2024, the financial provision on the drug T&R programmes under the recurrent subventions of DH and SWD amounted to $304.6 million, of which $126.6 million (42%) was provided to SARDA ($121.3 million from DH and $5.3 million from SWD). In 2023-2024, SARDA received a total of recurrent subventions of $131.5 million from various sources, including the aforesaid funding of $126.6 million. DH and SWD each entered into a Funding and Service Agreement with SARDA, and they monitor the performance of SARDA accordingly.

4. The Committee noted the following Audit's findings:

<u>Voluntary residential drug treatment and rehabilitation services</u>

- as at 31 December 2024, four drug treatment and rehabilitation centres ("DTRCs") operated by SADRA provide a total of 346 beds. Audit analysis of SARDA's admission records in the period from 2019-2020 to 2023-2024 revealed that the proportion of re-admission cases was high, accounting for 76% of the total number of admissions;

- SARDA's drug T&R programmes consisted of two phases, namely detoxification and rehabilitation. In the period from 2019-2020 to 2023-2024, 2 624 admissions were admitted to the general T&R programme in the Shek Kwu Chau Treatment and Rehabilitation Centre

(one of the DTRCs). As at 31 December 2024, 2 621 admissions were discharged, in which only 1 131 (43%) admissions had completed both the detoxification and rehabilitation programmes;

- for monitoring SARDA's performance, DH had set various occupancy standards for the four DTRCs. In the period from 2015-2016 to 2024-2025 (up to September 2024), the annual occupancy rates of the Shek Kwu Chau Treatment and Rehabilitation Centre and the Sister Aquinas Memorial Women's Treatment Centre, ranging from 30% to 70%, were both below their occupancy standards (75% and 80% respectively). As for the other two DTRCs, namely the Au Tau Youth Centre and the Adult Female Rehabilitation Centre, except for the period from 2016-2017 to 2019-2020, the annual occupancy rates of the remaining years were below the standard of 80%, ranging from 41% to 79%;

- Audit examination of SARDA's records of the outreach registration and intake services in 2024 (involving a total of 12 times) revealed that only three of the four social service centres operated by SARDA had conducted outreach registration and intake services. The 12 outreach registration and intake services were performed only at six locations in the territory (i.e. the area near Tung Chau Street Park in Sham Shui Po and the vicinity of five out of 18 methadone clinics). Except for one outreach registration and intake service which was conducted at day time, the remaining 11 were mainly conducted in the evening. A total of 81 drug abusers were registered in the 12 outreach registration and intake services, of which only six (7%) drug abusers were subsequently admitted into SARDA's DTRCs. Audit also noted that there were no promulgated guidelines on outreach registration and intake services.

<u>Aftercare and counselling services</u>

- SARDA's re-application rate was calculated by dividing the total number of patients who re-applied to SARDA's DTRCs when they were receiving aftercare services by the total number of aftercare cases. In preparing the yearly re-application rate, SARDA added up the numbers of aftercare cases (normally lasted for 12 months) at each month end. As a result, there would be duplications in the yearly total number of aftercare cases, thereby understating the re-application rate. If these cases were taken into account, the aftercare completion rate would be significantly reduced. Furthermore, in measuring the employment rate and criminal rate of rehabilitees, SARDA included the

unknown cases (including those could not be contacted or might have refused to reply), representing over 40% in 2023-2024, in the total number. Therefore, the rates might not have reflected the actual scenario;

- the aftercare services provided to rehabilitees discharged from DTRCs normally lasted for 12 months. However, Audit found that the duration of aftercare services for each rehabilitee varied and there were no guidelines from SARDA on the criteria of closing aftercare cases. Among the 507 aftercare closed cases during 2021-2022 to 2023-2024, there were 373 cases (73%) in which the rehabilitees received aftercare services for more than two years, and 121 cases (24%) in which the rehabilitees received aftercare services for more than five years (the maximum duration was 9.55 years). Audit found that the reason for closing four cases was loss of contact with the rehabilitees;

- halfway houses operated by SARDA and subvented by SWD provided transitory accommodation for ex-drug abusers newly discharged from DTRCs. The normal duration of placement was three to six months. Audit found that among the 60 residents of SARDA's halfway houses as at 31 December 2024, 13 (22%) residents had been residing in the halfway houses for more than six months to one year, and the other 13 (22%) residents had been residing in the halfway houses for more than one year. The residents were also approved to reside in the halfway house for one to three nights per week or per month. Audit was concerned if this practice deviated from the objective of the halfway house service. In addition, one of the halfway houses had not conducted progress review on its residents every six weeks as required by SARDA's guidelines, and not documented the justifications for extending the residence;

<u>Corporate governance and administrative issues</u>

- SARDA was governed by its Executive Committee ("EC") which was supported by the Management Committee ("MC") and the Research Committee. In the term years 2019-2020 and 2020-2021, the EC had 17 members, exceeding the maximum number of members by 1 as stipulated in the Constitution of SARDA. In addition, four (57%) of the seven Officers in EC (namely the Chairman, the Vice-Chairman, the Immediate Past Chairman and the Chairman of the Research Committee) had been elected to the same position for a long period of 14 years from the term years 2011-2012 to 2024-2025;

- while SARDA submitted the audited annual accounts and annual financial statements to DH for internal monitoring to ensure full compliance with the requirements as stipulated in Funding and Service Agreements, Audit was of the review that SARDA should consider publishing the accounts externally to enhance public accountability. Audit also found that there was no documentary evidence showing that SARDA had conducted any yearly review and updated, and evaluation of the strategic plan. SARDA had neither discussed nor approved any strategic plan at the meetings of EC and MC from the term years 2019-2020 to 2023-2024;

- from the term years 2019-2020 to 2023-2024, there were three to seven and two to four voting members who attended less than half of EC and MC meetings held in each year respectively, and some of them were re-appointed as voting members of MC in the term year 2024-2025;

- from 2020 to 2024, only five new members were recruited by SARDA. As at 31 December 2024, SARDA had 100 members. The attendance rates at the annual general meetings were also on the low side, ranging from 19% to 25%; and

- for the period from 2019-2020 to 2023-2024, SARDA's staff turnover rates ranged from 13.8% to 16.3%, and in particular, the turnover rates for nursing grade staff varied from 5.6% to 52.9%. In addition, SARDA did not have a training policy, and training subsidies were approved on a need basis. Furthermore, a summary of training record for individual staff was not maintained by SARDA.

5. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses to the issues raised by Audit. The replies from the **Director of Health** and the **Director of Social Welfare** are in *Appendices 21* and *22*.

6. The Committee wishes to be kept informed of the progress in implementing Audit's recommendations.

The Audit Commission ("Audit") conducted a review to examine the implementation of the Working Family Allowance ("WFA") Scheme.

2. The WFA Scheme aims at encouraging self-reliance and easing intergenerational poverty by supporting low-income working households which are not on the Comprehensive Social Security Assistance and have longer working hours. A WFA application is made on a household basis and covers the immediate past six calendar months. If a household meets the requirements for working hours as well as income and asset limits, the WFA Scheme will provide different rates of allowances based on the monthly aggregate working hours of the household and household income, and each eligible child may be granted Child Allowance.

3. During the period from the introduction of the WFA Scheme in April 2018 to September 2024, over 770 000 applications had been received with some 700 000 applications approved and about $11 billion granted. As of September 2024, there were about 51 000 active WFA households (i.e. households which had been approved with WFA and submitted latest applications in the past 6 months), involving around 173 000 persons, including about 72 000 children.

4. The Working Family Allowance Office ("WFAO") of the Working Family and Student Financial Assistance Agency ("WFSFAA") is responsible for implementing the WFA Scheme. In 2023-2024, the expenditure for WFAO was $2,201 million (including approved WFA of $1,713 million, one-off WFA extra payment of $79 million and operational expenses of $409 million).

5. The Committee noted the following Audit's findings:

Processing of applications

- an applicant may submit an application for WFA through WFAO's electronic-submission system which was rolled out in September 2019. While the use of electronic-submission for WFA application has increased from 4% in 2019-2020 (from September 2019) to 54% in 2024-2025 (up to September 2024), around 46% of the applications were still submitted by non-electronic means. For these applications, a contractor had been engaged by WFAO to input the information in the application forms for uploading to WFAO's computer system. The cost for engaging the contractor was $1.6 million in 2023-2024;

- WFAO has stipulated in its Operational Manual some internal timeframes for processing applications by stages. The Working Family Allowance Management System included built-in alerts to remind Vetting Officers for follow-up actions, as well as generated weekly progress reports and sent alert messages for monitoring purposes. However, no timeframe had been set on the overall processing time of applications and for the period from 2022-2023 to 2024-2025 (up to September 2024), some applications were with longer processing time. For example, of the 277 230 processed applications with complete information, the processing time (from receipt of complete information to completion of processing) was over 30 days in 13 563 (4.9%) applications, ranging from 31 to 519 days (averaging 44 days);

- Audit examined 105 applications received in 2022-2023 to 2024-2025 (up to September 2024) and noted some inconsistent practices in vetting applications. For example, in three applications, the balances of electronic-wallet had been reported as household assets, but in three other applications, while there were electronic-wallet transactions shown in the bank statements, WFAO did not request the applicants to report the electronic-wallet balances as household assets;

- WFAO conducts quality assurance ("QA") checks on processed applications selected on a random basis. The overall percentage of applications failing QA checks (i.e. applications found with errors) for the period from April 2018 to September 2024 was 13%. Among the errors found in applications that failed QA checks in 2023 were mostly caused by input errors, or some vetting staff had not exercised sufficient due care in analysing the information or had failed to fully comprehend the documentary proof;

<u>Follow-up on processed applications</u>

- WFAO has set up a Special Investigation Section to conduct special investigation of selected cases in order to detect and investigate suspected fraud cases. WFAO has set overall target percentage on conducting special investigation on high-risk cases. Audit noted that among the high-risk cases selected for special investigation: (a) the proportion of current year applications (i.e. applications with disbursement made in the same year as the commencement of the special investigation) had dropped from 73% in 2019-2020 to 16% in 2023-2024; and (b) the percentage of high-risk cases being selected for investigation from the pool of applications meeting the risk rules had

decreased by over 50% from 2018-2019 to 2021-2022, and remained approximately the same thereafter. This might pose a risk of some high-risk and current year fraud cases being undetected;

- of the cases with special investigation commenced during the period from the launch of the WFA Scheme in 2018-2019 to 2024-2025 (up to September 2024), 84% of the cases had been completed. Among them, 41% of the cases involved under-reported items, comprising 22% of the cases not affecting the amount of allowance disbursed, 18% of the cases involving recovery of overpaid allowance (involving an amount of $20.1 million) and 1% of the cases suspected to involve fraud and referred to the enforcement agency for investigation (involving overpaid allowance of $1.4 million). The percentage of special investigation cases with under-reported items ranged from 24% in 2018-2019 to 52% in 2023-2024. In addition, while checkboxes are available in the Working Family Allowance Management System for inputting over-payment reasons (e.g. unreported assets or unreported income from work), there was no additional breakdown tier of the types of under-reported items (e.g. for unreported assets, whether they were related to unreported bank accounts or cash values of insurance policies);

- the longest processing time of special investigation cases completed as at 9 December 2024 was 1 301 days (i.e. 3.6 years), averaging 210 days. As for the on-going special investigation cases, the longest time elapsed from case commencement up to September 2024 was 1 221 days (i.e. 3.3 years), averaging 231 days. In 7 (35%) of the 20 on-going cases examined (with elapsed time ranging from 567 to 1 221 days and averaging 960 days), there were long time lags between the follow-up actions taken with applicants and/or the corresponding organizations regarding information search;

- in respect of the recovery of overpaid allowance, as at 11 December 2024, there were 465 on-going recovery cases involving about $5.5 million. Audit noted that 227 (49%) cases had been outstanding for over one year, involving about $3 million, of which: (a) 47 (21%) cases involving over-payment of about $0.6 million had been recovered; (b) 114 (50%) cases had been referred to the Department of Justice for recovery actions; (c) 25 (11%) cases were either related to applicants who entered bankruptcy and WFAO had been liaising with the relevant parties for possible recovery actions, or under monthly instalment arrangements; and (d) the remaining 41 (18%) cases involving 7 applicants were under consideration by the Special

Investigation Section having regard to the peculiar situations of individual cases;

Other related issues

- WFSFAA had not publicized any performance pledges or targets/indicators for the WFA Scheme. For example, timeframes had not been set on the overall processing time of WFA applications;

- WFAO organizes outreaching activities (e.g. information booths and form-filling sessions), for promoting the WFA Scheme and facilitating the public to apply for WFA. There is a need for WFAO to review the provision of these activities, e.g. of the 164 form-filling sessions conducted in the period from 2018-2019 to 2024-2025 (up to September 2024), 46 (28%) sessions were attended by 5 persons or fewer;

- from 2018-2019 to 2024-2025 (up to September 2024), the rejection rates for ethnic minorities applicants over the years (average: 10.2%) were consistently higher than the overall rejection rates (average: 5.6%); and

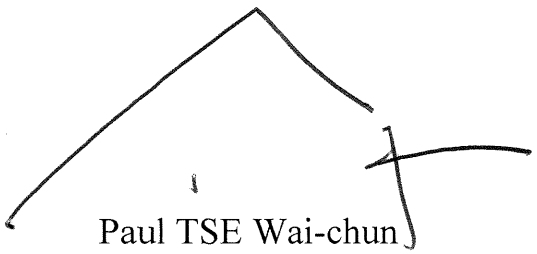
- the number of WFA applications had been on a decreasing trend since the peak in 2020-2021. Having regard to the developments of the WFA Scheme and the areas of improvement identified in this audit review, WFSFAA needs to, in collaboration with the Labour and Welfare Bureau, keep under review the operation of the WFA Scheme with a view to enhancing the Scheme as appropriate;

6. The Committee did not hold any public hearing on this subject. Instead, it asked for written responses to the issues raised by Audit. The replies from the **Head, Working Family and Student Financial Assistance Agency** are in *Appendix 23*.

7. The Committee wishes to be kept informed of the progress in implementing Audit's recommendations.

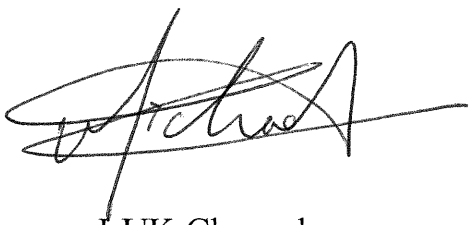
SIGNATURES OF THE CHAIRMAN,
DEPUTY CHAIRMAN AND MEMBERS OF THE COMMITTEE

SHIU Ka-fai
(Chairman)

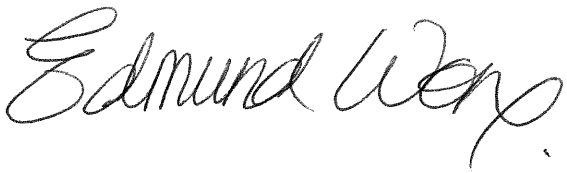


Paul TSE Wai-chun
(Deputy Chairman)

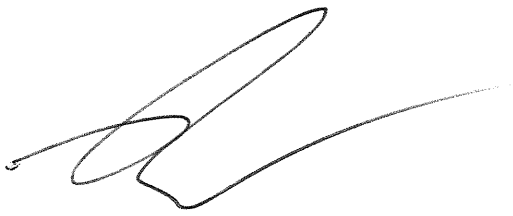
YUNG Hoi-yan



LUK Chung-hung



Edmund WONG Chun-sek



Louis LOONG Hon-biu

Carmen KAN Wai-mun

15 July 2025

CHAPTERS IN THE DIRECTOR OF AUDIT'S REPORT NO. 84 DEALT WITH IN THE PUBLIC ACCOUNTS COMMITTEE'S REPORT

Director of Audit's Report No. 84 Chapter	Subject	P.A.C. Report No. 84 Chapter
1	Dedicated Fund on Branding, Upgrading and Domestic Sales	1
2	Hong Kong Council for Accreditation of Academic and Vocational Qualifications	2
3	Lantau Conservation Fund	3
4	Management of Mandatory Window Inspection Scheme by the Buildings Department	4
5	Maritime and Aviation Training Fund	5
6	Street cleansing services	6
7	The Society for the Aid and Rehabilitation of Drug Abusers	7
8	Working Family Allowance Scheme	8

RULES OF PROCEDURE OF THE LEGISLATIVE COUNCIL OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION

72. Public Accounts Committee

(1) There shall be a standing committee, to be called the Public Accounts Committee, to consider reports of the Director of Audit –

(a) on the accounts of the Government;

(b) on such other accounts required to be laid before the Council as the committee may think fit; and

(c) on any matter incidental to the performance of his duties or the exercise of his powers as the committee may think fit.

(2) The committee shall also consider any report of the Director of Audit laid on the Table of the Council which deals with examinations (value for money audit) carried out by the Director relating to the economy, efficiency and effectiveness of any Government department or public body or any organization to which his functions as Director of Audit extend by virtue of any Ordinance or which receives public moneys by way of subvention.

(3) The committee shall consist of a chairman, deputy chairman and 5 members who shall be Members appointed by the President in accordance with an election procedure determined by the House Committee. *(L.N. 214 of 2005)*

(3A) The chairman and 2 other members shall constitute a quorum of the committee. *(L.N. 214 of 2005)*

(3B) In the event of the temporary absence of the chairman and deputy chairman, the committee may elect a chairman to act during such absence. *(L.N. 214 of 2005)*

(3C) All matters before the committee shall be decided by a majority of the members voting. Neither the chairman nor any other member presiding shall vote, unless the votes of the other members are equally divided, in which case he shall give a casting vote. *(L.N. 214 of 2005)*

(4) A report mentioned in subrules (1) and (2) shall be deemed to have been referred by the Council to the committee when it is laid on the Table of the Council.

(5) Unless the chairman otherwise orders, members of the press and of the public shall be admitted as spectators at meetings of the committee attended by any person invited by the committee under subrule (8).

(6) The committee shall meet at the time and the place determined by the chairman. Written notice of every meeting shall be given to the members and to any person invited to attend a meeting at least 5 clear days before the day of the meeting but shorter notice may be given in any case where the chairman so directs.

(7) *(Repealed L.N. 214 of 2005)*

(8) The chairman or the committee may invite any public officer, or, in the case of a report on the accounts of or relating to a non-government body or organization, any member or employee of that body or organization, to give information or any explanation or to produce any records or documents which the committee may require in the performance of its duties; and the committee may also invite any other person to assist the committee in relation to any such information, explanation, records or documents.

(9) The committee shall make their report upon the report of the Director of Audit on the accounts of the Government within 3 months (or such longer period as may be determined under section 12 of the Audit Ordinance (Cap. 122)) of the date on which the Director's report is laid on the Table of the Council.

(10) The committee shall make their report upon the report of the Director of Audit mentioned in subrule (2) within 3 months (or such longer period as may be determined by the Council) of the date on which the Director's report is laid on the Table of the Council.

(11) Subject to these Rules of Procedure, the practice and procedure of the committee shall be determined by the committee.

Paper presented to the Provisional Legislative Council by the Chairman of the Public Accounts Committee at the meeting on 11 February 1998 on Scope of Government Audit in the Hong Kong Special Administrative Region - 'Value for Money Audits'

SCOPE OF WORK

1. The Director of Audit may carry out examinations into the economy, efficiency and effectiveness with which any bureau, department, agency, other public body, public office, or audited organisation has discharged its functions.

2. The term "audited organisation" shall include -

(i) any person, body corporate or other body whose accounts the Director of Audit is empowered under any Ordinance to audit;

(ii) any organisation which receives more than half its income from public moneys (this should not preclude the Director from carrying out similar examinations in any organisation which receives less than half its income from public moneys by virtue of an agreement made as a condition of subvention); and

(iii) any organisation the accounts and records of which the Director is authorised in writing by the Chief Executive to audit in the public interest under section 15 of the Audit Ordinance (Cap. 122).

3. This definition of scope of work shall not be construed as entitling the Director of Audit to question the merits of the policy objectives of any bureau, department, agency, other public body, public office, or audited organisation in respect of which an examination is being carried out or, subject to the following Guidelines, the methods by which such policy objectives have been sought, but he may question the economy, efficiency and effectiveness of the means used to achieve them.

GUIDELINES

4. The Director of Audit should have great freedom in presenting his reports to the Legislative Council. He may draw attention to any circumstance which comes to his knowledge in the course of audit, and point out its financial implications. Subject to these Guidelines, he will not comment on policy decisions of the Executive Council and the Legislative Council, save from the point of view of their effect on the public purse.

5. In the event that the Director of Audit, during the course of carrying out an examination into the implementation of policy objectives, reasonably believes that at the time policy objectives were set and decisions made there may have been a lack of sufficient, relevant and reliable financial and other data available upon which to set such policy objectives or to make such decisions, and that critical underlying assumptions may not have been made explicit, he may carry out an investigation as to whether that belief is well founded. If it appears to be so, he should bring the matter to the attention of the Legislative Council with a view to further inquiry by the Public Accounts Committee. As such an investigation may involve consideration of the methods by which policy objectives have been sought, the Director should, in his report to the Legislative Council on the matter in question, not make any judgement on the issue, but rather present facts upon which the Public Accounts Committee may make inquiry.

6. The Director of Audit may also -

(i) consider as to whether policy objectives have been determined, and policy decisions taken, with appropriate authority;

(ii) consider whether there are satisfactory arrangements for considering alternative options in the implementation of policy, including the identification, selection and evaluation of such options;

(iii) consider as to whether established policy aims and objectives have been clearly set out; whether subsequent decisions on the implementation of policy are consistent with the approved aims and objectives, and have been taken with proper authority at the appropriate level; and whether the resultant instructions to staff accord with the approved policy aims and decisions and are clearly understood by those concerned;

(iv) consider as to whether there is conflict or potential conflict between different policy aims or objectives, or between the means chosen to implement them;

(v) consider how far, and how effectively, policy aims and objectives have been translated into operational targets and measures of performance and whether the costs of alternative levels of service and other relevant factors have been considered, and are reviewed as costs change; and

(vi) be entitled to exercise the powers given to him under section 9 of the Audit Ordinance (Cap. 122).

PROCEDURES

7. The Director of Audit shall report his findings on value for money audits in the Legislative Council twice each year. The first report shall be submitted to the President of the Legislative Council within seven months of the end of the financial year, or such longer period as the Chief Executive may determine. Within one month, or such longer period as the President may determine, copies shall be laid before the Legislative Council. The second report shall be submitted to the President of the Legislative Council by the 7th of April each year, or such date as the Chief Executive may determine. By the 30th April, or such date as the President may determine, copies shall be laid before the Legislative Council.

8. The Director's report shall be referred to the Public Accounts Committee for consideration when it is laid on the table of the Legislative Council. The Public Accounts Committee shall follow the rules governing the procedures of the Legislative Council in considering the Director's reports.

9. A Government minute commenting on the action Government proposes to take in respect of the Public Accounts Committee's report shall be laid on the table of the Legislative Council within three months of the laying of the report of the Committee to which it relates.

10. In this paper, reference to the Legislative Council shall, during the existence of the Provisional Legislative Council, be construed as the Provisional Legislative Council.

Witnesses who appeared before the Committee
(in order of appearance)

Ms Bernadette LINN Hon-ho	Secretary for Development
Mrs Elina CHAN NG Ting-ting	Deputy Secretary for Development (Planning and Lands) 2
Mr HO Chun-hung	Director of Buildings
Ms Pelene NG	Deputy Director of Buildings
Mr TSE Chin-wan	Secretary for Environment and Ecology
Ms Irene YOUNG Bick-kwan	Permanent Secretary for Environment and Ecology (Food)
Mr Donald NG Man-kit	Director of Food and Environmental Hygiene
Mr Arsene YIU Kai-cheuk	Deputy Director of Food and Environmental Hygiene (Environmental Hygiene)
Mr Peter POON Ping-yeung	Assistant Director (Operations) 3 Food and Environmental Hygiene Department
Ms Jacqueline HO Yuen-man	Assistant Director (Grade Management and Development) Food and Environmental Hygiene Department
Ms HUI So-hing	Senior Superintendent (Outsourcing) Food and Environmental Hygiene Department
Mr James WONG Chi-hang	Senior Superintendent (Cleansing and Pest Control) 1 Food and Environmental Hygiene Department

Note: The above post titles were those of the witnesses at the time when they attended the public hearings of the Committee.

香港特別行政區政府 工業貿易署
Trade and Industry Department
The Government of the Hong Kong Special Administrative Region

Our Ref. : CR TID 2458/8/15
Tel. No. : 2398 5558
Fax. No. : 2317 4852

Your Ref. : CB3/PAC/R84

10 June 2025

Ms Shirley CHAN
Clerk to Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms. CHAN,

Public Accounts Committee

Consideration of Chapter 1 of the Director of Audit's Report No. 84

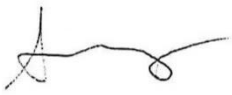
Dedicated Fund on Branding, Upgrading and Domestic Sales

Thank you for your letter of 23 May 2025. The bilingual reply of the Trade and Industry Department on the matters set out in the Appendix of your letter is enclosed at **Annex**.

2. Regarding the information set out in the table of item 6 of our reply, as the details of the selection criteria for on-site checks contain internal benchmarks and their disclosure may compromise the effectiveness of the on-site check mechanism, we should be grateful if the circulation of and access to such information be restricted to the Public Accounts Committee only and such information be excluded from publication.

地址：香港九龍城協調道 3 號工業貿易大樓 Address : Trade and Industry Tower, 3 Concorde Road, Kowloon City, Hong Kong
電話 Tel. : (852) 2398 5333 傳真 Fax : (852) 2787 7422 電子郵件 E-mail : enquiry@tid.gov.hk 網址 Website : www.tid.gov.hk

Yours sincerely,



(Mr Sunny Chan)
for Director-General of Trade and Industry

Encl.

c.c. Secretary for Commerce and Economic Development
Secretary for Financial Services and the Treasury
Director of Audit

Annex

Public Accounts Committee

Consideration of Chapter 1 of the Director of Audit's Report No. 84

Dedicated Fund on Branding, Upgrading and Domestic Sales

Reply to PAC's written questions received on 23 May 2025

Part 1: Introduction

Q1

According to paragraph 1.9 and note 3 of the Director of Audit's Report No. 84 ("Audit Report"), the Dedicated Fund on Branding, Upgrading and Domestic Sales ("BUD Fund") provides funding on a matching basis. For applications received before 14 March 2025, the Government would cover a maximum of 50% of the total approved project cost and the applicant had to contribute no less than 50% of the total approved project cost in cash. For applications received since 14 March 2024, the Government will cover a maximum of 25% of the total approved project and the applicant has to contribute no less than 75% of the total approved project cost in cash. Please inform:

(a) the reasons for adjusting the above matching ratio;
(b) the impact of the matching ratio adjustment on the number of applications received and funding amount sought; and
(c) whether the matching ratio adjustment has an impact on the work, manpower and administrative cost of the secretariat of the BUD Fund Secretariat; if so, the details.

(a) Over the years, the Government has made a number of funding injections into the BUD Fund and launched a wide array of enhancement measures to provide timely support to small and medium enterprises (SMEs), having regard to the economic situation and needs of the trade. Following the announcements made in the 2024 Policy Address and the 2025-26 Budget to increase the commitment, the approved commitment of the BUD Fund has been increased from $1 billion since its inception in 2012 by nearly eight times to $8.75 billion. Major enhancements implemented include increasing the cumulative funding ceiling per enterprise

successively by 13 times from originally $500,000 to currently $7 million. The geographical coverage of the BUD Fund has also been expanded by phases from only the Mainland to currently a total of 40 economies with which Hong Kong has signed Free Trade Agreements and/or Investment Promotion and Protection Agreements.

With the various rounds of enhancements implemented, the demand for the BUD Fund has surged sharply in recent years, with the number of applications in 2024 increased by over 320% as compared with that in 2019. As at end-2024, over $6 billion of funding has been approved under the BUD Fund with about 90% (over $5.4 billion) approved in the past six years (i.e. 2019 to 2024). Besides, the number of applications received and funding amount approved in the first quarter of 2025 increased substantially by 53% and 50% respectively.

Having regard to the dramatic growth in demand and the actual operating experience of the BUD Fund in the past years, the Government has conducted a holistic review to ensure that the BUD Fund can continue to provide necessary support to SMEs in a timely, focused and financially sustainable manner. In this connection, the Government has implemented several enhancement and rationalisation measures to the BUD Fund since 14 March 2025, including the adjustment of the matching ratio from 1 (Government): 1 (Enterprise) to 1 (Government): 3 (Enterprise). With limited public resources, this would enable the Government to continue to offer support to more enterprises, thus ensuring that our coverage would be wide enough to cater for the drastically increased demand. Further, this would incentivise applicants to more prudently select projects that would be more cost-effective and in better alignment with their strategic development.

At the same time, we have instituted several enhancement measures to the BUD Fund. For instance, each applicant enterprise can submit one "Easy BUD" application every three months, instead of six months in the past. Besides, establishment of online sales platforms has been included in the funding scope of "Easy BUD", and it is now expressly stated that professional fees associated with the establishment of new business entities would also be fundable under the BUD Fund.

(b) Upon adjusting the matching ratio and implementing other enhancement/ rationalisation measures for BUD Fund applications received since 14 March 2025, we expect that there would be an overall decrease in both the number of applications received and the average amount of funding sought for general and E-commerce Easy applications. From 15 March to 30 April 2025, a total of 727 applications were received under the BUD Fund and the monthly average was about 485, which represents a decrease of around 20% as compared with the monthly average of 605 in 2024.

Up to 30 April 2025, the average amount of funding sought for general and E-commerce Easy applications received since the adjustment of the matching ratio was about $0.4 million, a decrease of about 40% as compared with the average approved funding amount of about $0.7 million for general and E-commerce applications approved in 2024[1]. Due to the short time period since the adjustment of the matching ratio (about 1.5 month), we will closely monitor the impact of the adjustment of the matching ratio and the other rationalisation measures implemented to the BUD Fund.

(c) Taking into account the estimated drop in the number of applications following the implementation of the rationalisation measures, including the adjustment to the matching ratio, in March 2025, the Hong Kong Productivity Council (HKPC), the BUD Fund Secretariat, has duly reduced its budget for Secretariat staff expenditure as well as the overall implementation fees[2] under the Government's provision. In this regard, the overall reduction for 2025-26 is about 12% as compared with 2024-25, which has taken into account the change in the number of applications following adjustments to the funding parameters, the need to follow up on the record number of 7 262 applications received in 2024, as well as the need to conduct on-site checks on selected projects. We will closely

[1] The average funding amount sought for Easy BUD applications, with a lower funding cap per project of $100,000 as compared to general/E-commerce Easy applications ($800,000), was similar before and after the adjustment of the matching ratio.

[2] Including Secretariat staff expenditure and other expenses on engaging organisations with local knowledge of the markets under the geographical coverage of the BUD Fund for providing advisory and support services in application vetting and project monitoring, engaging agency staff for support services, publicity, and system maintenance and enhancement, etc.

monitor the impact of the various measures implemented on HKPC's workload and the associated resource requirements.

Part 2: Processing of applications

Q2

According to para. 2.17(a) of the audit report, the funding agreements for 64 (1%) of 5,122 general applications were signed more than 6 months after issuance of result notification letters, the delay of which ranged from 1 day to 1.2 years (averaging 2.8 months). Also, as at 31 December 2024, the funding agreements for 359 approved applications were not yet signed. For 20 (6%) applications, the time elapsed from the date of issuance of result notification letters was more than 6 months, ranged from 6.2 months to 2.3 years (averaging 1 year), of which the time elapsed for 6 (2%) applications was more than 1 year. Please inform the reasons of the delay in signing the funding agreements.

According to the BUD Fund Secretariat's Operation Manual, in general, the funding agreements between the BUD Fund Secretariat and grantees should be signed within six months from the date of issuance of result notification letters. The delay in signing the funding agreements was mainly due to the practical difficulties of the grantees in meeting the six-month timeframe, especially during the COVID-19 pandemic when the normal operations of many enterprises, in particular SMEs, were seriously affected. Besides, some of the grantees needed more time to prepare the required information/document(s), e.g. bank account information and guarantee[3] before the funding agreements can be signed. Noting that the applicants may face different difficulties, the BUD Fund Secretariat had in the past provided flexibility to the grantees in signing the agreements beyond the six-month timeframe.

For the general application with a delay of 1.2 years, it was due to the special circumstances that extensive verification was required on the eligibility of a non-Hong Kong resident in providing a personal guarantee for the initial payment to be disbursed. The funding agreement was signed

[3] A grantee is required to provide guarantee if the aggregate amount of initial payment already and to be disbursed/committed exceeds $1 million. The guarantee has to be provided when the funding agreement is signed.

within two weeks after the grantee had returned the residual fund for another completed BUD Fund project.

For the 20 applications for which funding agreements have not been signed as at end-2024 and with the time elapsed from the date of issuance of result notification letters for more than 6 months, the delay ranged from 5 days to 1.8 years. As of now, the relevant agreements for all the applications have been signed, or the original approval lapsed. For the application with a delay of 1.8 years, the grantee's original business plan was affected by the COVID-19 pandemic and did not sign the funding agreement for a prolonged period of time despite the BUD Fund Secretariat's reminders. The approval of the application eventually lapsed in January 2025.

The BUD Fund Secretariat has enhanced its internal operational workflow to ensure that funding agreements are signed within the six-month timeframe stipulated in its Operation Manual unless there are justified reasons for deviation. The approval of the applications would lapse if the applicants fail to sign the funding agreements within six months without reasonable justifications.

Q3

According to para. 2.17(b) of the audit report, as at 31 December 2024, the funding agreements for 30 approved "Easy BUD" applications were not yet signed. The time elapsed from the date of issuance of result notification letters ranged from 12 days to 4.9 months (averaging 1.1 months). Please provide the reasons of the delay in signing the funding agreements.

According to the BUD Fund Secretariat's Operation Manual, in general, the funding agreements between the BUD Fund Secretariat and grantees should be signed within six months from the date of issuance of result notification letters. As at end-2024, for the 30 approved "Easy BUD" applications with funding agreements not yet signed, the time elapsed from the date of issuance of result notification letters ranged from 12 days to 4.9 months, which were all within the six-month timeframe with no delay. Save for cases with extenuating circumstances (e.g. the applications were eventually withdrawn), all the agreements have already been signed within the six-month timeframe.

Part 3: Monitoring of approved projects

Q4

According to paragraph 3.7 of the Audit Report, in case a final report or progress report is rejected by the Programme Management Committee ("PMC"), the grantee is required to resubmit the progress/final report within one month after the relevant notification by the BUD Fund Secretariat. If the report is rejected twice, the grantee may not resubmit the report and the funding may be curtailed. The grantee may also be required to return the funding that has already been disbursed in respect of the project. What are the numbers of the grantees whose progress/final reports had been rejected by PMC once, twice and more than twice (if any) respectively in each year since the establishment of the BUD Fund; and are there any grantees whose funding had been curtailed or returned? If so, please inform the funding amounts involved.

Since the inception of the BUD Fund in 2012 up to end May 2025, there has not been any progress/final report rejected by the PMC. In fact, we have all along adopted a facilitating approach to grantees in the submission of final reports. Rather than rejecting reports upon their submission, the BUD Fund Secretariat assigns a designated officer to oversee the implementation of each project, and provide assistance to grantees in preparing the reports and making necessary revisions before the reports are submitted to the Inter-departmental Committee and the PMC for consideration. Notwithstanding the above, for those projects with measures not being implemented or the applicable terms and conditions could not be fulfilled, the relevant funding would be withheld for disbursement and/or the grantee would be requested to return any excess initial payment to the Government.

Q5

According to paragraph 3.9 of the Audit Report, the BUD Fund Secretariat indicated that the long processing time of final reports and progress reports was because, inter alia, the reports submitted by grantees generally had many discrepancies and lacked clarity, and most of the grantees were small and medium enterprises (SMEs) with limited manpower to follow up with the project administration work and prepare the reports/documents required. Has further consideration been given to other support and facilitation measures, including simplifying the requirements on the contents of the reports,

providing formatted templates of the reports, etc., to help SMEs in preparing reports with ease? If so, what are the details?

To facilitate grantees in preparation and submission of progress and final reports, the BUD Fund Secretariat assigns a designated officer to oversee the implementation of each project. The designated officer would remind grantees of the due dates for their report submission and provide guidance to grantees in preparing project reports and making necessary rectifications where discrepancies are identified. Besides, briefing sessions are arranged for all grantees when funding agreements are signed, during which the BUD Fund Secretariat would provide walkthrough on the timeline and detailed requirements on report submission. "Implementation tips", which highlights, among others, the applicable procurement requirements and supporting documents required to be submitted together with the project reports to substantiate the completion of the project measures, is also disseminated to grantees during the briefing sessions. Moreover, under the current electronic submission system, grantees only need to complete the project reports using a standardised template. Hints and tips are also provided in relevant fields/checkboxes of the report template to guide the grantees to complete and submit the reports.

To further facilitate grantees' preparation of project reports, the BUD Fund Secretariat will organise seminars/webinars to grantees on a regular basis to brief them on the points to note and useful tips when implementing their projects and preparing the reports, including reminding them of the applicable procurement requirements and the supporting documents that need to be submitted with the report for substantiating the recognisable expenditure upon project completion. Useful tips covered in the seminars/webinars will also be uploaded onto HKPC's website for grantees' reference. Besides, the BUD Fund Secretariat will upload sample reports to assist grantees' completion of their reports.

Q6

According to para. 3.20 of the audit report, the Government should consider four specified criteria when projects are selected for on-site checks, such as quality of the progress/final reports submitted, past/existing performance of the grantee and potential risk of abuse in delivering the approved project. Please provide the specific details and requirements of these four specified criteria.

The "Enhanced Guidelines on On-site Check Mechanism" endorsed by the PMC of the BUD Fund in December 2021 stipulate the following four criteria for the BUD Fund Secretariat to select projects for on-site checks:

(a) complexity/innovation and scale of the project implemented, such as the type and number of project measures involved and their budgets;
(b) quality of the progress/final reports submitted, including the timeliness of submission;
(c) significant changes in delivering the project measures, such as the extent of deviation of implemented deliverables from the original approved project proposal, and
(d) past/existing performance of the grantee and potential risk of abuse, such as the grantee's responsiveness to the BUD Fund Secretariat's enquiries/requests.

As the information set out in the table below contains internal benchmarks and its release to the public may compromise the effectiveness of the on-site check mechanism such that grantees may deliberately avoid falling under the criteria for evading from on-site checks, we suggest that the circulation of and access to such information in the table below be restricted to the Public Accounts Committee only and such information be excluded from publication.

Details and requirements of the four selection criteria are as follows:

[Redacted]

[Redacted]

While the BUD Fund Secretariat will select projects for on-site checks according to the four above-mentioned criteria, the PMC or the Government can also nominate other projects for on-site checks taking into account the circumstances of each individual case.

Having regard to the audit recommendation on refining the guidelines on on-site checks to include specific guidelines for "Easy BUD" and "E-commerce Easy" projects and also taking into account the recent enhancements and rationalisation measures introduced to the BUD Fund, the Trade and Industry Department will, in collaboration with BUD Fund Secretariat, review the guidelines and make suitable refinements as necessary.

Q7

According to para. 3.33 of the audit report, since the launch of BUD Fund in 2012 and up to 31 December 2024, BUD Fund Secretariat had recouped residual funds of $172 million from grantees (i.e. $114 million of the $189 million from the grantees of terminated projects, and $58 million of the $73 million from the grantees of completed projects). In the same period, residual funds of $457,551 (involving 5 terminated projects) had been written off. Please provide details of

the cases which had to return the residual fund and had written-off, including the number of grantees involved in the return of residual fund and written-off, and the reasons for the written-off cases.

Since the launch of the BUD Fund up to end-2024, 360 out of 505 grantees and 367 out of 426 grantees had returned residual funds for their terminated projects and completed projects respectively.

In respect of terminated projects, the vast majority (over 98%) of the grantees were required to repay a quantum of $750,000 or below. Of the $114 million recouped, over 97% were attributed to such cases. In respect of completed projects, the vast majority (over 99%) of the grantees were required to repay a quantum of $750,000 or below. Of the $58 million recouped, over 97% were attributed to such cases. The highest recoupment amount for a single grantee is $1.5 million for 2 projects which has been fully repaid.

The five written-off cases involved five grantees with their projects terminated. The amounts of disbursed funds written-off for each project range from $15,051 to $125,000, with the aggregate total being $457,551. The disbursed funds were written-off as all five grantees had been wound up/struck off and dissolved, no distribution is available from the winding-up process, and no further actions for recovery of the grant could be taken against the grantees.

Q8

According to para. 3.34 of the audit report, up to 31 December 2024, residual funds to be recouped from grantees of terminated projects and completed projects had increased significantly by $72.9 million and $14.2 million respectively as compared with 31 March 2020. Please provide the reasons and details of the increase (including the number of grantees involved and their industry sectors).

Up to end-2024, $73.7 million and $14.3 million of disbursed funds were to be recouped from 142 grantees of terminated projects and 63 grantees of completed projects respectively (as compared to $0.8 million and $0.1 million to be recouped from seven grantees of terminated projects and one grantee of a completed project as at 31 March 2020). The industry sectors of the grantees involved are:

Industry Sectors (in descending order of the total number of grantees involved)		Number of grantees involved in terminated projects	Number of grantees involved in completed projects	Total number of grantees involved
1.	Wholesale and retail	26	12	38
2.	Import and export trade	15	5	20
3.	Information technology	12	5	17
4.	Electronics	8	6	14
5.	Textiles and clothing	9	4	13
6.	Creative industries	6	3	9
	Advertising, sales and marketing	6	3	9
7.	Food and beverage manufacturing	5	3	8
8.	Metal products	5	1	6
	Construction	4	2	6
9.	Professional services	4	0	4
	Plastics	4	0	4
	Watches and clocks	1	3	4
10.	Jewellery	1	2	3
	Others	36	14	50
	Total	142	63	205

The major reason leading to an increase in both the number of projects requiring repayment of disbursed grants and the repayment amounts involved was believed to be the substantive increase of initial payment ratio of BUD Fund projects from 25% to 75% of the approved government funding in January 2020 with a view to assisting SMEs in tiding over the economic downturn at that time. In view of this, we have already substantially lowered the initial payment ratio from 75% to 20% with effect from 14 March 2025.

Besides, due to COVID-19 pandemic from 2020 to 2022, some grantees were unable to implement their BUD Fund projects as originally planned or could only complete part of the approved project measures due to the quarantine requirements or tightened border control imposed in the target markets as well as the severe disruptions to the global economy during that time. This resulted in an increased number of terminated projects and completed projects that were required to return the disbursed funds.

Q9

According to para. 3.40 of the audit report, on the final reminder issued to the grantee of one terminated project with long outstanding residual fund, BUD Fund Secretariat did not specify the final repayment deadline by which legal actions may be initiated if the grantee failed to repay by the deadline. Please advise:

(a) Why the final repayment deadline was not specified on the final reminder of the concerned case;

(b) the details of the legal actions that may be initiated when a grantee fails to repay by the deadline, including the considerations for determining whether legal actions will be initiated and the timeline for various follow-up procedures.

(a) According to the BUD Fund Secretariat, the final reminder of the concerned case has stated that the grantee has to repay the disbursed fund immediately, even though a final repayment deadline has not been specified and this was an isolated incident. The BUD Fund Secretariat has referred the concerned case with outstanding repayment to the Trade and Industry Department (TID), which is consulting the Department of Justice (DoJ) on the necessary follow-up actions for recouping the disbursed fund. To avoid similar occurrence in future, the BUD Fund Secretariat has adopted, since December 2024, a set of standardised letter templates to be issued to grantees in which the deadline for repayment of disbursed funds will be specified.

(b) Under the current grant recoupment mechanism, the BUD Fund Secretariat will issue demand letters, including chaser and final reminder if needed, to request the grantees to repay the disbursed funds by the specified deadlines. Should the grantees fail to return the disbursed funds upon the aforementioned recovery actions taken, the BUD Fund Secretariat would, in general, refer the cases to TID within three months from the date of issuance of the final reminder. For each of these cases, TID which would then consult DoJ on the necessary follow-up actions to be taken by the Government to recoup the disbursed funds. DoJ would take into account the specific circumstances of each case and consider whether and if so, when litigation actions are to be pursued.

Part 4: Other related issues

Q10

According to paragraph 4.3 of the Audit Report, regarding the four recent updated service agreements signed between the Government and the Hong Kong Productivity Council, it was found that all the agreements were signed 3 to 9 months (averaging 7 months) after the effective dates of the respective agreements. Please advise on:

(a) the reasons for not signing the updated service agreements before their respective effective dates;
(b) the possible impact of not signing the updated service agreements in a timely manner; and
(c) whether there are any specific measures to improve the above situation.

The Government's engagement of HKPC as the implementation agent and the BUD Fund Secretariat is governed by service agreements which were multi-year in nature and reflecting the circumstances as at the inception of the agreements. At all times, the duties and obligations of HKPC as the BUD Fund Secretariat have been duly and seamlessly covered by the series of successive service agreements, thereby ensuring that the interests of the Government are properly safeguarded.

At the same time, the Government has also instituted a co-existing control mechanism of Annual Implementation Plans (AIPs), which have to be endorsed by the Programme Management Committee (PMC) on a yearly basis, to ensure that the activities and budgets of the BUD Fund Secretariat in the year are duly planned, taking into account the latest enhancements to the BUD Fund and the associated workload of application vetting and project monitoring.

It has been the practice of TID to update the service agreement with HKPC if and when there are major enhancements implemented to the BUD Fund for administrative tidiness. Given that frequent rounds of enhancements in the past few years were rolled out within a short time frame with a view to providing timely support to SMEs, it took time to accurately gauge the actual extent of increased workload for the BUD Fund Secretariat for incorporation into the agreements as well as for both HKPC and TID to respectively seek legal advice on the updates, thus leaving certain time gaps between the signing dates of the agreements and their effective dates.

TID has been exercising continued and effective oversight of HKPC's performance as the BUD Fund Secretariat through the dual mechanism of service agreements and AIPs. There have not been adverse impacts due to the time gaps observed in the service agreements.

The Government and HKPC will expedite the necessary updating of service agreements in future.

Q11

According to paragraph 4.11 of the Audit Report, there were delays in the submissions of 4 sets (80%) of Annual Reports and audited accounts by the BUD Fund Secretariat to the PMC for the financial years from 2019-20 to 2023-24. The delays ranged from 8 to 90 days (averaging 36 days) for Annual Reports and 9 to 92 days (averaging 38 days) for audited accounts. Please inform:

(a) the reasons for the delays in the submissions of the above Annual Reports and audited accounts;
(b) whether this is the reason why the BUD Fund Secretariat tolerated delays in the submissions of progress/final reports by grantees; and
(c) whether there are any specific measures to improve the above situation.

(a) According to the service agreements signed between the Government and HKPC, the BUD Fund Secretariat should produce to the PMC the Annual Report and audited accounts of the BUD Fund in respect of the financial year within three months after the end of each financial year. The three-month timeframe was set having regard to the usual arrangements that the PMC will consider the Annual Report and audited accounts at its second meeting of the year scheduled for late June or July under normal circumstances. Besides, to facilitate the PMC's consideration of the Annual Report and audited accounts, it has been the standing practice that TID would first review the draft Annual Report and audited accounts, and furnish the BUD Fund Secretariat with its comments for necessary clarifications or revisions, before the documents were circulated to the PMC.

For the financial year of 2019-20 for which the delay was the longest (90 days and 92 days for the Annual Report and audited accounts respectively), it was attributed to the postponement of the relevant

meeting of the PMC for the year, which was originally scheduled for June 2020 but postponed to end-September 2020 due to the COVID-19 pandemic. Having regard to the postponement of the PMC meeting, the Annual Report and audited accounts, with TID's comments incorporated, were circulated to the PMC in September 2020 for the PMC's consideration at its second meeting of the year. As for the financial years of 2020-21, 2021-22 and 2023-24, the delays (averaging 19 days) were similarly attributed to the scheduling of the relevant PMC meetings in July instead of late June. There was no delay with respect to the financial year of 2022-23.

(b) The delay in grantees' submission of their project reports is unrelated to the delay of the BUD Fund Secretariat's submission of the Annual Report and audited accounts of the BUD Fund to the PMC.

(c) Going forward, TID will review the timeframe set out in the service agreement between the Government and HKPC on the latter's submission of Annual Report and audited accounts to ensure that it is realistic and reasonable in light of the prevailing circumstances. TID would also continue to work closely with HKPC and collaborate with them in the timely submission of the Annual Reports and audited accounts to the PMC.

香港學術及職業資歷評審局
Hong Kong Council for Accreditation of
Academic & Vocational Qualifications

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6 June 2025

Ms Shirley CHAN
Clerk to the Public Accounts Committee
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms. CHAN,

Public Accounts Committee
Consideration of Chapter 2 of the Director of Audit's Report No. 84
Hong Kong Council for Accreditation of Academic and Vocational Qualifications

Your letter dated 23 May 2025 to the Executive Director of Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) requesting information refers. We have prepared a detailed reply in response to the questions and request for information by the Public Accounts Committee. Please refer to the enclosure of this letter.

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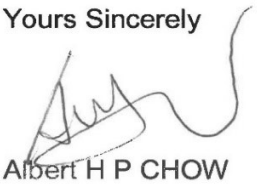
Yours Sincerely



Albert H P CHOW
Executive Director
Hong Kong Council for Accreditation of Academic and Vocational Qualifications

c.c. Secretary for Education (email: sed@edb.gov.hk)
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Director of Audit (email: ncylam@aud.gov.hk)

Enclosure

Enclosure

Chapter 2 of the Director of Audit's Report No. 84
Hong Kong Council for Accreditation of Academic and Vocational Qualifications

Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ)'s Response to Public Accounts Committee's Questions

PART 2: PROVISION OF SERVICES

1) According to paragraph 2.4 of the Director of Audit's Report No. 84 ("Audit Report"), according to HKCAAVQ's manual, HKCAAVQ should issue the accreditation report within 16 to 24 weeks (depending on the type of accreditation and QF level) after the date of receipt of the accreditation document. Audit analysed the 1,654 accreditations completed in the period from 2019-20 to 2023-24. Audit found that, for 400 (24%) accreditations, the accreditation reports were not issued within the specified timelines. The delays ranged from 1 day to 29.1 weeks (averaging 2.6 weeks). Please provide/advise:

(a) Based on Table 3 and paragraph 2.5 of the Audit Report, list the number of accreditations with accreditation reports not issued within the specified timelines, categorised by the reasons provided by HKCAAVQ;
(b) Following the above, what is the most common reason for failure in issuing the accreditation reports within the specified timeline? What measures has HKCAAVQ taken to ensure that accreditation reports are issued within the specified timelines? and
(c) When setting the specified timeline of issuing the accreditation report within 16 to 24 weeks after the date of

receipt of the accreditation document, was the possibility of additional requests from operators taken into account? If yes, were any measures adopted to ensure the reasonableness of such requests? If not, will HKCAAVQ consider reviewing the current specified timelines?

Response

(a) Please refer to Annex 1.

(b) As indicated in Annex 1, the most common reason for delays in issuing the accreditation report is the complexity of the accreditation exercises, particularly those on new areas.

To address the issue, HKCAAVQ has adopted the following measures:

(i) implement the followings with immediate effect: (i) recruit four additional staff members dedicated to handling work related to the accreditation exercise and the recruitment process is underway; (ii) Deputy Executive Directors are to further strengthen our liaison with operators, in particular, through the Liaison Panels and facilitation sessions in enhancing the engagement and communication with operators, thereby enhancing effectiveness and efficiency in conducting accreditation exercises.

(ii) review the planning and management of accreditation exercises within six months in order to (i) further enhance and streamline the procedures of the accreditation exercises; (ii) allocate additional resources to ensure that the accreditation reports are published within the specified timeline; and (iii) formulate a long-term plan to advance the digitalisation and automation of the accreditation exercise; and

(c) Currently, when determining the timeframe for issuing accreditation reports, HKCAAVQ has not yet taken into account any additional requests that may be raised by Operators. HKCAAVQ will review whether the specified timeframe is appropriate, in order to reflect the potential impact of such additional requests on the timing of report issuance. When

considering whether to accede to an Operator's request, HKCAAVQ will also assess the reasonableness of the request.

2) **According to paragraph 2.10(a) of the Audit Report, there were no guidelines on the assessment of specialists' performance in accreditation exercises and the follow-up actions to be taken on specialists whom HKCAAVQ had concerns over engagement in future accreditation exercises. Please advise:**

(a) Despite the absence of guidelines, based on past practices, how did the responsible personnel assess ratings of the specialists, and what factors did they take into account?

(b) According to paragraph 2.17(b) of the Audit Report, HKCAAVQ will review and enhance the specialists' assessment mechanism, including formulation of guidelines and rationale of assessment, with documentation requirements for all necessary steps from initiation of such assessments to taking necessary follow-up actions. What is the current progress of formulating the guidelines? Will HKCAAVQ consider reviewing and adopting the existing "green-yellow-red" mechanism mentioned in paragraph 2.7 of the Audit Report when formulating the guidelines? If yes, what are the details? If not, please explain the reason? and

(c) Following the above, which jurisdictions' assessment mechanisms will HKCAAVQ refer to when formulating the relevant guidelines?

Response

(a) When assessing the specialists' performance, HKCAAVQ takes into account relevant factors, including the ability of the panel members in (i) following the established procedures and standards in discharging their duties within the Panel, (ii) provide professional opinions on the operator under review and/or its programmes based on the applicable accreditation standards, and (iii) demonstrate professionalism in communicating and interacting with other panel members and representatives of the operator (such as during site visits or meetings with the operator, if applicable).

(b) HKCAAVQ intends to keep the existing "green-yellow-red" mechanism while simultaneously advancing measures to

optimise assessment of specialists' performance. A draft of the relevant guidelines has already been prepared, including an observation record form for panel members. This form is designed to: (i) record and document the observation of assessment; and (ii) ensure effective implementation across all accreditation exercises. The record form requires clearance from legal compliance, and the final version is expected to be completed within four months. The enhanced mechanism will also set out the involvement and duties of Case Officers, Deputy Heads, Heads, Deputy Executive Directors and the Executive Director in ensuring appropriate check and balance.

(c) HKCAAVQ will formulate relevant guidelines based on its functions and relevant requirements under the Hong Kong Council for Accreditation of Academic and Vocational Qualifications Ordinance (Cap. 1150) and Accreditation of Academic and Vocational Qualifications Ordinance (Cap. 592), taking into account the relevant international standards of the European Association for Quality Assurance in Higher Education (ENQA) and the International Network for Quality Assurance Agencies in Higher Education (INQAAHE) for HKCAAVQ's recognition by the two organisations, and other organisations recognized by them to ensure that the guidelines formulated are aligned with international standards and practices.

3) **According to paragraph 2.10(b) of the Audit Report, among the ratings of the 705 specialists as at 31 December 2024, 12 (2%) were rated as "Yellow" in past accreditation exercises. In this connection, of the 12 specialists: 11 (92%) had been appointed for second term or re-appointed; and 10 (83%) participated in subsequent accreditation exercises. For specialists who have been rated as "yellow", please advise the factors that HKCAAVQ took into account when appointing them for second term or reappointing them.**

Response When reappointing relevant Specialists in question, HKCAAVQ has already taken into account relevant factors, including those listed in the response to item 2(a), such as the overall performance

of the relevant Specialists in past accreditation exercises and the nature of the matters involved. HKCAAVQ also continuously monitors the performance of Specialists participating in accreditation work and will provide appropriate support to accreditation panels and their members as necessary, based on actual circumstances.

4) According to paragraph 2.12 of the Audit Report, among the submission of declaration forms by 91 specialists in 20 accreditation exercises completed in 2023-24, 3 (3%) declaration forms were returned to HKCAAVQ after the submission deadline. The delays ranged from 6 to 73 days (averaging 31 days). Please provide/advise:

(a) What is the specified timeline for submitting the declarations of interests forms?

(b) For 2019–2020 to 2023–2024, please provide a table listing the number of cases in which Specialists submitted their declaration forms late, categorised by the stage of the accreditation exercises (i.e., prior to commencement, during the process, and after completion), along with corresponding number of days delayed; and

(c) Were there any instances where a Specialist submitted the declaration form during or after the accreditation exercise and was subsequently found to have a conflict of interest with the operator involved in the relevant exercise? If so, please provide details of the case(s) and explain the actions taken by HKCAAVQ in response.

Response

(a) Before the accreditation panel begins its work, HKCAAVQ requires panel members to make a prior declaration of interests. A submission deadline is set on the declaration form, which is generally no more than one week. In some circumstances, Specialists may provide an oral declaration of interests and submit the formal written declaration later. For such individual cases, HKCAAVQ will follow up with the relevant experts to ensure the declaration of interests and any related follow-up actions are completed as early as possible.

(b) Please refer to Annex 2.

To address the relevant issues, HKCAAVQ has implemented the following measures:

(i) Panel members are required to submit a declaration of interests form within the timeframe set by HKCAAVQ;
(ii) Case Officers have to ensure that panel members submit their declaration forms on time. If a panel member fails to submit the form within two weeks despite a reminder, the Case Officer has to report the situation to the Head / Deputy Head for follow-up; and
(iii) HKCAAVQ has implemented measures to ensure that experts have to submit their declaration of interests forms before they are formally appointed as panel members.

Moreover, accreditation units have to review the implementation of the relevant arrangements annually and report to the Executive Director.

(c) In principle, if HKCAAVQ becomes aware that a panel member has a conflict of interest, that Specialist will not be appointed to the accreditation panel for that exercise. Where conflict of interest is identified and ascertained during the accreditation process, HKCAAVQ will terminate the engagement of the panel members in question in that accreditation panel. From 2019/20 to 2023/24, there were three instances of conflict of interest identified during the accreditation process. In all the three cases, HKCAAVQ had followed-up immediately and the Specialists concerned ceased to be engaged in the relevant panels right away.

5) According to paragraph 2.20(a) & (b) of the Audit Report, among the processing time of 24,150 qualifications assessments completed in the period from 2019-20 to 2023-24, 5,200 (22%) were not completed within the target processing time of 15 working days. The delays in completion ranged from 1 to 394 working days (averaging 12.8 working days); and the percentage of qualifications assessments which were

not completed within the target processing time increased from 13% in 2020-21 to 32% in 2023-24. Please provide/advise:

(a) When and on what basis was the target processing time of 15 working days established?
(b) Based on Table 4 and paragraph 2.21 of the Audit Report, please provide a breakdown by year of the number of qualifications assessments not completed within the target processing time, categorised by each of the reasons provided by HKCAAVQ; and
(c) Further to the above, what is the primary reason for HKCAAVQ's failure to meet the target processing time of qualifications assessments? Does the reason mentioned in paragraph 2.21(b) of the Audit Report, i.e. "significant increase in the number of cases over the years," account for a more substantial proportion of the delays? If so, will HKCAAVQ consider reviewing the target processing time in light of the current circumstances?

Response

(a) For Qualifications Assessment service, the target processing time of 15 working days has been in effect for at least 20 years. The last review was made in 2020. The established target processing time of 15 working days was based on cases that are relatively straightforward and hence in practice, complex cases may require a longer assessment time. HKCAAVQ will notify and update applicants of the latest status in a timely manner.

(b) The number of qualifications assessments completed increased by 19% from 4,825 in 2019-20 to 5,763 in 2023-24. Among the total of over 28,000 qualifications assessment cases during the above period, 5,200 applications were completed beyond the target processing time of 15 working days. One of the primary reasons to this delay is the substantial growth in the number of applications over the years. The number of applications received increased by 31%, from 5,188 in 2019-20 to 6,794 in 2023-24. The table below also lists out some of the reasons about why

certain cases could not be completed within the target processing time.

Year	Number of qualifications assessments applications received	Number of qualifications assessments completed	Number of qualifications assessments not completed within the target processing time	Increase complexity of the cases*	Time required for response from accreditation bodies / awarding bodies / applicants*	Time required for checking false qualifications *
2019-20	5,188	4,825	1,128	756	168	16
2020-21	4,743	4,070	545	346	138	25
2021-22	4,973	4,234	628	427	142	18
2022-23	6,424	5,258	1,049	717	234	22
2023-24	6,794	5,763	1,850	1242	306	32
Overal l	28,122	24,150	5,200	3,488	988	113

*Cases not meeting the target processing time but not attributable to the three reasons above are generally due to the substantial increase in number of applications.

(c) Significant increase in the number of applications is one of the major reasons for not being able to meet the target processing time. Apart from increase in the number of applications, over the past decade or so, transnational education and online learning has become more popular, making academic qualification systems increasingly complex. Pathways to further education, curriculum structures, and teaching modes have all become more diverse and intricate as well. These have led to an increase in relatively complicated cases. Furthermore, the identification of suspected fraudulent qualifications has added to the complexity of the work of qualifications assessment, ultimately extending the duration of the assessment process.

Despite the above, the target processing time of 15 working days is still applicable to the majority of applications that are relatively simple and straightforward. On average, 78% of completed applications met this target over the past 5 years. Taking into account the factors presented in paragraph 2.21 in the Audit Report, HKCAAVQ will comprehensively review the target processing time.

To further improve service performance, HKCAAVQ will complete reviewing the planning and management of qualifications assessment services within 6 months, with a view to –

(i) Recommending the additional resources needed to ensure that the targeted processing time could be met;
(ii) further streamlining the process of qualifications assessment; and
(iii) formulating a long-term digitalisation and automation plan as a long-term solution.

In the meantime, HKCAAVQ has implemented the following measures –

(i) recruit three additional colleagues to support the qualifications assessment service and the recruitment is underway;
(ii) The responsible Deputy Head must monitor all cases that exceed the timeframe of the performance pledge and take appropriate follow-up actions, such as notifying applicants in a timely manner and chasing for responses from relevant institutions and applicants. If case completion exceeds the performance pledge by 4 weeks, Head must monitor the progress and take necessary follow-up actions. If case completion exceeds the performance pledge by 8 weeks, Deputy Executive Director and Executive Director will conduct a detailed review to further follow up the situation. Under all circumstances, HKCAAVQ will maintain communications with the applicants and provide timely updates on the progress of the applications.

6) According to paragraph 2.27 of the Audit Report, as compared with the actual number of suspected fraudulent

academic qualifications cases reported to the Hong Kong Police Force, the number of suspected fraudulent academic qualifications cases reported in HKCAAVQ's Annual Reports for 2019-2020, 2020-2021 and 2021-2022 was understated by 8, 1 and 5 cases respectively. According to HKCAAVQ, the difference between the actual number of cases and the number of cases reported in its Annual Reports was due to error in data retrieval from the computer system. Please advise:

(a) What were the reasons for the error in data retrieval from the computer system? Has HKCAAVQ implemented regular updates to the system to ensure the accuracy of the records? If so, please provide details. If not, what are the reasons? and

(b) In preparing the Annual Reports, did HKCAAVQ adopt any additional verification methods to ensure the accuracy of the information presented? If so, why is there a discrepancy between the number reported in the Annual Reports and the actual number? If not, will HKCAAVQ consider establishing relevant verification protocols?

Response

(a) HKCAAVQ properly recorded all suspected fraudulent qualifications cases identified during the assessment process in the main computer system, and the number of cases reported to the Police was also recorded in a secondary computer system.

Since the main and secondary computer systems were not synchronised before 2022-23, there was a time gap between the records in the two systems, resulting in data discrepancies in the Annual Reports. The synchronisation issue has now been resolved, and the reporting figures are now consistent, which are also accurately reflected in subsequent Annual Reports.

(b) At present, the data retrieval system has been rectified and HKCAAVQ will introduce an additional verification mechanism. In addition to the system records, the number of reported cases will be subject to confirmatory check by relevant subject officers and Deputy Heads in ensuring the accuracy of information reported in the Annual Reports.

7) According to paragraph 2.29(a) of the Audit Report, the average time elapsed between the receipt dates of prima facie evidence and clarification and the dates of reporting for the 32 cases of suspected fraudulent academic qualifications reported to the Hong Kong Police Force in 2023-2024 was 73 days. The time elapsed ranged from 0 to 172 days. Please advise:

(a) What is the current procedure adopted by HKCAAVQ for handling suspected cases of fraudulent academic qualifications? and

(b) According to paragraph 2.30(b)(i) of the Audit Report, one of the reasons for the time elapsed for reporting to the Hong Kong Police Force was due to the time required for the review officer to review the case in ascertaining reasonable suspicion with prima facie evidence available. Why is it necessary to review the case after clarification has been sought, rather than conducting both concurrently?

Response

(a) During the qualifications assessment process, if HKCAAVQ identifies any abnormalities in the documents provided by the applicant and suspects any potential fraudulent issues, HKCAAVQ will seek confirmation from the awarding body of the qualifications. Upon receiving prima facie evidence from the awarding bodies that the documents or the academic qualifications concerned are fraudulent, HKCAAVQ will arrange another staff at a more senior rank to review the evidence to carry out further investigation. HKCAAVQ will provide the applicant with an opportunity for clarification. Subsequently, HKCAAVQ will prepare the witness statement together with relevant evidence for submission to the Police. At the same time, for the sake of prudence, the case will be reviewed again by HKCAAVQ staff. HKCAAVQ is pleased to and has already made improvement to the process and please refer to paragraph (b).

(b) HKCAAVQ has discussed with the Police earlier on on streamlining the procedures for reporting suspected fraudulent academic qualifications cases. According to the new mechanism,

designated Police officers now accepts reporting of cases by means of direct emails from HKCAAVQ. Effective from 2 May 2025, HKCAAVQ has been reporting suspected fraudulent cases to the Police within 15 working days after receiving the prima facie evidence from the awarding bodies. From 2 May 2025 to 3 June 2025, HKCAAVQ has reported seven cases to the Police under the new mechanism.

8) According to paragraph 2.42 (a) of the Audit Report, HKCAAVQ monitored the non-compliant advertisements only through 6 media sources (5 newspapers and 1 social media platform). Please advise:

(a) What are the 6 media sources, and what are the reasons for selecting these 6media sources? and

(b) Will HKCAAVQ consider expanding the range of media sources to monitor non-compliant advertisements, in order to enhance effectiveness? If so, what are the details? If not, what are the reasons?

Response

(a) HKCAAVQ currently monitor whether operators and qualifications granting bodies accurately advertise Qualifications Frameworks (QF) recognised information in accordance with the Accreditation of Academic and Vocational Qualifications Ordinance (Chapter 592) through the following media channels, namely three newspapers (Ming Pao, Sing Tao Daily and South China Morning Post), two online newspapers (AM730 and Headline Daily) and a social media advertising platform (Meta Ad Library). Under the relevant statutory requirements, when referring to status of recognition of a qualification under QF, the below three pieces of information should be depicted:

(i) QF level;
(ii) Qualifications Register (QR) registration number assigned by QR Authority; and
(iii) the validity period stated on QR

In selecting the above media channels, HKCAAVQ has taken into account the following factors:

(i) Whether it has a designated education section;
(ii) Its circulation volume and social influence;
(iii) Whether it is a commonly subscribed media in schools and institutions.

Taking into consideration that social media has become one of the prominent marketing channels, HKCAAVQ has started to search and monitor the contents of relevant advertisement across different social media through Meta Ad Library (formerly known as Facebook Ad Library) since 2022. For other online information, HKCAAVQ also proactively reviews the content of the websites provided by operators when they upload qualifications onto QR to timely follow up on non-compliant promotion.

(b) HKCAAVQ has started a pilot scheme to adopt a search-engine-based surveillance, generating search results to capture a broader range of advertisement relating to QF. The three search engines (Google, Yahoo, Bing) are selected given their market share. This aims to enhance the coverage of surveillance in addition to the original media, social media and websites provided by Operators, so as to enhance the effectiveness of monitoring. HKCAAVQ shall review the effectiveness of search-engine-based surveillance and introduce automation technologies in due course to streamline processes, and enhance efficiency and effectiveness.

9) According to paragraph 2.42 of the Audit Report, in the period from 2019-20 to 2023-24, there were 71 Operators with non-compliant advertisements. Of the 71 operators, 29 (41%) had more than one non-compliant advertisements. Please provide/advise:

(a) Among the 71 Operators, please provide a breakdown, based on the number of non-compliant advertisements, of how many Operators HKCAAVQ has requested to take rectification actions? How many have had their rectification actions been reviewed? And how many have been reported to law enforcement agencies?

(b) Further to the above, among the Operators who published non-compliant advertisements, how many have been reported, convicted, and what were the amounts of the fines imposed? and

(c) Further to the above, what is the minimum number of non-compliant advertisements that would lead HKCAAVQ to report to the relevant law enforcement authorities?

Response

(a) During the period of 2019/20 to 2023/24, HKCAAVQ had identified a total of 140 non-compliant advertisement relating to QF, involving 71 operators.

HKCAAVQ issues notifications to Operators for all of the above cases and typically follows up by telephone, requesting immediate rectification of non-compliant contents.

Among the cases requiring follow-up, 65 cases (46%) of the cases involved operators who had subsequently revised the non-compliant advertisement and provided evidence of the rectification. The other 22 cases (16%) involved printed promotional materials (such as newspaper advertisement) for which HKCAAVQ had requested the Operator to ensure that the requirements in the Ordinance were met.

Among the remaining 53 cases (38%) where the Operators had not responded, the majority (43 cases) involved omissions related to the QF level, QR registration number, or the validity of the QR record. Three cases were related to the presentation of the instructors' qualifications, three involved incorrect labeling of information, such as misidentifying "QR" registration number as "QR code" registration number, and one online advertisement became invalid and hence inaccessible few days after the notification was issued to the operator. The operators stated incorrect information in the advertisement for three cases; one of which involved an organisation outside of Hong Kong, while the advertisement for the other two cases are currently inaccessible.

(b) Regarding non-compliant advertisement, no cases were reported by HKCAAVQ to law enforcement agencies.

(c) Regarding non-compliant advertisement, HKCAAVQ has been adopting an "advising" approach in handling non-compliant advertisement, reminding operators to adhere to the guidelines for advertisement related to QF.

HKCAAVQ has enhanced its monitoring and reporting mechanisms for relevant cases, including strengthening the monitoring and documentation of whether operators have rectified non-compliant advertisement in a timely manner. Each month, HKCAAVQ reviews monitored cases based on factors such as the frequency of violations, the severity of the cases, and whether improvements have been made as instructed, and reports serious violations to the enforcement authorities as appropriate.

In addition, in the QR Operators Briefing on 14 March 2025, HKCAAVQ reminded Operators to comply with the requirements related to the publication of advertisement for qualifications recognised under QF. HKCAAVQ will email all Operators in June 2025 to formally remind them of the requirements in the Ordinance and the introduction of enhanced measures against non-compliant advertisement.

PART 3: CORPORATE GOVERNANCE AND HUMAN RESOURCE MANAGEMENT

10) According to paragraph 3.19(a) of the Audit Report, as at 31 December 2024, the updated Strategic Plan for the period from 1 October 2023 to 30 September 2027 had not been issued (i.e. with a delay of 15 months from the original commencement date of 1 October 2023). Please advise:

(a) What are the reasons for the delay in the release of the updated Strategic Plan?

(b) The HKCAAVQ Council has extended the validity period of the current Strategic Plan to August 2025. Given the Government's ongoing efforts to develop Hong Kong as an international education hub for post-secondary education, and the evolving circumstances since the release of the

current Strategic Plan, on what basis does HKCAAVQ consider the existing Strategic Plan, initially intended to be effective only until 30 September 2023, still applicable for an extended period of two years, until August 2025? and

(c) The HKCAAVQ Council has extended the validity period of the draft Strategic Plan to August 2025. What is the current progress of the drafting process, and whether the Strategic Plan is expected to be completed and published within the revised timeframe?

Response

(a) The Strategic Plan development of HKCAAVQ has been deferred, mainly because of the time required to assess the latest situation and review the strategies with reference to the following issues –

(i) HKCAAVQ's strategic position is subject to by changes in the global geopolitical landscape, for instance, the collaboration with a few external quality assurance agencies that established good relationship through Memorandum of Understanding with HKCAAVQ have been terminated;
(ii) The need to take into account national development strategies, including the Belt and Road Initiative, development of the Guangdong-Hong Kong-Macao Greater Bay Area, and the national education development, including the 2024-2035 master plan on building China into a leading country in education, issued in 2025;
(iii) The strategies and latest measures of the HKSAR Government in developing Hong Kong into an international post-secondary education hub;
(iv) HKCAAVQ's projection of a substantial decline in income in coming few years, as a result of the declined business caused by the gradual maturity of programme operators.

HKCAAVQ is carefully reviewing the above factors and is fully committed to formulating appropriate strategies to address new challenges in the future.

(b) Before the new Strategic Plan is approved by the Council, HKCAAVQ will continue to follow the existing strategies, and in accordance with the latest directives of the Council, perform the functions of HKCAAVQ, so as to ensure continuity of HKCAAVQ's work. The existing Strategic Plan also includes the long-term strategy to promote HKCAAVQ in becoming a leading regional quality assurance agency with international recognition, which supports Hong Kong's development into an international education hub, which HKCAAVQ has been pursuing.

(c) HKCAAVQ is now actively preparing a draft Strategic Plan and will strive our best to complete it within the deadline.

11) According to paragraph 3.26 of the Audit Report, from 2019-20 to 2023-24, the actual staff turnover rates decreased from 20.7% in 2019-20 to 3.3% in 2020-21, and then increased to 21.1% in 2023-24. In 3 out of the 5 years (60%), the actual staff turnover rate exceeded the target (by 0.7 to 7.4 percentage points). Please provide/advise:

(a) A breakdown, by year, of the number of staff who resigned, categorised by salary and rank, based on the reasons for resignation mentioned during employee exit interviews;
(b) A tabulated summary of salary levels and annual salary adjustment by rank for the 2019–2020FY to 2023–2024FY; and
(c) What factors are considered in the annual salary adjustment for staff? Were the results of employee exit interviews taken into account? If so, please provide details; if not, please explain why.

Response

(a) Please refer to Annex 3 – Q11(a) for details. Remarks: The data contained within is sensitive and confidential in nature and should not be disclosed to the public.

(b) **(b)(i)**

Note by Clerk, PAC*: *Annex 3 not attached.

Please refer to the following table for the salary adjustments / and one-off special payments (excluding the Directorate ranks) approved by the Council of HKCAAVQ from FY2019-2020 to FY2023-2024. The salary adjustments / one-off special payments of HKCAAVQ's staff are applicable to all ranks, and are subject to performance appraisal grading and the staff eligibility criteria for salary review. The salary review is conducted annually following the Staff Performance Appraisal and Development Review, ensuring that the salary adjustments reflect individual contributions and overall organisational performance effectively.

Salary adjustment and one-off special payment approved by the Council from FY2019-2020 to FY2023-2024

[Redacted]

Please refer to Annex 4 - Tables 1 – 5 for the details of the approved Salary Adjustment/ One-off special payment by fiscal year and rank. Remarks: The data contained within is sensitive and confidential in nature and should not be disclosed to the public.

(b)(ii)

The annual performance-based salary adjustment exercises in 11(b)(i) are not applicable to the ranks of Executive Director (ED) and Deputy Executive Director (DED). The monthly basic salary for both ranks are determined with reference to the

Note by Clerk, PAC**: **Annex 4 not attached.

Directorate Pay Scale of the Government (DPS): D3 Point for ED and D2 Point for DED.

Prior to 2021, it was only at the time of appointment or re-appointment of ED and DED, that the monthly basic salaries of the above Directorate ranks, including the possible annual salary adjustments over the contract period, would be determined with reference to the prevailing pay points of DPS at the HKCAAVQ Council's approval date.

In January 2021, the HKCAAVQ Council established a Review Committee for reviewing the annual salary adjustment mechanism for Directorate ranks and the review outcomes are as follows:

(i) To adopt the most recent DPS when conducting the annual salary adjustment reviews for Directorate ranks.
(ii) To calculate the mid-point of each pay point in DPS to reflect the fact that a directorate civil servant under DPS normally receives one increment point at 2-year intervals, while the salary review for the organization is conducted annually.
(iii) To determine the starting corresponding DPS point based on the actual salary at the first year of contract.
(iv) ED and DED are subject to annual performance appraisals by a designated Committee established by the Council, and the final salary review outcomes shall be approved by the Council.

Please refer to Annex 4 - Table 6 for the details of the approved Salary Adjustment of Directorate rank staff by fiscal year and rank.

(c) The factors considered for annual salary adjustments include:

(a) Staff Performance Appraisal and Development Review Outcome;
(b) Financial situation of the organisation;
(c) Staff turnover rate and the results from employee exit survey interviews;

(d) Pay Trend Survey conducted by the HKSAR Government;
(e) Civil Servant Salary adjustment and related policies of the HKSAR Government;
(f) Market trends (include the staff salary increment in commercial and public organisations) and related surveys;
(g) Overall economic environment.

The results from employee exit interviews are taken into account to help the organisation gain a deeper understanding of the actual situation of staff and identify potential factors that may affect staff satisfaction and retention, thereby improving the salary adjustment strategy and related policies, such as training and work arrangements.

12) **According to paragraph 3.39, table 11 of the Audit Report, a total of 13 consultants were awarded 2 or more contacts from January 2020 to December 2024. Moreover, according to paragraph 3.41 of the Audit Report, since the issue of the relevant guidelines in January 2020 and up to December 2024, 48 contracts for individual consultants were engaged by HKCAAVQ. As at 31 December 2024, 37 contracts were completed. Among the 37 contracts, there was no documentary evidence showing that performance evaluations had been conducted for the individual consultants engaged in 36 (97%) of the 37 contracts. Please advise on what basis HKCAAVQ reappointed the 13 independent consultants in the absence of performance evaluations.**

Response HKCAAVQ has been paying close attention to the performance of its independent consultants and conducts performance evaluation on an ongoing basis, focusing primarily on the outcomes of the assigned tasks or projects. These consultants are subjected to close monitoring by their supervisors, who provide regular feedbacks verbally within the contract period.

Following the Audit's recommendations, we have updated the relevant arrangement, requiring that all individual consultants must go through written performance evaluations by the end of the contract period with proper documentation.

13) **According to paragraph 3.61 and table 12 of the Audit Report, from 2019-20 to 2023-24, the actual expenses were less than the budgeted expenses for staff training every year. In 2021–2022, only HK$176,600 was spent, representing 57% of the HK$310,000 budgeted expense. Despite this limited utilisation, the training budgeted expenses was increased to HK$800,000 in 2022–2023, with actual expenses amounting to just 34% of the allocation. Nonetheless, the budgeted expenses was further raised to HK$1,000,000 in 2023–2024. Please provide/advise:**

(a) The factors considered in determining the annual budgeted expense;
(b) The reasons for increasing the budgeted expenses for the following year despite actual expenses were less than the budgeted expenses in the preceding year; and
(c) A breakdown, by year from 2019–2020 to 2023–2024, of the budgeted and actual expenses for management and professional training, along with the percentage of actual expenses against the budgeted expenses.

Response

(a) The factors considered by HKCAAVQ for determining the annual budget for training and development include:

(i) Organisation staff development strategies and needs
(ii) Staff needs and demands
(iii) Market Trends (e.g. AI/ Digitalisation in recent years)
(iv) Human Resources Management strategies (e.g. turnover rate and retention strategies)
(v) Financial situation of HKCAAVQ; and
(vi) Organisational Succession Planning.

After considering the above factors, HKCAAVQ will seek approval from the Council for the relevant budget and will adjust the related strategies and specific arrangements in a timely manner according to the directives of the Council Meeting.

(b) Due to the following reasons, the training and development budget has increased in recent years:

(i) There is a growing need for investments in AI, digitalisation, and cybersecurity to maintain our competitive advantage and ensure the security of our operations in an increasingly digital landscape. HKCAAVQ has arranged 20 employees to attend the Digital Transformation Programme conducted by the Hong Kong University of Science and Technology since 2022. Moreover, 39 employees participated in our in-house Security Awareness Training in 2023. Looking ahead, HKCAAVQ will continue to arrange similar training initiatives for our employees in the upcoming years to enhance our overall capabilities to respond to developments in information technology.

(ii) Developing internal talent is one of the key focuses of the development strategies of HKCAAVQ to ensure that it possesses quality and experienced talent pool to support the sustainable development of the organisation. In this regard, HKCAAVQ increases its budget for talent cultivation to provide comprehensive training and mentorship programmes. This investment not only enhances individual capabilities of staff but also strengthens the overall resilience and adaptability of our organisation. Since 2022, we have arranged 2 employees to participate in Leadership In Action Programme conducted by Civil Service College, 2 employees to participate in 9-day Management Development Program conducted by the Hong Kong University of Science and Technology, and 1 employee to participate in 8-day Executive Certificate in Leadership and People Management. Looking ahead, we will continue to arrange similar training initiatives for our employees to enhance the overall quality of HKCAAVQ's employees.

(iii) We understand that high turnover can lead to increased recruitment costs and a loss of valuable institutional knowledge. By further investing in training and development, we not only enhance employees' skills but also improve retention and satisfaction, ensuring a more stable and productive team.

Despite there were occasions where actual training expenditures fell below the budgeted amount due to specific circumstances, such as the impact of the pandemic and social events, related special work arrangements, and a short-term surge in workload as society and accreditation activities resumed normalcy, HKCAAVQ recognises that there is a genuine need to continue providing resources in support of staff training and development. This demonstrates HKCAAVQ's commitment to continuously enhancing its own quality in order to effectively respond to emerging opportunities and challenges. However, as a self-financing organisation, HKCAAVQ is also committed to ensuring the prudent use of resources. Accordingly, all expenditures related to staff training programmes will be thoroughly assessed. Training plans will also be carefully planned in the light of the Council's directives to support both staff and institutional growth, enhance competitiveness, and minimise potential resource misallocation, thereby ensuring financial prudence.

(c) Please refer to Annex 5 – Q13c for details.

PART 4: OTHER ISSUES

14) According to paragraph 4.9 of the Audit Report, 23 tender exercises for procurement of services conducted in the period from 2019-20 to 2023-24. All of the 23 tender exercises were conducted through restricted tendering. in each of 11 (48%) exercises, only 1 tender was received. Please provide/advise:

(a) The reasons for all 23 tender exercises to be conducted through restricted tendering;

(b) According to Note 8 of paragraph 4.8 of the Audit Report, for restricted tendering, the list of tenderers must be approved by the Executive Director before the tender exercise is conducted. Were the lists of tenderers for these 23 exercises approved in advance by the Executive Director? If so, what were the reasons for the approvals? If not, what measures has HKCAAVQ put in place to ensure compliance with its guidelines?

(c) What services were procured through these 23 tender exercises?

(d) Further to the above, please provide a breakdown of the number of tenders issued and the number of tenders received for each of the 23 exercises, categorised by the type of service procured. Among them, how many were awarded to contractors who had already been engaged previously?

(e) How were the lists of contractors determined? and

(f) What are the criteria and procedures used in the selection of successful contractors. Were contractors with prior engagements given any preferential consideration, irrespective of their past performance? Additionally, has HKCAAVQ established any mechanism to evaluate and mitigate the risk of over-reliance on specific contractors? If such a mechanism exists, kindly provide details. If not, please explain the reason.

Response

(a) & (b) HKCAAVQ has strictly adhered to the internal Financial and Accounting Guidelines and Practices, according to the amounts involved, to request quotations.

The amount involved, number of quotations required and the approving officer are as follows:

Involved Amount	**No. of Quotation Requests / Tender**	**Approving Officer**
Up to $280,000	5 written quotations	Deputy Executive Director
Up to $700,000	5 written quotations	Executive Director
Up to $1,400,000	Tender	Internal Tender Board
Above $1,400,000	Tender	Tender Board

In accordance with established procedures, HKCAAVQ will consider whether to adopt restricted tendering for procurement, taking into account factors such as the nature of the relevant contract, the amount involved, the urgency, and the availability of qualified providers in the market. For contracts valued between $700,000 and $1,400,000, the approval of the Executive Director must be obtained for restricted tendering and for the list of contractors to be invited. The Executive Director will, base on the list of contractors selected upon respective basis and the Financial Accounting Guidelines and Procedures, review and ascertain whether restricted tendering is approved. All approved restricted tendering are below the involved amount of $1,300,000, aligning with Government's practice. Internal Tender Board is chaired by Executive Director or Deputy Executive Director, with members nominated by Executive Director or Deputy Executive Director who may include Deputy Executive Director, Senior Registrar, Registrar, Executive Manager. All attendees must declare any potential conflicts of interest.

(c) &(d) During 2019/20 to 2023/24, there are two procurements for contracts under the amount of $700,000 and 19 procurements for contracts between $700,000 and $1,400,000. There were two instances of cancellation where the contracts were re-tendered. Details of a total of 23 procurements conducted are as follows:

Procurements under $700,000

	Year	Amount involved	Number of requests for quotations	Quotations received
Auditing service ^	2022/23	$190,000	5	4
Consultancy service for Task Force for Governance	2020/21	$230,000	13	2

and Management Review *				

Procurements up to $700,000 and below $1,400,000 approved by Internal Tender Board (unless otherwise stated)(Note)

	Year	Amount involved	Number of requests for quotations	Quotations received
Building management	2020/21	$1,063,180	12	6
	2022/23	$1,265,508	30	5
Cleaning service	2020/21	$941,208	19	9
	2022/23	$968,616	16	8
Group medical insurance	2019/20	$1,194,854	6	4
	2020/21	$1,183,101	6	6
	2021/22	$1,265,658	6	4
	2022/23	$1,201,712	7	6
	2023/24	$1,075,447	7	4
QMS maintenance (phase 2 and CR#6) %	2022/23	$729,650	7	1
	2023/24	$766,200	7	1
QR Application Maintenance %	2019/20	$878,000	7	1
	2020/21	$1,136,000	6	1
	2021/22	$1,195,900	7	1
	2022/23	$1,273,000	7	1

	2023/24	$1,217,500	7	1
QR Hardware and Software Upgrade (Phase 1) %	2022/23	$927,000	10	1
QR Hardware and Software Upgrade (Phase 2) %	2022/23	$852,368	10	1
Consultancy service - Task Force for Remuneration Structure Review*	2023/24	920,000	8	1
Cleaning service(Cancelled)@	2022/23		17	7
Consultancy service - Task Force for Remuneration Structure Review (Cancelled) @	2022/23		8	1

^ According to Cap. 1150, auditors are approved and appointed by the Council of HKCAAVQ.

* The Council set up various task forces for different initiatives. Among them, the Task Force for Governance and Management Review and the Task force for Remuneration Structure Review have engaged consultancy firms for their service. At the establishment of respective Task Forces (TF), the approved Terms of Reference had set out that TFs can select and conduct tender for respective consultancy services. The lists of potential

contractors were shortlisted by respective TFs and the selected contractors were awarded accordingly by the TFs.
@ Cancelled and re-tendered.
% QMS and QR are systems of proprietary nature, making it difficult for other contractors, other than the original application developers, to submit bids for tenders.

Note: 18 Internal tender Boards were held and 13 were chaired by the Deputy Executive Director and 5 by the Executive Director. 3 out of 5 were chaired by the Executive Director because there was no Deputy Executive Director at the time.

Nine information technology system-related tenders, four group medical insurance-related tenders, one property management-related tender, and one auditing service related tender (indicated in green) were awarded to the existing contractors.

(e) Based on the nature of the contract, the proposed basis for drawing up the list of contractors for restricted tendering is as follows:

Property management related

HKCAAVQ and ERB are the joint tenant of the building. Property Management Agents (PMAs) for providing property management service are appointed via a joint tendering exercise. Whether the procurement is conducted directly by HKCAAVQ or jointly with the ERB and/or the property management company, all procurement activities comply with the relevant guidelines issued by the authorities, including the internal Financial and Accounting Guidelines and Practices of HKCAAVQ. In preparing the list of tenderers for restricted tendering, HKCAAVQ has referred to the following information:

- Full Member list of Hong Kong Association of Property Management Companies Limited;
- Hong Kong Housing Authority Counterparty List;
- List of service contractors of Government Property Agency;
- List of Registered Property Management Company under Property Management Service Authority, including;

  - The number of property management practitioner (Tier 1) and property management practitioner (Tier 2) in the company;
  - The number of flats in the portfolio of properties of the company;
- Invited tenderers with returned tender for the previous tendering exercises; and
- Previous awarded service contractor

Group medical insurance
The insurance agency recommends to HKCAAVQ a list of insurance companies for quotation based on their management practice, financial stability and effective risk management.

Information technology system related
HKCAAVQ makes reference to the Digital Policy Office's list of IT Services Suppliers, as well as the contractor's track record, to select the contractors for quotation invitation.

Auditing service
The five leading CPA firms ranked in Hong Kong were invited to submit their quotations.

Remuneration Structure Review
HKCAAVQ makes reference to the Digital Policy Office's List of Consulting Firms Registered at General Management Consultancy Services Portal to select the contractors for quotation invitation.

Governance and Management Review
HKCAAVQ makes reference to the Top 50 Accountancy Firms with branches in Hong Kong to select the contractors for quotation invitation.

(f) All contracts valued above $700,000 and below $1,400,000 must be approved by Internal Tender Board. Regardless of the number of quotations received, the Internal Tender Board must meet to evaluate the proposal(s) received against the tender requirements, and approve the quotation as appropriate. No preference or

advantage is extended to any existing vendors during the evaluation. The deliberation in the meeting and its final decision are documented in detail in the meeting notes.

HKCAAVQ is now reviewing the tendering mechanism and operation, and will submit improvement and implementation measures within 6 months. HKCAAVQ has also promptly implemented the following measures to improve the procurement and tendering process for procurement of services.

(i) Take measures to ascertain the reasons why the responses from contractors were lukewarm;
(ii) Established practice to allow additional time for response in all tendering exercise if possible (by extending for at least 2 weeks for each exercise); and;
(iii) Avoid developing proprietary system for information technology systems in the future to positively enhance competition of tender exercises.

In addition, for Information Technology Systems related maintenance, HKCAAVQ is also exploring the possibility of introducing an Application Programming Interface (API) to the internal management systems and a QR application, aiming to develop a sub-system that addresses the diversity of work requirements. This will also reduce reliance on the system developer for making changes to the original systems and for ongoing maintenance.

15) According to paragraph 4.31 and 4.32 of the Audit Report, In the period from 1 January 2020 to 31 December 2024, 111 complaint cases were recorded in the complaint register. Among all complaint cases, 99 (96%) required between 1 and 685 working days to resolve, with an average resolution time of 55 working days. Please provide/advice:

(a) The mechanism adopted by HKCAAVQ for handling both named and anonymous complaints, and the rationale for adopting such mechanism;

(b) A tabulated breakdown of the number of cases and the average resolution time, categorised by the nature of the complaints. In particular, please specify the number of cases

and resolution time multiple institutions and issues related to programme quality;

(c) The number of cases that required more than 55 working days to resolve;

(d) Further to the above, the reasons for the prolonged handling time of those cases; and

(e) HKCAAVQ has indicated its intention to set a timeframe and to resolve complaint cases as promptly as practicable. Has such a timeframe been established? If so, please provide details. If not, when is it expected to be set?

Response

(a) HKCAAVQ has consistently handled complaints in accordance with established procedures. Specifically, upon receiving complaints, HKCAAVQ will immediately review the content of the complaint, conduct a preliminary investigation, and, if necessary, provide a reply promptly and ask him/her to provide personal particulars as well as detail content of the case to facilitate follow up. Internally, complaints handling is overseen by a designated Deputy Executive Director (DED). The handling officer will conduct an initial investigation and with the DED's approval, the case will be referred to respective units for further investigation. The unit concerned will provide a detail report to the DED after investigation. Reply will then be prepared and followed up by the handling officer.

HKCAAVQ will handle anonymous complaints in accordance with the same procedures. However, HKCAAVQ will also inform the anonymous complainants that lack of accurate personal information or insufficient information may impact the follow up.

(b) The number of cases and average handling time of completed case are listed below, including breakdowns related to quality of operators and quality of programmes.

Categories of Complaints	Total Number of cases	Average Handling Time of Completed Cases over All Cases per Category (Working days)
Accreditation service	5	42
Client service	3	12
Internal Procedure	0	N/A
Qualifications Assessment service	33	32
Quality of an operator	37	60
Quality of a programme	15	27
Others	18	84
Total	**111**	

(c) No. of cases completed more than 55 working days: 25 cases

(d) Reasons for cases requiring longer completion time:

(i) Some cases involve post-secondary education institutions / operators. Communication / investigation to obtain specific information about the relevant institution or programme may take longer time.

(ii) Some cases involve qualifications assessment for individuals. Clarification and verification from awarding institutions may take longer time to contact, explain the case, and carry out follow-up actions.

(iii) Some cases may involve other Government bureaux / departments and may take longer time.
(iv) Some complicated cases may involve more than one institution / department and therefore more time is involved in processing complaint details and communicating with relevant institutions / departments.

(e) HKCAAVQ has implemented the following mechanism in complaints handling:

(i) All complaint cases will be acknowledged within 5 working days upon receipt.
(ii) The staff conducting the preliminary investigation will report complex cases that are expected to take longer to process to the Deputy Executive Director responsible. The Deputy Executive Director will provide instructions to the relevant departments for more effective further investigation.
(iii) The Executive Director will regularly review complaint cases exceeding 8 weeks and issue appropriate instructions to the relevant Deputy Executive Directors and departments.
(iv) All cases with processing time exceeding 8 weeks will be reported to the Council on a regular basis for monitoring.
(v) For cases with processing time exceeding 8 weeks, the complainants will be updated on the status every 2 weeks.

Annex 1
附錄 1

Number of and Reason for Accreditation Reports Issued beyond the Specified Timeline by Accreditation Process
每項評審程序下沒有在指定時間內發出評審報告的評審數目及原因

Accreditation process 評審程序	Specified timeline (week) 指定時間（星期）	Number of accreditations with accreditation reports not issued within the specified timeline 沒有在指定時間內發出評審報告的評審數目*				
		Reason (a) 原因 (a)	Reason (b) 原因 (b)	Reason (c) 原因 (c)	Reason (d) 原因 (d)	Total 整體
IE, LPA and Re-LPA 初步評估，以及課程評審及課程覆審	16 (QF Levels 1-3) （資歷級別一至三級）	237	1	27	1	266
	20 (QF Levels 4-7) （資歷級別四至七級）	65	50	2	6	123
PAA 學科範圍評審	24	3	2	0	0	5
PIR 機構定期覆審	24	3	3	0	0	6
Overall 整體		308	56	29	7	400

* Reasons 原因:

(a) Complexity of the accreditation exercises, especially on new areas
評審工作的複雜性，尤其是新範圍的評審工作

(b) Additional time for factual accuracy checks as required by operators
應營辦者要求給予額外時間以查核資料是否準確無誤

(c) Change of site visit dates as required by operators
應營辦者要求更改實地視察的日期

(d) Delayed accreditation process due to manpower shortage
人手不足導致評審過程延遲

Number of Delayed Submission of Declaration Forms from Specialists and Duration of Delay
2019/20-2023/24 年度專家延遲提交的申報表數目及延遲日數

2019/20

Duration of delay (day)$ 延遲日數（天）$	Number of delayed submission of Declaration Forms from Specialists@# 專家延遲提交的申報表數目@#		
	Before commencement of exercise* 評審工作進行前*	During the exercise 評審工作進行期間	After completion of the exercise^ 評審工作完成後^
1	11	0	0
2	4	0	0
3	13	0	0
4	9	0	0
5	3	0	0
6	5	0	0
7	1	0	0
9	2	0	0
10	1	0	0
12	1	0	0

$ The duration of delay refers to the difference between the actual return date and return deadline as indicated on the Declaration Forms.
延遲日數是指利益申報表實際提交日期和提交期限之間的差距，並以申報表上的日期為準。

@ A total of 374 Specialists were engaged as panel members. The number of delayed submission of Declaration Forms represents 13% of the 374 panel membership appointments made.
共 374 名專家獲委任為評審小組成員。延遲提交的申報表數目佔整體評審小組成員委任數目的 13%。

Does not include the following: 不包括以下各項:

- 34 Declaration Forms received declaring no conflict of interest but with missing record of return deadline and/or actual return date; and
  34 份利益申報表申明沒有利益衝突，但沒有提交期限及/或實際提交日期紀錄；及
- 11 Declaration Forms not traceable. There is approval record of the engagement of these panel members, which includes confirmation of clearance of conflict of interest.
  11 份利益申報表遺失。相關專家獲委任為評審小組成員的批核紀錄中，已記錄專家申明參與相關評審工作不涉利益衝突。

* Before formal appointment as a Panel Member
評審局正式委任專家為評審小組成員前

^ After the issuance of the accreditation report
評審報告發出後

2020/21

Duration of delay (day)[$] 延遲日數（天）[$]	Number of delayed submission of Declaration Forms from Specialists[@#] 專家延遲提交的申報表數目[@#]		
	Before commencement of exercise* 評審工作進行前*	During the exercise 評審工作進行期間	After completion of the exercise^ 評審工作完成後^
1	7	0	0
2	5	0	0
3	13	0	0
4	4	0	0
5	1	0	0
6	7	0	0
7	3	0	0
8	1	0	0
10	4	0	0
11	3	0	0
14	1	0	0
15	1	0	0
43	0	1	0

$ The duration of delay refers to the difference between the actual return date and return deadline as indicated on the Declaration Forms.
延遲日數是指利益申報表實際提交日期和提交期限之間的差距，並以申報表上的日期為準。

@ A total of 447 Specialists were engaged as panel members. The number of delayed submission of Declaration Forms represents 11% of the 447 panel membership appointments made.
共 447 名專家獲委任為評審小組成員。延遲提交的申報表數目佔整體評審小組成員委任數目的 11%。

Does not include the following: 不包括以下各項:

- 74 Declaration Forms received declaring no conflict of interest but with missing record of return deadline and/or actual return date specified; and
  74 份利益申報表申明沒有利益衝突，但沒有列明提交期限及/或實際提交日期紀錄；及
- 15 Declaration Forms not traceable. There is approval record of the engagement of these panel members, which includes confirmation of clearance of conflict of interest.
  15 份利益申報表遺失。相關專家獲委任為評審小組成員的批核紀錄中，已記錄專家申明參與相關評審工作不涉利益衝突。

$ The duration of delay refers to the difference between the actual return date and return deadline as indicated on the Declaration Forms.
延遲日數是指利益申報表實際提交日期和提交期限之間的差距，並以申報表上的日期為準。

* Before formal appointment as a Panel Member
評審局正式委任專家為評審小組成員前

^ After the issuance of the accreditation report
評審報告發出後

2021/22

Duration of delay (day)[$] 延遲日數（天）[$]	Number of delayed submission of Declaration Forms from Specialists[@#] 專家延遲提交的申報表數目[@#]		
	Before commencement of exercise* 評審工作進行前*	During the exercise 評審工作進行期間	After completion of the exercise^ 評審工作完成後^
1	15	0	0
2	9	0	0
3	8	0	0
4	10	0	0
5	5	1	0
6	3	0	0
9	1	0	0
10	1	0	0
11	1	0	0
15	1	0	0
22	1	0	0
23	1	0	0
37	1	0	0

$ The duration of delay refers to the difference between the actual return date and return deadline as indicated on the Declaration Forms.
延遲日數是指利益申報表實際提交日期和提交期限之間的差距，並以申報表上的日期為準。

@ A total of 482 Specialists were engaged as panel members. The number of delayed submission of Declaration Forms represents 12% of the 482 panel membership appointments made.
共 482 名專家獲委任為評審小組成員。延遲提交的申報表數目佔整體評審小組成員委任數目的 12%。

Does not include the following: 不包括以下各項:

- 48 Declaration Forms received declaring no conflict of interest but with missing record of return deadline and/or actual return date specified; and
  48 份利益申報表申明沒有利益衝突，但沒有列明提交期限及/或實際提交日期紀錄；及
- 6 Declaration Forms not traceable. There is approval record of the engagement of these panel members, which includes confirmation of clearance of conflict of interest.
  6 份利益申報表遺失。相關專家獲委任為評審小組成員的批核紀錄中，已記錄專家申明參與相關評審工作不涉利益衝突。

* Before formal appointment as a Panel Member
評審局正式委任專家為評審小組成員前

^ After the issuance of the accreditation report
評審報告發出後

2022/23

Duration of delay (day)[$] 延遲日數（天）[$]	Number of delayed submission of Declaration Forms from Specialists[@#] 專家延遲提交的申報表數目[@#]		
	Before commencement of exercise* 評審工作進行前*	During the exercise 評審工作進行期間	After completion of the exercise^ 評審工作完成後^
1	11	0	0
2	11	0	0
3	7	0	0
4	2	0	0
5	1	0	0
6	5	0	0
7	4	0	0
8	1	0	0
9	1	0	0
13	2	0	0
27	1	0	0

$ The duration of delay refers to the difference between the actual return date and return deadline as indicated on the Declaration Forms.
延遲日數是指利益申報表實際提交日期和提交期限之間的差距，並以申報表上的日期為準。

@ A total of 521 Specialists were engaged as panel members. The number of delayed submission of Declaration Forms represents 9% of the 521 panel membership appointments made.
共 521 名專家獲委任為評審小組成員。延遲提交的申報表數目佔整體評審小組成員委任數目的 9%。

Does not include the following: 不包括以下各項:

- 78 Declaration Forms received declaring no conflict of interest but with missing record of return deadline and/or actual return date specified; and
  78 份利益申報表申明沒有利益衝突，但沒有列明提交期限及/或實際提交日期紀錄；及
- Two Declaration Forms not traceable. There is approval record of the engagement of these panel members, which includes confirmation of clearance of conflict of interest.
  兩份利益申報表遺失。相關專家獲委任為評審小組成員的批核紀錄中，已記錄專家申明參與相關評審工作不涉利益衝突。

* Before formal appointment as a Panel Member
評審局正式委任專家為評審小組成員前

^ After the issuance of the accreditation report
評審報告發出後

2023/24

Duration of delay (day)[$] 延遲日數（天）[$]	Number of delayed submission of Declaration Forms from Specialists[@#] 專家延遲提交的申報表數目[@#]		
	Before commencement of exercise* 評審工作進行前*	During the exercise 評審工作進行期間	After completion of the exercise^ 評審工作完成後^
1	17	0	0
2	13	0	0
3	7	0	0
4	6	0	0
5	4	0	0
6	1	0	0
7	5	0	0
8	4	0	0
9	1	0	0
10	2	0	0
11	2	0	0
12	1	0	0
13	1	0	0
14	2	0	0
16	2	0	0
19	1	0	0
21	1	0	0
26	1	0	0
73	0	1	0

$ The duration of delay refers to the difference between the actual return date and return deadline as indicated on the Declaration Forms.
延遲日數是指利益申報表實際提交日期和提交期限之間的差距，並以申報表上的日期為準。

@ A total of 502 Specialists were engaged as panel members. The number of delayed submission of Declaration Forms represents 14% of the 502 panel membership appointments made.
共 502 名專家獲委任為評審小組成員。延遲提交的申報表數目佔整體評審小組成員委任數目的 14%。

Does not include 23 Declaration Forms received declaring no conflict of interest but with missing record of return deadline and/or actual return date specified
不包括 23 份申明沒有利益衝突的利益申報表，但該些申報表沒有列明提交期限及/或實際提交日期紀錄：

* Before formal appointment as a Panel Member
評審局正式委任專家為評審小組成員前

^ After the issuance of the accreditation report
評審報告發出後

Annex 5 附錄 5

Estimated Budget and Actual Cost for the Management and Professional training from 2019 - 2020 to 2023 - 2024

	Estimated Budget	Actual Cost	Percentage of actual cost compared to estimated budget
2019 - 2020	$128,000.00	$0.00	0%
2020 - 2021	$124,000.00	$0.00	0%
2021 - 2022	$122,000.00	$0.00	0%
2022 - 2023	$622,000.00	$145,011.00	23.3%
2023 - 2024	$822,000.00	$143,200.00	17.4%

Remarks: Due to the COVID-19 pandemic, the management and professional training programs were not successfully arranged from the 2019–2020 to 2021–2022 periods.

土木工程拓展署
Civil Engineering and Development Department

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E-mail 電子郵件 : sslo-enquiry@cedd.gov.hk
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Facsimile 傳真 : 2369 4980
Our ref 本署檔號 : CEDD/SSL2/30/4150/170ACA R
Your ref 來函檔號 : CB3/PAC/R84

南拓展及可持續大嶼辦事處
South Development and Sustainable Lantau Office

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9 June 2025

Clerk to Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attention : Ms Shirley CHAN)

Dear Ms Chan,

Public Accounts Committee
Consideration of Chapter 3 of the Director of Audit's Report No. 84
Lantau ConservationFund

Your letter dated 23 May 2025 to the Director of Civil Engineering and Development requesting information on the captioned report refers. Plesae find enclosed our response for consideration by the Public Accounts Committee.

Yours sincerely,

(Raymond WM IP)
for Director of Civil Engineering and Development

with enclosure
c.c. : SDEV (email: sdev@devb.gov.hk)
SFTB (email: sfst@fstb.gov.hk)
Director of Audit (email: ncylam@aud.gov.hk)

Chapter 3 of the Director of Audit's Report No. 84
"Lantau Conservation Fund"
Civil Engineering and Development Department's Reply to Enquiries from the Public Accounts Committee of the Legislative Council

Part 2: Conservation and Related Projects

1) Regarding the assessment work, according to paragraph 2.13(b) of the Director of Audit's Report No. 84 ("Audit Report"), there have been cases where applications, whether for Research ("RE") projects or Education and Engagement ("EE") projects, received higher scores yet rejected. Please inform this Committee:

(a) In addition to scores, what other specific factors influence the approval of each application?
(b) Were the above-mentioned rejected applications with higher scores discussed in detail at the meetings of the subcommittee? If so, what were the opinions of the members, and why were they not recorded in the Gist of Discussion?
(c) Is there a mechanism for applicants, especially those with higher scores, to understand the reasons or justifications behind the rejection of their applications? If yes, what are the details? If not, what are the reasons?
(d) As of now, what measures has the CEDD adopted to ensure that the minutes of relevant subcommittee meetings are properly maintained?

CEDD's Reply:

1) (a), (b) and (d):

The Lantau Conservation Fund Advisory Committee ("LCFAC"), including two subcommittees[1], has consistently based on the criteria of "overall benefits to achieve conservation purpose", "quality of proposal", "applicant organisation/project team's capability" and "quality of budget" to evaluate each project application.

As for the evaluation process, in order to handle the anticipated large amount of applications for RE and EE projects more efficiently, the LCFAC resolved at its

[1] Two subcommittees have been established under the LCFAC, to assist the LCFAC in assessing the RE and EE applications of LCF. The two subcommittees are formed by the non-official members of the LCF with the same period of membership term as the LCFAC. The 3rd LCFAC is comprised 21 non-official members, thus the two subcommittees are of 10 and 11 members respectively.

meeting on 10 November 2020, that each application would first receive a preliminary assessment by two to three members of the subcommittees. During meetings, the subcommittees would base on the criteria mentioned above and consider the preliminary scores given by relevant members, as well as the opinions of other members and relevant government bureaux/departments[2], make a final recommendation for each application, and submit to the LCFAC for endorsement.

The Department has been preparing gist of discussions after subcommittee meetings, documenting the opinions and decisions of the subcommittees regarding each application. In response to the recommendations of the Audit Report, the Department has updated its guidelines. The gist of discussions will ensure proper documentation of the subcommittee's recommendations with due regard to the two members' preliminary assessment.

1) (c):

The Department has an established mechanism to inform applicants of the reasons for their application rejection. In addition to including the reasons for rejection based on the assessment criteria in the notification letters, in case the applicants make further enquiries, the Department will assist to explain to the applicants by making reference to the gist of discussions of the meetings of the LCFAC.

2) According to paragraph 2.39 of the Audit Report, between December 2020 and October 2024, there were 7 requests for major variations in the RE projects from the grantees, and all were approved by the Sustainable Lantau Office ("SLO"), but there was no documentation showing that the SLO had reported the aforementioned 7 requests for major variations to the Lantau Conservation Fund Advisory Committee ("LCFAC"). This raises doubt that the approval may have bypassed the LCFAC. Please inform this Committee:

(a) Before granting approval, did the SLO report and consult the LCFAC? If so, what were the details?

(b) Did the SLO receive formal authorisation from the LCFAC to exercise approval authority on its behalf? If so, in what form was the authorisation given (verbal or written)? Was the authorisation granted as one-time

[2] When discussing applications for "RE" projects, the subcommittees will consider whether the Agriculture, Fisheries and Conservation Department, has already completed or is currently conducting identical or similar studies. This consideration helps evaluate the application's "overall benefits to achieve conservation purpose".

approval or a permanent delegation? If no authorisation was obtained, has it been assessed whether the SLO's independent approvals constituted an overreach of authority?

(c) Following up on the previous question, why did the SLO fail to properly retain authorisation records when approving major variations requested by the grantees? What new measures will the SLO adopt to prevent similar incidents from happening again?

CEDD's Reply:

2) (a) to (c):

The "7 requests for major variations" mentioned above refer to the change of project leaders for 7 projects.

According to the then guidelines of the Department, major variations could be approved by the delegated authority[3], and thus it was not necessary to seek the LCFAC's opinion before approval.

When handling these requests, the Department conducted thorough review of the proposed variations to ensure that the newly proposed project leaders had the comparable qualifications and experience to carry out the funded projects. The approval for the change of the respective project leaders were then granted by the Chief Town Planner of CEDD who had been given verbal delegation.

The Department has properly documented the relevant record of delegation in December 2024.

3) Regarding the handling of unspent grants, paragraph 2.53 of the Audit Report mentions that as of 31 October 2024, there were 3 completed projects with unspent grants. Please inform this Committee:

[3] According to the guidelines at that time, major variations could be approved by either the delegated authority or the LCFAC. Examples of major variations include the following:
(a) re-allocation of fund across approved items with over +/- 30% difference as compared to the approved cap;
(b) reduction of committed scope of works for say 25% or more due to various constrains, e.g. reduction of area of conservation, reduction in numbers of activities, etc.;
(c) significant change of project details, e.g. change of mode of implementation of key activities;
(d) change of project leader.

(a) The aforementioned unspent grants amount to approximately $570,000. Upon the acceptance the final audited accounts of the completed projects, why were the unspent grants yet to be returned after an extended period?

(b) Why hasn't the Government set a time pledge for the return of unspent grants?

(c) What mechanisms does the SLO adopt to handle situations where grantees fail to return the unspent grants for an extended period, or in cases where the relevant organisations cease operations, resulting "bad debt"?

CEDD's Reply:

3) (a) and (b):

The 3 completed projects were the first to involve the purchase of project assets (e.g. computers and cameras), the Department took some time to formulate relevant guidelines for asset return process. The Department finalised the guidelines for asset return process in December 2024, and the assets of the 3 completed projects had been returned subsequently. The Department also issued demand notes in the same month and the grantees returned the unspent grants within the 30-day deadline as stipulated in the demand notes.

The Department has updated its guidelines, setting deadlines for the return of unspent grants.

3) (c):

If a grantee fails to return unspent grants within the deadline, the Department will contact and issue a written reminder to the grantee. In case where the grantee continues to withhold the unspent grants for an extended period, the Department will pursue legal action to recover the outstanding amount.

Part 4: Governance and Other Issues

4) Paragraph 4.4 of the Audit Report mentions that some non-official members of the LCFAC had extremely low attendance (2 non-official members did not attend any of the 4 LCFAC meetings in Term 2, i.e. attendance rate of 0%) but were still re-appointed. What measure does the Government adopt to improve the attendance rate of LCFAC members? Regarding the situation where members with "zero attendance rate" were still re-appointed, has the Government assessed whether this action would affect public perception of

official advisory committees?

CEDD's Reply:

4): As mentioned in paragraph 4.5 of the Audit Report, the reasons for the two non-official members not being able to attend the meetings were due to temporary personal and health issues. In fact, the two members had actively participated in assessment and provided comments on the applications before the meetings. Members' expertise, experience, reputation and knowledge of Lantau were holistically considered before a decision was made on their re-appointments in the past. In the future, attendance rate will also be considered so as to further demonstrate the LCFAC's credibility.

The Department agrees with the recommendations in the Audit Report and will enhance measures to improve the attendance rate of non-official members of the LCFAC, as well as properly document the rationale for recommending the re-appointment of non-official members. These measures include setting meeting dates as early as possible to allow members sufficient time to plan their attendance.

5) Paragraph 4.14 of the Audit Report mentions that from 2021-22 to 2023-24, a total of $3.4 million had been incurred by the SLO in promoting the LCF. Please inform this Committee:

(a) Through what channels, approaches and formats did the SLO publicise and promote the LCF? How much public money was involved in each promotion initiative?

(b) What were the objectives, target groups, and estimated reach (number of people engaged) of each publicity and promotion programme implemented by the SLO?

(c) Why didn't the SLO conduct any evaluation to assess their effectiveness and cost efficiency of the publicity programmes?

(d) Will the SLO conduct research before launching new publicity programmes in the future, to understand the main channels which the public receives advertising information, thus formulate appropriate publicity strategies and improve publicity effectiveness?

CEDD's Reply:

5) (a) to (d):

The purpose of the promotional activities mentioned above is to introduce the LCF to relevant organisations, such as tertiary institutions, community groups, green groups, and encourage them to apply for the LCF; to build up the image and branding of the LCF to the general public and to increase the public awareness of Lantau conservation. The promotional activities primarily take the form of briefing sessions, roving exhibitions, and the dissemination of LCF-related information through newspapers, magazines, and social media platforms.

During the period from October 2020 to October 2024:

- The Department organised 4 briefing sessions for tertiary institutions, community groups, green groups and other relevant organisations, with a total of 413 participants. The related expenditure amounted to approximately $100,000.
- The Department also organised 8 roving exhibitions, attracting more than 31 000 members of the public. The related expenditure amounted to approximately $2.2 million.
- The Department has uploaded more than 50 promotional LCF-related videos[4] onto its social media platforms. As of 31 October 2024, these videos have been viewed by over 200 000 people. During this period, more than ten newspapers or magazines published 20 reports covering promotional activities related to the LCF. The total expenditure for these promotional productions amounted to approximately $700,000.

Additionally, in October 2023, the Department commissioned an external service provider to review the effectiveness and cost-efficiency of promotional activities over the past 3 years and to formulate a comprehensive public relations strategy for the LCF. The related expenditure amounted to approximately $400,000. In September 2024, the Department accepted the recommended public relations strategy and related measures proposed by the service provider. A timeline will be established to implement the proposed public relations strategy and measures for the LCF (such as optimising the website of the LCF to provide practical information for applicants).

[4] Of the 50 promotional videos, 3 were produced by the Department, while the remaining 47 were produced by grantees.

The Department agrees with the recommendations in the Audit Report and will conduct participant satisfaction surveys after each promotional activity to assess its effectiveness.

~END~

Legislative Council
Public Accounts Committee
Public Hearing
(16 May 2025)

Management of Mandatory Window Inspection Scheme by the Buildings Department

Opening Remarks by the Secretary for Development

Chairman,

- First of all, I would like to thank the Director of Audit for compiling the audit report on the management of the Mandatory Window Inspection Scheme (MWIS) by the Buildings Department (BD). The Development Bureau (DEVB) and the BD agree with all the recommendations made therein. In a while, the Director of Buildings will brief Members on how such recommendations will be followed up. Now, I would begin with providing an overview of the system and policies involved.

- The MWIS is implemented under the principle of "prevention is better than cure". The MWIS requires private buildings exceeding three storeys in height and aged 10 years or above to carry out window inspection and related repair works upon receipt of an MWIS notice. However, this does not mean that all the windows of buildings reaching 10 years of age are at risk, and the policy design as well as the legislation do not require the Director of Buildings to issue MWIS notices to all buildings

reaching 10 years of age. According to the policy design, the BD selects target buildings from the ones mentioned above on a risk-based approach for issuance of MWIS notices. In order to identify high-risk buildings more precisely, we briefed the Legislative Council Panel on Development in February last year on our proposal to refine the building score system (BSS), which was subsequently implemented in the selection of target buildings last year. The aspects of improvement include the inclusion of more high-risk buildings such as "three-nil" buildings, and making reference to more data, including the Urban Renewal Authority's database on building condition. As making refinement to the selection mechanism is an ongoing process, we will further enhance the BSS in light of the statistical analyses on the fallen window incidents in recent years.

- We acknowledge the room for improvement regarding the follow-up actions on non-compliance with MWIS notices. Given the limited resources and other pressing enforcement tasks, such as those on large-scale unauthorised building works and slope safety, we will consider streamlining the workflows and leveraging technology to speed up the issuance of fixed penalty notices and expedite prosecution actions.

- Meanwhile, we will enhance the deterrent effect through legislative efforts. In this regard, the DEVB announced the proposals to amend the Buildings Ordinance at the end of last

year, with a view to speeding up building inspections and repairs. The proposed amendments include raising the fixed penalty level for non-compliance with MWIS notices and increasing the maximum fine upon prosecution; introducing a new offence for non-compliance with MWIS notices resulting in fallen windows that cause injury, death or damage to property; and increasing the penalties against uncooperative owners who obstruct inspections and repairs of common areas by owners' corporations (OCs). We are now consolidating public views and plan to introduce the amendment bill to the Legislative Council in the first half of next year.

- Finally, I would like to reiterate that it is the owners' primary responsibility to maintain and repair their properties. While prosecution is a means, it would be better if members of the public could comply with the law of their own accord. For the owners in need, we will render technical support as appropriate. At present, the compliance rate for individual owners in respect of windows is as high as 96%, whereas the compliance rate in respect of common parts stands at 73%. The difference, more often than not, is due to the absence of an OC or a management company to coordinate the window inspection works, or the failure on the part of owners to reach a consensus on the engagement of professionals or sharing of costs. In this connection, the DEVB took the lead around two years ago to form a collaboration platform with the BD, the Home Affairs

Department and other departments to, among others, organise district briefings to address public queries regarding compliance with MWIS notices, provide technical support and render assistance in the formation of OCs. We will continue our efforts in this regard.

- Now, I would like to invite the Director of Buildings to provide a briefing for Members.

Legislative Council
Public Accounts Committee
Public Hearing
on
Management of Mandatory Window Inspection Scheme
by the Buildings Department

(16 May 2025)

Opening Remarks by the Director of Buildings

Chairman,

- First of all, I would like to thank the Audit Commission for conducting a comprehensive audit on the management of the Mandatory Window Inspection Scheme (MWIS) by the Buildings Department (BD), and providing valuable advice on three aspects covering the selection of target buildings, the follow-up actions on statutory notices and the monitoring of qualified persons (QPs).

- The BD has accepted the recommendations made in the Audit Report. We have started implementing and are preparing to implement a series of improvement measures to take forward the work of the MWIS, including:
  - officially incorporating the improved factors and practices for selecting target buildings formulated from past experience into the BD's guidelines, and will report

the arrangements at the next meeting of the Selection Panel (SP);

- the BD has been proactively improving its Building Condition Information System (BCIS) to facilitate enforcement. We are developing an electronic Case Management and Reporting Platform, which could automatically generate reminder letters and warning letters upon expiry of statutory notices in place of the existing arrangement of issuing the letters manually, thereby enhancing enforcement efficiency;
- on strengthening the management and monitoring of consultants, we have already updated the guidelines. For consultants with sub-standard performance, we will issue reminder letters and warning letters, arrange interviews with their top management, and issue adverse performance reports to ensure that consultants complete their work in accordance with the requirements of the contracts;
- regarding the follow-up action on statutory notices, we are upgrading the computer system to remind BD staff to issue warning letters and fixed penalty notices to owners in accordance with the time frame set out in various workflows. In case there is no positive response from owners upon completion of prosecution, a time frame will be set for instigating further prosecution;
- to facilitate the investigation of fallen window incidents,

we have formulated standard procedures, including requiring BD staff to, at the scene of incidents, make inquiries with or seek assistance from owners' corporations, management offices concerned or on-site police officers to locate the premises in which the incidents have taken place. Moreover, we have also devised a standard template for incident reports to facilitate the uploading of investigation findings to the BD's BCIS for the purpose of maintaining full records;

- to address the failure of QPs in making timely submissions of statutory documents, we have issued a circular letter to remind them to comply with the statutory submission time limits. If there is no improvement after warnings, the BD will consider taking disciplinary actions. The circular letter also promotes the use of e-Forms for MWIS submissions. While the BD is able to meet the target numbers of documents and site audits conducted for checking of MWIS submissions from QPs, sometimes audit checks take a longer time to complete due to the lack of co-operation from owners. In addition to stepping up publicity and education, we have revised the invitation letters issued to owners to encourage them to co-operate with the BD on-site audits; and
- in 2017, 2019 and 2024, the numbers of fallen window cases were 90, 78 and 43 respectively. Despite the downward trend, we agree that analysing the related data

will facilitate the selection of target buildings for MWIS in future. The analysis is currently in active progress and is expected to be completed in June so that the findings can be reported to the SP in the third quarter.

- For the recommendations made in the Audit Report, it is expected that the relevant improvement measures will be fully implemented by end of this year.

屋宇署
BUILDINGS DEPARTMENT

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27 June 2025

Ms Shirely CHAN
Clerk to Public Accounts Committee
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms CHAN,

Public Accounts Committee
Consideration of Chapter 4 of the Director of Audit's Report No. 84
Management of Mandatory Window Inspection Scheme
by the Buildings Department

Thank you for your letter dated 26 May 2025 to the Development Bureau concerning the captioned Audit Report. The Buildings Department is authorised to provide the requested information in the **Appendix**.

2. If you require any further information, please contact our Chief Structural Engineer/Mandatory Building Inspection 1, Mr NG Siu Leung, Daniel, at 3842 3038.

Yours faithfully,

(CHEUNG Yuk-ching, Karen)
Assistant Director/ Mandatory Building Inspection
for Director of Buildings

Encl.
c.c. Secretary for Development (e-mail: sdev@devb.gov.hk)
Secretary for Financial Services & the Treasury (e-mail: sfst@fstb.gov.hk)
Director of Audit (e-mail: ncylam@aud.gov.hk)

Appendix 1

Public Accounts Committee
Consideration of Chapter 4 of the Director of Audit's Report No. 84
Management of Mandatory Window Inspection Scheme by the Buildings Department

In response to the matters raised by the Committee at the public hearing, the Buildings Department (BD) hereby provides the following information:

Part 1: Introduction

(a) Expenditure

(i) The two Mandatory Building Inspection (MBI) Sections primarily allocate the work under the Mandatory Building Inspection Scheme (MBIS) and the Mandatory Window Inspection Scheme (MWIS) on a regional basis.

(ii) As mentioned in paragraph 1.9 of the Audit Report, the recurrent expenditure of the two MBI Sections for 2023-24 was about $231 million, including about $217 million for staff cost and departmental expenses, and about $14.1 million for consultancy assignments. The estimated recurrent expenditure for 2024-25 was about $252 million, including about $229 million for staff cost and departmental expenses, and about $23 million for consultancy assignments. The above expenditures covered the work under both MBIS and MWIS.

Part 2：Selection of target buildings for issuance of statutory notices

(b) Selection Panel

The Selection Panel comprises representatives from BD, professional institutions, relevant non-governmental organisations,

property management professionals and the District Councils. Upon appointment, each non-official member is required to declare in writing any matters constituting actual, potential or perceived conflicts of interest with the Selection Panel's terms of reference. In addition, members are required to make declarations as to whether there is any possible conflict of interest in respect of the meeting agenda, items for discussion, and nomination lists of target buildings, etc. prior to each meeting. Any declaration is subject to the deliberation and decision of the Selection Panel, and where necessary, the members concerned may be required to withdraw from the meeting.

(c) Building Score System for Building Selection

BD adopts a risk-based approach in selecting target buildings based on five criteria (i.e. Selection Mechanism A). On 27 February 2024, the Development Bureau reported to the Panel on Development of the Legislative Council that the Building Score System (BSS) of both MBIS and MWIS would be refined for identifying high-risk buildings in a more precise manner for the issuance of MBIS and MWIS notices by, among other things, putting greater emphasis on the exterior elements of buildings, focusing more on "three-nil" buildings, and capturing more data on building conditions. The revised BSS was put into effect in the second quarter of 2024, under which scores are accorded to buildings based on four criteria (namely building age, building condition, building management and critical building elements). The scoring criteria are as follows:

Scoring Criteria	**Score**
A. <u>Building age</u>	*(10 maximum)*
(i) 30 – 39	0
(ii) 40 – 49	5
(iii) 50 and above	10
B. <u>Building condition</u>	*(70 maximum)*
(i) General/slight building defects (no. of reports = 1 to 5)	5

(ii)	Dilapidated condition (no. of reports > 5)	10
(iii)	Either B(i) or B(ii) involving exterior elements	10
(iv)	Emergency reports	5
(v)	B(iv) involving exterior elements	5
(vi)	Outstanding orders for common parts of building served under sections 26/26A/28[#] of the Buildings Ordinance (BO)	25
(vii)	"Poor" rating under the Urban Renewal Authority (URA)'s Condition Survey	15
C. <u>Building management</u>		*(10 maximum)*
(i)	"Three-nil" building	10
D. <u>Critical building elements</u>		*(10 maximum)*
(i)	Building with cantilevered slab balcony	5
(ii)	Building with cantilevered slab canopy	5
	Highest total score	100

Each year, BD will score and rank the private buildings eligible for MBIS/MWIS according to the above BSS. In general, buildings with the highest scores will be nominated as target buildings under MBIS/MWIS. Given that some of the buildings with high scores are located within the same housing estate, or form an integral part of a development, the Selection Panel endorsed "building cluster" as the fifth criterion for selecting target buildings in 2017.

A building cluster generally refers to buildings that are located within the same lot or housing estate, or subject to the same Deed of Mutual Covenant of the selected target building. As the selected building and other buildings in the building cluster were mostly developed during the same period, their building design and construction as well as future management arrangement are similar. From the perspective of building safety and risk

Note[(#)] Sections 26, 26A and 28 concern dangerous buildings, defective buildings and defective drainage respectively.

consideration, buildings in a building cluster generally have the same potential risks, and owners are generally required to share the maintenance and repair responsibilities and costs of the common parts of the buildings/housing estates, such as external walls and windows thereof. As such, when BD finds that a building with a relatively higher score is part of a housing estate or forms an integral part of a development, all buildings in the building cluster will be nominated.

Concurrent building/window inspection and maintenance for buildings in the same building cluster is conducive to the arrangement for inspection and maintenance works, as well as engagement of consultants and contractors by the relevant owners' corporations and management companies. Not only can this reduce building safety hazards and potential risks, but also avoid duplication of works for the common parts in the same housing estate at different times, thereby shortening the overall maintenance period and minimising the nuisance caused to occupants. This approach takes risk considerations into account while facilitating owners' arrangement for inspection and repair.

(d) Selection Mechanism B

Selection Mechanism B covers private buildings aged 10 years or above (except domestic buildings not exceeding three storeys). The selection criteria include all buildings with records of fallen window incidents in the previous year; buildings with windows in a generally defective or dilapidated state; and buildings in the same building cluster.

As Selection Mechanism B mainly targets at buildings with previous records of fallen window incidents or windows in a generally defective or dilapidated state, BD considers it more prudent to directly include them as target buildings under MWIS instead of adopting a scoring system.

Under Selection Mechanism B, breakdown of buildings in building clusters by building age group, in the past five years are

tabulated below–

Selection year	Total number of buildings selected as target buildings of MWIS under Selection Mechanism B (a)=(b)+(c)+(d)	Number of target buildings with fallen window incidents not involving building clusters (b)	Number of target buildings with fallen window incidents involving building clusters (c)	Number of target buildings in the same building clusters as those in (c) (d)			Proportion of buildings selected in building clusters among a total of some 600 target buildings (%) =(d)/600
				Building age (year)			
				10-19	20-29	30 or above	
2020	88	32	21	11	7	17	6%
2021	97	58	17	6	4	12	4%
2022	77	41	21	2	3	10	3%
2023	58	37	10	0	0	11	2%
2024	89	61	17	0	7	4	2%
Total	409	229	86	19	21	54	3% on average

The number of buildings selected in building clusters under Selection Mechanism B only accounts for an average of 3% of the total number of target buildings, which is a rather low percentage. It addresses the potential public safety risks of multiple buildings in the same cluster without utilising excessive resources for window inspection. As past data show that there have been fallen window incidents involving more than one building in the same building cluster, we consider it justifiable to retain the criterion of building cluster.

(e) Buildings under voluntary inspection may still be included in the Selection Mechanism

Buildings accredited under the Voluntary Building Assessment Scheme (VBAS) implemented by the Hong Kong Housing Society (HKHS) are recognised by BD as having fulfilled the requirements under MWIS (in respect of windows in common parts only[1]) within the respective inspection cycles. In addition, if building owners (including common parts or individual flats) voluntarily

Note(1) VBAS only covers windows in common parts (excluding windows in individual flats).

carry out window inspections/repairs in accordance with the requirements of the BO without receiving MWIS notices, their properties can also be recognised by BD as having fulfilled the requirements under MWIS within the respective inspection cycles.

In the event of a fallen window incident in a building, even if the common parts of the building have participated in VBAS, or the individual flats/common parts of the building have completed voluntary window inspections, if some of its windows have not yet completed voluntary window inspections, the building will still have to be included in Selection Mechanism B.

In the past five years, with the implementation of VBAS by HKHS, no such buildings were selected as target buildings of MWIS under Selection Mechanism B as a result of fallen window incidents. BD does not keep statistics on buildings with voluntary window inspections completed for some of its individual flats/common parts that were selected as target buildings of MWIS under Selection Mechanism B.

(f) Considerations for Selection Mechanism B

(i) In 2023 and 2024, 11 and 20 buildings with records of fallen window incidents in the previous year were not selected as target buildings under Selection Mechanism B respectively. The consideration at that time was that although statutory notices under MWIS had been served on those buildings in the past, there were still outstanding statutory notices at the time of the fallen window incidents. If MWIS notices were issued to all owners again, those who had already complied with the notices might consider it unfair. However, upon review, we consider that the selection of target buildings should focus on minimising safety risks, and agree that in future, if a building has been involved in fallen window incidents in the previous year and previous MWIS notices have been served for more than five years[2], the building

Note(2) Under the BO, a fresh notice in respect of the same window must not be served under MWIS before the expiry of five years after the date of the preceding notice.

should be included as a target building as soon as possible for issuance of MWIS notices again, regardless of whether the notices issued earlier have been fully complied with, especially in the case of recurrent fallen window incidents in the same building.

Meanwhile, BD will proactively follow up on the outstanding statutory notices of the buildings concerned, including issuing warning letters and fixed penalty notices, as well as instigating prosecution actions. Regarding individual fallen window incidents, BD will take follow-up actions in accordance with other requirements under the BO, such as issuing repair orders to flat owners and carrying out emergency works to remove the hazards when necessary to safeguard building safety.

(ii) As mentioned in item (f)(i) above, BD will update the relevant guidelines on Selection Mechanism B, provide such information in the documents and materials prepared for the Selection Panel, as well as seeking the agreement of the Selection Panel at the meeting to be held in the third quarter of this year.

(g) Selection Mechanism A

(i) As the objective of MWIS/MBIS is to uphold the concept of "prevention is better than cure", priority was given to buildings that had never been inspected/repaired under the scope of MWIS/MBIS. This would extend the schemes and their concept to cover more buildings, enhance the effectiveness of publicity and education, and uphold the risk-based approach by focusing resources on buildings that had never been selected for issuance of MWIS notices, instead of selecting the same buildings as target buildings repeatedly.

For the 372 buildings excluded from the selection under **Selection Mechanism A**, they had been selected as target

buildings previously and served with statutory notices under MBIS and MWIS. The 372 buildings were subsequently accorded higher scores under the BSS primarily because BD had issued statutory orders under sections 26, 26A or 28 of the BO in respect of the common parts of the buildings to follow up on the defects thereof. Therefore, the higher scores accorded to the 372 buildings were not directly related to the conditions of windows in individual flats. Under the principle of optimising the use of resources, such buildings were not re-selected so that other buildings that had never carried out prescribed inspections and repairs under MBIS and MWIS could be selected. It is noteworthy that, as at December 2024, 14 676 buildings aged 10 years or above which were eligible for MWIS had not yet been selected as target buildings. Of these, 9 246 buildings were aged 30 years or above. It is believed that some of these buildings warrant the issuance of notices by BD to urge the owners to carry out window inspections for safety's sake. Allocation of resources and selection of target buildings should be made carefully in accordance with the "risk-based" principle.

If dilapidations or defects were identified in the buildings not being re-selected due to prior issuance of MWIS notices, the Existing Buildings Division of BD will also proactively initiate other law enforcement actions, or emergency or default works to uphold building and public safety.

(ii) BD agrees that not incorporating the additional factor of giving priority to buildings that had never been inspected/repaired under the scope of MWIS/MBIS in BD guidelines was unsatisfactory, and has therefore updated the relevant guidelines and will continue to implement improvement measures. BD will provide such information in the documents and materials prepared for the Selection Panel, and seek their agreement at the meeting to be held in the third quarter of this year.

(h) Fallen window incidents

(i) and (iv)

In addition to Selection Mechanism A, BD has introduced Selection Mechanism B since December 2016 to identify buildings with a higher risk of falling windows as target buildings for issuance of statutory notices under MWIS. In light of the experience gained, the Selection Panel agreed to revise the selection criterion under Selection Mechanism B in 2019 from three or more fallen window incidents occurred within six months prior to the date of selection, to any fallen window incidents occurred within a year prior to the date of selection. Of the 250 buildings involved in the 295 fallen window incidents that had not been selected by the selection mechanism when the incidents occurred, 204 buildings have been selected as target buildings after the revision of the selection mechanism, while another 14 buildings will be included as target buildings this year[3]. It can thus be seen that the revised criterion is more effective in including more buildings with a higher risk of falling windows.

BD is currently conducting analysis on the statistics of 295 cases of fallen window incidents with a view to improving the selection mechanism. Preliminary analysis shows that the buildings involved in approximately 80% of such incidents were aged 30 years or above. The Eastern District, Yau Tsim Mong District and Kowloon City District, where old buildings were more prevalent, recorded with a higher number of fallen window incidents, each accounting for about 10% to 20% of the incidents, with only a few "three-nil" buildings involved. Statistics on other parameters, such as the number of storeys and materials of windows, are still being analysed. Depending on the results of the analysis, BD will consider further enhancing the selection mechanism with an aim to complete the work in the next two

Note(3) As for the remaining 32 buildings, 30 were not eligible for selection as target buildings under the revised mechanism, one had complied with the repair order after its issuance, and one had been demolished.

months.

In addition, BD will step up the use of information technology, including leveraging big data to improve the efficiency of daily operations. BD will launch a geographical 2D heatmap in 2025, which will display in the form of a map the building age, building type, enforcement work carried out or in progress, as well as records of fallen window incidents of all buildings across the territory through data visualisation. By incorporating the criteria of the building selection mechanisms into the relevant system, it will facilitate the quick retrieval of useful information from the vast amount of data and assist BD in analysing the trends and anomalies in the large datasets of building conditions and building scores in a more systematic manner, thereby enhancing the efficiency in the selection of target buildings under MBIS and MWIS.

(ii) The 29 buildings involving two or more fallen window incidents mentioned in paragraph 2.14 of the Audit Report had not been selected when the incidents occurred because they had not fulfilled the then prevailing selection criterion of target buildings (i.e. three or more fallen window incidents occurred within six months). However, upon revision of the relevant criterion in 2019, 27 out of the 29 buildings have been selected as target buildings and issued with MWIS notices. One building will be shortlisted for the Selection Panel's consideration. For the remaining building, a repair order was issued by BD on 28 June 2018 requiring the owner to repair the defective windows and has been complied with.

Breakdown of the 29 buildings by building age group are tabulated below–

Number of fallen window incidents	Number of buildings involved	Building age	
		20-29	30 or above
2	18	2	16
3	8	1	7
4	2	1	1
6	1	0	1
Total	29	4	25

(iii) Breakdown of the buildings involved in six fallen window incidents resulting in casualties by building age, whether the building involved had been selected as a target building for issuance of statutory notices when the incident occurred, the Selection Mechanism followed, the compliance status of statutory notices when the incident occurred, as well as the legal proceedings involving the Qualified Person (QP)[4], are tabulated below–

District of building	Current building age	The building concerned had been selected when the incident occurred	Selection Mechanism	The flat involved had carried out window inspection when the incident occurred	Legal proceedings involving QPs
Kowloon City	38	Yes	B	Yes	Yes (No prosecution was instigated due to insufficient evidence)
Yau Tsim Mong	57	Yes	A	No	No (No QP was engaged before the fallen window incident)

Note(4) A QP appointed to carry out the prescribed inspection or supervision of the prescribed repair for windows under MWIS shall be a person whose name is for the time being on one of the following registers kept by BD: (a) Authorized Persons; (b) Registered Structural Engineers; (c) Registered Inspectors; (d) Registered General Building Contractors; or (e) Registered Minor Works Contractors registered for the class, type and item of minor works in respect of windows.

Kowloon City	26	Yes	B	Yes	No (The fallen window incident occurred more than five years after the MWIS notice was complied with. No clear evidence indicating that the incident was associated with the QP)
Sham Shui Po	62	Yes	A	Yes	No (The fallen window incident occurred more than five years after the MWIS notice was complied with. No clear evidence indicating that the incident was associated with the QP)
Yau Tsim Mong	56	No	Not applicable	Not applicable	No (No QP was engaged before the fallen window incident)
Yau Tsim Mong	46	No	Not applicable	Not applicable	No (No QP was engaged before the fallen window incident)

(i) Outsourced consultants

(i) Since 2022, BD has outsourced the administrative work for issuance of statutory notices to target buildings under MWIS and MBIS to consultants. To mitigate the impact in the event of problems arising from the failure of a single consultant to discharge their duties, four consultancy agreements with a contract period of one year were awarded to a total of three consultants. While the number of

consultancy agreements awarded in 2023 remained at four, the contract period was extended to two years, involving a total of two consultants. Each of the two MBI Sections under the MBI Division was assisted by the two consultants respectively for the issuance of statutory notices.

As mentioned above, BD has extended the contract period from one year to two years in the tendering process in 2023 to reduce the frequency of tender invitations and enhance administrative efficiency. The extended contract period also facilitates consultants in making long-term planning and retaining staff, as well as attracting more consultants to submit tenders (see item (vi) below), thereby enhancing the competitiveness among bidding consultants. Taking into account the experience in supervising consultancy agreements in the past few years and the availability of consultants in the market to undertake larger contracts, BD will consider consolidating the existing four consultancy agreements and/or further extending the contract period.

(ii) The main reason for the unsatisfactory performance of the three consultants mentioned in paragraph 2.19 of the Audit Report was the high staff turnover rate. As new recruits needed time to familiarise themselves with the work, they were unable to take over the heavy workload in a timely manner.

(iii) & (v)

At present, if a consultant fails to meet the contract requirements in carrying out the work required under the contract, BD staff will, depending on the severity of the situation, issue a reminder to the consultant concerned, requesting them to submit improvement measures and expedite the follow-up on outstanding matters. Substandard performance will also be reflected in the relevant items of the consultant's quarterly performance report, with a lower rating accorded. If no improvement is shown, BD staff will issue a warning letter and an adverse

performance report to the consultant. A consultant having received two and three consecutive adverse performance reports under the same consultancy will be suspended from bidding BD's consultancy work of the same category for at least three and 12 months respectively. Consultants with good performance during the contract period will be accorded a higher rating in the performance report. During tender assessment, BD will score the consultants' technical proposals, and the consultants' past performance scores will account for 20% of the total scores, thus increasing the chance of winning future tenders for consultants with good performance.

BD will continue to take the following measures to strengthen the management and monitoring of consultants' work:

(1) BD will incorporate the criteria for issuing reminders and warning letters in its guidelines. The relevant criteria include issuance of reminders to consultants failing to submit reports and documents in a timely manner at the monthly progress meeting to remind them of the outstanding reports and documents and to revise the submission schedule as appropriate for further monitoring. If consultants still fail to complete the work by the revised schedule, warning letters will be issued to them and an interview will be arranged with their senior management, requiring the submission of specific measures to improve performance and expedite the follow-up on outstanding items;

(2) BD will further enhance the consultant monitoring system, including the enhancement of the Building Condition Information System (BCIS) to record the target completion date for each target building and send reminder emails of to-do items to consultants through the system in a timely manner; and

(3) BD will explore ways to enhance the current assessment mechanism and contractual arrangements for consultant companies, including considering the possibility of introducing an incentive and penalty mechanism, such as increasing the percentage of consultants' past performance scores in the technical proposals for assessments of consultants, with a view to enhancing consultants' performance.

(iv) The assessment criteria were based on the overall performance of consultants. Although the three consultants underperformed in certain work areas, their performance in other work areas was satisfactory. Therefore, their performance was still considered acceptable in the assessment. For example, despite Consultant A's poor performance in preparing desk study reports and/or draft notices, its performance in serving statutory notices, submission of notice posting records and updating BCIS records was satisfactory. Moreover, consultants' performance had also improved upon receipt of reminders and therefore their overall performance was acceptable.

(vi) BD invited tenders from 61 and 71 eligible consultants for the engagement of consultancies in 2022 and 2023 respectively. The number of returned tenders for each contract was five or more. Not all of the successful tenderers were awarded the contracts at the lowest price. Consultants' technical proposals were one of the important factors considered. The details of tenders regarding the abovementioned consultancy agreements are as follows:

Consultancy agreements in 2022 (one-year contract period)

Consultancy agreement	Consultant	Number of returned tenders	Lowest tender price
1	A	8	Yes
2	B	6	No

3	C	6	No
4	C	5	No

Consultancy agreements in 2023 (two-year contract period)

Consultancy agreement	Consultant	Number of returned tenders	Lowest tender price
1	C	14	No
2	C	13	No
3	D	12	No
4	D	15	Yes

(j) Promotion of voluntary window inspection

BD will continue to step up public education and publicity activities to promote voluntary window inspection and repair, and collaborate with other stakeholders such as the Property Management Services Authority, HKHS and URA, to assist and encourage owners to carry out regular building inspection and maintenance, as well as formulate maintenance manuals and programmes through licensed property management companies. In addition, BD will continue to step up publicity activities to promote the "WIN SAFE" mobile application and the chatbot on its website, including deploying the Mobile Command Unit to promote "WIN SAFE" and window inspection, and organise briefings to introduce MWIS to the public. Meanwhile, HKHS has been promoting VBAS through introducing incentive measures to encourage owners to participate in the early bird scheme by waiving their building accreditation fees. Taking into account the views raised by individual members during the hearings, BD will also consider giving recognition to buildings that carry out window inspection and repair works voluntarily.

屋宇署
BUILDINGS DEPARTMENT

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18 May 2025

Ms Shirley CHAN
Clerk to Public Accounts Committee
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms CHAN,

Public Accounts Committee
Consideration of Chapter 4 of the Director of Audit's Report No. 84
Management of Mandatory Window Inspection Scheme
by the Buildings Department

Thank you for your letter of 16 May 2025 to the Development Bureau concerning the captioned Audit Report. The Buildings Department (BD) is authorised to respond regarding the information requested in paragraphs (a) and (b) of your letter as follows.

2. The Selection Panel (SP) was established in 2012 as an advisory body to render advice to BD. Its terms of reference include (i) selecting the target buildings nominated for the Mandatory Building Inspection Scheme (MBIS) and the Mandatory Window Inspection Scheme (MWIS); and (ii) advising BD on aspects related to the nomination and selection of target buildings including any proposed changes to the established selection criteria and scoring system as considered appropriate. Please see **Appendix 1** for details.

3. Chaired by Assistant Director/Mandatory Building Inspection of BD, SP comprises two official Members (i.e. the Chief Structural Engineer of the Mandatory Building Inspection Section 1 and the Chief Building Surveyor of the Mandatory Building Inspection Section 2 of BD), and representatives of the Hong Kong Housing Society, the Hong Kong Institute of Architects, the Hong

Kong Institution of Engineers, the Hong Kong Institute of Surveyors, the Hong Kong Association of Property Management Companies and the District Councils as non-official Members. Non-official Members are nominated by the above five organisations and 18 District Councils, and appointed by the Director of Buildings for a term of three years. SP's terms of reference and Members' list are available to the public on BD's website.

4. To enhance the transparency in the selection process of target buildings and community acceptance, BD conducts preliminary selection on the basis of buildings with higher scores under the Building Score System (i.e. Selection Mechanism A) and buildings involving fallen window incidents (i.e. Selection Mechanism B) respectively in compiling the nomination lists of target buildings for submission to SP for consideration prior to its meeting. At the annual meeting, BD first introduces and explains to Members the selection criteria and other consideration factors with the aid of a PowerPoint presentation. Taking the SP meeting in 2024 as an example, when presenting the list of target buildings under Selection Mechanism A, BD staff informed Members of the total number of buildings eligible for MBIS and MWIS in terms of building age at that time but had not yet been selected as target buildings. However, the buildings would be shortlisted according to the building score system for Members' discussion after excluding the buildings that were not applicable (e.g. those that had participated in the Voluntary Building Assessment Scheme). The relevant PowerPoint slide is at **Appendix 2 (in Chinese version)**. Additionally, when briefing Members on the selection of target buildings under Selection Mechanism B at the same meeting, BD staff explained that the selected buildings did not include those with fallen window incidents due to improper use, as recorded in paragraphs 10.1 and 10.2 of the meeting minutes (an extract of the relevant minutes at **Appendix 3 (in Chinese version**). Having commented and deliberated on the lists of target buildings compiled by BD, SP endorsed the lists of target buildings.

5. Although BD staff had briefed Members on some of the additional factors to be considered under the Selection Mechanisms at the SP meeting, not all the factors were covered. BD agrees with and will adopt the recommendations made by Audit to optimise the consideration factors and practice for selecting target buildings in light of past experience, and incorporate them into BD's guidelines. BD will report on the arrangements at the next SP meeting. Future discussions by SP will also be clearly recorded.

Yours sincerely,

(NG Siu-leung, Daniel)
Acting Assistant Director/Mandatory
Building Inspection Division
for Director of Buildings

Encl.

c.c. Secretary for Development (e-mail: sdev@devb.gov.hk)
Secretary for Financial Services & the Treasury (e-mail: sfst@fstb.gov.hk)
Director of Audit (e-mail: ncylam@aud.gov.hk)

Terms of Reference of the Selection Panel for MBIS and MWIS

Terms of Reference

(a) To select the target buildings nominated for the MBIS and MWIS; and

(b) To advise the Buildings Department (BD) on aspects related to nomination and selection of target buildings including any proposed changes to the established selection criteria and scoring system as considered appropriate.

附件2
Appendix 2

第20批(2024年)目標樓宇的篩選過程
「強制驗樓計劃/強制驗窗計劃」

在2024年符合強制驗樓計劃但尚未被選為目標樓宇的數目，共有 11 968**幢**，扣除不適用之樓宇後 (如已參與自願樓宇評審計劃），再按評分準則進行篩選。

按最高評分，提名 **首600幢**作目標樓宇 及 **100幢** 預留作替補目標樓宇之用。

*Note by Clerk, PAC: Chinese version only.

附件3
Appendix 3

強制驗樓計劃及強制驗窗計劃
「選取目標樓宇諮詢委員會」
第 18 次會議記錄

會議日期 ： 2024 年 7 月 10 日
會議時間 ： 上午 10 時 30 分
會議地點 ： 九龍油麻地海庭道 11 號西九龍政府合署北座
屋宇署總部 9 樓 905 室及透過視像進行會議*）

出席者

主席

吳珮儀女士	屋宇署 助理署長/強制驗樓

官方委員

吳少良先生	屋宇署 總結構工程師/強制驗樓 1
曾寶琼女士	屋宇署 總屋宇測量師/強制驗樓 2

非官方委員

彭國華先生*	香港房屋協會
林偉豪先生*	香港建築師學會
黃浩輝博士工程師*	香港工程師學會
陳嘉敏測量師*	香港測量師學會
鄭玉琴女士*	香港物業管理公司協會
許有為議員*	觀塘區議會
許德亮議員，JP*	油尖旺區議會
張景勛議員*	九龍城區議會
葛兆源議員，MH*	荃灣區議會
徐曉杰議員*	葵青區議會
張展鵬議員*	西貢區議會

秘書

黃慧雯女士	屋宇署 高級屋宇測量師/強制驗樓 2-E

列席者

黃佩鳳女士（會議記錄者）	屋宇署 屋宇測量師/強制驗樓 2-E2

***Note by Clerk, PAC:* Chinese version only.**

樓宇用途	樓宇總數	平均樓宇評分
住用或商住樓宇	7 061	8.7
商業	1 354	8.1
工業	1 198	9.8
其他	2 088	6.2

5.2 根據上述 5.1 段的檢討結果顯示，工業樓宇整體評分較高，為更精準揀選需要強制驗樓的樓宇，2024 年的目標樓宇將涵蓋所有用途的樓宇，並根據評分結果作為選取準則，上述建議獲得委員一致通過。

6.0 第 20 批（2024 年）強制驗樓／驗窗目標樓宇的提名

6.1 按第 5.2 段的揀選準則，秘書報告第 20 批（2024 年）目標樓宇需揀選 600 幢目標樓宇及 100 幢預留作替補的樓宇。

6.2 在扣除過往已被揀選或不適用的樓宇後，共有 11 701 幢樓宇符合強制驗樓／驗窗計劃的資格，而獲最高評分的首 600 幢（包括樓宇集群因素）及其後的 100 幢樓宇分別被提名為強制驗樓／驗窗目標樓宇及替補樓宇。

6.3 第 20 批（2024 年）獲提名的強制驗樓／驗窗目標樓宇合共 600 幢，當中 511 幢為強制驗樓兼驗窗目標樓宇及 89 幢僅作強制驗樓目標樓宇（即以往已被揀選為僅作強制驗窗目標樓宇），而替補樓宇則為 100 幢。

6.4 就上述獲提名的目標樓宇，秘書按 18 區、樓宇用途、分數及樓齡的分佈作出統計匯報。秘書表示於 2024 年 6 月 25 日已把提名名單透過電郵傳送給各委員參閱。

7.0 通過第 20 批（2024 年）強制驗樓／驗窗目標樓宇

7.1 [redacted]詢問屋宇署會否向目標樓宇的業主立案法團／物業管理公司發出預先知會函件，以便有關業主提早安排委任合資格人士及在通知期限內完成所需工程。主席表示，署方曾於2018年檢視相關流程，由於每年要發出大量法定通知，隨著簡化程序及加大力度執法，署方未能安排向目標樓宇發出預先知會函件。

7.2 [redacted]指出提名名單上有一幢樓宇地址

10.0 選取僅作強制驗窗目標樓宇的準則

10.1 秘書表示除揀選強制驗樓／驗窗目標樓宇外，考慮到墮窗事故對公眾構成的重大風險，屋宇署一直有額外揀選有窗戶墮下個案或窗戶狀況欠妥舉報的樓宇為僅作強制驗窗的目標樓宇。其揀選準則如下：

- 樓齡 ≥ 10 年
- 墮窗記錄（不包括因人為誤用而墮下）
- 窗戶破損／失修記錄

註(1) 若與目標樓宇為同一樓宇集群，也會一併揀選。

10.2 秘書續表示為加快將涉及墮窗事件或有窗戶欠妥的樓宇納入僅作強制驗窗的目標樓宇，諮委會於 2016 年 12 月已通過，凡涉及墮窗事件或整體窗戶失修情況的樓宇，經屋宇署調查確證後，可優先納入為僅作強制驗窗的目標樓宇，並於隨後的諮委會匯報及備存記錄。

11.0 匯報第 18 次會議獲（2024 年）揀選為僅作強制驗窗的目標樓宇

11.1 按上述第 10.1 段的準則，秘書報告共有 89 幢樓宇於第 17 次會議後被納入為僅作強制驗窗的目標樓宇。

11.2 就上述獲揀選的目標樓宇，秘書按 18 區分佈的統計匯報。秘書表示於 2024 年 6 月 25 日已把僅作強制驗窗的目標樓宇名單透過電郵傳送致各委員，並在會議上再作匯報及記錄。

12.0 其他事項

12.1 由於是次會議是本屆委員任期內最後一次會議，主席感謝各位委員在過去三年的參與和支持。下屆「諮委會」將會待2025年初組成。

12.2 無其他事項，會議於下午 11 時 30 分結束。

13.0 下次會議日期

13.1 下次會議日期將容後公佈。

- 完 -

屋宇署
BUILDINGS DEPARTMENT

YOUR REF 來函檔號： CB3/PAC/R84
OUR REF 本署檔號： L/M(31) to BD CR/4-35/2 C
FAX 圖文傳真： 3162 0950
TEL 電話： 3842 3038
WEBSITE 網址： www.bd.gov.hk

2 July 2025

Ms Shirely CHAN
Clerk to Public Accounts Committee
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms CHAN,

Public Accounts Committee
Consideration of Chapter 4 of the Director of Audit's Report No. 84
Management of Mandatory Window Inspection Scheme
by the Buildings Department

Thank you for your letter dated 29 May 2025 to the Development Bureau concerning the captioned Audit Report. The Buildings Department is authorised to provide the requested information in the **Appendix**.

2. If you require any further information, please contact our Chief Structural Engineer/Mandatory Building Inspection 1, Mr NG Siu Leung, Daniel, at 3842 3038.

Yours faithfully,

(CHEUNG Yuk-ching, Karen)
Assistant Director/ Mandatory Building Inspection
for Director of Buildings

Encl.
c.c. Secretary for Development (e-mail: sdev@devb.gov.hk)
Secretary for Financial Services & the Treasury (e-mail: sfst@fstb.gov.hk)
Director of Audit (e-mail: ncylam@aud.gov.hk)

Appendix 1

Public Accounts Committee
Consideration of Chapter 4 of the Director of Audit's Report No. 84
Management of Mandatory Window Inspection Scheme by the Buildings Department

In response to the matters raised by the Committee at the public hearing, the Buildings Department (BD) hereby provides the following information:

Part 4: Monitoring of Qualified Persons and Other Issues

(a) Appointment of Qualified Persons (QPs)

(i) According to the Buildings Ordinance (BO), owners of buildings served with statutory notices under the Mandatory Window Inspection Scheme (MWIS) are required to appoint QPs to carry out prescribed inspections of all windows of their buildings. QPs refer to Authorized Persons, Registered Structural Engineers, Registered Inspectors, Registered General Building Contractors or Registered Minor Works Contractors registered for the class, type and item of minor works in respect of windows under the registers kept by BD.

Since the work involved in window inspection and repair is relatively simple, low cost and can be completed in short period of time, a single contract can be used to engage the same QP to carry out window inspection and repair. As such, there are no restrictions by the law that the appointed QP cannot undertake both inspection and repair for windows of the same premises/building.

The publicity pamphlets issued by BD, such as "Mandatory Window Inspection Scheme", "Window inspection and repair, choose with extra care" and "Layman's Guide on Mandatory Window Inspection Scheme", have already explained that owners may, according to their individual needs or considerations, engage different or the same QPs to carry out the relevant inspections and the necessary repairs.

To safeguard consumer interests, BD will conduct audit checks to ensure that the inspections and repairs carried out by QPs comply with the specified requirements (see item(c) below). BD's website also provides cost information for window inspection and common repair items for owners' reference, and owners are advised to invite quotations from different QPs for comparison. In addition, the "WIN SAFE" mobile application launched by BD in August 2022 also facilitates owners with the search and appointment of QPs for early compliance with MWIS notices to ensure building safety.

(ii) For owners who fail to comply with statutory notices by the due dates, BD will issue a fixed penalty notice (FPN) (currently $1,500) to them. If owners, without reasonable excuse, continuously fail to comply with statutory notices, BD will instigate prosecution against them. Owners are liable on conviction to a fine at level 4 (currently $25,000) and imprisonment for three months, and a fine of $2,000 for each day during which it is proved to the satisfaction of the Court that the offence has continued.

The issuance of FPNs to owners for non-compliance with statutory notices not only expedites the enforcement process, but also promptly lets owners know the penalties for non-compliance with statutory notices, thereby urging them to take action as soon as possible to comply with statutory notices. The current fixed penalty of $1,500 was set in 2011 with reference to the penalty level for littering under the Fixed Penalty (Public Cleanliness and Obstruction) Ordinance, and is not related to the costs of inspection and repair[1]. If owners continuously fail to comply with statutory notices without reasonable excuse, BD will instigate prosecution against them, and the fines imposed by the Court in the past were higher than those of FPNs.

The Development Bureau (DEVB) earlier proposed amendments to the BO, including raising the fixed penalty for non-compliance with MWIS notices from $1,500 to $3,000, with a view to further

Note(1) According to the market prices/advertising pamphlets collected by BD and quotations provided by occupants from January to December 2024, the service charges for prescribed inspections (repair not required) by QPs generally ranged from $50 to $1,050, and those for prescribed inspections and supervision of repair (excluding the cost of window repair) generally ranged from $50 to $2,520.

enhancing the deterrent effect and urging owners to carry out window inspections and repairs in a timely manner.

(b) Legislative amendments

To streamline the form submission process for owners and with the support from the trade, BD has since 2018 allowed owners and QPs to notify BD of their appointment in a specified form together with the submission of the certificate of prescribed inspection/repair. As BD's enforcement actions mainly involve the issuance of FPNs or instigation of prosecutions against owners who fail to comply with statutory notices, the exemption of the submission of notification of the appointment of QPs within seven days has not had any impact on the enforcement and prosecution work. Nevertheless, BD will propose amending the relevant regulations during the amendment of the BO in the first half of next year to bring the legislation in line with the current practice.

(c) Conducting audit checks

(i) To ensure that the inspection and repair of windows are carried out in accordance with the BO, BD conducts audit checks on MWIS forms submitted by QPs and targets to complete a minimum of 500 "successful audit checks" each year in accordance with the sampling criteria of the international standard ISO2859-1. As shown in Table 8 of paragraph 4.10 of the Audit Report, BD has achieved the target of completing a minimum of 500 successful audit checks each year.

(ii) The "audit checks completed" mentioned in Table 8 of paragraph 4.10 of the Audit Report refers to the total number of cases sampled for audit, which includes the number of "successful audit checks" (i.e. successful completion of both document audit and site audit) and "unsuccessful audit checks" (i.e. successful completion of document audit only and unsuccessful completion of site audit).

(iii) & (iv)

The main reasons for unsuccessful site audits were that the owners/occupants expressed that they had already complied with the MWIS notices as required by the law, and therefore did not wish to take extra time to let BD staff enter their premises to

conduct audits, which would cause disruption to their daily life, or that the owners had not responded to BD's letters requesting for site audits in the first place. At present, BD staff are not empowered by the BO to enter selected premises for site audits, and therefore they are required to obtain permission from the owners or occupants before entering the premises concerned.

To increase the success rate of site audits, BD has revised the relevant invitation letter in March this year with an aim to let owners understand that site audits conducted by BD staff will ensure the safety of their windows. Besides, BD will require their appointed QPs to carry out rectification if the inspection and repair works have failed to comply with the requirements of MWIS, thereby safeguarding the interests of owners as consumers. In addition, BD plans to provide QR codes in the invitation letters by the end of this year so that owners no longer have to call BD to make appointments for site audits as in the past, thus facilitating the making of appointments between owners and BD. Moreover, as the Government is working on the legislative amendments to the BO, it will also consider strengthening the power of BD staff to enter premises for site audits.

(d) Submission of certificates of prescribed inspection/supervision of prescribed repair

(i) BD conducts quarterly audit checks on MWIS submissions by QPs. If QPs are found to have failed to make timely MWIS submissions during audit checks, warning letters will be issued to them. BD maintains a watch list of QPs with warning letters issued and conducts extra audit checks on submissions by the QPs on the list. In other words, in addition to normal quarterly audit checks of MWIS submissions from QPs, BD will also select one submission from each of the QPs on the watch list for extra audit checks. QPs will be removed from the watch list only if the results of the audit checks are found satisfactory in two consecutive quarters. If repeated irregularities are identified (i.e. failure to make timely MWIS submissions on another occasion), BD will consider taking disciplinary action against the QP concerned. Moreover, if the QP concerned is a Registered Contractor (RC), they will be required to attend a Performance Enhancement Course (PEC) under the Contractor Performance

Enhancement Scheme[2] for continued irregularities. To provide QPs with clear rules to follow, BD is currently revising relevant guidelines to further specify the circumstances under which disciplinary actions will be taken.

(ii) The numbers of late MWIS submissions, as well as the numbers of QPs issued with warning letters and subject to disciplinary actions provided by BD in the past three years are tabulated as follows –

Year	Number of late MWIS submissions		Number of QPs issued with warning letters	Number of QPs subject to disciplinary actions
	Number of certificates of prescribed inspection of windows	Number of certificates of supervision of prescribed repair of windows		
2022	2 987	1 730	39	0
2023	2 282	1 367	19	0
2024	1 977	1 204	10	0

The table above shows that the QPs issued with warning letters did not account for all the QPs involved in the late MWIS submissions. This is mainly because at present BD only issues warning letters to QPs who are selected for audit checks and fail to make timely submissions. BD acknowledges that this is undesirable. Therefore, BD will further enhance the Electronic Forms Submission System (EFSS) at the end of this year to enable automatic issuance of warning letters to all QPs who fail to make MWIS submissions within the statutory timeframes directly, regardless of whether they are selected for audit checks.

Note(2) According to Appendix N of the Practice Note for Registered Contractors 38, Performance Points (PP) will be accorded to an RC according to the nature and severity of irregularities when a warning letter is issued to RC by BD. PP accorded for a particular incident as stated in the warning letter will enable RC to better understand their performance in carrying out prescribed inspections and supervising prescribed repair works under MWIS or carrying out minor works under the Minor Works Control System. When the total PP accorded to RC is 15 or above, BD will issue a notification letter to invite RC to attend a PEC within three months from the date of the notification letter. If RC has satisfactorily completed PEC within the specified three months and submitted the certificate of attendance to BD, 15 PP will be remitted. PP will not be remitted if RC has not completed PEC within the specified three months. During RC's registration period, a maximum of 15 PP can be remitted. If RC has been accorded with 15 or more PP (including the discounting of the 15 remitted points as mentioned above) at the time of submission of an application for renewal or restoration of registration, RC will be invited to attend an interview with the Contractors Registration Committee for processing their application.

(iii) As mentioned in (ii) above, BD will strengthen the monitoring of the submission of reports by QPs on two fronts. Upon updating the information system, BD will, starting from the end of this year, issue warning letters to all QPs who fail to make timely submissions. In addition, to strengthen the monitoring of QPs' MWIS submissions, BD issued a circular letter to all QPs on 15 May 2025 to remind them of the statutory timeframes for submissions, advise them of common irregularities found in completed specified forms, and encourage them to make submissions by electronic means. Additionally, a briefing for QPs was held on 5 June 2025 to remind them of the statutory timeframes and other requirements for submissions. Similar briefings will be held from time to time in the future as needed.

(e) Time limit for completing audit checks

(i) Audit checks include document audits and site audits. BD guidelines require that audit checks on MWIS submissions should be completed within 14 weeks, counting from the date of issuance of letter to the owner/occupant notifying the conduct of site audit to the completion date of audit check. However, as mentioned in paragraph (c)(iii) above, the conduct of site audits requires co-operation from owners/occupants, often resulting in a longer time taken to complete the whole audit process. Therefore, as mentioned above, during the amendment of the BO in the first half of next year, we will propose to empower BD to enter premises to conduct site audits, with a view to enhancing the efficiency of conducting audit checks in premises.

(ii) In 2019, BD had established a Dedicated Team through internal redeployment of manpower to expedite the issuance of warning letters for outstanding backlog cases, while the follow-up work including audit checks for individual cases is still carried out by the teams originally responsible for the cases. BD subsequently found that having two separate teams of staff to send reminders and carry out follow-up work might easily give rise to errors due to inadequate co-ordination, and therefore re-organised the two aforementioned teams in 2024 to strengthen communication and enhance efficiency. The case that took the longest time to conduct audit checks was the one of which the owner had complied with the statutory notice under MWIS after a warning letter was issued by the Dedicated Team in 2022. The case was randomly selected by the computer for audit checks upon the submission of relevant

documents by the QP. The audit checks were not followed up in a timely manner during that period due to mis-location of the file and lack of co-ordination among staff of the two teams. The case was identified in 2024 after the abovementioned re-organisation arrangement, and was followed up by BD staff immediately for audit checks. BD believes the case is an isolated incident and the implementation of the abovementioned re-organisation arrangement should be able to prevent the recurrence of similar incidents.

(iii) BD is enhancing the Building Condition Information System (BCIS) to provide timely reminders to its staff to complete audit checks as scheduled, including issuing reminder letters to QPs requiring rectification of irregularities identified, and issuing warning letters to QPs who do not respond within the time limit set out in the reminder letters. It is expected that the relevant system enhancement will be completed by the end of 2025. Moreover, BD will enhance the monitoring of the progress of audit checks through regular progress monitoring meetings between the management and the sections.

(f) Issuance of reminder letters/warning letters to QPs

For the four cases in which reminder letters were issued to the QPs concerned more than two weeks after the completion of the audit checks with irregularities identified, BD staff were unable to issue the reminder letters on time as they had to handle a number of audit cases concurrently at that time. To avoid recurrence of the above situation, as mentioned in (e)(iii) above, BD is enhancing BCIS to provide timely reminders to its staff to complete audit checks as scheduled.

Besides, for a case in which the QP failed to respond within the time limit set out in the reminder letter and BD did not issue a warning letter to the QP, the QP concerned contacted BD staff after the time limit set out in the reminder letter (i.e. late June 2024) and proposed a solution, subsequently reaching out to the owner. However, in the course of arranging for the rectification works, the QP concerned informed BD staff that the owner could only allow access to the premises for the rectification works after December 2024. The QP notified BD in January 2025 that the rectification works had been completed and submitted the amended document records. As the minor deficiency of the QP in the window inspection did not involve any safety concern and he responded positively by rectifying the irregularity under the

arrangement of the owner, no warning letter was issued to the QP. Upon review of the above case, BD reminded its staff to issue reminder letters for all overdue cases in a timely manner in accordance with the guidelines.

BD is conducting a review on the follow-up actions and procedures taken in respect of irregularities identified during the audit checks, including evaluating the effectiveness of issuing reminder letters and direct issuance of warning letters to non-compliant QPs, with a view to formulating clear and streamlined procedural guidelines. The review is expected to be completed by July this year.

(g) Ascertaining the flats involved in fallen window incidents

BD obtains information on fallen window incidents mainly through three channels: (i) fallen window emergency incidents notified by the Police; (ii) reports by members of the public/the media; as well as (iii) information collected regularly (every six months) by BD staff from the media and internet. Under the existing mechanism, it is a standing arrangement for the Police to notify BD of emergency incidents, and members of the public, property management companies (PMCs), the media, government departments, etc., may also report fallen window incidents to BD through various means such as telephone hotline, email and fax. As regards the collection of information from the media and internet every six months by BD staff, the objective is to identify fallen window incidents that have not been made known to BD by the two abovementioned means to assist BD in conducting analysis and selecting target buildings under MWIS.

Upon review, BD agrees that reviewing the media every six months has limited effect. The emphasis should be placed on the communication mechanism with the Police (as members of the public will mostly call the Police for assistance in respect of fallen window incidents), and review of media reports on a same-day-basis so that information can be promptly collected from owners' corporations (OCs), PMCs, etc., for follow-up. As such, BD and the Police agreed to further strengthen their communication mechanism. Since May this year, the Police would report all fallen window incidents to BD through BD's 24-hour hotline. In addition, BD will conduct daily searches of media reports to collect information on fallen window incidents, and take the initiative to collect information and step up follow-up actions on fallen window incidents, including promptly contacting the relevant parties such as OCs and PMCs to understand the situation. The

relevant information will also be used for assisting BD in selecting target buildings under MWIS.

(h) Investigation of fallen window incidents

(i) In general, upon receipt of a fallen window incident, BD staff will conduct site inspection to ensure building safety. If it is confirmed that the relevant statutory notice for the premises involved in the fallen window incident has been certified as complied with by a QP prior to the incident, BD staff will take follow-up actions, including reviewing previous submissions by the QP or conducting site inspections, to ascertain whether there is any malpractice on the part of the QP concerned. When there is preliminary evidence that a QP fails to discharge his duties or comply with the relevant requirements under the BO, such as failure to carry out the prescribed inspection personally, failure to provide proper supervision of the prescribed repair, failure to ensure the safety of the windows, or failure to comply with the requirements of the Code of Practice which may result in personal injuries or damage to the property, BD staff will conduct a full investigation and collect evidence including taking statements from the QP to facilitate prosecution and/or disciplinary action against him under the BO.

(ii) & (iii)

BD completed incident investigations for the 88 cases, of which 68 occurred more than two years after the relevant statutory notices had been complied with. Upon investigation, BD had no reasonable cause to suspect any irregularities in the window inspection by the QPs. The remaining 20 cases could not proceed with further action due to insufficient evidence. In June this year, BD formulated the procedures of the follow-up on fallen window incidents and drew up a standard template for incident reporting, which have been incorporated into BD guidelines. BD staff are required to upload the investigation results to BD's BCIS to maintain full records, so as to further assist in analysing fallen window incidents in the future.

(iv) In respect of one case involving the conviction of a QP, the MWIS notice was issued in early December 2018, the QP submitted the certificate of prescribed inspection and repair of windows in late December 2018, and a fallen window incident occurred thereafter on 25 February 2019. BD staff visited the premises concerned

on 26 February 2019 and found that a number of defective windows had not been repaired. Prosecution was therefore instigated under section 40(2A)(c) of the BO, i.e. knowingly misrepresents a material fact in any plan, certificate, form, report, notice or other document given to the Building Authority under this Ordinance. The maximum penalty for the offence is a fine of $500,000 and imprisonment for 18 months.

For another case in which the charge was withdrawn due to insufficient evidence, as there was insufficient evidence to prove that the QP had conducted the window inspection improperly or intentionally made false statements in the specified form, upon consulting the Department of Justice, the case was considered with doubts and the likelihood of a successful conviction was not high, and the charge was therefore withdrawn.

(v) We agree that the deterrent effect of the relevant provisions of the Summary Offences Ordinance is inadequate, and that there is a need to introduce a new offence under the BO to urge owners to comply with MWIS notices. In this connection, DEVB earlier proposed to amend the BO by introducing a new offence targeting non-compliance with expired MWIS notices where the windows of the buildings are defective, resulting in casualties or damage to property, with a proposed maximum fine of $300,000 and imprisonment for one year.

(i) EFSS

The number of MWIS submissions received by electronic means referred to in Table 10 of paragraph 4.19 of the Audit Report only includes specified forms submitted online through EFSS. Submissions made via e-mail cannot be linked to EFSS directly and are therefore categorised as submissions in paper form. BD does not keep separate statistics on submissions made via e-mail.

To encourage QPs to use EFSS for MWIS submission, apart from providing detailed guides on the use of e-forms on its website, BD will continue to step up its efforts in introducing and encouraging the use of EFSS by QPs for MWIS submissions in the briefings held for QPs. Meanwhile, BD will seek to understand QPs' usage of and reasons for not using EFSS by questionnaires so that suitable system enhancement can be made in future to increase the usage rate.

(j) BCIS

To assist BD staff in enhancing the efficiency in handling cases, BD expects to launch the Case Management and Reporting Platform by the end of 2025 to help its staff to automatically generate warning letters in a timely manner to owners who fail to comply with statutory notices upon expiry of the statutory period. BD will also further enhance BCIS by the end of 2025 to send reminders to its staff for issuance of warning letters and FPNs, and instigation of prosecutions as scheduled; as well as to indicate MWIS notices with fallen window incidents in the to-do-list for easy identification and prompt follow-up by BD.

(k) Use of technology to assist in the selection of target buildings

As at 31 December 2024, although 14 676 buildings that have reached the building age of ten years have not been selected for issuance of MWIS notices, it does not imply that the windows of all these buildings pose risks. In fact, when comparing the 14 676 buildings not issued with notices to the 12 492 buildings that have been issued with notices, the former have a noticeably lower building age (see table below), and the safety risk is correspondingly lower.

Building age **(Year)**	**Number of private buildings (a)**	**Number of buildings selected and issued with statutory notices under MWIS (b) and [(b)/12492]**	**Number of buildings not selected for issuance of statutory notices under MWIS (c)=(a)-(b) and [(c)/14676]**
10 years to less than 30 years	6 855	1 425 [11%]	5 430 [37%]
30 years to less than 50 years	10 713	5 133 [41%]	5 580 [38%]
50 years or above	9 600	5 934 [48%]	3 666 [25%]
Total	27 168	12 492	14 676

Under the current policy, BD adopts a "risk-based" approach in selecting 600 buildings from the above for issuance of MWIS notices each year, most of which are selected in accordance with the Building Score System, i.e. Selection Mechanism A. BD enhanced Selection Mechanism A in early 2024 to identify high-risk buildings in a more precise manner for inclusion in the Mandatory Building Inspection Scheme (MBIS) and MWIS, which will, among others, focus more on "three-nil" buildings and incorporate more data on building conditions. In addition, as mentioned in paragraphs h(i) and (iv) of Appendix I to

the reply dated 27 June to the Public Accounts Committee's (PAC) letter dated 26 May, BD is reviewing the 295 cases of fallen window incidents in the past few years, with a view to further enhancing the selection mechanisms, including Selection Mechanism B, so as to include more buildings with a higher risk of falling windows as target buildings more effectively.

The target number of 600 buildings was set having regard to the risk-based strategy and the availability of QPs in the market. DEVB and BD consider that the current priority is to improve the selection mechanism by identifying buildings with the highest risk of falling windows, so as to optimise the annual quota of 600 buildings to require owners of high-risk buildings to carry out window inspection. Meanwhile, we will continue to encourage owners to carry out voluntary window inspection. Any upward adjustment of the quota of 600 buildings will require consultation with the industry to ensure that the market has sufficient capacity to cope with the increase in the number of buildings. We will conduct a review at an appropriate time in the future.

In the long run, on the front of information technology, BD will step up the use of big data in its daily operations and launch a geographical 2D heatmap this year, which will display in the form of a map the building age, building type, enforcement work carried out or in progress, as well as records of fallen window incidents etc. of all buildings across the territory through data visualisation. By incorporating the criteria of the building selection mechanisms into the relevant system, it will facilitate the quick retrieval of useful information from the vast amount of data and assist BD in analysing the trends and anomalies in the large dataset of building conditions and building scores in a more systematic manner, thereby enhancing the efficiency in the selection of target buildings under MBIS and MWIS.

However, as owners have the primary responsibility to maintain and repair their properties, the issue of ageing and dilapidated buildings cannot be sustainably and effectively resolved by BD's actions alone. To promote the concept of "prevention is better than cure", BD will continue to strengthen its efforts in public education and publicity, and promote voluntary inspections and timely repairs of windows among owners in collaboration with various stakeholders, including the construction industry and the property management industry, so as to enhance their awareness of the importance of regular building maintenance.

Note by Clerk, PAC: ***The reply dated 27 June 2025 from the Director of Buildings to PAC's letter dated 26 May is in Appendix 9 to this Report.***

(l) Mobile application

Overall, the download and utilisation rates of the "WIN SAFE" mobile application continued to show an upward trend. As of April 2025, the accumulative number of downloads increased from 13 043 at the end of 2024 to 14 937, and the number of registered users increased from 3 933 to 4 560, representing an increase of 15% and 16% respectively over the past four months.

BD is actively considering to update the "WIN SAFE" mobile application as an online service. The "WIN SAFE" will be re-provisioned to enable its access via both general internet browsers and the Digital Policy Office's "iAM Smart" platform, thereby realising the goal of "single portal for online government services" to encourage greater public usage.

(m) Selection Panel meetings

BD agrees with PAC's recommendation to resume the physical meeting arrangement of the Selection Panel starting from the third quarter of 2025. In case individual members request to participate in the form of video conferencing due to special circumstances, such requests should be made prior to the meeting with the approval of the Chairperson of the Panel.

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BUILDINGS DEPARTMENT

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15 May 2025

Ms Shirely CHAN
Clerk to Public Accounts Committee
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms CHAN,

Public Accounts Committee
Consideration of Chapter 4 of the Director of Audit's Report No. 84
Management of Mandatory Window Inspection Scheme
by the Buildings Department

Thank you for your letter dated 7 May 2025 and 9 May 2025 to the Director of Buildings concerning the captioned Audit Report. We are pleased to provide the requested information in the **Appendices**.

2. If you require any further information, please contact our Chief Structural Engineer/Mandatory Building Inspection 1, Mr NG Siu Leung, Daniel, at 3842 3038.

Yours faithfully,

(NG Siu Leung, Daniel)
Acting Assistant Director/Mandatory
Building Inspection Division
for Director of Buildings

Encl.
c.c. Secretary for Development (e-mail: sdev@devb.gov.hk)
Secretary for Financial Services & the Treasury (e-mail: sfst@fstb.gov.hk)
Director of Audit (e-mail: ncylam@aud.gov.hk)

Appendix 1

Public Accounts Committee
Consideration of Chapter 4 of the Director of Audit's Report No. 84
Management of Mandatory Window Inspection Scheme
by the Buildings Department

In response to the matters raised by the Committee on 7 May 2025, the Buildings Department (BD) hereby provides the following information:

295 fallen window incidents involved buildings not selected as target buildings under the Mandatory Window Inspection Scheme (MWIS) when the incidents occurred

2. The abovementioned 295 fallen window incidents involved a total of 250 buildings, among which 221 buildings involved one incident each, 18 buildings involved two incidents each and 11 buildings involved three or more incidents each. The distribution of the buildings concerned by building age and district is tabulated below:

District	Number of buildings involved	Building age (Note 1)		Number of incidents
		10-29	30 or above	
Central and Western	25	2	23	33
Eastern	53	4	49	77
Islands	0	0	0	0
Kowloon City	25	1	24	25
Kwai Tsing	6	0	6	6
Kwun Tong	3	0	3	3
North	11	5	6	15
Sai Kung	5	4	1	5
Sha Tin	4	0	4	4
Sham Shui Po	16	0	16	17
Southern	5	0	5	5
Tai Po	3	0	3	3
Tsuen Wan	17	3	14	18

Tuen Mun	6	0	6	6
Wan Chai	9	0	9	9
Wong Tai Sin	5	1	4	8
Yau Tsim Mong	49 (Note 2)	0	48	53
Yuen Long	8	2	6	8
Total	**250**	**22**	**227**	**295**

Note 1: The building age as at the end of 2024.

Note 2: One of the fallen window incidents was learnt from electronic media with no building address reported. As the exact address of the building could not be ascertained even after site inspection by BD staff, the age of the building involved could not be provided.

<u>140 fallen window incidents involved buildings selected as target buildings under MWIS when the incidents occurred</u>

3. The abovementioned 140 fallen window incidents involved a total of 134 buildings (including 70 buildings selected under Selection Mechanism A[1] and 64 buildings selected under Selection Mechanism B[2]), among which 128 buildings involved one incident each and six buildings involved two incidents each. The distribution of the buildings concerned by selection mechanism and district is tabulated below:

District	Number of buildings involved	Selection Mechanism A	Selection Mechanism B	Number of incidents
Central and Western	10	6	4	10
Eastern	9	4	5	9
Islands	1	0	1	1
Kowloon City	25	20	5	25
Kwai Tsing	2	0	2	2
Kwun Tong	0	0	0	0
North	4	0	4	6

[1] The target building is selected under Building Score System

[2] The target building is selected due to fallen window incident or window in defective or dilapidated state

Sai Kung	1	0	1	1
Sha Tin	1	0	1	1
Sham Shui Po	15	11	4	15
Southern	3	1	2	3
Tai Po	0	0	0	0
Tsuen Wan	6	2	4	6
Tuen Mun	13	0	13	13
Wan Chai	8	6	2	9
Wong Tai Sin	2	2	0	2
Yau Tsim Mong	32	18	14	34
Yuen Long	2	0	2	3
Total	**134**	**70**	**64**	**140**

Six fallen window incidents resulting in death and injuries

4. The abovementioned six incidents involved 6 buildings. Of the buildings involved, four had been selected as target buildings and issued with MWIS notices before the incidents, one was received MWIS notice after the incident, and the remaining one was issued with an order on the same day after the incident requiring the owner concerned to carry out investigation and remedial works, and thus no inspection under MWIS was required. The window inspections and necessary repair works have been completed for all the abovementioned 6 buildings.

Appendix 2

Public Accounts Committee
Consideration of Chapter 4 of the Director of Audit's Report No. 84
Management of Mandatory Window Inspection Scheme
by the Buildings Department

In response to the matters raised by the Committee on 9 May 2025, the Buildings Department (BD) hereby provides the following information:

Background, experience and knowledge of outsourced consultants

2. Staff of the consultants mentioned in paragraph 2.17 of the Audit Report are required under the relevant consultancy agreements to possess the following minimum qualifications:

Manpower	**Professional/academic qualifications**	**Experience**
1 Project Director	The authorized person under section 3(1) of the Buildings Ordinance	No extra requirements[1]
2 Professional staff	(i) Either a Full Member of the Hong Kong Institute of Architects/ Corporate Member of the Hong Kong Institution of Engineers (HKIE)/Corporate Member of the Hong Kong Institute of Surveyors (HKIS); or an architect/engineer/ surveyor registered under the respective Registration Ordinance; or other equivalent professional qualifications[2];	1 year of relevant post qualification local experience
	(ii) a degree in Building Studies/ Building Surveying/Building	7 years of relevant post

[1] The authorized person under section 3(1) of the Buildings Ordinance has the relevant professional qualification (eg. Registered Architect, Registered Professional Engineer or Registered Professional Surveyor), and acquired relevant practical experience.

[2] Corporate Members of HKIE or engineers registered under the Engineers Registration Ordinance shall be in the building, civil or structural discipline; whereas Corporate Members of HKIS or surveyors registered under the Surveyors Registration Ordinance shall be in the building surveying division.

		Technology/Architectural Studies/ Structural Engineering/Civil Engineering from a university, or equivalent academic qualifications[3].	graduation experience
4 Technical staff	(i)	a Diploma/Higher Certificate/ Higher Diploma/Associate Degree in Building Studies/Building Surveying/ Quantity Surveying/ Building Technology/Architectural Studies/Structural Engineering/ Civil Engineering from the Polytechnic/the Hong Kong Polytechnic University/the Hong Kong Institute of Vocational Education/Technical institute/ Technical colleges or equivalent qualifications	2 years of relevant post graduation local experience in building works
	(ii)	a Degree in Building Studies/ Building Surveying/Quantity Surveying/Building Technology/ Architectural Studies/Structural Engineering/Civil Engineering from a university, or equivalent qualifications.	1 year of relevant post graduation local experience in building works

Information of consultancy agreements

3. The contract sum and the number of staff involved in each of the consultancy agreements mentioned in paragraph 2.17 of the Audit Report are tabulated below:

Consultancy agreements in 2022 (1-year contract period)

[3] The consultants' non-local staff with the relevant academic qualifications and working experience are deemed to have met the qualifications of professional staff for consultancy agreements after 29 November 2022. The measure was introduced by Development Bureau to provide the consultant with more flexibility in hiring of non-local staff.

Consultancy agreement	Consultant[4]	Contract sum ($,000)	Number of staff involved[5]
1	A	1,521	1 Project Director 3 Professional staff 15 Technical staff
2	B	2,396	1 Project Director 2 Professional staff 5 Technical staff
3	C	2,003	1 Project Director 2 Professional staff 5 Technical staff
4	C	1,963	1 Project Director 2 Professional staff 4 Technical staff

Consultancy agreements in 2023 (2-year contract period)

Consultancy agreement	Consultant[4]	Contract sum ($,000)	Number of staff involved[5]
1	C	5,002	1 Project Director 2 Professional staff 5 Technical staff
2	C	5,188	1 Project Director 2 Professional staff 5 Technical staff
3	D	3,881	1 Project Director 2 Professional staff 5 Technical staff
4	D	4,028	1 Project Director 2 Professional staff 6 Technical staff

Work of outsourced consultants

4. In view of the significant number of notices to be issued and handled under the Mandatory Window Inspection Scheme (MWIS) every year, BD has engaged outsourced consultants to assist in the administrative

[4] The code of the consultant as in the Audit Report.

[5] The actual number of staff provided by the outsourced consultants engaged.

work of non-statutory functions, issuing 49 930, 32 588 and 40 530 statutory notices under MWIS in each of the past three years respectively. This arrangement enables BD staff to focus on discharging their statutory functions, which include issuing reminders, warning letters and fixed penalty notices to owners for non-compliance with the notices, instigating prosecution against owners without reasonable excuse, conducting audit checks on cases in which owners have arranged for Qualified Persons (QPs) to carry out inspections and repair works, issuing reminders or warning letters to non-compliant QPs, as well as instigating prosecution/disciplinary actions when necessary. In addition, BD is also tasked with providing technical support and assistance to owners in need, and taking forward relevant public education and publicity work. In view of this, it is a cost-effective arrangement for BD to outsource part of its administrative work to consultants.

5. BD has been optimising the administrative work of MWIS through streamlining procedures and enhancing its information technology systems, such as automating the generation of MWIS notices by a computer information system. BD is also developing an electronic Case Management and Reporting Platform, which can automatically generate reminders and warning letters upon expiry of the statutory notices in place of the existing arrangement of issuing letters manually, thereby enhancing enforcement efficiency. It is expected to be implemented in the fourth quarter of this year. BD will continue to enhance its information systems and utilise technology, with a view to reducing the administrative work pertaining to statutory notices under MWIS and enhancing enforcement efficiency.

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27 June 2025

Ms Shirely CHAN
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1 Legislative Council Road
Central, Hong Kong

Dear Ms CHAN,

Public Accounts Committee
Consideration of Chapter 4 of the Director of Audit's Report No. 84
Management of Mandatory Window Inspection Scheme
by the Buildings Department

Thank you for your letter dated 27 May 2025 to the Development Bureau concerning the captioned Audit Report. The Buildings Department is authorised to provide the requested information in the **Appendix**.

2. If you require any further information, please contact our Chief Structural Engineer/Mandatory Building Inspection 1, Mr NG Siu Leung, Daniel, at 3842 3038.

Yours faithfully,

(CHEUNG Yuk-ching, Karen)
Assistant Director/ Mandatory Building Inspection
for Director of Buildings

Encl.
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Secretary for Financial Services & the Treasury (e-mail: sfst@fstb.gov.hk)
Director of Audit (e-mail: ncylam@aud.gov.hk)

Appendix 1

Public Accounts Committee
Consideration of Chapter 4 of the Director of Audit's Report No. 84
Management of Mandatory Window Inspection Scheme by the Buildings Department

In response to the matters raised by the Committee at the public hearing, the Buildings Department (BD) hereby provides the following information:

Part 3: Follow-up Actions on Statutory Notices

(a) Withdrawal of statutory notices

As at 31 December 2024, 29 781 statutory notices were withdrawn or superseded by new notices, of which 18 632 were withdrawn due to reasons such as buildings have been demolished or about to be demolished, and the absence of windows in the premises concerned (e.g. ground floor shops) upon alteration. BD does not compile breakdown statistics on the withdrawal of statutory notices involving buildings about to be demolished.

(b) Outstanding statutory notices

(i) As at 31 December 2024, of the 26 647 outstanding statutory notices, 3 049 involved common parts of the buildings, while the remaining 23 598 involved windows in individual premises.

Regarding the reasons for long-outstanding statutory notices, in respect of common parts, it is mainly due to the absence of owners' corporations (OCs) or management companies to co-ordinate window inspections, or the failure in reaching a consensus among owners on the engagement of qualified

persons (QPs) [1] or the sharing of costs. For windows in individual premises, it is mainly due to the practical difficulties (such as financial hardship, old age, infirmity or illness) encountered by owners who require the assistance from BD's in-house social service teams (SST).

The case that remained outstanding for 11.6 years involved windows in an individual premises, and the owner concerned was a woman aged about 50, to whom BD had issued warning letters and fixed penalty notices (FPNs), as well as instigated multiple prosecutions. She was convicted and fined by the Court in 2021 and 2023. The SST had reached out to the woman to offer assistance. She responded that she was aware of the requirement to engage a QP for window inspection and declined further assistance from the SST. While she was well aware of the requirement to engage a QP to carry out window inspection in her premises, she had not fulfilled her responsibility. Since the statutory notice has not yet been complied with, BD instigated a third prosecution against her in 2024, and will continue to follow up on the relevant enforcement actions, including considering carrying out default works under the Buildings Ordinance (BO). However, in view of the past interactions with the woman, BD may need to apply to the Court for a warrant in order to enter the premises to carry out default works.

(ii) Of the 26 647 outstanding statutory notices, 4 212 involved "three-nil" buildings, accounting for about 16% of the total number. In the past four months (i.e. as at 30 April 2025), 531 of them have been complied with, and 644 of the remaining 3 681 statutory notices involved windows in common parts. The buildings concerned have been included as Category 2 buildings under Operation Building Bright 2.0 (OBB 2.0), and BD will carry out the requisite inspection and repair works for the windows in common parts in default of the owners. BD will continue to adopt the risk-based approach by selecting the "three-nil" buildings in need to carry out default works for

Note [(1)] A QP appointed to carry out the prescribed inspection or supervision of the prescribed repair for windows under the Mandatory Window Inspection Scheme (MWIS) shall be a person whose name is for the time being on one of the following registers kept by BD: (a) Authorized Persons; (b) Registered Structural Engineers; (c) Registered Inspectors; (d) Registered General Building Contractors; or (e) Registered Minor Works Contractors registered for the class, type and item of minor works in respect of windows.

windows in common parts under OBB 2.0. As for owners of individual premises in "three-nil" buildings who have not complied with the Mandatory Window Inspection Scheme (MWIS) notices, BD staff will, where necessary, provide technical support, deploy its SST to provide appropriate assistance to owners and occupants concerned, and provide information on the engagement of QPs.

In addition, BD has been providing technical support to owners, including those "three-nil" buildings, for complying with relevant statutory notices through "Central Platform on Building Management" briefings regularly organised by the Home Affairs Department (HAD). BD will enrich the content on MWIS in the briefings to assist the OCs or building owners, including those of "three-nil" buildings, to carry out prescribed inspections and/or prescribed repair works.

(iii) As at 31 May 2025, of the 26 647 outstanding statutory notices under MWIS, 5 265 were complied with while four were withdrawn, accounting for about 20%. BD issued warning letters against 20 444 of the remaining 21 378 outstanding statutory notices. Among them, 3 575 cases were issued with FPNs for continued non-compliance without reasonable excuse upon receipt of warning letters, and BD also instigated prosecutions against 529 cases that remained non-compliant even after being issued with FPNs. The relevant owners of the remaining 934 notices are relatively more proactive and are discussing with BD the follow-up actions for complying with the statutory notices, for example, seeking to understand the specific requirements and procedures for compliance with the notices, obtaining information on engaging QPs, seeking technical support or social service assistance from BD, as well as applying for extension of time by stating the reasons for their failure to comply with the statutory notices in a timely manner and the practical difficulties they encountered. As such, BD will closely follow up and take further actions against the owners who fail to take active follow-up actions, including issuing warning letters and FPNs, as well as instigating prosecutions.

BD will continue to strengthen its efforts in public education and publicity. In addition to promoting MWIS and providing

technical support to the public through the "Central Platform on Building Management" briefing mentioned in paragraph (b)(ii) above, BD will also collaborate with various stakeholders, including the construction industry and the property management industry, to promote regular inspections and timely repairs for buildings. These include enhancing owners' awareness of the importance of regular building maintenance; organising briefings for the Property Management Services Authority, highlighting the points to note for compliance with MWIS notices to licensed property management companies (PMCs) associated with target buildings, so as to assist owners in complying with MWIS notices through PMCs; as well as formulating maintenance manuals and programmes, etc.

Furthermore, BD will continue to step up the promotion of the "WIN SAFE" mobile application and its online chatbot to facilitate owners in searching for QPs and the public in directing enquiries regarding MWIS notices to BD.

(iv) If owners of the non-compliant MWIS notices have difficulties in co-ordinating the prescribed inspection and repair works for the common parts of their buildings, BD will, based on the risk-based approach and the actual conditions of the buildings, proactively select such buildings, including "three-nil" buildings, as Category 2 buildings under OBB 2.0, and exercise its statutory power to arrange for consultants and government contractors to carry out the prescribed inspection and necessary works in default of the owners. The cost of the inspection and required works plus a supervision charge will be recovered from the owners concerned afterwards. Eligible owners may apply for a subsidy under OBB 2.0 to cover all or part of such cost. As at 30 April 2025, about 860 buildings, including 430 "three-nil" buildings, have been selected as Category 2 buildings under OBB 2.0 with inspection/repair works in progress.

(c) Statutory notices for common parts

As the common parts of buildings generally involve a large number of owners, negotiation is often necessary in preparing the required inspection and repair works, which includes the invitation of tenders for the engagement of consultants and contractors. Therefore, owners

or OCs generally need more time to comply with statutory notices for common parts.

BD will continue to provide technical support to building owners for complying with relevant statutory notices through the "Central Platform on Building Management" briefings regularly organised by HAD. In addition, the Development Bureau (DEVB) also established a multi-partite collaboration platform in the third quarter of 2023, comprising members from BD, the Urban Renewal Authority, HAD, etc., to co-ordinate appropriate support including the formation of OCs through HAD with a view to assisting owners in complying with MWIS notices. BD will continue to step up its efforts in explaining to the public the details of MWIS and assist OCs or building owners in carrying out prescribed inspections and/or prescribed repairs. Meanwhile, BD will also deploy SST to provide the owners/occupants concerned with appropriate assistance in cases of need. While providing assistance to owners who are willing to comply with MWIS notices, we will instigate prosecutions against owners who continuously fail to comply with the notices without reasonable excuse. We will continue to enhance the procedures to expedite prosecutions by, among others, the enhancement measures put forth in paragraphs (f)(iv) and (g) below.

In addition, we will review the legislation to increase the deterrent effect. In this connection, DEVB announced proposals to amend the BO at the end of last year to expedite building inspection and repair, including increasing the fixed penalty for non-compliance with MWIS notices from the current $1,500 to $3,000, with the maximum fine in prosecution cases to be increased from the current $25,000 to $100,000 and the imprisonment term to be kept at three months, introducing a new offence with a maximum fine of $300,000 and imprisonment for one year to be imposed for cases of non-compliance with MWIS notices with casualties or damage to property caused as a result of fallen windows in buildings, and also proposing to increase the penalty for uncooperative owners who obstruct OCs in carrying out inspection and repair for windows in common parts from the current $10,000 to $25,000. We are consolidating public views and plan to introduce an amendment bill into the Legislative Council in the first half of next year. We believe the abovementioned proposals to amend the BO in respect of relevant penalties will enhance the deterrent effect and it is expected that the compliance rate of statutory notices will be boosted in the future.

(d) Fallen window incidents

(i) BD primarily obtains information on fallen window incidents through emergency incidents notified by the Police, public reports, as well as media and internet reports identified by its staff. The main causes of fallen windows include corrosion or loosening of some of the window elements, broken glass panels or improper use of windows, etc. BD does not keep breakdown statistics on the causes of the 445 cases.

The breakdown of the 445 fallen window incidents by year is tabulated below -

Year involved	Number of fallen window incidents
2017	90
2018	65
2019	78
2020	47
2021	40
2022	32
2023	50
2024	43
Total	**445**

Among the above fallen window cases, four cases were associated with QPs based on prima facie evidence. Two of these cases involved negligence on the part of QPs in window inspection. Upon detailed investigation, BD instigated prosecution against the two QPs concerned under the BO, and they were convicted and fined $10,500 and $5,000 respectively. The other two cases were considered with doubts by the Department of Justice/expert witnesses, and, as a result, were respectively withdrawn and could not be prosecuted.

(ii) Of the 106 cases in which the statutory notices had been complied with when the fallen window incidents occurred, 68 cases involved a time lapse of over two years between the occurrence of the incident and the time of compliance with the relevant statutory notices, and BD was unable to ascertain, upon investigation, any irregularities in the window inspection conducted by the QPs concerned. No further action could be taken/was required in 20 cases due to insufficient evidence or

verified as misreporting (i.e. no fallen windows). No further investigation could be carried out in 14 cases due to failure to identify the exact premises in which the incidents took place. Prosecution actions were considered or taken for the remaining four cases (see paragraph (d)(i) above for details).

(iii) As for the relevant 18 outstanding statutory notices, one of them pertained to a premises involved in a fallen window incident resulting in injuries. BD issued a statutory notice to the premises concerned on 8 August 2016, and the fallen window incident occurred on 18 November 2018, with the owner subsequently carrying out window inspection and completing repair works on 30 November of the same year. As mentioned in paragraph (c) above, we will amend the legislation to introduce a new offence to penalise owners who fail to comply with MWIS notices and involve in fallen window incidents that cause casualties. Upon conviction, the maximum penalty will be a fine of $300,000 and imprisonment for one year. The new offence, if enacted, will help urge owners to comply with MWIS notices in a timely manner.

(iv) As at the end of May 2025, the latest compliance status of the remaining five statutory notices is as follows: the statutory notice of one case has been complied with; one case has commenced repair works; two cases are undergoing prosecution proceedings; and the remaining one has been issued with an FPN. BD will closely monitor the progress of the cases and take further enforcement actions when necessary.

(e) Case Management and Reporting Platform

(i) BD is developing a "Case Management and Reporting Platform for Statutory Orders/Notices and Warning Letters" (CMRP), the functions of which include automatic generation of warning letters requiring owners or responsible persons to handle unauthorised building works or follow-up the statutory notices under the Mandatory Building Inspection Scheme (MBIS)/MWIS. It is expected that CMRP will be put under test in the third quarter of this year, with the application to be launched by the end of this year. The total expenditure on the development is about $12 million, which has been earmarked under the Capital Works Reserve Fund.

(ii) Apart from launching the electronic CMRP, BD will also closely monitor the compliance with MWIS statutory notices through Progress Monitoring Committees (PMC)[2] at three levels, including regularly monitoring the progress of follow-up actions at the Sectional Progress Monitoring Meetings, and reminding BD staff to follow up on non-compliant cases in a timely manner. Moreover, BD will further enhance the functions of the Building Condition Information System, including sending timely reminders to staff for issuance of warning letters and FPNs as well as instigation of prosecutions as scheduled.

(iii) The CMRP mentioned in item (i) above aims to assist BD staff in issuing warning letters to owners who fail to comply with MWIS notices by the due date, whereas outsourced consultants are responsible for issuing and serving MWIS notices to owners of target buildings. There is no overlapping of work between the two. As regards BD's measures to strengthen the monitoring of consultants, the relevant information has already been set out in details in paragraphs i(iii) and (v) of Appendix 1 of our reply on 27 June 2025 to the Public Accounts Committee's letter dated 26 May, and hence will not be repeated here.

(f) Issuance of FPNs

(i) Experience shows that after the issuance of warning letters by BD, the majority of owners will respond positively and follow up on the relevant statutory notices, which is also reflected in the overall compliance rate of 96% for MWIS notices. Some owners will also actively discuss with BD the follow-up actions and status of complying with the statutory notices, for example, seeking to understand the specific requirements and procedures for compliance with the notices, obtaining information on engaging QPs, seeking technical support or social service assistance from BD, as well as applying for extension of time by stating the reasons for their failure to comply with the statutory notices in a timely manner and the practical difficulties they encountered. BD has all along

Note [2] PMC consists of three levels (comprising directorate officers of BD), with the Director of Buildings chairing the first level, the Assistant Director chairing the second level, and the Chief Building Surveyor/Chief Structural Engineer chairing the third level. Three levels of PMC will provide different levels of monitoring based on the complexity of the case, and meet regularly in accordance with the work targets and timetable.

Note by Clerk, PAC:** **The reply dated 27 June 2025 from the Director of Buildings to PAC's letter dated 26 May is in Appendix 9 to this Report.

adopted a pragmatic approach in communicating with owners and providing them with the necessary technical support as far as possible to assist them in the early completion of window inspections and follow-up works. To further increase the compliance rate, BD starting from July 2024, has set a timeframe for the issuance of FPNs, which is normally within six months from the compliance due date of the statutory notices. We consider that such timeframe allows reasonable time for owners with difficulties to seek assistance and comply with the statutory notices.

(ii) Regarding the case involving file mis-location mentioned in Note 4 of paragraph 3.9(b) of the Audit Report, BD officers normally handle enforcement matters through the file created for each building. As the file concerned had previously been mislocated to another section, the case could not be followed up in a timely manner. BD believed this was an isolated incident. BD has introduced the Bar-Coding File Management System in the early years to facilitate the tracking of file movements, so as to minimise the chance of file mis-location. For this case, an FPN was issued on 18 October 2024 and the owner concerned paid the fixed penalty on 21 November 2024. As the owner had still not complied with the MWIS notice, BD issued a warning letter to the owner and instigated prosecution.

(iii) & (vi)

The issuance of FPNs under MWIS was indeed effective in increasing the compliance rate of statutory notices. However, referring cases of outstanding FPNs to the Court solely for recovery of the penalties (i.e. recovery of the fixed penalty of $1,500 and an additional statutory penalty of $300 from owners concerned) may not further enhance compliance with statutory notices. Therefore, for optimising the use of resources and streamlining the workflows, BD is exploring the feasibility of requesting the Court to also take into account any outstanding FPNs when conducting prosecution against owners for non-compliance with statutory notices, so that the Court may consider whether to impose heavier penalties to enhance the deterrent effect.

(iv) BD sets up a Fast Track Prosecution Team (FPT) in each of the Mandatory Building Inspection Section (Section 1 and

Section 2) under the Mandatory Building Inspection Division in January 2019 to expedite the prosecution of overdue non-compliant statutory notices under MBIS and MWIS. BD supplemented its then staff establishment with time-limited posts for a period of five years, including two professional grade staff, ten technical grade staff and two clerical grade staff, which were subsequently extended to be lapsed in March 2027. The relevant performance indicators are tabulated below –

Year	Performance indicator (number of summonses)	Completed (number of summonses)
2019	1 200	1 213
2020	1 200	1 212
2021	2 600	2 606
2022	2 600	2 583
2023	2 600	2 603
2024	2 750	2 893

Since October 2024, BD has simplified the checklist of documents to be vetted for referral to FPTs and handed over the checking of information relating to statutory notices, such as serving records of statutory notices and records of owners of the premises, to FPT, with a view to reducing the time taken by BD for repeated checking of information, thereby expediting the prosecution procedures.

(v) Currently, case information is submitted electronically by BD through the "Integrated Court Case Management System" (iCMS) of the Judiciary to initiate summons procedures. Given the substantial number of summons cases handled by Magistrates' Courts, the scheduling of hearings has always been conducted in an orderly and systematic manner. Under its current arrangement, the Judiciary will, having regard to the anticipated prosecution caseloads and demand for hearings of different prosecution departments, set aside hearing days and timeslots every week at various Magistrates' Courts for individual prosecution departments for the scheduling of the first hearings. At present, over 30 prosecution departments are scheduled for regular departmental hearings of summons conducted in designated timeslots in the seven Magistrates' Courts. All cases, whether scheduled automatically through

iCMS or arranged through liaison and co-ordination with court staff, will be assigned a hearing date. iCMS imposes no limit on the number of summons cases submitted. This arrangement of scheduling hearings helps optimise the use of judicial resources, while accommodating the caseloads of different prosecution departments, proving to be effective and operating smoothly.

Prosecution departments may also consult the Magistrates' Courts to adjust the individual and overall hearing timeslots and quotas as needed. In light of specific circumstances, the Chief Magistrate or the Principal Magistrate will make flexible adjustments.

(vii) & (viii)

Between July 2024 and May 2025, the number of warning letters and FPNs issued by BD for statutory notices that were due and had not yet been complied with were 9 889 and 2 918 respectively.

During the abovementioned period, 4 854 statutory notices were due and had not yet been complied with, of which 4 584 exceeded the compliance due dates for over one month, resulting in the issuance of a total of 3 547 warning letters by BD. Moreover, for the 1 434 statutory notices that had been issued with warning letters and exceeded the compliance due dates for over six months, BD issued a total of 529 FPNs.

In general, upon issuance of MWIS notices by BD, most owners will respond positively to BD staff including making enquiries about details and procedures of complying with MWIS notices, obtaining information on engaging QPs, seeking technical support or social service assistance from BD, as well as applying for extension of time by stating the reasons for their failure to comply with the statutory notices in a timely manner and the practical difficulties encountered. If positive responses are received from owners, BD will normally allow time for them to handle the cases and defer the issuance of warning letters. Similarly, if owners respond positively or express difficulties encountered upon the issuance of warning letters by BD, BD staff will address the cases pragmatically and provide assistance to the owners. Therefore, some FPNs

will not be issued immediately after the expiry of the original due dates. BD's PMC will continue to closely monitor non-compliant statutory notices, and has reminded its staff to promptly take follow-up actions on non-compliant cases without reasonable excuse that have not been issued with FPNs.

(g) Referral for prosecution

BD has formulated guidelines in May this year. For cases where there is no positive response after the fixed penalty notice is served and the statutory notice has not been complied with, a warning letter will be issued to the relevant owner within one month from the deadline of the fixed penalty notice (except for cases with positive response). If there remains no positive response from the owners, BD will refer the cases to FPT for follow-up actions three months after the issuance of warning letters (except for cases with positive response).
Besides, as mentioned in the reply in paragraph f (iv) above, BD has also simplified the checklist of documents to be vetted for referral to FPT, thereby expediting the prosecution procedures.

(h) Second referral for prosecution

For convicted cases with continued non-compliance, BD will normally enquire with the owners convicted to see whether they have practical difficulties and make further attempts to render appropriate assistance, so as to help them to comply with statutory notices under MWIS as soon as possible before second prosecution is considered by BD. Nevertheless, BD will take prosecution actions if the owners do not respond positively.

In May this year, BD has formulated guidelines on follow-up measures and the time limit for second prosecution of convicted cases as abovementioned. For convicted cases, BD will issue a warning letter to the owners upon the prosecution result. If no positive response is received from the owners after three months, the cases will be referred to FPT for second prosecution (except for cases with positive response).

中華人民共和國
香港特別行政區政府
The Government of the Hong Kong Special Administrative Region of the People's Republic of China

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12 June 2025

Public Accounts Committee
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong
(Attn: Ms Shirley CHAN)

Dear Ms CHAN,

Public Accounts Committee

Consideration of Chapter 5 of the Director of Audit's Report No. 84
Maritime and Aviation Training Fund

Thank you for your letter dated 23 May 2025. Our replies to the questions raised by the Public Accounts Committee are set out at **Annex**.

Yours sincerely,

(J.J. WANG)
for Secretary for Transport and Logistics

Encl.

c.c. Director of Marine (email: dmoffice@mardep.gov.hk)
Secretary for Financial Services and the Treasury (email: sfst@fstb.gov.hk)
Director of Audit (email: ncylam@aud.gov.hk

Annex

Report No. 84 of Director of Audit
Chapter 5 "Maritime and Aviation Training Fund"
Questions and Request Information

Part 2: Training Schemes Administered by Transport and Logistics Bureau and Marine Department

1. According to paragraph 2.5 of the Report No. 84 of the Director of Audit ("the Audit Report"), among the applications received in 2023 and 2024, the processing time for 118 applications under the Professional Training and Examination Refund Scheme – Maritime exceeded 8 weeks, and none of them required the applicants to submit supplementary information. Please advise:

   (a) the reasons for the delay in processing the above applications;
   (b) what are the current application procedures for the above scheme and the types of information required from the applicants; and
   (c) given that the electronic application system was launched on 20 March 2025 according to paragraph 2.14 of the Audit Report, in what way the system can help improve the efficiency and accuracy in processing applications?

Answer for Q1:

(a) Between 2023 and 2024, the Bureau received more than 2,100 applications for the Professional Training and Examination Refund Scheme (ProTERS) – Maritime. Among them, 118 applications (5.6%) have taken more than 8 weeks to process without involving the submission of additional information from the applicants. The main reason for the longer processing time was that the institutions organising the courses/arranging the examinations have resumed their courses/examinations in an accelerated pace after the easing of the pandemic. The number of applications for reimbursement had increased by about 30% as compared to the period during the pandemic. In addition to the backlog accumulated previously, more time was required to process the accumulated cases. From the fourth quarter of 2024 onwards, the processing time for applications has resumed normal, i.e. the processing of applications and fee reimbursement were completed within 8 weeks.

(b) According to the application procedure, applicants are required to submit their applications by post, email or through the electronic application system within 4 months after their completion of the course/examination. Applicants must provide the following documents, including a copy of the applicant's Hong Kong identity card, proof of completion of the course/examination, the payment receipt of course/examination, bank account document for the applicant's receipt of reimbursement and proof of employment.

(c) With the launch of the electronic application system in March 2025, applicants can submit applications or supplementary documents through the system to improve the application efficiency. Subject staff can also process the applications through the system, and make use of the system's functions, such as automatic calculation function for calculating the reimbursement amounts, and drafting of notification letters, for improving the accuracy of data input. The system has been launched for about two months and the statistics show that processing of applications (including applications submitted by post, email and the electronic application system) can normally be completed within about 5 weeks.

2. According to paragraph 2.6 of the Audit Report, the Bureau has adopted an additional safeguard measure, requiring all course providers to state whether the courses are also funded by other schemes when applying course inclusion in the pre-approved list of ProTERS since August 2023. However, as of December 2024, nine courses were covered by both the Continuing Education Fund ("the CEF") and the ProTERS(Aviation) at the same time, and 58 applications had been approved for seven of the above courses, involving a total reimbursement amount of $470,080. Please advise:

(a) When were the above 9 courses first included in the CEF and the ProTERS(Aviation)? What are the reasons for not discovering that these courses were included in the CEF at the same time in the past?

(b) According to the Bureau, the Secretariat of MATF confirmed with the Office of CEF in March 2025 that no double subsidy cases had been discovered. What was the total number of

cases reviewed by the Secretariat and what was the timing of application for these cases?

(c) As the Bureau will verify all relevant applications with the Office of CEF before disbursing funds in future, what are the relevant operating procedures and the time required?

Answer for Q2

The objective of ProTERS is to incentivise those interested to join, as well as already working in, the aviation sector, to attend courses and sit for examinations offered by various education institutions, professional or trade bodies, with a view to upgrading their skills and encouraging them to acquire professional qualifications. The scheme is divided into two parts, namely maritime and aviation (hereinafter referred to as the "ProTERS(Maritime)" and the "ProTERS(Aviation)"). Two teams of the Bureau are responsible for the work of the Secretariat respectively, while the Manpower Development Committee of the Hong Kong Maritime and Port Board and the Tripartite Taskforce on Manpower Training (Aviation) (the "TTA") respectively provide advice on the management of the two parts of the scheme to ensure that the scheme can meet the needs of the industries.

Regarding the information requested in the question, our reply is as follows:

(a) Currently, there is no restriction under ProTERS on the eligibility of the relevant courses/examinations for inclusion in other government funding schemes. However, the Bureau requires course providers/ examination authorities to state whether the relevant courses/examinations are also subsidised by other schemes when applying for course/examination inclusion in ProTERS. For the ProTERS(Aviation), nine courses were covered by both the CEF and ProTERS(Aviation) as of December 2024. These nine courses were first included in ProTERS(Aviation) between May 2019 and July 2023; and were first included in the CEF between March 2013 and July 2024 according to the information provided by the Office of the CEF.

To prevent double subsidy, applicants for ProTERS are required to sign a declaration on the application form that they have never received any other grant or subsidy for the course or examination they apply for, and

to indicate that they understand that it is an offence to omit information or make misrepresentations in order to obtain monetary benefits by deception. As a further safeguard, for courses covered by both the CEF and ProTERS(Aviation), the Bureau compares and verifies the applications for ProTERS(Aviation) with the Office of the CEF to confirm that there is no double subsidy.

(b) For the nine courses mentioned above, a total of 58 applications involving 7 courses were approved between June 2022 and December 2024. The Bureau has verified all the cases with the Office of CEF and confirmed that there was no double subsidy.

(c) As regards courses covered under both funds, the Bureau and the Office of the CEF have established a mechanism to cross-check any application received by either fund with the other fund, in order to ensure that the applicant has not already received reimbursement for the same course under the other fund. The cross-checking process will be carried out in parallel with other existing vetting procedures and will not increase the processing time for each application.

3. According to paragraph 2.8 of the audit report, as of December 31, 2024, there are 469 courses/examinations approved for inclusion in the ProTERS. However, from 2019-2020 to 2024-2025 (up to December 2024), no application was received for 226 (48%) of the approved courses/examinations, and only 10 or fewer applications were received for another 122 (26%) of the approved courses/examinations received. Please advise:

(a) From 2019-2020 to 2024-2025, the number of participants in the above-mentioned approved courses/examinations each year; and

(b) Has any research or investigation been conducted on the reasons for the low application rate for some of the above-mentioned courses/examinations? If so, what are the details? If not, what are the reasons?

Answer for Q3:

(a) The ProTERS aims to encourage those who aspire to join the maritime or aviation industries, and those currently working in the industries to upgrade their skills and obtain professional qualifications. As the

course organisers or examination authorities are responsible for the recruitment of students for courses and candidates for examinations, the Bureau does not have the information concerning the number of participants attending the above-mentioned courses/examinations each year.

(b) When considering whether a course/examination can be included in the pre-approved list of ProTERS, the Bureau will mainly consider factors, such as the professionalism, the recognition of the course/examination for assessing whether the course/examination can help those who aspire to join the maritime or aviation industry, and those who are currently working in the industries to upskill themselves and obtain the professional qualifications. Concerning the number of applications for individual courses/examinations under ProTERS, it will be affected by multiple factors such as the latest developments in the industries, the impact of the concerned professional knowledge and skills on the career advancement of the course takers, the time required to study the course instead of a single determining factor.

Although the popularity of a course/examination should not be the determining factor in assessing whether a course/examination should be included in ProTERS, the review mechanism of ProTERS will help the Bureau and the course organisers/examination authorities identify reasons for the relatively low applications for individual courses/examinations and ensure that the courses/examinations under ProTERS are still aligning closely to the professional development of the maritime and aviation industries.

In addition, ProTERS was included in the comprehensive review of the MATF which was completed in mid-2024. We will invite the course organisers/examinations authorities to review those courses/examinations under their purview, and remove those out-dated courses/examinations from the pre-approved list. To ensure that the courses/examinations in the pre-approved list could meet the contemporary development of the maritime and aviation industries, all the courses/examinations will be valid for three years under the pre-approved list.

4. According to paragraphs 2.17 to 2.20 of the audit report, the utilisation rates of companies participating in the Maritime and Aviation Internship Scheme (MAIS) from the maritime and aviation sectors ranged from 45% to 70% from 2019 to 2024. For the maritime, only

7 out of 289 interns in 2023 and 2024 were Form 6 school leavers. For the aviation industry, only 8 out of 893 interns in 2020 to 2023 were Form 6 school leavers. Please advise:

(a) The total number of applicants for internship positions each year from 2019 to 2024; and the employment rate for the interns;

(b) As the eligibility criteria for the MAIS were extended to Form 6 school leavers in 2017 (for aviation) and 2023 (for maritime) respectively, the number of Form 6 school leavers registered for the above schemes each year as of December 2024; and

(c) For the aviation industry, about 22% of the employees at Hong Kong International Airport were engaged in manual labour and/or low-skilled jobs in 2017. The services provided by these positions are the backbone of airport operations, but there are difficulties in the recruitment for these positions. What measures has the Bureau taken to increase the participation rate of Form 6 school leavers in the above internship programme?

Answer to Q4:

(a) The Bureau has been implementing the MAIS since 2014 to facilitate college students to understand the diversified employment opportunities in both maritime and aviation industries as early as possible and encourage them to join the two industries after graduation. From 2019 to 2024, the total number of internship applications and internship employment rates are as follows:

Maritime industry

	2019	**2020**	**2021**	**2022**	**2023**	**2024**
Number of internship positions approved	296	196	281	340	320	274
Number of internship applications	3 054	5 284	3 944	3 708	2 343	2 552
Number of interns employed #	176	120	201	214	150	157
Internship employment rate (%)	5.67	2.27	5.10	5.77	6.40	6.15

Aviation industry

	2019	**2020**	**2021**	**2022**	**2023**	**2024**
Number of internship positions approved	589	284	293	452	591	598

Number of internship applications	10 230	8 587	7 134	4 301	7 522	9 607
Number of interns employed#	366	191	168	270	264	351
Internship employment rate (%)	3.6	2.2	2.4	6.3	3.5	3.7

The requirements of the internship positions may not be able to match with the skills or the interest of the students. Hence, the number of interns employed is less than the number of internship positions approved

(b) After taking into account the feedback from employers, the Bureau extended the eligibility of the internship schemes in the aviation industry and the maritime industry to Form 6 school leavers in 2017 and 2023 respectively. The number of Form 6 school leavers having applied for internship in 2023 and 2024 are as follows:

Maritime industry

	2023	**2024**
Number of Form 6 school leavers applied for internship	4	9
Number of Form school leavers employed	1	6

Aviation industry

	2023	**2024**
Number of Form 6 school leavers applied for internship	20	20
Number of Form 6 school leavers employed	1	4

(c) Under the MAIS(Aviation), employers set the number of internship vacancies and relevant job requirements in accordance with their business and operational needs, and submit applications regarding the internship vacancies for the MAIS(Aviation) to the Bureau. Once the number of internship vacancies is approved, employers should conduct their own recruitment exercises to recruit and employ suitable students for internships in accordance with the requirements of the relevant posts. In this regard, whether Form 6 school leavers will apply for the relevant internship vacancies is subject to such factors as the employer's requirements for the prospective interns and the school leavers' individual work or study plans; and the employer also has the discretion to decide whether to employ Form 6 school leavers. That

said, the Bureau will strengthen the promotion of the MAIS to Form 6 school leavers so that they can understand the maritime and aviation industries as early as possible.

5. According to paragraph 2.25 of the audit report, the number of beneficiaries of the Local Vessel Trade Training Incentive Scheme (LVTTIS) in 2023-2024 and 2024-2025 (up to December 2024) was only 4 and 5 respectively, representing a significant drop from 33 as compared to 2021-2022. Please advise us of the reasons for the significant drop in the number of beneficiaries of the above scheme, and what measures the Transport and Logistics Bureau has taken to increase its participation rate?

Answer to Q5:

The LVTTIS aims to provide financial incentives to full-time deck/engine room crew members who have completed approved seafarer training courses under the Scheme and are newly employed in the local ship industry with a view to encouraging them to obtain their first professional qualification as a Coxswain or Engine Operator of a local vessel. Participants who are not holding any local Coxswain/engine operator Grade 3 certificate, and have not been employed by any local shipping company on or after 11 January 2011 are eligible for the Scheme. The reasons for the decline in the number of participants in the LVTTIS during the past two years might be because a certain number of full-time deck/engine room crew members had been recruited in the early years, the recent recruitment of these types of crew members was reduced, and hence the number of participants in the LVTTIS also decreased accordingly.

As a reference, the "Local Vessel Competency Enhancement Scheme" (LVCES) aims to provide financial incentive to those local vessel practitioners who are aspired to obtain professional qualification as Coxswains/Engine Operators, encouraging them to obtain Coxswain Class/ Engine Operator 3 or Class 2 Certificate. According to the statistics given under the LVCES, these full-time deck/engine room crew members, through obtaining the professional qualifications as local Coxswain/Engine Operator to actively improve their skills, expanded the maritime talent pool. When the coxswain or engine operator positions are vacant, they can be filled as soon as possible. At that juncture, the local shipping companies also need to hire full-time deck/engine room crew members to fill the junior crew vacancies correspondingly in order

to maintain the healthy development of the local shipping industry. It is believed that the number of applications for LVTTIS will increase in the future.

Local Vessel Trade Training Incentive Scheme

Year	No of Participants
2014/15	9
2015/16	28
2016/17	34
2017/18	40
2018/19	37
2019/20	17
2020/21	16
2021/22	33
2022/23	21
2023/24	4
2024/25	7

Local Vessel Competency Enhancement Scheme

Year	No of Participants
2019/20	50
2020/21	105
2021/22	67
2022/23	84
2023/24	100
2024/25	223

There are currently 112 local ship industry companies on the list. The Marine Department will issue letters to the above companies to further promote the scheme with a view to reminding them that newly hired employees who have never held a Coxswain/Engine Operator Grade 3 Certificate and are working as full-time deck/engine room crew members in their companies are eligible to join the LVTTIS and receive a monthly subsidy of HK$2,500 in addition to salary for a period of 12 months after completing the approved junior crew safety training course. In addition, the Bureau will also introduce this scheme through various promotional activities, such as education and career expos, to attract people who are interested in joining the industry and increase the participation rate of the scheme.

Part 3: Training Schemes Administered by Non-governmental Administrators

6. According to paragraph 3.16 of the audit report, 77 (35%) of the 218 graduates of the Ship Repair Training Incentive Scheme withdrew from the scheme as of September 2024; 36 (25%) of the 146 beneficiaries of the Partial Tuition Refund Scheme for the Specialised Aircraft Maintenance Programme withdrew from the programme between 2019-2020 and 2023-2024; and 57 (34%) of the 168 beneficiaries of the Aviation Operation Training Incentive Scheme withdrew from the programme between 2019-2020 and 2022-2023. Please advise the reasons for the high dropout rates of the above schemes/programmes and the enhancement plans of the Government.

Answers to Q6

For the maritime industry, the "Ship Repair Training Incentive Scheme" is administered by the Vocational Training Council (VTC). It aims to attract people of suitable caliber to receive training and become skilled workers to increase the workforce supply in the ship repair industry, in order to maintain quality repair service for both visiting and local vessels. The VTC conducts a questionnaire survey immediately after the trainees complete their apprenticeship training. As of September 2024, 77 (35%) of the 218 graduates have withdrawn from the Scheme. According to the results of the questionnaire survey, the high dropout rate was attributed to the low wages and remote working locations. To alleviate the high dropout rate, the VTC will regularly review the list of designated courses, add more relevant courses, and strengthen the promotion of the Scheme to students and graduates of these designated courses. It will also promote the Scheme through different channels, to introduce the ship repairing work and the Scheme with clarity by stating the career prospects and ladder in the ship repair industry, and the professionalism being able to acquire from joining the Scheme, so that the public can understand the scheme and those who are aspire to pursue their career in the ship repairing industry can join the Scheme.

For the PTRS and the AOTIS, given that the aviation industry in Hong Kong has been severely affected by the COVID-19 pandemic, the willingness of some trainees to develop their careers in the aviation industry has diminished. As a result, there were more students withdrawing from these two programmes between 2019-2020 and 2023-2024.

To attract more trainees to join and complete the programmes, the Bureau has asked the relevant institutions to take suitable improvement measures, such as strengthening the provision of relevant industry information and inviting graduates to share their study, life and work experience, so that students who are interested in enrolling can have a better understanding of the actual situation. We have also invited the industry to continue to publicise the career prospects in the aviation industry to enhance the attractiveness of the jobs, so that more trainees will join and complete the programmes. The Bureau will also continue to keep in view the number of participants of the programmes together with the TTA and conduct reviews in due course.

Part 4: Promotional Initiatives under Maritime and Aviation Training Fund

7. According to paragraphs 4.3 and 4.5 of the audit report, organisations which are registered in Hong Kong may submit funding applications with project proposals for the Maritime Promotion Project Funding. All activities must state the estimated number of participants. If the outcome of individual activities and the participation of the maritime industry and the public have fallen short of expectations, the sponsorship might have to be refunded in full or in part. However, according to paragraph 4.9 of the audit report, the actual number of participants for 21 projects (62%) did fall short of expectation. Among them, the evaluation reports of 15 projects did not explain the reasons for the shortfall in the number of participants, and no organisers had been requested to refund in full or part of the sponsorship due to insufficient number of participants. Please advise:

    (a) the amount of sponsorship and the number of organisations involved for the above 21 projects;
    (b) the reasons for the number of participants for the above 21 projects being fallen short of expectations; and
    (c) whether the Transport and Logistics Bureau has considered taking follow-up actions with the organisers of the above 21 activities, such as requesting a full or partial refund of the sponsorship; if not, what are the reasons?

Answers to Q7

The above 21 projects involved six organisations with a funding amount of

about $4.2 million. These 21 projects can be broadly divided into three categories: (i) large-scale exhibitions, visits and promotional activities; (ii) student design activities and competition; and (iii) short-term internships or overseas visits. The first two categories accounted for the majority (81%) of the projects. Most of the sponsored fund for these activities would be used for venue decoration or rental, setting up game booths, arranging workshops and public exhibitions etc. The actual number of participants and the estimated number of participants might not be the same. Concerning the third category of activities, the estimated number of participants served as an indicator, and the sponsored amount was calculated based on the actual number of participants. Most of these 21 projects were held between 2019 and 2022, and the social situation and the COVID-19 pandemic might have impacted the participation rate of the activities. To improve the effective use of the promotion fund, we have reminded the organisers that they should make reference to their previous experience of organising similar events and take into account other factors that might affect the participation rate of the activities, such as weather or having other similar activities within the proximity or around the same time so as to provide a more accurate estimation of the number of participants and the resources required. In addition, we have also required the organisers to submit a review report after the activities, which includes the feedback and suggestions of the participants, items such as photos of the activities etc. to facilitate the review of the effectiveness of the activities

Part 5: Way Forward

8. According to paragraphs 5.4 to 5.8 of the audit report, the Transport and Logistics Bureau did not state the estimated number of beneficiaries when consulting the Legislative Council on the proposals for two rounds of funding injection for the Maritime and Aviation Training Fund (approved by the Legislative Council in 2019 and 2023 respectively). To ensure prudent use of public funds, the Transport and Logistics Bureau agreed with the audit recommendations and stated that it would consider adding performance indicators to quantify the benefits of human resource development in the maritime, aviation and logistics industries. Please provide details of the above performance indicators.

Answers to Q8

We are considering setting performance indicators for the MATF, such as the number of newly added courses/examinations under the Professional

Training and Examination Refund Scheme, number of participants in activities organised under the internship scheme, and the beneficiaries of other schemes etc. to facilitate the assessment of the effectiveness in maritime, aviation and logistics manpower development.

Transport and Logistics Bureau
June 2025

Public Hearing of the Legislative Council Public Accounts Committee

on 27 May 2025 (Tuesday)

Opening remarks of the Secretary for Environment and Ecology

Chairman,

Firstly, I would like to thank Audit Commission (Audit) for conducting a comprehensive review of the work of the Food and Environmental Hygiene Department (FEHD) in street cleansing services, and for providing valuable recommendations on various aspects, including the enhancement of the monitoring of service delivery, enforcement measures and use of technologies. We agree with the audit recommendations. FEHD has already implemented some of them and is actively following up on the remaining ones.

Street cleanliness is an integral part of environmental hygiene and is closely related to the daily life of the general public. Not only do clean streets contribute to creating a liveable environment for the public, but a well-maintained cityscape also plays a role in enhancing Hong Kong's international image and attracting tourists. The Government is committed to keeping the city clean to foster a greater sense of fulfilment.

Over the years, FEHD has introduced different initiatives to improve and strengthen the monitoring of street cleansing services and to enhance enforcement efficiency. There has been a notable and widely recognized improvement in overall street cleanliness. The Environment and Ecology Bureau (EEB)

supports FEHD in utilising technologies for continuous enhancement of street cleansing services. For example, FEHD has introduced new technologies to improve the quality and efficiency of street cleansing and refuse collection services, enhance the occupational safety of frontline staff, and strengthen enforcement effectiveness. This includes expanding the scope of application of mini street washing vehicles from about 1 800 service points to 3 600. In addition, FEHD has set up dedicated enforcement teams and utilizes Internet Protocol cameras to strengthen enforcement and deterrence against illegal refuse disposal. Through multi-pronged measures, the number of illegal refuse deposit blackspots has been significantly reduced, with continuous improvement in the overall environmental hygiene.

EEB will provide policy steer and oversight for FEHD to take forward the audit recommendations. Besides, EEB will provide policy support to FEHD in utilising technologies and promoting digitalisation, with a view to enhancing the effectiveness and efficiency of monitoring street cleansing services.

Next, I would like to invite the Director of Food and Environmental Hygiene to brief the Committee on the follow-up work implemented in response to the audit recommendations.

Thank you, Chairman.

Ends

Opening Remarks
by the Director of Food and Environmental Hygiene
at the Public Hearing
of the Legislative Council Public Accounts Committee
on 27 May 2025 (Tuesday)

Chairman and Members,

As the Secretary just mentioned, street cleanliness is crucial to environmental hygiene and closely related to our daily lives. The Food and Environmental Hygiene Department (FEHD) is committed to providing street cleansing services. Various initiatives have been taken forward proactively to improve service quality and enforcement efficiency. I think most may agree that street cleanliness and the overall environmental hygiene have improved over the past few years.

2. At the same time, we believe that the continued enhancement of street cleanliness can only be achieved through sustained improvement in various aspects of work. Therefore, the FEHD is grateful to the Audit Commission for its comprehensive review of street cleansing services as well as its recommendations on areas covering the monitoring system, the combat the act of illegal refuse deposit and the wider use of technology, which help us enhance the efficiency and effectiveness of street cleansing services. The FEHD accepts the recommendations of the Audit Commission. We have implemented some of them and will actively follow up on the remaining ones.

3. Specifically, on monitoring the performance of street cleansing services, in order to ensure greater effectiveness of the inspection and reporting mechanisms, we will, apart from reviewing the relevant guidelines, further leverage technology to step up supervision. In this regard, we are exploring the establishment of an integrated information system, which can improve the efficiency of performance monitoring through an automatic reminder function, and at the same time, facilitate contractors and in-house staff in submitting reports and generate management data automatically. Moreover, the FEHD is reviewing the marking criteria for outsourced cleansing service contracts to better reflect the past performance of contractors in the tendering process, thereby encouraging them to continuously upgrade service quality.

4. On law enforcement, the dedicated enforcement teams (DETs) as well as the introduction and application of Internet Protocol (IP) cameras have yielded remarkable results in combating illegal refuse dumping. To further raise enforcement efficiency, we will review the staffing establishment of the DETs and make better deployment of staff in accordance with the actual circumstances of each district. We will also update and optimise the operational guidelines, relevant work plans and work reports to strengthen the monitoring of the enforcement effectiveness of the DETs. The Department also plans to significantly increase the locations for installation of IP cameras in the year and will review the guidelines for deployment of IP cameras to ensure they are utilised to the best effect.

5. The FEHD has been proactively introducing new technologies for mechanical and automated cleansing to enhance the quality and efficiency of street cleansing services. In addition to the integrated information system and IP cameras mentioned above, as well as the pressure washer surface cleaners and mini-street washing vehicles mentioned in the Audit Report, new mechanical street sweepers have been widely deployed in various districts, while automated sweeping robots and electrically assisted trolleys are also put under test to facilitate the work of frontline cleansing workers. We will continue to press ahead with the work in this aspect.

6. Chairman and Members, the FEHD would like to express gratitude again to the Audit Commission for its recommendations. My colleagues and I are prepared to respond to Members' questions.

7. Thank you.

- End -

食物環境衞生署
Food and Environmental Hygiene Department

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Our Ref.: FEHD Cl&PC/32-60/10/14C

2 June 2025

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Dear Ms CHAN,

Public Accounts Committee
Consideration of Chapter 6 of Report No. 84 of the Director of Audit
Street Cleansing Services

I refer to your letter dated 28 May 2025. Our reply is provided in the ensuing paragraphs.

Part 1: Introduction

Item (a)

(i) The Food and Environmental Hygiene Department (FEHD) has a total of 40 specialised vehicles for street cleansing services, including 35 street washing vehicles and 5 gully emptiers. In addition, 68 street washing vehicles, 53 mini-street washing vehicles, 7 new mechanical street sweepers and 3 gully emptiers are provided by contractors under public cleansing services contracts.

(ii) The expenditures on the maintenance and fuel for the contractors' vehicles are included in their contract fees, while those for in-house vehicles were

about $3.6 million in 2023-24. The above expenditures have been included in the about $5.1 billion mentioned in paragraph 1.14 of the Audit Report.

Item (b)

(i) The actual expenditures on public cleansing services (including street cleansing, refuse collection, public toilet and other related cleansing services and facilities) in the past 6 financial years are as follows:

Financial year	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Street cleansing services (including public toilet service) **($ million)**	2,991.2	3,639.2	3,861.3	4,266.4	4,230.4	4,302.3
Overall expenditure on public cleansing services **($ million)**	3,710.1	4,312.1	4,533.6	5,033.8	5,095.7	5,152.3
Percentage of street cleansing services	80.6%	84.4%	85.2%	84.8%	83.0%	83.5%

(ii) The expenditures on street cleansing services (including public toilet service) include those on street cleansing service contracts. The actual expenditures on street cleansing service contracts in the past 6 financial years are as follows:

Financial year	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Expenditure on street cleansing service contracts **($ million)**	1,695.2	2,214.6	2,499.7	2,810.9	2,734.9	2,725.7

(iii) There are technical difficulties in precisely separating the costs of outsourced and in-house street cleansing services. For instance, some

supervisory staff of the FEHD are responsible for overseeing the services provided by both outsourced contractors and in-house staff, thus making it difficult to accurately separate the expenditures associated with these supervisory staff. Nevertheless, the salaries of cleansing workers constitute a significant portion of the overall street cleansing service expenditure. At present, there is not much difference between the average monthly salary of Workmen II in the FEHD and that of street cleansing workers committed to be paid by contractors. The details are as follows:

Financial year	**19-20**	**20-21**	**21-22**	**22-23**	**23-24**	**24-25**
Average monthly salary of Workmen II in the FEHD ($)*****	14,195	14,945	14,945	14,945	15,320	16,035
Average monthly salary of outsourced street cleansing workers ($)^	10,798	13,778	14,174	14,717	15,128	14,994

*****Mid-point salary of the rank in the financial year.
^Average monthly salary of street cleansing workers committed to be paid by contractors in the street cleansing contracts commencing in the financial year.

(iv) Outsourcing is one of the ways through which the Government delivers public services. Government departments will adopt the most suitable mode of public service delivery, having regard to operational needs, service nature and effectiveness. Generally speaking, private organisations are more flexible in personnel management and resource deployment, and the Government can make use of the expertise of outsourced contractors. Departments may choose to outsource the services concerned after weighing the operational needs, service nature, cost-effectiveness, quality of service and efficiency, so as to capitalise on the positive impact of procurement, enabling departments to focus on their core business.

The FEHD has kept in view the overall ratio of outsourced street cleansing services, which has been maintained at around 80% for some time in the past. The current ratio of in-house cleansing services in Hong Kong, which is about 20%, enables the Department to mobilise its staff to provide services for affected areas temporarily in the event of contingencies (such as sudden

closure of individual outsourced contractors' companies), so as to buy time to engage other contractors in filling the gap. At present, there are 6 contractors providing street cleansing services across the territory. Each contractor provides about 17% of the services on average, which is comparable to the ratio of in-house cleansing services in Hong Kong (i.e. about 20%). On the whole, we consider the overall ratio between outsourced and in-house street cleansing services appropriate. We will review from time to time the arrangements for outsourcing services, taking various factors into account.

Part 2: Monitoring of Service Delivery

Item (c)

(i) The 3 contractors mentioned in paragraph 2.18 of the Audit Report are Contractor B, Contractor C and Contractor D in Appendix C thereof.

(ii) A sample of the street cleansing service contracts is provided in Annex. The value of each contract and the percentage of service payment deducted (due to default notice issued) against the contract value are as follows:

Contract	Contract value (HK$)	Service payment deducted due to default notice issued (HK$)	Percentage against the contract value
A	116,112,000	338,279	0.29%
B	149,232,000	161,879	0.11%
C	260,127,050	129,344	0.05%
D	105,792,000	170,747	0.16%
E	226,957,520	73,746	0.03%
F	127,927,524	118,067	0.09%
G	284,214,688	76,413	0.03%
H	194,353,448	77,848	0.04%
I	278,360,600	67,432	0.02%
J	284,987,658	56,525	0.02%

Note by Clerk, PAC*: *Annex not attached.

(iii) & (iv) The Demerit Point System serves to enhance the protection of non-skilled employees in respect of their employment terms and conditions. If a contractor accumulates 3 demerit points, its tender for all government service contracts requiring the employment of non-skilled workers (including the street cleansing service contracts of the FEHD) will not be considered for a period of 5 years from the date on which the third demerit point is received. According to the information about government service contractors under the Demerit Point System, the 4 contractors mentioned in paragraph 2.18 of the Audit Report did not accumulate 3 or more demerit points, but there had been other street cleansing service contractors debarred from bidding for government service contracts after accumulating 3 or more demerit points under the Demerit Point System.

Item (d)

(i) The entry requirements for Foreman include meeting the following academic qualifications:

(a) (i) having attained Level 2 or equivalent or above in five subjects in the Hong Kong Diploma of Secondary Education Examination (HKDSEE), or equivalent; or
(ii) having attained Level 2/Grade E or above in five subjects in the Hong Kong Certificate of Education Examination (HKCEE), or equivalent;
(b) having two years' post-qualification experience;
(c) having met the language proficiency requirements of Level 2 or above in Chinese Language and English Language in HKDSEE or HKCEE, or equivalent; or
(d) having attained a pass result in the Basic Law and National Security Law Test.

(Note: the subjects mentioned in (a) may include Chinese Language and English Language.)

No additional academic qualification or skill requirements for Senior Foreman and Overseer which are the promotion ranks for the Foreman grade.

Sufficient training will be provided to members of the Foreman grade, so that they will be able to operate the information technology system as required in their jobs.

(ii) The FEHD will further promote digitalisation to enhance service efficiency and monitor service quality. The development of a new information technology system is underway. The new system will provide an integrated information monitoring platform which can enable electronic submission, updating and approval of work programmes and reports, facilitate the checking of completed services as well as real-time monitoring of compliance and implementation by in-house staff, issue automatic reminders to staff for timely submission of reports, and collect and analyse relevant data for generation of management reports so as to assist the Department in the planning and deployment of resources.

We plan to prioritise the commissioning of some new functions (including electronic submission of work programmes and reports) within 12 months and have the remaining ones implemented as soon as possible.

Your sincerely,

(WONG Chi-hang)
for Director of Food and Environmental Hygiene

c.c. Secretary for Environment and Ecology (Email: see@eeb.gov.hk)
Secretary for Financial Services and the Treasury (Email: sfst@fstb.gov.hk)
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Your Ref.: CB3/PAC/R84
Our Ref.: FEHD Cl&PC/32-60/10/14C

19 June 2025

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Dear Ms CHAN,

Public Accounts Committee
Consideration of Chapter 6 of Report No. 84 of the Director of Audit
Street Cleansing Services

I refer to your letter to the Secretary for Environment and Ecology dated 2 June 2025, which has been referred to this Department for follow-up. Our reply is provided in the ensuing paragraphs.

Part 1
Item (a)

The Food and Environmental Hygiene Department has drawn up specific operational guidelines for street cleansing services and will monitor the performance of in-house staff and contractors' staff with reference to the same criteria so as to ensure that the required performance standards are met. Taking the street washing services as an example, whether the services are provided by in-house staff or contractors' staff, the Department requires that after washing, the streets shall be free of dirt, dust, slippery substance, grease, litter and excess water, and are safe for use by pedestrians. Based

on our observation, there is no significant difference in the performance of in-house staff and contractors' staff in street cleansing services.

Item (b)

According to Financial Circular No. 3/2019, the Government has introduced a series of measures to improve the employment benefits of non-skilled workers since April 2019. Also, in procuring service contracts that rely heavily on the deployment of non-skilled workers, departments are encouraged to preferably adopt a contract duration of at least three years where operational situations permit, in order to provide a more stable working environment and more employment opportunities for employees of government service contracts. We have then immediately extended the contract period to three years for those contracts that procure services (including street cleansing services) relying heavily on the deployment of non-skilled workers on or after 1 April 2019. At present, there are contract provisions in place that enable the Department to terminate the contract if the contractor fails to comply with the contract terms. However, in considering citing the provisions, we must exercise prudence and take into account important factors such as the possible impact on public services and the administrative expenditure involved in re-tendering. The Department will continue to enhance the performance of contractors in the contract period through inspection, supervision, issue of default notices against defaults, deduction of monthly payment and consideration of the contractors' past performance during the tendering process.

Part 2

Item (c)

The Department adopts a multi-tier mechanism to monitor the street cleansing services provided by in-house staff or contractors. After an initial review of the monitoring mechanism, the Department considers that each type of inspection has its unique purpose and function. For example, daily inspections aim to check the daily performance of contractors and in-house staff in street cleansing services; surprise inspections seek to uncover irregularities which are difficult to identify in daily inspections; while formal inspections are intended to clearly communicate to frontline staff of contractors or the Department the requirements and standards of street cleansing services, and to set performance targets for future inspections. Nevertheless, we will continuously review the existing monitoring mechanism and explore the wider use of information technology systems to optimise and streamline the workflow.

Item (d)

(i) Every day when contractors' staff arrive at work, they have to go to the roll call points to sign the contractors' "attendance books" to record their attendance. Moreover, contractors are required to submit to the Department information in relation to their staff at different posts on a daily basis (i.e. "daily attendance records"), mainly for Senior Foremen to verify the attendances and identities of staff through random spot checks of the attendance records. It was an inadvertent mistake by individual Senior Foremen who failed to notice the omission of information in the daily attendance records during inspection. Furthermore, when the incidents occurred, there was a shortage of Senior Foremen in two of the districts concerned and the workload of staff had increased, thus increasing the chance of making mistakes.

(ii)&(iii) The tender documents for the Department's outsourced services have clearly stipulated the performance standards to be met by contractors, and the minimum requirements for the manpower, work shift and frequency of service for each cleansing task based on operational needs. Our outsourced service contractors will, having regard to the number of workers required to be provided daily under the contracts, reserve sufficient relief staff for flexible replenishment of manpower in response to the absence of workers due to vacation leave, statutory holidays, compensatory leave or unforeseen circumstances during operation, so as to maintain the services.

The Department has an established mechanism to monitor the service performance of outsourced contractors. Based on a risk management principle, spot checks, surprise inspections and examination of the contractors' job records are performed. In addition, contractors are required to submit monthly returns certified by certified public accountants for verification of the number of staff in attendance. Where necessary, the Department may also request contractors to provide the attendance books of staff for verification, so as to ensure the accuracy of information. In fact, for the cases mentioned in paragraph 2.6 of the Audit Report, it was confirmed in both the returns certified by the certified public accountants and the attendance books of the contractors' staff that there were indeed sufficient staff in attendance.

(iv) To improve service efficiency and monitoring, the Department is exploring ways to enhance the application of information technology systems, which include the digitalisation of attendance records and the related workflow. The daily attendance records will be automatically checked by the system to see if they are up to the required standard. We believe that such initiative can further improve the accuracy of attendance records.

Item (e)

As regards the failure of the contractors providing street cleansing services in the Central and Western District to conduct sufficient "self-discipline quality inspections" as required, it was because the health inspectors concerned did not assign the inspection tasks to the contractors on the relevant days. Instead, the vehicles were used by staff of the Department to conduct emergency inspections and discharge ad-hoc duties, which included handling unforeseen situations which affect public hygiene, emergency complaints, service disruptions caused by damage to public facilities under the Department's management and urgent street cleaning service requests from other departments, and conducting surprise enforcement operations. However, the relevant staff did not clearly document the situations at the time.

We have reviewed and updated the relevant guidelines and workflows (including explicitly requiring frontline staff to submit "self-discipline quality inspection" records to supervisors for review) and will monitor their compliance and implementation. In addition, we are exploring the enhanced application of information technology systems to improve service efficiency and monitoring, which include reminding staff to arrange "self-discipline quality inspections" in accordance with the guidelines.

Item (f)

Apart from the installation of Internet Protocol (IP) cameras at approximately 500 locations in various districts, we are considering a significant increase in the number of IP cameras and exploring their use in monitoring street cleansing work at certain locations so as to facilitate the review of contractors' performance by the inspection officers. Regarding the situation in Yuen Long as mentioned in paragraph 2.11(a) of the Audit Report, we acknowledge that the situation was unsatisfactory. At that time, however, there was in fact a shortage of Senior Foremen in the district, which resulted in the substandard performance of inspection and record-keeping work. Based on the

information currently available, we have not identified any instances where our staff have deliberately violated the guidelines that would warrant disciplinary actions.

Item (g)

The Overseers concerned were unable to conduct formal inspections on schedule due to various circumstances, and they had obtained approval from their supervisors to postpone or make up such inspections at a later date. Formal inspections aim to clearly communicate the requirements and standards of street cleansing services to contractors or in-house frontline staff, and set performance indicators for future inspections. The Audit Report indicated that most of the formal inspections were conducted on schedule. We consider that the delay in inspections in individual cases will not affect the overall effectiveness of inspection, but such arrangements should be approved by the management and properly recorded. We will issue guidelines to staff in this respect.

Item (h)

While the situations of missing dates and late submissions of reports were not serious (a delay of two to six working days), they were not desirable. The Department has reviewed and updated the relevant guidelines and workflow, and will monitor their compliance and execution, in order to better supervise the service performance of outsourced street cleansing contractors. We are considering the strengthened application of information technology systems to enhance service efficiency and supervision, including the timely issue of reminders for frontline staff to submit reports.

Item (i)

The relevant guidelines and terms in the service contracts have clearly stated the principles of issuing various default notices/warning letters. Briefly speaking, default notices can be issued to contractors if they fail to meet the performance requirements in the contract terms. However, in certain circumstances, for example, where the nature of irregularities is relatively mild, where contractors have rectified the irregularities within the specified time or where the Department does not have sufficient grounds to issue default notices after investigation, warning letters will be issued by departmental staff to contractors, demanding their improvements. If contractors fail to do so within the specified time, we will issue default notices to them.

Item (j)

The Department has reviewed and updated the guidelines and workflow concerned, and will continue to monitor their execution status. The new guidelines instruct frontline staff to issue warning letters or default notices within seven working days after making the decision to do so, so that they can have sufficient time to complete the required investigation, documentation and record work. In addition, in case any unsatisfactory performance is found on the part of contractors, staff of the Department will, apart from conducting investigations and considering the issue of warning letters or default notices, contact the contractors as soon as possible to request their rectifications and to prevent recurrence of similar situations.

Item (k)

(i) The Department conducts open tender exercises for new street cleansing service contracts or renewal of which in accordance with the Government's procurement requirements and procedures. The assessment of a tender will take into account the marks given to a range of factors, such as the tenderer's proposed executive plan for the contract, past experience in provision of street cleansing services, accreditation of relevant services, past performance, the amount of remuneration to be paid to non-skilled workers to be employed, proposed daily maximum working hours for non-skilled workers and the past record of demerit points in relevant government contracts for non-skilled workers. The tenderer having the highest combined score in its technical and price proposals will normally be selected as the successful tenderer.

The Audit Report mentioned that three of the four contractors involved were existing contractors of street cleansing services. It was because as at December 2024, the contracts awarded to the said three contractors between 2022 and 2024 had not expired yet. Of these three contractors, two have not been awarded new street cleansing service contracts since 2023 and 2025 respectively (as at 31 May). In fact, the renewal dates for the current street cleansing service contracts are varied among districts. To assess a contractor' past performance, we will calculate its default points received in the 36 months' period of service preceding the tender closing date. If there is enhanced performance during the period, the contractor will have a better chance of winning the contract and continuing to be our street cleansing

service contractor. At present, the open tender exercises for street cleansing service contracts are quite competitive, with quite a number of tenders received from contractors.

(ii) Under the existing tender assessment system, the price score and the technical score each accounts for 50% of the final score. If the weighting for the technical score is further raised, the relative weighting for the price score will be reduced, which may lead to an increase in the contract price. After consideration, we found the current weightings for the price score and the technical score appropriate as they can strike a balance between the price and quality of a tender, thus ensuring the proper use of public funds.

As regard the contractors' past record of demerit points, the existing demerit point system is applicable to service contracts of all government departments that rely heavily on the deployment of non-skilled workers. Should the Government make any amendments to the procurement policy regarding the demerit point system, the Department will take matching actions. Under our existing marking scheme for tender assessment for street cleansing services, the record of demerit points accounts for seven points, which is already higher than the minimum of five points as stipulated in the Standard Marking Scheme (SMS) Framework.

The Department is considering raising the score of past performance under the marking scheme established by the SMS Framework. At the same time, we will examine if there is room to adjust the existing amount of monthly service charge deducted due to default and the calculation method of the relevant score, including the introduction of a progressive system where the number of default notices has a proportional impact on the score, thereby increasing the deterrent effect on contractors.

Items (l) and (m)

Regarding in-house street sweeping services, under special circumstances (e.g. workers unable to attend work in the morning due to unexpected situations, shortage of relief staff, etc.), frontline supervisors will deploy manpower in a flexible manner, including sharing the work among workers from nearby areas, to ensure the delivery of street sweeping services as much as possible. The Department will strive to improve the

manpower shortage situation. In addition to carrying out recruitment exercise once every one to two years, the Department has also implemented a series of measures to enhance the efforts on the publicity of recruitment exercises and expand the publicity channels in the past two years. These include creating a dedicated job vacancy webpage on the Department's website; putting up recruitment posters at suitable venues of the Department; promoting to members of the public our recruitment exercises through the Job Centres of the Labour Department and the Support Service Centres for Ethnic Minorities of non-profit-making organisations; and actively participating in suitable open recruitment exercises to attract people from different backgrounds to apply for the post of Workman II. In addition, while upholding the principle of appointment by merit through a fair, open and competitive process, the Department has amended the entry requirements to expand the base of eligible applicants and further streamlined the recruitment procedures, so as to complete the procedures in a more efficient manner, and arrange for new recruits to report duty as soon as possible to fill the Workman II vacancies. The Department will continue to arrange for regular recruitment exercises and review the relevant recruitment procedures, with a view to ensuring a continuous and stable supply of Workmen II. We will also strive to provide high-quality public services in a cost-effective manner through reprioritisation, internal redeployment, streamlining of work procedures and application of technology.

As regards failure to deploy street washing vehicles for street washing services as planned, the Department agrees that it was undesirable. When in-house street washing services have to be suspended, the District Environmental Hygiene Office (DEHO) will arrange workers to perform other cleansing work (e.g. cleaning of litter containers and refuse collection points) so as to better utilise the manpower resources. In addition, regarding the situation that some service locations were not washed as planned, staff of the Department has been monitoring the street cleanliness of these locations during daily inspections and will enhance the relevant cleansing services where necessary. Failure to deploy street washing vehicles as planned is mainly due to the shortage of Special Drivers. In this connection, since November 2024, the vacancies of Special Drivers have been gradually filled through a recruitment exercise arranged by the Government Logistics Department, and the shortage has eased.

Item (n)

The Department has not set specific targets for the ratio of outsourced street cleansing service to in-house street cleansing service for each district. In fact, we have started outsourcing certain street cleansing services years ago, and each DEHO will decide on outsourcing certain services based on factors such as service needs and resources at different junctures, resulting in differences in the proportion of outsourced services among districts. Overall speaking, the proportion of outsourced street cleansing service has remained at around 80% in the past few years. The Department will keep in view the proportion and review the outsourcing arrangement from time to time having regard to various factors, including the recruitment of in-house staff and cost-effectiveness.

Item (o)

(i) Regarding the vacancies in the Workman grade, Workmen II of the Department are responsible for a wide range of duties. In addition to public cleansing, they also include removal/disposal of dead bodies; cemeteries/crematoria related duties; and pest control. These duties of different natures require substantial physical strength, and some of them are even of an obnoxious nature. While the Department has been making efforts in job matching and the provision of appropriate training, the wastage of Workmen II has remained at a high level. As a result, the Department is unable to fill the vacancies in a timely manner. Please refer to the replies to Items (l) and (m) above for our work in response to this situation.

(ii) Outsourcing is one of the ways adopted by the Government to deliver public services. Government departments will, having regard to their operational needs, service nature and effectiveness, etc., adopt the most suitable mode of public service delivery. Generally speaking, private organisations are more flexible in personnel management and resource deployment, and the Government can also make use of the expertise of outsourced contractors. The departments may choose to outsource the services concerned after weighing the operational needs, service nature, cost-effectiveness, quality of service and efficiency, so as to capitalise on the positive impact of procurement and to enable the departments to focus on their core business. As for the Department, we find it necessary to retain a portion of street

cleansing work to be handled by in-house staff so that we can maintain a certain level of responsiveness to unforeseen circumstances in outsourced services. Overall speaking, the ratio of outsourced street cleansing services has remained at around 80% in the past few years. In fact, there are six contractors providing street cleansing services at present. In other words, each of them provides on average around 17% of outsourced services, comparable to the approximately 20% provided by in-house staff. If a contractor is suddenly unable to provide services, the Department can promptly mobilise in-house resources to maintain the basic street cleansing services. We will continue to keep track of the ratios concerned and consider various factors, including the recruitment situation of in-house staff, and cost-effectiveness, to review its outsourcing arrangements from time to time.

(iii) The Department will continue to review its in-house street cleansing service. We are considering the strengthened application of information technology systems to enhance service efficiency and supervision. The new functions include an integrated information monitoring system platform that facilitates in-house staff in submitting, updating and vetting work plans and reports; assisting in-house staff in submitting reports on time, which includes sending automatic reminders to frontline and supervisory staff; and generating management reports based on the data collected to help the Department analyse and respond.

The Department also strives to study and test out new technologies for greater work efficiency and enhanced protection of the safety of frontline staff who will have a lower risk of sustaining strains and injuries. Measures being studied include: (1) working with the Electrical and Mechanical Services Department (EMSD) on the application of automated sweeping robots which will be used for street cleansing so as to reduce the physical exertion of cleansing staff; (2) introduction of electrically assisted trolleys to ease the physical burden on street cleansing staff. These trolleys are equipped with indicator lights, buffers and reflective stickers which help enhance safety and efficiency; (3) bringing in advanced industrial grade robot dogs from the Mainland to enhance the efficiency in transportation of refuse and reduce the risk of injuries of cleansing workers in handling heavy objects. The Department will conduct tests on the refuse handling capacity

of the robot dogs at slopes, stairs and rugged areas, and will also explore ways to upgrade the ancillary facilities.

Yours sincerely,

(WONG Chi-hang)
for Director of Food and Environmental Hygiene

c.c. Secretary for Environment and Ecology (Email: see@eeb.gov.hk)
Secretary for Financial Services and the Treasury (Email: sfst@fstb.gov.hk)
Director of Audit (Email: ncylam@aud.gov.hk)

食物環境衞生署
Food and Environmental Hygiene Department

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Your Ref.: CB3/PAC/R84
Our Ref.: FEHD Cl&PC/32-60/10/14C

26 June 2025

Ms Shirley CHAN
Clerk to the Public Accounts Committee
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(By email: hhchan@legco.gov.hk,
kmho@legco.gov.hk, pkwlai@legco.gov.hk)

Dear Ms CHAN,

Public Accounts Committee
Consideration of Chapter 6 of Report No. 84 of the Director of Audit
Street Cleansing Services

I refer to your letter to the Secretary for Environment and Ecology dated 9 June 2025, which has been referred to this Department for follow-up. Our reply is provided in the ensuing paragraphs.

Part 1
Item (a)

(i) The Food and Environmental Hygiene Department (FEHD) is gradually separating public toilet services from the street cleansing service contracts. However, among the existing contracts in force, we still have street cleansing service contracts covering public toilet services. In terms of the contractual expenditures, in 2024-2025, we spent $2.415 billion on 56 street cleansing service contracts (covering public toilet services), $271.9 million on 13 street cleansing service contracts (not covering public toilet services), and $38.84 million on 6 numbers of public toilet service contracts.

(ii) In terms of the estimated contract expenditures, in 2025-2026, we plan to spend $1.4153 billion on 36 street cleansing service contracts (covering public toilet services), $1.151 billion on 28 street cleansing service contracts (not covering public toilet services), and $191.9 million on 13 public toilet service contracts.

Item (b)

(i) The information on the street cleansing and public toilet cleansing service contracts held by the six contractors between 1 April 2024 and 31 May 2025 is as follows:

Contractor	Contract period (Year)	Service type	Contract value (HK$)
J (Number of contracts:18)	3	Street and public toilet cleansing services	278,360,600.00
	3	Street and public toilet cleansing services	226,957,520.00
	3	Street and public toilet cleansing services	95,938,213.00
	3	Street and public toilet cleansing services	277,622,708.00
	3	Street and public toilet cleansing services	281,015,340.00
	3	Street and public toilet cleansing services	297,670,416.00
	3	Street and public toilet cleansing services	218,259,164.00
	3	Street and public toilet cleansing services	196,447,742.00
	3	Street and public toilet cleansing services	171,995,792.00
	3	Street and public toilet cleansing services	149,984,560.00
	3	Street and public toilet cleansing services	202,142,608.00
	3	Street and public toilet cleansing services	199,127,980.00

Contractor	Contract period (Year)	Service type	Contract value (HK$)
	3	Street and public toilet cleansing services	171,938,748.00
	3	Street and public toilet cleansing services	172,272,728.00
	3	Street and public toilet cleansing services	145,367,476.00
	3	Street and public toilet cleansing services	105,111,132.00
	3	Street and public toilet cleansing services	221,097,732.00
	3	Street and public toilet cleansing services	153,787,888.00
K (Number of contracts: 8)	3	Street and public toilet cleansing services	284,214,688.00
	3	Street and public toilet cleansing services	260,127,050.00
	3	Street and public toilet cleansing services	212,275,788.00
	3	Street and public toilet cleansing services	283,296,080.00
	3	Street and public toilet cleansing services	288,538,488.00
	3	Street and public toilet cleansing services	296,444,928.00
	3	Street and public toilet cleansing services	200,193,732.00
	3	Street and public toilet cleansing services	241,679,772.00
L (Number of contracts: 31)	3	Street and public toilet cleansing services	194,353,448.00
	3	Street and public toilet cleansing services	284,987,658.00
	3	Street and public toilet cleansing services	249,538,300.00
	3	Street and public toilet cleansing services	179,006,144.00

Contractor	Contract period (Year)	Service type	Contract value (HK$)
	3	Street and public toilet cleansing services	183,404,084.00
	3	Street and public toilet cleansing services	116,999,282.00
	3	Street and public toilet cleansing services	122,382,162.00
	3	Street and public toilet cleansing services	157,310,102.00
	3	Street and public toilet cleansing services	106,956,908.00
	3	Street and public toilet cleansing services	124,215,418.40
	3	Street and public toilet cleansing services	151,035,712.00
	3	Street and public toilet cleansing services	162,646,050.00
	3	Street and public toilet cleansing services	148,713,048.00
	3	Street and public toilet cleansing services	137,991,000.00
	3	Street and public toilet cleansing services	142,194,028.00
	3	Street and public toilet cleansing services	135,873,608.00
	3	Street and public toilet cleansing services	138,024,657.20
	3	Street and public toilet cleansing services	181,956,489.00
	3	Street and public toilet cleansing services	154,508,801.20
	3	Street and public toilet cleansing services	141,862,306.80
	3	Street cleansing services	128,049,217.80
	3	Street cleansing services	141,162,164.00
	3	Street cleansing services	77,388,691.00

Contractor	Contract period (Year)	Service type	Contract value (HK$)
	3	Street cleansing services	124,169,863.00
	3	Street cleansing services	103,056,502.00
	3	Street cleansing services	88,133,755.00
	3	Street cleansing services	167,881,098.00
	3.3	Street cleansing services	230,840,152.00
	3.3	Street cleansing services	211,358,040.00
	3	Street cleansing services	170,499,158.00
	3	Street cleansing services	171,356,848.00
M (Number of contracts: 1)	3	Street and public toilet cleansing services	167,220,000.00
N (Number of contracts:12)	3	Street and public toilet cleansing services	185,940,000.00
	3	Street and public toilet cleansing services	115,560,000.00
	3	Street and public toilet cleansing services	135,000,000.00
	3	Street and public toilet cleansing services	87,768,000.00
	3	Street and public toilet cleansing services	130,608,000.00
	3	Street and public toilet cleansing services	226,368,000.00
	3	Street and public toilet cleansing services	242,280,000.00
	3	Street and public toilet cleansing services	194,688,000.00
	3	Street and public toilet cleansing services	200,340,000.00
	3	Street and public toilet cleansing services	241,700,100.00
	3	Street and public toilet cleansing services	108,509,300.00

Contractor	Contract period (Year)	Service type	Contract value (HK$)
	3	Street and public toilet cleansing services	96,451,400.00
O (Number of contracts: 1)	3	Street and public toilet cleansing services	286,342,316.00

(ii) During the 36 months immediately preceding the tender closing date of their latest contract, the six contractors were issued with about 7 to 18 default notices for each contract on average due to blatant, performance and behavioural defaults in the execution of the FEHD's street cleansing service contracts.

Item (c)

According to Financial Circular No. 3/2019 which applies to all government departments, the FEHD has introduced a series of measures to improve the employment benefits of non-skilled workers since April 2019, including an increase in the weighting for the technical score from 30% to 50% during the tender process, along with an increase in the weighting for the wage level of non-skilled workers to 25% within the technical score. In addition, the statutory minimum wage has been raised in recent years. The above factors as well as the supply and demand situations of the labour market have contributed to a rise in the salary for cleansing workers. As street cleansing service contracts involve a large number of non-skilled workers, the rise in their salary will lead to the increase in the expenditure for the service contracts.

The Department understands that public financial resources must be used properly. Therefore, in drawing up the service contract terms, we will carefully consider the needs for practical services. To maintain the level of public services and achieve savings as far as practicable, we will explore the consolidation of services and application of technologies wherever practicable. We will also, through vigorous evaluation and monitoring mechanisms, ensure that the tenderer with the most desirable conditions is awarded the contract, and the contractor can meet the required standard when carrying out the contract. The Department will continue to implement various measures to ensure the proper use of public funds.

Part 2

Item (d)

(i) As the provision of services involves considerable spending, under a competitive tendering system, the profit of a contractor may hence take up only a small part in the service contract value. The ratio of service fees deducted (due to the issue of default notices) to the profit of a contractor is much higher than that to the service contract value. In addition, apart from the deduction of service fees, the number of default notices issued to a contractor will also affect its future chances of being awarded a contract. Under the current marking scheme, the score calculated based on the number of past default notices accounts for 15% of the technical score. Upon review of the recent ten tender exercises for street cleansing service contracts, it was found that the score differences between the winners and the runner-up competitors were always less than 15 points, indicating that the number of default notices will definitely influence the chances of winning a contract. In fact, in those ten tender exercises for street cleansing services contracts, the winners were always either the first or second best performers in terms of default scores. Therefore, the Department considers that the current system has, to some extent, driven contractors to raise their service standards. Nevertheless, the Department is currently considering raising the score ratio of past performance under the marking scheme established by the Standard Marking Scheme (SMS) Framework. At the same time, we will examine if there is room to adjust the existing amount of monthly service charge deducted due to default and the calculation method of the relevant score, including the introduction of a progressive system where the number of default notices has a proportional impact on the score, thereby increasing the deterrent effect on contractors.

(ii) There are provisions in the existing contracts which have stipulated that for each default notice issued, an amount shall be deducted from the monthly charges as liquidated damages payable by the contractor to the Government.

Apart from issuing a default notice, if a contractor is found in breach of any terms in the contract and the Government considers that the contractor is unable to remedy and rectify the situation, it may immediately terminate the contract in accordance with the termination clauses in the contract. The Government is also entitled to claim compensation from the contractor for

all losses, damages, expenses and costs incurred from the termination of the contract. Since January 2019, no such severe circumstances have ever occurred in respect of the street cleansing service contracts of the Department.

(iii) The Department has been following the procurement regulations and procedures of the Government in conducting open tender exercises. When evaluating a tender submitted by a tenderer, we will check the compliance with the requirements as specified in the tender, including whether the tenderer has been convicted of any specified offence[1]. A tenderer (including the tenderer itself, its partners or the company's shareholders) who is convicted of any specified offence will be debarred from bidding government service contracts for five years from the date of conviction, and its tender will not be considered. The Department will only award a contract after confirming that the tenderer has no conviction record and meets the relevant requirements of the tender.

From January 2019 until now, the Department has not received any cases where tenderers, who are debarred from tendering, participate in tender exercises again by changing the company name. According to the terms of tender, a tenderer is required to furnish the Articles of Association, the Certificate of Incorporation and the Certificate of Change of Name for review by the Department. If it is found that any shareholder of the company is debarred from tendering, the tender will not be further considered.

Part 3

Item (e)

The Department has been proactively following up on the conditions at the locations concerned, which includes deploying Dedicated Enforcement Teams (DETs) to take enforcement action against littering, with a view to improving the environmental

[1] The specified offence includes any offence under the Employment Ordinance (Cap. 57), the Employees' Compensation Ordinance (Cap. 282), the Occupational Safety and Health Ordinance (Cap. 509) and the Factories and Industrial Undertakings Ordinance (Cap. 59), conviction in respect of which individually carries a maximum fine corresponding to Level 5 or higher within the meaning of Schedule 8 to the Criminal Procedure Ordinance (Cap. 221); sections 17I(1), 38A(4) and 41 of the Immigration Ordinance (Cap. 115); section 89 of the Criminal Procedure Ordinance (Cap. 221); and sections 7, 7A, 7AA, 43B(3A), 43BA(5) and 43E of the Mandatory Provident Fund Schemes Ordinance (Cap. 485).

hygiene of these locations. However, given the complexity of the environmental and hygiene conditions at some locations, it will take a long period of time to address the issues. Despite improvements made at some locations, persistent monitoring is still required due to the high risk of recurrence. Such locations will be included in the situation report for a longer period of time. The Department will continuously review the conditions at these locations and the response strategies, striving to improve the environmental hygiene as soon as possible. We are also reviewing the operation of DETs to enhance their effectiveness.

Item (f)

(i) The locations covered under the work programmes of DETs vary in size and cannot be directly compared. For instance, the 2 locations in Sham Shui Po District are in the vicinity of Pei Ho Street Market and Po On Road Market which cover areas comprising 10 and 9 streets respectively, and are actually equivalent to 19 locations in other districts. In general, the District Environmental Hygiene Offices (DEHOs) will determine the locations that require follow-up actions by their DETs based on the situation in the districts and the nature of environmental hygiene issues. Since the littering situation varies from district to district, the DEHOs will exercise flexibility in deploying DETs, and the enforcement officers will also need to respond resiliently to the actual circumstances right at the scene.

The Department has set up DETs since 2017 and gradually increased the number of which based on the actual needs of different districts at various times, such as the number of complaints, the number of locations with illegal disposal of refuse and the severity, the number of prosecutions made, opinions of the local community and resource allocation. Therefore, the number of DETs in each district may differ. The Department is currently conducting a review on the operation of DETs, including examining and adjusting the number of teams, their distribution, and the staffing of team members, with a view to enhancing the effectiveness of DETs.

(ii) Generally speaking, the Senior Foremen and Foremen of DETs will perform their duties in small teams and in plain clothes. They will be deployed to various illegal refuse deposit blackspots to conduct ambushes

based on intelligence, with the aim of issuing Fixed Penalty Notices (FPNs) to offenders on the spot. DET members will make observations from different locations with different angles, and when individual members take action, other members will render support as needed. As mentioned above, the Department is currently conducting a review on the operational arrangements of DETs, including examining and adjusting the number of teams, their distribution, and the staffing of team members. The review is still ongoing.

(iii) The two locations in Sham Shui Po, which are in the vicinity of Pei Ho Street Market and Po On Road Market, cover areas comprising 10 and 9 streets respectively. Due to the heavy passenger flow and frequent commercial activities, there have been more cases of littering in the areas. It is therefore necessary to deploy DETs to conduct long-term monitoring and enforcement. District staff have also been keeping an eye on the effectiveness of DETs' enforcement efforts in the above locations.

(iv) Yuen Long is a densely-populated district with a blend of urban and rural elements. The locations covered under the work programme involve large areas, rather than a single spot. The six locations mentioned in the Audit Report include On Ning Road, Yuen Long Nullah, Kau Yuk Road, Ching Yu Path, Sau Fu Street and Fook Hong Street, Hung Min Court, and the vicinities of the said locations, all of which are long roads or large areas with high pedestrian flow. After consideration, the district staff found it necessary to deploy more than one DET to conduct inspections at the above locations in order to step up enforcement efforts.

In addition to conducting daily inspections at the above locations, the DEHO also deploys DETs to inspect other locations within the district based on the complaints or intelligence received. Within different work shifts, targeted enforcement actions are taken according to the characteristics of locations and the nature of violations to address illegal acts occurring at different times and of varied natures.

(v) The Department has launched the trial of the Mobile Printing Fixed Penalty Notice System in three districts starting from March 2025 and will review its effectiveness in due course for consideration of extending its application where resources permit. Moreover, the Department had already explored

the feasibility of the use of Body Worn Video Cameras (BWVCs). As members of DETs perform their duties in plain clothes, wearing BWVCs may reveal the identity of the enforcement officers and affect the effectiveness of enforcement. Therefore, there is currently no plan of using BWVCs.

(vi) District management staff of the Department will continuously review the effectiveness of the work of DETs, including the number and trend of FPNs issued, and the cumulative number of blackspots addressed. They will also adjust the work of DETs as appropriate based on the needs of each district, with a view to strengthening enforcement against public cleanliness offences in the district.

Item (g)

The Department has improved the work programmes and records of DETs and updated the relevant operational guidelines. As regards the daily work programmes, the new guidelines require the immediate superiors of the teams to give thorough consideration to the intelligence provided by Internet Protocol (IP) cameras or other sources, such as the frequency and time of occurrence of the offences, in order to formulate a list of target locations and the corresponding inspection times. As regards the daily work reports of DETs, the new guidelines require team supervisors to keep proper records of the inspection time and the outcomes of the law enforcement actions, such as the number of FPNs issued. To facilitate the monitoring of the execution of work programmes, the daily work programme and work report are to be submitted in the same report form, in which a space is dedicated for the team supervisors to fill in the record of work according to the actual circumstances of the day, including the handling of unforeseen incidents and temporary deployment arrangements. The management personnel can summarise the content of the work reports for data analysis to evaluate the work effectiveness of each DET.

Item (h)

The Department has formulated guidelines on the supervisory inspections to the work of DETs. Under the new guidelines, the immediate superiors of the DETs of each district are required to conduct inspection on the teams under their management based on the formulated daily work programmes of DETs at least once per week. After the

inspection, the supervisory staff shall, using the prescribed format, report the relevant results to their superiors on a monthly basis.

Item (i)

(i) & (ii) Although the revised form for situation reports were not used in some DEHOs, the deployment of DETs was not affected. The environmental hygiene issues handled by DETs are determined by a basket of factors, among which the content and number of complaints are of paramount importance. Other factors include opinions and intelligence provided by the local communities. The DEHOs will refer to the top five hotspots with the most complaints received as identified in the Complaint Management Information System and analyse the content and nature of the complaints (such as whether they are repeated complaints and whether they involve issues like stains on the ground which cannot be handled effectively by DETs) to decide if DETs should be dispatched to handle the issues. According to paragraph 3.8(a) of the Audit Report, 32 locations were not included in situation reports mainly because the hygiene conditions of those locations could be followed up by personnel other than members of DETs. For example, the management issue of refuse collection points can be followed up by the Cleansing Sections while illegal hawking of cooked food and shop front extension can be followed up by the Hawker Control Teams. We have also sought assistance from other relevant departments according to the established mechanism where necessary, such as when complicated issues involving street sleepers are found at the locations.

The Department has improved the work programmes and records of DETs and updated the relevant operational guidelines. Please refer to the reply in item (g). In addition, the Department is currently reviewing the operation of DETs so as to enhance their effectiveness.

Item (j)

The installation of IP cameras at illegal refuse deposit locations can serve various functions, which include:

- identifying cases of littering from vehicles, which allows the Department to institute direct prosecutions;

- assisting in identifying the time and pattern of littering cases where vehicles are not involved, which facilitates the Department in planning law enforcement actions;
- deterring the act of littering; and
- monitoring the hygiene conditions of individual locations.

District management staff will, based on the actual circumstances (including the severity and frequency of littering, the nuisance caused to the public, and the presence of specific time or pattern of littering), decide if DETs should be dispatched to handle the issues at individual locations and whether such locations should be included in situation reports. The absence of individual locations in the situation reports does not mean the issues are left unattended. For example, regarding the location near a refuse collection point in Yuen Long with 2 141 cases of illegal refuse deposit recorded, the district management staff has decided to resort to the use of IP cameras. At the same time, the DEHO has deployed DETs to handle other illegal refuse deposit spots in the town centre where refuse is mostly deposited by individuals rather than from vehicles, which can enhance effectiveness in law enforcement work.

The Department will continue to review the actual circumstances of various locations, and make plans and adjustments to enforcement and other follow-up actions. In addition, the Department is currently reviewing the operation of DETs to enhance their effectiveness.

Item (k)

As mentioned in the reply to item (e) above, the environmental and hygiene conditions at the locations concerned are relatively complicated (due to problems such as the activities of street sleepers and scavengers, or the presence of a large number of fresh provision shops and other frequent commercial activities in the vicinity), and hence require continuous attention and follow-up actions over a long period of time. Despite improvements made at some locations, persistent monitoring is still required due to the high risk of recurrence. Therefore, such locations will remain in the situation reports for a longer period of time. The Department will continuously review the conditions at these locations and the response strategies, striving to improve the environmental hygiene as soon as possible. We are also reviewing the operation of DETs to enhance their effectiveness.

The three DEHOs organised 2 to 62 (averaging 6) blitz operations in the period from July to September 2024 for each location, and a total of 212 FPNs were issued.

Item (l)

(i) The amended Fixed Penalty (Public Cleanliness and Obstruction) Ordinance (Cap. 570) came into effect on 22 October 2023. During the 12-month period from its commencement to 21 October 2024, 30 047 FPNs were issued for cleanliness offences, representing a drop of over 30% as compared with 44 075 notices issued during the 12-month period before the legislative amendment. It shows that the increase in the fixed penalty levels and the enforcement actions of the Government have achieved a substantial deterrent effect. The Department is conducting a review on the operational arrangements of DETs, which includes examining and adjusting the number of teams, their distribution and the staffing of team members. During the review, the deterrent effect after the increase in the fixed penalty levels will be taken into account.

(ii) The Department has drawn up operational guidelines for DETs. The guidelines set out in detail the duties of DETs, which include taking enforcement actions against offenders of public cleanliness legislation within DETs' purview, handling complaints on cleanliness enforcement actions, and reporting on the investigation results and actions taken in this regard. District management staff will also regularly review the effectiveness of the enforcement actions, including the cumulative number of illegal refuse deposit blackspots handled by DETs, the improvement of the blackspots, as well as the number and trend of FPNs issued, so as to refine the operational tactics.

Item (m)

Littering is affected by various factors, such as the epidemic and the increase in fixed penalty levels. As the current-term Government steps up efforts to tackle hygiene blackspots, public awareness of keeping Hong Kong clean has been enhanced, and the publicity and enforcement actions taken by the Government have yielded positive results. All these have helped reduce littering. Overall, DETs are effective in their enforcement actions against illegal deposit of refuse. Coupled with the installation

of IP cameras at suitable blackspots and the Department's proactive review and follow-up actions on illegal refuse deposit blackspots, the number of new blackspots has decreased in recent years.

Item (n)

It is stipulated in the Department's IP camera service contract that apart from the provision of installation and maintenance services for IP cameras during the contract period, the contractor is also required to conduct artificial intelligence image analysis on all images, so as to identify acts of illegal deposit of refuse therein. As the behavioural patterns of illegal deposit of refuse are varied and complex, the Department will also regularly adjust the IP cameras in aspects ranging from shooting angles to installation locations, in order to enhance enforcement efficiency. To capitalise on the more mature artificial intelligence technology available in the market, having taken into account the greater flexibility of the contractor in adding or deploying cameras, as well as the in-house manpower and resources, the Department considers it more appropriate for the contractor to provide such services at this stage.

In 2024, the expenditure for the service contract of IP cameras was about $7.8 million. In view of the imminent expiry of the current contract, the tender procedures for the IP camera service contract have been commenced earlier.

Item (o)

As mentioned in the reply to item (j) above, in addition to monitoring illegal deposit of refuse, IP cameras also have a deterrent effect and other functions. Therefore, the Department has to consider the actual circumstances of individual locations and the nature of littering problem when deciding whether to install IP cameras. During the process, the views of the local communities will also be taken into account. District management staff will review the installation locations of IP cameras on a regular basis. Since the implementation of the IP camera installation scheme, IP cameras in various districts have been relocated around 20 times in total.

The Department will keep reviewing the configuration of IP cameras to enhance their effectiveness. In recent months, for instance, IP cameras have been installed on roads with central dividers in 38 locations to combat littering from vehicles by irresponsible drivers or passengers.

Under the current contract, contractors have to install, relocate and dismantle IP cameras as required by the Department. We have formulated new guidelines requiring district management staff to continue to assess the locations and effectiveness of IP cameras, and document the considerations and outcomes of the assessment concerned.

Item (p)

(i) Recycling workers in general collect recyclables in specific areas. Based on their experience and observation in law enforcement operations, the frontline staff of the Department can identify recycling workers and give them reminders or advice. If the owner of the articles cannot be identified, staff of the Department may affix a Notice to Remove Obstruction to the recyclables or miscellaneous articles requiring the owner to remove them within a specified time. Otherwise, our staff will seize the articles.

(ii) The Department will closely monitor the hygiene condition of the relevant locations and, where necessary, remind recycling workers to review their operational mode, minimise the nuisance and avoid piling up articles on busy streets for a long period of time. We will also step up street cleansing services at locations with active recycling activities.

(iii) The operation of markets and shops will generate a certain amount of styrofoam boxes and carton boxes which are valuable recyclable articles. These articles will be put together and collected by recycling practitioners before taken away for recycling. However, if these articles are placed at unsuitable locations on a prolonged basis, they may cause environmental hygiene and obstruction problems.

The Environment and Ecology Bureau has instructed the Environmental Protection Department and the FEHD to discuss ways to reduce the environmental hygiene impacts of recyclables during the collection process, such as to identify less obstructive locations for practitioners to carry out recycling activities, examine setting up a regulatory framework and carrying out education campaigns, and draw up guidelines on recycling activities, so as to facilitate orderly recycling activities while minimising the environmental hygiene impacts or avoiding obstruction as far as possible.

Item (q)

When determining whether to institute prosecution by issuing an FPN or by way of summons, staff of the Department will take into account the evidence and actual circumstances of each case. Generally speaking, for straightforward and non-contentious cases, FPNs will be issued. For some serious, complicated and contentious cases, prosecutions will be instituted by way of summons against the persons concerned for court judgment.

As required in the FEHD's guidelines, law enforcement officers may consider prosecuting repeated offenders by way of summons, which is more applicable in pre-planned operations particularly those against repeated offenders who often appear in specific locations (such as habitual feeders of wild birds). In other circumstances, law enforcement officers may not be able to identify repeated offenders on the spot. Besides, with effect from 22 October 2023, the fixed penalty for littering has been increased to $3,000, and that for unlawful depositing of waste to $6,000. With the increase in fixed penalty, the issue of multiple FPNs to repeated offenders will have considerable deterrent effect. The FEHD will review its guidelines on law enforcement actions according to the latest situation.

Part 4

Item (r)

(i) Regarding the issues raised in paragraphs 4.4 and 4.7 of the Audit Report, the Department has reviewed the records of the relevant periods and confirmed that there were no instances where the performance measures were not achieved. In fact, the Department deploys supervisory officers daily to monitor contractor and in-house cleansing workers, ensuring that street sweeping and washing services are carried out in strict compliance with the established operational guidelines. Nevertheless, the Department acknowledges that there is room for improvement in the maintenance and reporting of information and has implemented corresponding improvement measures. Specifically, we have optimised the Environmental Hygiene Statistical Information System (EHSIS) by introducing an automatic detection function to prevent data omissions. We have also updated the relevant operational guidelines and enhanced the management of record updating and storage. The updated guidelines require inspecting officers to monitor street sweeping and washing services in accordance with a

standard checklist, so as to ensure that the records are complete and accurately reflect the relevant performance indicators.

(ii) In case of inclement weather including heavy rain, district management staff will suspend street cleansing services in accordance with the established mechanism and arrange for the street cleansing teams to take up other duties, so as to ensure optimum use of resources.

The FEHD maintains close liaison with the Drainage Services Department (DSD) and the Highways Department (HyD). The DSD will inform the HyD and the FEHD of the latest flooding blackspots before the rainy season each year. For these locations, DEHOs will step up inspection and efforts to clear the refuse on top of the road gullies thereof. The FEHD will also take part in inter-departmental joint operations to assist in clearing the refuse in order to keep drains clear.

Item (s)

The Department agrees to adopt a pro-active approach in management and has enhanced the EHSIS and updated the relevant operational guidelines. The new guidelines require each district to maintain a list of main roads for which the first round street sweeping services should be completed before 9:00 a.m. and review the list quarterly. Inspection officers will also conduct inspections. If special circumstances which have caused under-performance of service are identified (e.g. accumulation of refuse due to non-compliance of staff with the working instructions), inspection officers have to complete the relevant records. Designated officers will input the inspection findings to the EHSIS periodically and verify if the relevant service indicators are met.

Item (t)

The Department plans to develop an information technology system to enhance the efficiency and monitoring of public cleansing services. The new system serves as an integrated information monitoring system platform to facilitate the submission, update, storage and approval of work programmes and reports. It also facilitates the departmental staff's checking of the completed services and real-time monitoring of their compliance and performance. In addition, the system sends reminders automatically to remind the staff to submit reports on time. As a centralised data

source centre, the system supports analysis of reports for integrated management of public cleansing services provided by both the Department and contractors.

The Department plans to optimise the existing system and roll out some of the new functions, including electronic submission of work programmes and reports, within 12 months, with other functions to be rolled out progressively as soon as possible thereafter.

Item (u)

(i) At present, mini-street washing vehicles with pressure washer surface cleaners are provided by street cleansing service contractors and the services for both outsourced and in-house areas of every district have been covered. Under the provisions of the street cleansing service contracts, DEHOs are allowed to deploy mini-street washing vehicles to any service location within the same district in light of the actual circumstances. As the services for the districts under the 9 contracts concerned can be covered by mini-street washing vehicle fleets provided under other contracts, mini-street washing vehicle fleets were not required for those 9 contracts.

(ii) The Department has all along followed the Government's procurement requirements and procedures in conducting open tender exercises. Depending on actual operational needs, the specific requirements may vary from contract to contract, and such requirements are spelt out clearly in the tender documents. All contractors may make a bid according to their capabilities on a voluntary basis, and there is no unfair treatment to individual contractors.

(iii) If the provision of mini-street washing vehicles is not stipulated in the tender documents of street cleansing services, the contractors concerned are not required to provide such service during the contract period. Nevertheless, the Department, where necessary, will set out in street cleansing service contracts the requirement for the contractors to provide high pressure hot water cleaners to enhance the cleansing of some streets. In addition, district management staff will, in light of the actual circumstances, deploy mini-street washing vehicles in the district to the location in need of services.

(iv) Mini-street washing vehicles will continue to be widely deployed in the light of the actual circumstances. The scope of application of mini-street washing vehicles has been extended since January 2025, with the number of service locations increasing from approximately 1 800 to 3 600 across the territory, covering both in-house areas and outsourced areas.

In addition, the Department is committed to introducing new technologies for enhanced efficiency and protection of the safety of frontline staff, so as to reduce their risk of sustaining strains and injuries. What are being explored include the introduction of technologies include: (1) working with the Electrical and Mechanical Services Department to introduce automated sweeping robots for street cleansing so as to reduce the physical exertion of cleansing staff; (2) introducing electrically assisted trolleys equipped with indicator lights, buffers and reflective stickers for enhanced safety and efficiency, so as to ease the physical burden on street cleansing staff; (3) bringing in advanced industrial grade robot dogs from the Mainland to enhance the efficiency in refuse transportation and reduce the chance of injuries to cleansing workers caused by handling heavy objects. The Department will conduct tests on the refuse handling capacity of the robot dogs on slopes, stairs and rugged areas, and explore ways to upgrade ancillary facilities.

Item (v)

(i) In conducting "employment-related inspections", the Central Investigation Team of the Department will visit the contractors' non-skilled workers at their workplaces and interview them to check whether the contractors have breached any employment-related requirements. To ensure that each non-skilled worker is interviewed without interference, the interviews are conducted individually through sampling with the non-skilled workers on duty that day. During the interviews, the Central Investigation Team will ask each interviewee to complete a questionnaire to see whether he/she has any complaint against the contractor. In general, the interviewees were able to complete the questionnaires successfully with the request and assistance of the Central Investigation Team.

(ii) The Department has all along been concerned with the performance of outsourced service contractors and the rights of outsourced contract staff.

Although the Central Investigation Team may not be able to conduct employment-related inspections on a daily basis due to resource and manpower constraints, the Department will enhance the protection of employees' rights through other means. Under the existing mechanism, the Department's district contract management staff will include inspections, interviews and checks relating to non-skilled staff into their routine inspection work when checking the service performance of contractors. They also hold working meetings with the contractors from time to time to address staff concerns. In addition, the Central Investigation Team operates a telephone hotline to handle employment-related enquiries or complaints concerning non-skilled workers. Upon receipt of a complaint, will carry out follow-up investigation in an independent, objective and impartial manner. Moreover, the Central Investigation Team has embarked on a comprehensive review of the mechanism of audit inspections and employment-related inspections for service contracts. This includes conducting risk assessment for the contracts and reviewing existing guidelines to determine how to increase the number of meetings with non-skilled staff of street cleansing service contractors as far as practicable. Depending on the results of the review, the Central Investigation Team will look into the implementation of the improvement measures.

Yours sincerely,

(WONG Chi-hang)
for Director of Food and Environmental Hygiene

c.c. Secretary for Environment and Ecology (email: see@eeb.gov.hk)
Secretary for Financial Services and the Treasury (email: sfst@fstb.gov.hk)
Director of Audit (email: ncylam@aud.gov.hk)

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Your Ref.: CB3/PAC/R84
Our Ref.: FEHD Cl&PC/32-60/10/14 C

22 May 2025

Ms Shirley CHAN
Clerk to the Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(By email: hhchan@legco.gov.hk,
kmho@legco.gov.hk, pkwlai@legco.gov.hk)

Dear Ms CHAN,

Public Accounts Committee
Consideration of Chapter 6 of Report No. 84 of the Director of Audit
Street Cleansing Services

I refer to your letter dated 12 May 2025. Our reply is provided in the ensuing paragraphs.

Item (a)

2. The Department conducts open tender exercises for new street cleansing service contracts or renewal of which in accordance with the Government's procurement requirements and procedures. Tenderers are invited to submit both technical and price proposals in their tenders, which will be assessed in terms of quality and price under a marking scheme. The marking scheme and the technical score sheet for street cleansing services are devised according to

Financial Circular No. 2/2019, which is applicable to all government departments, and the "Standard Marking Scheme" annexed thereto. Under the marking scheme, the technical score and price score each account for 50% of the total score. The assessment criteria of the technical score cover factors such as the tenderer's proposed execution plan for the contract (including the proposed work plan, innovative suggestions and proposed daily maximum working hours for drivers to be employed under the contract), past experience in provision of street cleansing services, accreditation of relevant services, past performance, the amount of remuneration to be paid to non-skilled workers to be employed, proposed daily maximum working hours for non-skilled workers and the past record of demerit points in relevant government contracts for non-skilled workers. We will, in accordance with the marking criteria for "past performance", compare the tenderer's defaults in relation to the FEHD's cleansing service contracts in the past three years with those of other tenderers to calculate the score of each tenderer. To ensure that the contractors are fully capable of fulfilling the relevant service contracts, tenderers are required to obtain passing marks in their proposed work plans under technical evaluation before their tenders can proceed to the next stage of price evaluation. The tender with the highest combined score in the technical and price proposals will normally be accepted by the Government. A copy of the technical marking scheme (Annex I) is enclosed for reference.

Item (b)

3. We agree that electronic means is better than paper-based methods in document submission and record-keeping. The Department is progressively digitalising various types of records. At present, contractors bidding for the FEHD's street cleansing service contracts may submit tender documents electronically. Successful tenderers may use electronic means to submit work programmes, and so may contractors in their daily submission of documents (such as the work schedules of street washing vehicles) to the Department. In addition, the E-Management System, Contract Management System and relevant mobile apps are in place to assist supervisory staff of street cleansing

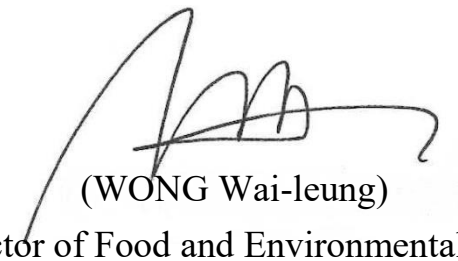
services in recording the results of daily inspections of in-house and outsourced services electronically. However, not only the work programmes and reports for each day submitted by contractors as mentioned in the Audit Report are still submitted to the district offices in paper form, but those for in-house street cleansing services are still kept in paper form by the district offices.

4. The Department will further promote digitalisation to enhance service efficiency and monitor service quality. The development of a new information technology system is underway. The new system will provide an integrated information monitoring platform which can enable electronic submission, updating and approval of work programmes and reports, facilitate the checking of completed services as well as real-time monitoring of compliance and implementation by in-house staff, issue automatic reminders to staff for timely submission of reports, and collect and analyse relevant data for generation of management reports so as to assist the Department in the planning and deployment of resources.

Item (c)

5. The sample of questionnaires used for collecting feedback from contractors' employees is in Annex II.

Your sincerely,



(WONG Wai-leung)
for Director of Food and Environmental Hygiene

c.c. Secretary for Environment and Ecology (Email: see@eeb.gov.hk)
Secretary for Financial Services and the Treasury (Email: sfst@fstb.gov.hk)
Director of Audit (Email: ncylam@aud.gov.hk)

Marking Scheme for Tender Assessment

Nature of Service : Street Cleansing Services

	Assessment Criteria#	Maximum Marks	Unit Marks (M)	Weighting (W) (See Note 1)				Marks Scored (M x W)	Remarks / Basis of Assessment
				3	2	1	0		
(A)	**Execution Plan**								
1	Work Plan **(Individual Passing Mark: at least 2 for each item (i) to (iv) (as specified in the "Appendix to Explanatory Notes for Marking Scheme"))**	**32**	**N.A.**						See Note 2
2	Innovative Suggestions								
	(a) Pro-innovation Proposals – proposals which are directly relevant to the Services	**6.6**	**3.3**						See Note 3
	(b) ESG Proposals – measures to improve environmental protection, sustainability or social responsibility or governance which may but need not be directly relevant to the Services	**2.4**	**1.2**						See Note 4
3	Proposed daily maximum working hours for Drivers to be employed under the Contract **[Clause 29.3(b) of the Conditions of Contract and Schedule 4** are relevant]	**2**	**2**						See Note 5
	Sub-total for (A)	**43**							
(B)	**Experience and Certification**								
4	Experience of Tenderer in street cleansing services in the five (5) years immediately preceding the Original Tender Closing Date	**3**	**1.5**						See Note 6
5	Valid certifications relevant to street cleansing services	**3**	**1**						See Note 7
	Sub-total for (B)	**6**							
(C)	**Past Performance**								
6	Record of past performance in all FEHD street cleansing service contracts in the thirty-six (36) months immediately preceding the Tender Closing Date	**15**	**N.A.**						See Note 8
	Sub-total for (C)	**15**							
(D)	**Wages, Working Hours and Record of Demerit Point(s)**								
7	Proposed monthly wage rate for Non-skilled Workers to be employed under the Contract **[Paragraph 11 of the Terms of Tender, Clauses 29.1 and 29.2 of the Conditions of Contract and Schedule 4** are relevant]	**25**	**N.A.**						See Note 9
8	Proposed daily maximum working hours for Non-skilled Workers to be employed under the Contract [**Clause 29.3 of the Conditions of Contract and Schedule 4** are relevant]	**4**	**4**						See Note 10
9	Record of Demerit Points under All Government Non-skilled Worker Contracts	**7**	**N.A.**						See Note 11
	Sub-total for (D)	**36**							
	Total Technical Marks	**100**							

In case Tenderers indicated in the Tender returns that they may apply for the Enhanced Supplementary Labour Scheme, for the avoidance of doubt, marks will not be given to any proposal which is made solely to comply with the requirements under the Enhanced Supplementary Labour Scheme administered by the Labour Department.

Annex

Explanatory Notes for Marking Scheme

Tenderers shall note that their Tenders must pass stage 1 evaluation and stage 2 evaluation as specified in Paragraphs 7.2 and 7.3 of the Terms of Tender or their Tenders will not be further considered under the Marking Scheme.

Weighting

Note 1 Tenderer's proposal / experience / certification / performance will be assessed against the assessment criteria as follows:

For items 2(a), 2(b) and 4
Weighting of 2, 1 or 0 will be awarded.

For items 3 and 8
Yes or **No**, which carries weighting of 1 or 0 respectively.

For item 5
Weighting of 3, 2, 1 or 0 will be awarded.

For items 1, 6, 7 and 9
In accordance with the rules as set out in Notes 2, 8, 9 and 11 respectively below.

Work Plan

Note 2 (i) Tenderers should refer to the "Appendix to Explanatory Notes for Marking Scheme" for scoring marks of the items under assessment for the work plan. **Marks scored in the work plan is the sum of marks scored in all sub-items under items (i) to (iv) of the "Appendix to Explanatory Notes for Marking Scheme"**.

(ii) **Tenderers shall score an Individual Passing Mark of at least 2 for each item (i) to (iv) (as specified in the "Appendix to Explanatory Notes for Marking Scheme") which adding up to at least 8 marks for item 1 (work plan) of the Marking Scheme or their Tenders will not be evaluated and considered further**.

(iii) All practicable proposal included in the proposed plan submitted by the successful Tenderer under item 1 (work plan) of the Marking Scheme shall form part of the Contract if accepted by the Government.

Innovative Suggestions: Pro-innovation Proposals

Note 3 Weighting

2 - Proposed plan is provided with two (2) or more effective and practicable Pro-innovation Proposals

1 - Proposed plan is provided with one (1) effective and practicable Pro-innovation Proposal

0 - Proposed plan is not provided with any effective and practicable Pro-innovation Proposal

Remarks: (i) Pro-innovation Proposals to be assessed under item 2(a) are proposals that are not featured in the existing or conventional or commonly used mode of service delivery. Tenderers shall submit Pro-innovation Proposals by filling the details in Table A under **Schedule 5 Part A(I)(b)** to facilitate tender evaluation.

(ii) Zero mark will be given for item 2(a) and / or item 2(b) in the Marking Scheme if Table A and / or Table B under **Schedule 5 Part A(I)(b)** is / are not completed or no indication of using separate sheet for Pro-innovation Proposals and / or ESG Proposals in Table A and / or Table B under **Schedule 5 Part A(I)(b)** before the Tender Closing Time. Tenderers who fail to clearly indicate whether their proposals belong to Pro-innovation Proposals or ESG Proposals will not receive marks for their proposals. Any cost of implementing the Pro-innovation Proposals and / or the ESG Proposals (as the case may be) is to be borne by the Contractor.

(iii) Marks will be given to Pro-innovation Proposals that are **directly relevant to the Services** and are considered **effective and practicable in improving service delivery or operations**. The benefits may be reflected in terms of: saving of manpower resources; higher operational efficiency / performance reliability; better service quality; improved or greater flexibility to adapt to operational changes; or any other benefits which are considered relevant to the Services.

(iv) The examples mentioned in (iii) above are not exhaustive.

(v) **No mark will be given to any Innovative Suggestion (i.e. Pro-innovation Proposals and / or ESG Proposals) (a) which is related to labour benefit measures scored under assessment criterion "(D) Wages, Working Hours and Record of Demerit Point(s)" in the Marking Scheme; (b) for provision of cleansing chemicals / detergents fall within the Requirements on Green Specifications**

of Cleansing Products specified at Annex X Part B of the Conditions of Contract; (c) which is related to provisions and requirements already set out in the Contract; (d) without detailed information on the effectiveness and practicability; or (e) in which a Tenderer will neither be capable of nor responsible for implementation.

(vi) **No mark will be given to any Pro-innovation Proposal for provision of conventional or commonly used mode of service delivery such as conventional vehicles / equipment / tools / materials / facilities.**

(vii) Tenderers shall highlight the proposed Pro-innovation Proposals and explain clearly **how** to implement the Pro-innovation Proposals and **what** service delivery or operations can be effectively enhanced or improved by the Pro-innovation Proposals.

(viii) If the Pro-innovation Proposal / ESG Proposal (as the case may be) is a kind of vehicle / equipment / tool / material / facility, Tenderers shall provide substantial information, for example, the quantity / specifications / function / outcomes / how to implement the Pro-innovation Proposal / ESG Proposal (as the case may be) in the Contract, etc. In case the quantity or the duration for provision of such vehicle / equipment / tool / material / facility is not specified in a Tenderer's proposal, it shall be deemed that the Tenderer will provide a minimum of one (1) unit of such item for the Contract Period.

(ix) If the Pro-innovation Proposal / ESG Proposal (as the case may be) is a kind of measure / service / scheme, Tenderers shall provide substantial information, for example, its scale / feature / function / coverage / frequency / duration / how to implement the Pro-innovation Proposal / ESG Proposal (as the case may be) in the Contract, etc. In case the frequency or the duration for provision of such measure / service / scheme is not specified in a Tenderer's proposal, it shall be deemed that the Tenderer will provide such measure/service/scheme at least once for the Contract Period.

(x) If the Pro-innovation Proposal / ESG Proposal (as the case may be) is related to the employee, Tenderers shall provide substantial information, for example, its nature / post / minimum number of headcount / duty / work shift (full-time or part-time) / speciality / coverage / duration / method of recruitment, etc. In case minimum number of headcount or duration for provision of such employee is not specified in a Tenderer's proposal, it shall be deemed that the Tenderer will provide a minimum of one (1) employee for the Contract Period.

(xi) Tenderers may be requested to provide supporting documents or a demonstration to prove the effectiveness and practicability of their Pro-innovation Proposal / ESG Proposal (as the case may be). All Pro-innovation Proposals and / or ESG Proposals will be assessed on the basis of the information provided in the tender submissions and factual supporting documents (e.g. test reports / certificates) provided by the Tenderers upon request by the Government. The demonstration will not be taken into account in tender assessment. It only serves as a means to enable members of the tender assessment panel to have a better understanding of the Pro-innovation Proposals and / or ESG Proposals proposed by the Tenderers. During the demonstration, Tenderers are also not allowed to provide additional information not contained in their original tender submissions.

(xii) Any Pro-innovation Proposals that already scores marks under item 2(a) will not earn marks again under ESG Proposals at item 2(b) and vice versa. In case a Tenderer specified the type of a proposal under both Pro-innovation Proposal and ESG Proposal, and the Government considers that the same proposal could earn marks under both Pro-innovation Proposal and ESG Proposal, it will be taken as scoring marks under Pro-innovation Proposal (item 2(a)) only. Each proposal will be counted once, irrespective of the number of improvements / positive values / benefits involved.

(xiii) All proposals submitted by the successful Tenderer under items 2(a) and 2(b) and accepted by the Government shall form part of the Contract and which shall be implemented upon commencement of the Contract or according to the schedule as accepted by the Government. Any failure of the Contractor to perform such Pro-innovation Proposals and / or ESG Proposals would be deemed a breach of the contractual obligation, and the Government shall be entitled to take follow-up actions in accordance with the existing mechanism on the handling of breach of contractual obligations. e.g. claiming damages and / or termination of the Contract.

(xiv) If the proposal is related to employment of staff, the Contractor Personnel shall also comply with **Clause 7(c) of the Service Specifications**.

Innovative Suggestions: ESG Proposals

Note 4 Weighting

2 - Proposed plan is provided with two (2) or more effective and practicable ESG Proposals

1 - Proposed plan is provided with one (1) effective and practicable ESG Proposal

0 - Proposed plan is not provided with any effective and practicable ESG Proposal

Remarks: (i) Marks will be given if the ESG Proposals are effective and practicable, and will improve environmental protection, sustainability (E) or social responsibility (S) or governance (G) in the execution of the Contract throughout the Contract Period, which may but need not be directly relevant to the Services, but can **bring about positive values / benefits to the Government or the public at large**.

(ii) Tenderers shall submit ESG Proposals by filling the details in Table B under **Schedule 5 Part A(I)(b)** to facilitate tender evaluation Examples of such ESG Proposals include the use of green materials / products in the execution of the Contract, employment of people with disabilities and / or rehabilitated persons for the provision of the Services under the Contract, or other positive values / benefits to the Government or the public at large.

(iii) The examples mentioned in (ii) above are not exhaustive.

(iv) Tenderers shall highlight the ESG Proposals and explain clearly **how** to implement the ESG Proposals and **what** positive values / benefits can be brought about to the Government or the public at large by the ESG Proposals.

(v) Remarks (ii), (v), (viii) to (xiv) of Note 3 above are also applicable to this Note 4.

Daily Maximum Working Hours for Drivers

Note 5 Weighting

1 – Proposed daily maximum working hours for Drivers (as specified by the Tenderer in **Schedule 4**) are **eleven** (11) hours **excluding** meal break (i.e. net total) **or less**.

0 – Proposed daily maximum working hours for Drivers (as specified by the Tenderer in **Schedule 4**) are **more than eleven** (11) hours **excluding** meal break (i.e. net total).

Remarks: (i) In case a Tenderer fails to submit **Schedule 4** / indicate the proposed daily maximum working hours for Drivers in **Schedule 4** / specify the number of hours for Drivers in **Schedule 4**, no mark will be given and such daily maximum working hours committed by the Tenderer will be **deemed** to be more than eleven (11) hours excluding meal break (i.e. net total) for the purpose of tender evaluation. Such Tenderer will be asked to confirm the proposed maximum working hours for Contract management purpose at any time after the Tender Closing Date and the confirmation will become binding if the Contract is awarded to this Tenderer subsequently.

(ii) Tenderers are required to note that daily maximum working hours for Drivers shall include that for Supervisor-cum-Drivers.

Past Experience

Note 6 Weighting

2 – **Three (3) or more aggregate years** of experience in street cleansing services in the five (5) years immediately preceding the Original Tender Closing Date.

1 – **One (1) to less than three (3) aggregate years** of experience in street cleansing services in the five (5) years immediately preceding the Original Tender Closing Date.

0 – **Less than one (1) aggregate year** of experience in street cleansing services in the five (5) years immediately preceding the Original Tender Closing Date or no valid documentary proof to support its claim of experience submitted.

Remarks: (i) Tenderers shall submit **valid documentary proof** (e.g. contract copy with clear contract period) to substantiate their claims of experience.

(ii) Only the Tenderer's experience in the same business entity of the Tenderer will be counted. The same business entity of the Tenderer refers to the company with the same unique company registration number under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) or its equivalent. For the avoidance of doubt, the experience of a parent company, subsidiary or sub-contractor of the Tenderer shall not be considered. The expressions "parent company" and "subsidiary" have the meanings given to them in the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

(iii) If the Tenderer is a partnership, only the years of experience gained by the partnership, but not the years of experience of the individual partners of the partnership, will be counted.

(iv) It is not necessary for a Tenderer to have continuous relevant experience in the **past five (5) years** immediately preceding the Original Tender Closing Date.

(v) Local and / or outside Hong Kong experience will be counted.

(vi) In case a Tenderer declared in paragraph (c) of **Schedule 5 Part B** that the contracts have been terminated due to its default, the experience under these contracts will **not** be taken into account.

(vii) Where the information declared by a Tenderer in **Schedule 5 Part B** is inconsistent with the FEHD's record, without prejudice to the Government's right to seek clarification from the Tenderer pursuant to **Paragraph 19 of the Terms of Tender**, the FEHD's record shall prevail and form the basis of the assessment.

(viii) In case a Tenderer declared in paragraph (c) of **Schedule 5 Part B** that the contracts have **not** been terminated due to its default, but the FEHD's record reveals that the contract(s) claimed under **Schedule 5 Part B** has / have been terminated due to its default, **no mark** will be given to the Tenderer on item 4 (Experience of Tenderer).

(ix) For the purpose of tender evaluation, the aggregate year(s) of experience in street cleansing services will be counted in calendar days. "One (1) aggregate year of experience" is equivalent to have accumulated three-hundred and sixty-five (365) (i.e. 365 x 1) days of experience. Besides, any overlapping period under different contracts of the Tenderer will **not** be double-counted.

Example:

Contract	Type of Service Provided	Contract Period	Contract Period without Overlapping with an Earlier Contract	Number of Days Counted for Accumulated Experience
A1	Street Cleansing	16.4.2022 – 15.4.2023	16.4.2022 – 15.4.2023	365
A2	Street Cleansing	1.1.2023 – 31.3.2024	16.4.2023 – 31.3.2024	351
			Total:	**716**

Valid and Relevant Certification

Note 7 Weighting

3 – Accredited to **all three (3)** certificates of ISO 9001, ISO 14001 and ISO 45001 (or OHSAS 18001) which are valid and relevant to street cleansing services as at the Original Tender Closing Date.

2 – Accredited to **any two (2)** of the three certificates of ISO 9001, ISO 14001 and ISO 45001 (or OHSAS 18001) which are valid and relevant to street cleansing services as at the Original Tender Closing Date.

1 – Accredited to **any one (1)** of the three certificates of ISO 9001, ISO 14001 and ISO 45001 (or OHSAS 18001) which is valid and relevant to street cleansing services as at the Original Tender Closing Date.

0 – **No** ISO / OHSAS certifications or failing to produce documentary proof to support its claim of possessing any relevant accreditation.

Remarks: (i) Only the accreditation gained in the same business entity of the Tenderer will be counted. The same business entity of the Tenderer refers to the company with the same unique company registration number under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) or its equivalent.

(ii) If the Tenderer is a partnership, only the accreditation gained by the partnership, but not the accreditation gained by individual participants to the partnership, will be counted.

(iii) A Tenderer shall submit documentary evidence (e.g. a copy of certificate) to substantiate its claim of the accreditation. Accreditation not substantiated will not be taken into account.

(iv) For the purpose of counting the accreditation, "relevant certificate" means a certificate of (i) ISO 9001 Quality Management Systems, (ii) ISO 14001 Environmental Management Systems or (iii) ISO 45001 Occupational Health and Safety Management (or Occupational Health and Safety Assessment Series (OHSAS) 18001) which are relevant to street cleansing services, and are valid as at the Original Tender Closing Date.

Past Performance

Note 8 The marks scored by each Tender which has scored the Individual Passing Mark for item 1 (work plan) of the Marking Scheme in stage 3 evaluation will be determined as follows:

(i) **No mark** will be given for Tenderer whose default point in the thirty-six (36) months immediately preceding the Tender Closing Date is **equal to or greater than 80%** of benchmark prevailing as at the Tender Closing Date.

(ii) Tenderer's default point in the thirty-six (36) months immediately preceding the Tender Closing Date is **smaller than 80%** of benchmark prevailing as at the Tender Closing Date will be determined by the following formula –

$$15 \times \frac{\text{80\% of benchmark prevailing as at the Tender Closing Date} - T}{\text{80\% of benchmark prevailing as at the Tender Closing Date} - L}$$

T = Default point of the Tenderer being considered

L = The lowest default point among all the Tenderers which have scored the Individual Passing Mark for item 1 (work plan) of the Marking Scheme in stage 3 evaluation

Remarks: (i) (a) The default point of the Tenderer is calculated by the total weighted number of default notices of blatant, performance and behavioural defaults issued by FEHD to the Tenderer in performing FEHD street cleansing service contracts divided by the total number of FEHD street cleansing service contracts held by the Tenderer in the thirty-six (36) months immediately preceding the Tender Closing Date based on FEHD's record.

(b) The total weighted number of default notices of blatant, performance and behavioural defaults is calculated by the number of notices for blatant, performance and behavioural defaults issued under FEHD street cleansing service contracts multiplied by a factor of 2, 1 and 0.5 respectively.

(c) The benchmark is calculated on the basis of the total weighted number of default notices in respect of blatant, performance and behavioural defaults issued by FEHD to all contractors in performing FEHD street cleansing service contracts divided by the total number of FEHD street cleansing service contracts with due adjustment(s) as considered appropriate by FEHD. Performance of contracts with a period of six (6) months or less falling within the reference period have not been taken into account in calculating the benchmark.

(d) For the purpose of assessing this item, the benchmark of **26.38** for service group of "street cleansing" is used for tender evaluation.

(ii) Tenderers' attention is drawn to **Clauses 7 and 10 of the Conditions of Contract** on the definition of blatant, performance and behavioural defaults.

(iii) Only the Tenderer's default record of FEHD service contracts awarded in the same business entity of the Tenderer will be counted. The same business entity of the Tenderer refers to the company with the same unique company registration number under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) or its equivalent.

(iv) A Tenderer which has not been a FEHD street cleansing service contractor or has less than an aggregate experience of one (1) year as a FEHD street cleansing service contractor in the thirty-six (36) months immediately preceding the Tender Closing Date will be accorded with **the average mark** attained by all other Tenderers, which have not less than an aggregate experience of **one (1) year** as FEHD street cleansing service contractors and have scored the Individual Passing Mark for item 1 (work plan) of the Marking Scheme in stage 3 evaluation rounded to two (2) decimal places. Figures with value at the third decimal place larger than or equal to 0.005 will be rounded up by adding 0.01 to the figures and curtailing the third decimal place onward, whereas figures with value at the third decimal place below 0.005 will be rounded down by curtailing the third decimal place onward without changing the value at the second decimal place.

(v) For the purpose of tender evaluation, the aggregate experience in Remark (iv) above will be counted in calendar days and overlapping period under different contracts of the Tenderer will not be double-counted according to Remark (ix) of Note 6 above.

Proposed Wage Rate

Note 9 The marks scored by each Tender which has scored the Individual Passing Mark for item 1 (work plan) of the Marking Scheme in stage 3 evaluation will be determined by the following formula.

$$25 \times \frac{P - C^*}{H - C^*}$$

P = **Proposed** monthly wage rate for Cleansing Workmen of the Tender being considered

H = **Highest proposed** monthly wage rate for Cleansing Workmen among all the Tenders which have scored the Individual Passing Mark for item 1 (work plan) of the Marking Scheme in stage 3 evaluation

C = Monthly wage rate of SMW plus paid rest days for Cleansing Workmen

* The prevailing monthly wage rate of SMW plus paid rest days for Cleansing Workmen is HK$9,920, derived on the basis of thirty-one (31) days (i.e. eight (8) hours of work per day and twenty-seven (27) working days plus four (4) paid rest days per month).

Remarks: (i) Tenderers are advised to refer to the mark calculation method with an illustrative example at **Annex IV**. The marks will be rounded to the nearest two (2) decimal places according to the rounding method as shown in Note 8 above.

(ii) If H is equal to C, no mark will be given to all Tenderers.

(iii) If a Tenderer fails to submit **Schedule 4** or indicate any monthly wage in **Schedule 4** or its P is less than C, the Tender will be evaluated but P will be deemed to be equal to C for the purpose of tender evaluation. Such presumption will be revoked immediately if the Tenderer fails to confirm their abidance by the SMW upon request by the Government Representative at any time after the Tender Closing Date. If the Tenderer offers a higher amount than the SMW in subsequent clarification in writing, the Tender will only be assessed on the basis that the monthly wage offered by the Tenderer is same as the SMW. However, the higher wage offered by this Tenderer shall become binding if the Contract is subsequently awarded to this Tenderer.

Daily Maximum Working Hours for Non-skilled Workers

Note 10 Weighting

1 – Proposed daily maximum working hours for Non-skilled Workers (as specified by the Tenderer in **Schedule 4**) are **ten** (10) hours **excluding** meal break (i.e. net total) **or less**.

0 – Proposed daily maximum working hours for Non-skilled Workers (as specified by the Tenderer in **Schedule 4**) are **more than ten** (10) hours **excluding** meal break (i.e. net total).

Remarks: In case a Tenderer fails to submit **Schedule 4** / indicate the proposed daily maximum working hours for Non-skilled Workers in **Schedule 4** / specify the number of hours in **Schedule 4**, no mark will be given and such daily maximum working hours committed by the Tenderer will be **deemed** to be more than ten (10) hours excluding meal break (i.e. net total) for the purpose of tender evaluation. Such Tenderer will be asked to confirm the proposed maximum working hours for Contract management purpose at any time after the Tender Closing Date and the confirmation will become binding if the Contract is awarded to this Tenderer subsequently.

Record of Demerit Points under All Government Non-skilled Worker Contracts

Note 11 In determining the scoring under item 9 of the Marking Scheme, the following rules shall apply:

(i) Where the information declared by a Tenderer in **Schedule 5 Part D(I)** is inconsistent with the Government's record, without prejudice to the Government's right to seek clarification from the Tenderer pursuant to **Paragraph 19 of the Terms of Tender**, the Government's record shall prevail and form the basis of the assessment.

(ii) Subject to (iv) below, where a Tenderer has been a Government service contractor of Non-skilled Worker Contract within thirty-six (36) months immediately before the Tender Closing Date (**"Previous Government Contractor"**), the scoring below shall apply:

Marks to be given

(a) No Demerit Point was issued within thirty-six (36) months immediately before the Tender Closing Date	7 marks
(b) One (1) Demerit Point was issued within thirty-six (36) months immediately before the Tender Closing Date	3.5 marks
(c) Two (2) Demerit Points were issued within thirty-six (36) months immediately before the Tender Closing Date	0 mark

(iii) Subject to (iv) below, where a Tenderer has not been a Previous Government Contractor of Non-skilled Worker Contract, it will be given an average mark which is calculated by dividing the aggregate marks under item 9 of the Marking Scheme of all other Tenderers who have been a Previous Government Contractor of Non-skilled Worker Contract and have scored the Individual Passing Mark for item 1 (work plan) of the Marking Scheme in stage 3 evaluation by the number of such Tenderers rounded to the nearest two (2) decimal places according to the rounding method as shown in Note 8 above (**"Average Mark"**).

(iv) Upon checking the Government record, if it is found that the information declared by a Tenderer in **Schedule 5 Part D(I)** is incorrect or incomplete, or if the Tenderer fails to submit any or all of the supporting documents to substantiate the information so declared or fails to submit the declaration at all before the Tender Closing Time or upon Government's request for clarification pursuant to **Paragraph 19 of the Terms of Tender**, the scoring below shall apply:

Marks to be given:

(a) The Tenderer is not a Previous Government Contractor according to the Government's record.	Average Mark
(b) The Tenderer is a Previous Government Contractor and has received no Demerit Point according to the Government's record.	Average Mark
(c) The Tenderer is a Previous Government Contractor and has received one (1) Demerit Point according to the Government's record.	Average Mark or 3.5 marks whichever is the lower

(d) The Tenderer is a Previous Government Contractor and has received two (2) Demerit Points according to the Government's record.	0 mark

(v) Where the Tenderer is a partnership, Demerit Point(s) issued against a partner within thirty-six (36) months immediately before the Tender Closing Date shall be deemed to be Demerit Point(s) issued to the Tenderer for the purpose of tender evaluation.

(vi) Demerit Points mentioned in this Note means the Demerit Points defined in the Interpretation. Demerit Points under appeal will still be counted for the purpose of tender evaluation.

Appendix to Explanatory Notes for Marking Scheme

Nature of Service: Street Cleansing Services

Tenderers shall provide the information listed in items (i) to (iv) below in their work plan with a view to providing the Services meeting the requirements stated at **Annex XII to the Service Specifications**. The work plan will form part of the Contract if the Tenderer's Tender is accepted by the Government.

Plan	Items under Assessment
Work Plan (Item 1 of the Marking Scheme)	(i) Provide details on provision of each type of **Street Cleansing Services** as described in **Part A of Annex XII to the Service Specifications** which should include the following: (a) work programmes by deployment of manpower, Vehicles and equipment as specified in **Schedule 3**; (b) street sweeping area maps for each Cleansing Workman; (c) effective means on provision of the Services to tackle environmental hygiene issues with grave concern of the public (e.g. accumulation of refuse in areas agglomerated with eateries, accumulation of refuse in vicinity of 3-nil buildings, etc.) and the anticipated achievement; and (d) any **performance commitment** exceeding any one of the respective performance requirements as specified in **Part A of Annex XII to the Service Specifications** which is considered effective in enhancing quality of the Services (for example, the proposed performance commitment would improve environmental hygiene of the locations with grave public concern).
	(ii) Provide details on provision of **Street Washing Services** as described in **Part B of Annex XII to the Service Specifications** which should include the following: (a) workflow and work programme by deployment of the manpower, Vehicles and equipment as specified in **Schedule 3**; (b) street washing area maps; (c) effective means on provision of the Services to tackle environmental hygiene issues with grave concern of the public (e.g. public places conglomerated with eateries, dog fouling / feeding feral birds blackspots, etc) and the anticipated achievement; and (d) any **performance commitment** exceeding the performance requirements as specified in **Part B of Annex XII to the Service Specifications** which is considered effective in enhancing quality of the Services (for example, the proposed performance commitment would improve environmental hygiene of the locations with grave public concern).
	(iii) Provide details on provision of **Services related to RCPs** and **Bagged Refuse Collection, Litter Container Emptying and Related Cleansing Services in Midnight** as described in **Parts C and I of Annex XII to the Service Specifications** respectively which should include the following: (a) provision of RCP Attendant and Cleansing Services by deployment of the manpower, Vehicles and equipment as specified in **Schedule 3**; (b) provision of Bagged Refuse Collection, Litter Container Emptying and Related Cleansing Services in Midnight by deployment of the manpower, Vehicles and equipment as specified in **Schedule 3**; (c) effective means on provision of the Services in items (iii)(a) and (iii)(b) above to tackle environmental hygiene issues with grave concern of the public (e.g. refuse scattered in the vicinities of RCPs or side of the litter containers, etc.) and the anticipated achievement; and (d) any **performance commitment** exceeding any one of the respective performance requirements as specified in **Parts C of Annex XII to the Service Specifications** which is considered effective in enhancing quality of the Services (for example, the proposed performance commitment would improve environmental hygiene of the locations with grave public concern).

Plan	Items under Assessment
Work Plan (Item 1 of Marking Scheme)	(iv) In respect of the Services in items (i), (ii), (iii)(a) and (iii)(b) above, provide details on the following: (a) mechanism(s) to assess the quality and quantity of the Services provided; (b) mechanism(s) to measure the effectiveness of the Services provided; (c) mechanism(s) for assurance the quality and quantity of the Services provided are meeting the respective performance requirements specified in **Parts A to K of Annex XII to the Service Specifications**; and (d) sample(s) of the proforma for recording actions taken and results attained on (1) measuring the quality and quantity of the Services provided; (2) assessing the effectiveness of the Services provided; and (3) assuring the quality and quantity of the Service provided are meeting the respective performance requirements. (Note: Such proforma shall be included in the management report as particularly described in **Clause 10(d)** of the **Service Specifications**.)

Notes:

(1) Marks for each of sub-items (a) to (d) under items (i) to (iv) above will be accorded as follows:

Assessment of the Information Provided to each of sub-items (a) to (d) under Items (i) to (iv) above	**Marks Scored**
A sub-item is provided with **practicable and detailed** information	2
A sub-item is provided with **practicable but brief** information	1
A sub-item is provided with **impracticable** information or **no information** is provided for the sub-item	0

(2) **Marks scored = Sum of marks scored in all sub-items under items (i) to (iv) above.**

(3) **Tenderers shall score an individual passing mark of at least 2 for each of items (i) to (iv) above for item 1 (work plan) of the Marking Scheme or their Tenders will not be evaluated and considered further**.

(4) **No extra mark** will be given to Tenderer's additional manpower or vehicle or equipment on top of the specified minimum contract requirements in **Schedule 3**.

(5) In case the design and specifications of the Vehicles / equipment / consumable items proposed in a Tenderer's work plan are different from the requirements as stipulated in the **Service Specifications** (including **Annex XII**), the Tenderers will be **deemed** to provide such Vehicles / equipment / consumable items with design and specifications in accordance with the requirements as stipulated in the **Service Specifications**.

Annex II

Questionnaire for Employees of Contractors of the Food and Environmental Hygiene Department (Contract No.: FEHD S C / /)

(A) Personal Particulars of Interviewee

Name: _____ Sex: *Male / Female
Date of birth: _____ HKID Card No.: _____

(B) Work Information of Interviewee

(1) Employed by Contractor _____Date of appointment: _____ (day / month / year)

(2) Is a formal employment contract signed with the contractor?
*Yes / No (If no, follow-up is required.)

(3) Date of signing the contract: _____ (day / month / year)

(4) Is a copy of the employment contract provided by the contractor?
*Yes / No (If no, follow-up is required.)

(5) Post: _____

(6) Place of work: _____ (_____ District)

(7) Number of working days per week: _____ days

(8) Daily net working hours: From _____ to _____ , a total of _____ hours
(Meal break: From _____ to _____)

(9) Monthly wage: HK$_____

(10) Actual amount of wage received for the month of _____: HK$_____
(*with / without deduction of mandatory provident fund contribution)

(11) Are wages paid by the employer within 7 days after the expiry of the wage period?
*Yes / No (If no, follow-up is required.)

(12) Are wages paid by autopay into a bank account in the name of the employee?
*Yes / No (If no, follow-up is required.)

(13) Is a wage record (pay slip) provided, setting out the breakdown of wages for each wage period?
*Yes / No (If no, follow-up is required.)

(14) Have there been wage deductions or requests for payment of any fees? *Yes / No
If yes, please provide the details:
Reasons for and amount of the deduction: _____
Type and amount of the fee: _____

(15) Has the employer made mandatory provident fund / provident fund contributions for you?
*Yes / Not Applicable / No (If no, follow-up is required.)

(16) Is a record of mandatory provident fund / provident fund contribution issued by the employer eac month?
*Yes / Not Applicable / No (If no, follow-up is required.)

(17) Are you working for the employer for more than one government service contracts in the same re
*Yes / No

(18) Have you been employed continuously for 4 weeks or more by the above employer and worked for at least 18 hours per week? *Yes / No

(19) Did you work on a statutory holiday in the month of _____? *Yes / No
If yes, please specify the date of the statutory holiday: _____
Are you given alternative holiday within the period of 60 days before or after the statutory holiday? * Yes / No
Are you paid on the statutory holiday? *Yes / No

(20) Have you taken any annual leave? *Yes / No
If no, please give the reason: _____

(21) Have you taken any unpaid casual leave in the month of _____? *Yes / No
If yes, _____ day(s)
Was the unpaid casual leave taken upon the employee's request? *Yes / No
If no, please provide the details: _____

(22) Did you take any sick leave in the month of _____? *Yes / No
If yes, _____ day(s)
With Medical Certificate? *Yes / No

(23) Are you entitled to at least 1 rest day in every period of 7 days on average?
*Yes / No (If no, follow-up is required.)
Are you working on a rest day on a voluntary basis? *Yes / No (If no, follow-up is required.)
How much is the pay for working on rest day? HK$_____

(24) Is the rest day granted on a regular basis? *Regular / Irregular
If regular, on _____ (day of the week)
If irregular, has the employer informed the employee in writing of the appointed rest days or exhibited the employee's roster of rest days in a conspicuous place in the place of employment before the beginning of each month? *Yes / No (If no, follow-up is required.)

(25) Have you been paid at least 150% of the original pay for the hours worked on the day / shift in which typhoon signal no. 8 or above was hoisted?
*Yes / Not Applicable / No (If no, follow-up is required.)

(26) Any other issues? *No / Yes
If yes, please specify: _____

(27) Are you willing to provide a contact telephone number? *Yes / No
If yes, please provide a contact telephone number: _____

(28) If follow-up action for the case is required, do you agree to referral of your personal particulars to the relevant government departments for investigation? *Agree / Disagree

Date of Interview: _____ (day / month / year) Time of Interview: _____

Name of Interviewer: _____ Post: _____ Signature: _____

I, _____ (name of interviewee), have read over in detail the content of the questionnaire and confirm that the information provided is true.

Signature: _____

Note: For enquiries, please contact the Central Investigation Team of the Quality Assurance Section at 2867 5747.

Please delete as appropriate

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11 June 2025

By email

Clerk to Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn: Ms Shirley CHAN)

Dear Ms CHAN,

Public Accounts Committee
Consideration of Chapter 7 of the Director of Audit's Report No. 84
The Society for the Aid and Rehabilitation of Drug Abusers

Thank you for your letter dated 23 May 2025. With regard to the enquiries concerning The Society for the Aid and Rehabilitation of Drug Abusers ("SARDA") raised in Chapter 7 of the Director of Audit's Report, the relevant information and responses are attached herewith for consideration by the Public Accounts Committee, please.

Yours sincerely,

(Ms Bessie LIANG)
for Director of Health

Encl.

c.c.: Secretary for Security (email: tang@sb.gov.hk)
Secretary for Financial Services and the Treasury (email: sfst@fstb.gov.hk)
Director of Audit (email: ncylam@aud.gov.hk)
Chairman of Executive Committee, SARDA
Executive Director, SARDA (email: ed@sarda.org.hk)

We build a healthy Hong Kong and
aspire to be an internationally renowned public health authority

Appendix

Report No. 84 of the Director of Audit Chapter 7
Enquiries and Required Information concerning
The Society for the Aid and Rehabilitation of Drug Abusers

Part 1: Introduction

1) **According to Paragraph 1.11(a) and Note 5 of Report No. 84 of the Director of Audit (Audit Report), additional part-year recurrent subventions of $6.8 million from the Department of Health (DH) and $0.8 million from the Social Welfare Department (SWD) were approved to allocate to The Society for the Aid and Rehabilitation of Drug Abusers (SARDA) in 2024-2025 to implement some new initiatives. Regarding these subventions, please advise on:**

(a) **the number, rank and emolument of registered nurses and peer support workers newly recruited;**

DH has provided subventions for SARDA to additionally recruit four Registered Nurses (Psychiatric) [Master Pay Scale (MPS) Point 17 ($38,715) - Point 26 ($59,110)], two Registered Nurses [MPS Point 15 ($35,080) - Point 25 ($56,450)], one Senior Group Leader [MPS 12 Point ($29,995) - Point 18 ($40,620)] and 13 Group Leaders [Model Scale 1 (MOD) Point 4 ($16,520) - Point 11 ($18,960)].

(b) **the frequency, curriculum and number of hours in total of training provided for peer support workers;**

According to the information provided by SARDA, 97 training sessions (23 courses in total) were provided for the peer support workers in 2024-2025 with the additional recurrent subventions from DH. The types of training included various work-related courses (e.g. first aid certificate courses, food hygiene manager certification courses, courses on infection control training and support, etc.), anti-drug seminars and talks. The number of hours in total of training was 244.

(c) **the frequency, curriculum and number of hours in total of vocational training provided for residents of drug treatment and rehabilitation centres (DTRCs) and halfway houses; and**

According to the information provided by SARDA, 543 training sessions were provided for the residents of DTRCs in 2024-2025 with the additional recurrent subventions from DH. The types of training included various vocational training certificate courses (e.g. fitness trainer certificate courses, courses on barista training and coffee brewing, pet grooming, guarding services, etc.). The number of hours in total of training was 1 382.

(d) **the number and details of newly procured medical/allied health and drug testing services, along with the expenditure involved.**

According to the information provided by SARDA, the session number of medical/allied health services newly procured in 2024-2025 with the additional recurrent subventions from DH was 218. The types of services included Chinese medicine, Western medicine, dentistry, physiotherapy, etc. The expenditure involved was $195,000. Regarding drug testing services, the number of services procured was 3 075 and the expenditure involved was $85,000.

2) **Regarding Paragraph 1.14 of the Audit Report, please advise on:**

(a) **the number and percentage of drug abusers across various age groups;**

According to the information of the Central Registry of Drug Abuse provided by the Security Bureau's Statistics Unit, the number of reported drug abusers decreased from 9 068 in 2014 to 5 500 in 2023. The number and percentage share of reported abusers by age group are detailed in Table 1. The number of newly reported drug abusers decreased from 2 082 in 2014 to 1 998 in 2023. The corresponding number and percentage share by age group are listed in Table 2.

Table 1 Reported drug abusers

Year	No. of abusers				Share		
	Aged under 21	Aged 21-35	Aged 36 and over	**All ages**	Aged under 21	Aged 21-35	Aged 36 and over
2014	829	3 396	4 843	**9 068**	9%	37%	53%
2015	689	3 353	4 735	**8 777**	8%	38%	54%
2016	521	2 971	4 756	**8 248**	6%	36%	58%
2017	468	2 078	4 337	**6 883**	7%	30%	63%
2018	477	1 904	4 379	**6 760**	7%	28%	65%
2019	494	1 717	3 564	**5 775**	9%	30%	62%
2020	609	1 627	3 546	**5 782**	11%	28%	61%
2021	889	1 836	3 378	**6 103**	15%	30%	55%
2022	744	1 647	2 972	**5 363**	14%	31%	55%
2023	659	1 538	3 303	**5 500**	12%	28%	60%

Table 2 Newly reported drug abusers

Year	No. of abusers				Share		
	Aged under 21	Aged 21-35	Aged 36 and over	**All ages**	Aged under 21	Aged 21-35	Aged 36 and over
2014	496	1 144	442	**2 082**	24%	55%	21%
2015	419	1 244	520	**2 183**	19%	57%	24%
2016	368	1 104	557	**2 029**	18%	54%	27%
2017	352	815	463	**1 630**	22%	50%	28%
2018	369	829	536	**1 734**	21%	48%	31%
2019	387	751	481	**1 619**	24%	46%	30%
2020	463	728	409	**1 600**	29%	46%	26%
2021	662	875	500	**2 037**	32%	43%	25%
2022	487	861	476	**1 824**	27%	47%	26%
2023	431	866	701	**1 998**	22%	43%	35%

(b) **whether SARDA has conducted any review of the current resource allocation and service coverage, in particular those for high-risk groups (e.g. youths, females, the homeless, etc.) and the uneven distribution of resources across districts; if yes, the findings and improvement measures; if no, the reasons; and**

The reply of SARDA is as follows:

1. Addressing the Growing Number of Psychotropic Substance Abusers (PSAs)

In response to the increasing number of PSAs (e.g. methamphetamine, cocaine, cannabis, etc.), SARDA has proactively adjusted its service model. The "Project WAVE" has been newly introduced at the Shek Kwu Chau Treatment and Rehabilitation Centre (SKC), providing a total of 60 rehabilitation beds specifically for PSAs. The participation rate of this programme has stayed high consistently, reflecting the growing trend of psychotropic substance abuse.

2. Continuous Support for Heroin Abusers

Although the overall number of heroin abusers has declined, 67.5% of drug abusers using services provided by SARDA still remain heroin abusers. To ensure that they can receive proper support, SARDA continues allocating resources for the detoxification and rehabilitation services for opioid abusers.

3. Short-Term Residential Treatment Services to Enhance Flexibility and Coverage

Short-term residential treatment programmes have been launched at the Au Tau Youth Centre (ATYC) and Sister Aquinas Memorial Women's Treatment Centre (WTC). Subject to clients' individual needs and conditions, they can be referred to halfway houses or other services after initial treatment. This arrangement is particularly suitable for:

- service users with low motivation:
  e.g. young or first-time help seekers, those without critical legal issues and those who are resistant to long-term residential treatment;

- highly-motivated but constrained service users:
  e.g. older individuals, those with family/work commitments, and those who cannot commit to long-term treatment programmes; and

- filling the gap in service availability:
  assisting those drug abusers with short periods of sobriety, who use drugs daily and have difficulty in receiving in depth counselling and support in the community setting.

With this arrangement, SARDA is able to provide intensive and structured individual counselling and support for clients when they are in a sober state.

4. "Special Care for the Special Mothers" Programme – Supporting Female Drug Abusers who are Pregnant and/or Parenting Infants and Toddlers

WTC continues to implement the "Special Care for the Special Mothers" programme, providing holistic and multidisciplinary services to female drug abusers who are pregnant and/or parenting infants and toddlers. The services include:

- 24-hour medical support;
- counselling by clinical psychologists and social workers;
- pre-natal and post-natal care by confinement nannies;
- family support and parenting training; and
- a peer mentorship mechanism enabling rehabilitated drug abusers to support those with similar experiences.

This programme is aimed at filling the service gap in residential drug rehabilitation for women and mothers, and preventing intergenerational drug abuse.

5. Enhancing Response to Hidden Substance Abuse and Latest Anti-drug Education Initiatives

In response to hidden substance abuse, SARDA set up an outreach team in 2024 to proactively reach hidden substance abusers in the community who have yet sought help. At the same time, in light of the prevalence of emerging drugs (e.g. Etomidate, commonly referred to as "space oil drugs"), SARDA has organised thematic seminars and internal training sessions related to "space oil drugs" to better equip their staff for handling issues related to the latest substances and to strengthen community based anti-drug education.

6. Resource Allocation based on Regional Service Demand

To address varying drug abuse issues and demand for services across different areas, SARDA has set up three regional social service centres, namely the North Kowloon Social Service Centre (for West Kowloon and New Territories West), the East Kowloon Social Service Centre (for East Kowloon and Northeastern New Territories), and the Hong Kong Social Service Centre (for Hong Kong Island and outlying islands). Closely monitoring the service demand across different districts, SARDA flexibly deploys manpower subject to the actual circumstances to provide cross-district services, including outreach, counselling and community support services. For example, in response to the large number of users at the methadone clinics in Yau Ma Tei and Sham Shui Po, including many from ethnic minorities, SARDA deploys more outreach teams and manpower to North Kowloon to provide more tailored support. Besides, more manpower is deployed to East Kowloon to cater for the needs of new immigrants from the Northeastern New Territories. As for Hong Kong Island, greater flexibility is needed to arrange for interviews and counselling services as more clients in the district have to attend regular follow up consultations in hospital or have a job.

(c) **whether SARDA has established any mechanism for collaboration with other government departments (e.g. the Education Bureau, SWD, the Police, etc.) to strengthen prevention and support targeted at high-risk groups; if yes, the details and effectiveness of such collaboration; if no, the reasons.**

SARDA is committed to collaborating with government departments and stakeholders. It proactively engages in cross-sectoral prevention and support initiatives, particularly those targeting at youth, ethnic minorities, and other high-risk groups, with a view to enhancing the community's resilience to drug issues and broadening the coverage of its services.

SARDA works closely with DH to provide counselling services to patients of DH's Methadone Treatment Programme (MTP). Under this programme, SARDA provides a number of outreach services, including the "Phoenix Project" and "Spark Action", to strengthen the support for drug abusers. Jointly implemented by DH's Red

Ribbon Centre and SARDA, the "Phoenix Project" is aimed at AIDS prevention through provision of counselling services by rehabilitated volunteers in the vicinity of methadone clinics. It helps drug abusers to change their habits, enhances their understanding of AIDS, and promotes safe drug use and safer sex. The "Spark Action" programme encourages HIV-infected patients of MTP to receive medical treatment, detoxification and rehabilitation services and social training, and learn self-care skills to lower the risk of transmission of infection. SARDA also proactively co-operates with DH to provide education regarding prevention of Hepatitis C and AIDS for drug abuse high-risk groups (especially patients of MTP) through distributing condoms, providing health education and counselling services. This is to enhance drug abusers' awareness about communicable diseases and encourage them to adopt safer sex practices to reduce the risk of infection.

Superintendent of Social Service of SARDA serves as a member of the Sub-committee on Treatment and Rehabilitation under the Action Committee Against Narcotics, assisting in monitoring the local trend of drug abuse and advising on drug treatment and rehabilitation (T&R) services. In addition, SARDA's Executive Director is a member of the Working Group on the Three-year Plan on Drug Treatment and Rehabilitation Services in Hong Kong (Three-year Plan) (2024 - 2026), supporting the Narcotics Division of Security Bureau (ND/SB) in drawing up the plan and setting strategic directions for provision of services for reference by the relevant sectors. During the consultation process of the Three-year Plan, SARDA's service units proactively shared related experience with and offered recommendations to ND/SB.

Regarding preventive education, SARDA provides special education and adult education programmes to rehabilitated clients every year, with the aim of relapse prevention and provision of support for them to re-join society. SARDA also maintains long-term partnerships with certain primary and secondary schools, regularly inviting rehabilitated clients to their campus to give anti-drug seminars and conduct experiential workshops, which cover topics such as drug identification, rejection skills and peer pressure management. In addition, SARDA has also compiled an educational toolkit called

"School Anti-drug Handbook" to guide teachers and social workers on incorporating anti-drug messages into their daily teaching.

SARDA has worked frequently with the Police's Narcotics Bureau and local police districts to undertake anti-drug education initiatives. For example:

- SARDA supports the Police's "Leadership Institute on Narcotics" by arranging for participating students to make annual site visits to and experience volunteering at SKC. Through interaction with the rehabilitated individuals, the participants' awareness about the harm of drug abuse can be enhanced.

- Social workers of SARDA have produced the "IDK Interactive Anti-Drugs Drama" in collaboration with the Police by adapting true stories of SARDA's rehabilitated clients. In 2023, the drama was performed at over 30 primary and secondary schools, reaching approximately 4 500 students and teachers.

SARDA also participated in the "LOL PARTY" anti-drug carnival organised by the Police in 2023 and 2024. A band formed by rehabilitees performed live music on the occasions and shared their life-transforming stories to promote a drug-free life in the community. When handling cases involving ethnic minorities, the Police will refer cases, where the subjects are found to be drug abusers or arrested for drug abuse, to SARDA's North Kowloon Social Service Centre for follow-up, rehabilitation counselling and support services. In 2024-2025, SARDA conducted a total of six operations, reaching 10 arrestees with ethnic minority background and providing them with proper support services.

Furthermore, SARDA has been receiving protection order and probation order cases referred by the Integrated Family Service Centres and Probation and Community Service Orders Offices of SWD. It also provides the clients with follow-up drug rehabilitation counselling and family support services.

Part 2: Voluntary Residential Drug T&R Services

3) **Regarding Paragraph 2.2(b) of the Audit Report, please provide the number and proportion of relapsed patients admitted to and patients dishonourably discharged from the DTRCs in each of the past five years.**

According to the information provided by SARDA, from 2020 to 2024, SARDA took up a total of 3 242 admissions to the DTRCs. Of which, 2 410 were relapsed patients, representing 74% of the total admission in average (with the annual rates ranging from 71% in 2022 to 78% in 2023). Among the above 3 242 admissions, 193 were patients dishonourably discharged from the DTRCs for disciplinary reasons, representing 6% of the total admission in average (with the annual rates ranging from 5% in 2021 to 7% in 2023). The number and proportion of relapsed patients admitted to and patients dishonourably discharged from the DTRCs under SARDA in each of the past five years are set out in Table 3 and Table 4 respectively.

Table 3 No. and proportion of relapsed patients

	2020	2021	2022	2023	2024	Total
No. of relapsed patients	329	463	420	622	576	2 410
Total no. of patients admitted to the DTRCs	430	643	588	802	779	3 242
Proportion of relapsed patients	77%	72%	71%	78%	74%	74%

Table 4 No. and proportion of patients dishonourably discharged from the DTRCs

	2020	2021	2022	2023	2024	Total
No. of patients dishonourably discharged from the DTRCs	24	31	33	55	50	193
Total no. of patients admitted to the DTRCs	430	643	588	802	779	3 242
Proportion of patients dishonourably discharged from the DTRCs	6%	5%	6%	7%	6%	6%

4) **Given the high proportion of re-admission cases as outlined in Paragraphs 2.5 to 2.8 of the Audit Report, where patients joined the general T&R programme multiple times, and as many as 46 times in one case, please advise on:**

(a) **whether SARDA will conduct an assessment of treatment effectiveness on patients participating in the general T&R programme; if yes, the details; if no, the reasons;**

SARDA employs a model which combines medical, psychological and social factors in providing voluntary residential drug treatment services. After service users' discharge from the DTRCs, they will be provided with comprehensive aftercare and counselling services as a supplementary arrangement.

The general T&R programme in SKC consists of medication in the detoxification phase, behavioural therapy through intensive counselling and vocational training in the rehabilitation phase. This model is widely adopted in different regions. While detoxification is essential, this is just the first phase of drug treatment; what follows is counselling-based treatment programmes during the stay at SKC and after discharge. Case workers of individual service users will evaluate and apply suitable treatment approaches based on their counselling skills and experience to best address the risks and needs of their service users. In fact, the proportion of service users completing the detoxification phase is used as the performance indicator of the medication treatment, while the proportion of service users completing the rehabilitation phase indicates the effectiveness of the rehabilitation programme. These two indicators are regularly monitored by SKC's management and SARDA's Head Office. Besides, ad hoc meetings have been convened among medical teams, social workers and operation staff on better cooperation to enhance the effectiveness of the general T&R programme. SARDA understands that no single treatment suits all service users. Therefore, the social workers, acting as the case workers of individual service users, personally review their progress. These progress reports will be submitted for further discussion at an assessment board monthly. Upon being briefed by the assessment board on their progress, the service users will express their own views and needs at the board for the board members (including the Superintendent, Medical Officers,

nursing staff, social workers and Senior Group Leaders) to consider and decide on whether to adjust the treatment or programmes to address their specific needs. Such evaluation is considered sufficient for reviewing the effectiveness of the general T&R programme for individual service users.

(b) **in the wake of the ineffectiveness of the general T&R programme in helping patients quit drugs, hammered home by their recurring participation as many as dozens of times, whether SARDA plans to review the programme and make adjustments or refer patients to other alternatives more suited to helping them quit; if yes, the details; if no, the reasons;**

Heroin is a highly addictive opioid, and relapse is widely recognised as a common and expected part of the recovery process. Indeed, drug addiction is a chronic brain disease with its course of development influenced by various personal and social factors. This matter of fact is reaffirmed in the "Guiding Principles on Diagnosis and Treatment of Opioid Use Related Disorders" issued by the then-National Health and Family Planning Commission of the People's Republic of China and guidelines in other countries such as the United Kingdom, the United States, Canada and Australia. Scientific literature, including studies from the National Institute on Drug Abuse (NIDA) of the United States, indicates that addiction is a chronic relapsing condition and the relapse rates for substance use disorders can be as high as 60% — comparable to the relapse rates for other chronic illnesses like hypertension or asthma. For heroin users, the relapse rate can be even higher due to the drug's profound physiological and psychological effects. According to the statistics and studies from different regions on relapsed drug abusers, the relapse rates for opiate abusers ranged from 60% to 90%. Therefore, it was within the expected level that 76% of admissions to SARDA were re-admissions.

SARDA note that some service users might choose to terminate their voluntary treatment programmes due to a decline in motivation or determination to quit drugs, while others requested for an early discharge without completing the treatment programmes as agreed with their case workers for various reasons, including (a) unforeseen financial/housing needs, (b) unexpected family obligations

(c) violation of the SKC regulations, (d) physical frailty during the detoxification phase, (e) sudden medical emergencies. Those requesting for an early discharge were particularly common among grassroots and elderly drug abusers, which had nothing to do with the effectiveness of the programmes. Their case workers endeavoured to provide assistance, trying to help them remain in SKC for drug treatment programmes as far as practicable. If they insisted on terminating their treatment and left SKC to attend to other pressing matters in life, SARDA would help them with their re-admission for treatment services and maintaining drug abstinence as much as possible after their urgent matters were handled.

(c) **the details regarding SARDA's plan on lowering the re-application rate;**

SARDA agrees with the audit recommendations and will draw on the experience in handling high-frequency re-admission cases. SARDA will review the effectiveness of its services from time to time and make continuous improvement in enhancing its T&R programmes to help service users quit drugs and maintain abstinence as far as possible, and strengthen support services after programme completion.

On the other hand, since drug addiction is a chronic brain disease, SARDA understands that the temptation of drug use is always present for drug rehabilitees, and maintaining the determination to stay drug-free is a lifelong battle. When they unfortunately relapse and choose to return to the DTRCs, it reflects their confidence in SARDA's T&R services as they regard SARDA as a secluded and safe place where they can get support, start over, fight against drugs, and rebuild self-image both physically and mentally to cope with the struggle against addiction in the rest of their lives. From the perspective of SARDA, drug rehabilitees' decisions to return to the DTRCs such as SKC show their trust in the T&R services offered there. SKC is pleased to provide a reliable support for these service users while reducing the risk of greater harm to themselves and the public if they stay in the community.

SARDA's ultimate goal is to fundamentally reduce the relapse rate of service users by continuously strengthening and improving its

services, thereby eliminating the need for re-admission. Whether the cases are voluntary or referred, SARDA's residential services are open to all drug abusers. It will not reject applications in order to lower the number of relapse cases. SARDA will continue to actively reach out to hidden drug abusers and encourage them to use the residential services. To more effectively reduce the re-application rate, SARDA will continue to strive to review and enhance its rehabilitation programmes in SKC and implement a series of key strengthening measures to encourage service users to stay at SKC long enough to complete the entire detoxification and rehabilitation phases before transitioning to non-residential rehabilitation. This will help them maintain abstinence as much as possible.

In terms of personalised treatment and comprehensive assessment, SARDA will conduct more in-depth and comprehensive initial assessments for each admitted service user to identify their unique addictive behaviours, potential co-occurring mental health conditions, family background, social support network, and individual risk factors of relapse, and based on this, formulate more targeted personalised rehabilitation plans. At the same time, SARDA will strengthen its DTRC's medical and mental health support, utilise additional funding from DH to procure private medical services (such as Chinese medicine, dental and psychological counselling services, etc.) to meet the immediate physiological and psychological needs of service users, and create the positions of psychiatric nurses to provide residential professional counselling and support to service users with mental health problems, encouraging them to complete the entire treatment phase. In addition, SARDA will also strengthen psychosocial counselling and therapeutic activities, introduce more evidence-based treatment methods, and enhance service users' participation and motivation to quit drugs through diversified therapeutic groups and activities. To ensure service quality, SARDA will enhance the capabilities of frontline staff and peer support, provide appropriate training for staff, and further strengthen the role of peer support workers to provide support with their experience as rehabilitated drug abusers. Finally, SARDA will strengthen its transition and aftercare services upon discharge, formulate detailed discharge plans for service users before they leave, ensure a seamless transition to aftercare counselling for at least 12 months, and make good use of halfway houses to provide transitional support for service

users in need, encouraging those who were early discharged for personal affairs to return for treatment as soon as possible.

SARDA believes that through the above and other continuous service enhancement measures, it can more effectively assist service users in maintaining drug abstinence, reducing the risks of relapse, thereby effectively lowering the re-application rate in the long run, and helping them successfully reintegrate into the society. SARDA will regularly review the effectiveness of these measures and make adjustments and improvements based on actual situations.

(d) **whether SARDA has looked into the reasons (e.g. age, gender, type of drug, the number of prior admissions) behind patient re-admission, and whether treatment and support strategies have been adjusted based on the findings; if yes, the details; if no, the reasons; and**

The act of taking drugs is affected by the complex interplay between an individual's physical, genetic and psychological factors, living environment, and life experiences. As a general observation, re-admissions are much more frequent for opiate abusers than PSAs.

According to NIDA of the United States, addiction is a brain disease, which affects multiple brain circuits, including those involved in reward and motivation, learning and memory, and inhibitory control over behaviour. Some individuals are more vulnerable than others to becoming addicted, depending on the interplay between genetic makeup, age of exposure to drugs, and other environmental influences. Although some individuals initially choose to take drugs selectively, over time the effects of prolonged exposure on brain functioning compromise that ability to choose, and seeking and consuming the drug become compulsive, often eluding a person's self-control or willpower. As such, service users with different internal factors (e.g. personality, coping skills, etc.) and external factors (e.g. crisis, peers and supporting network, etc.) will be different in their vulnerability to relapse at a particular moment, and hence will react/cope with drug triggers differently, not simply due to their age and sex or previous history of stay in the DTRCs.

Although there may not be a definite causal relationship between re-admission cases and factors such as age, gender, or number of prior admissions, SARDA's years of experience suggest that drug abuse and relapse problems are more closely associated with an individual's internal factors (such as emotional regulation, self-image, and resilience) and external circumstances (such as family support, employment status, and peer influence). As such, SARDA will make a case analysis and an in-depth conversation with the service users to know more about their reasons for relapse, difficulties in previous treatments and unmet needs to adjust its overall services accordingly for more focused and effective treatment. Examples include:

- Physical and mental care:
  SARDA has designed mindfulness activities such as tea therapy and singing bowl workshops for all rehabilitees to help them enhance self-awareness, emotional management and resilience to effectively confront relapse triggers and stressful situations while achieving self-care and self-advocacy.

- Building up fitness and willpower:
  Sports and adventure training (such as dragon boat training, running groups and outward bound training) are arranged for relapsed individuals with weaker willpower or poorer physical conditions to restore a disciplined life and develop perseverance, self-confidence and positive self-image, all of which are critical to sustaining their motivation for rehabilitation.

- Vocational skills training:
  Given that some relapsed individuals are unemployed with social disconnection, SARDA provides vocational training (e.g. barista skills, construction skills like plumbing, carpentry, and painting, as well as audiovisual production and post-editing) for them to grasp various job skills for employment enhancement and a higher opportunity for reintegration into the society, thereby instilling a sense of hope for the future and motivation for life — factors which are crucial in relapse prevention.

SARDA will continue to spare no efforts in reviewing and adjusting the programmes to meet the particular needs of service users and help them quit drugs and maintain abstinence as far as practicable.

(e) **in light of the high re-application rate, whether SARDA has benchmarked against similar organisations in other regions or countries and drawn on their successful practice to implement improvements; if yes, the details; if no, the reasons?**

According to SARDA, drug addiction is recognised as a chronic brain disease and a psychiatric disorder with the relapse rate estimated to be between 40% and 60%, which is comparable to the relapse rates for hypertension and asthma (which range from 50% to 70%). According to the statistics and studies from different regions on relapsed drug abusers, the relapse rates for opiate abusers ranged from 60% to 90%. This shows that drug addiction and relapse are global social issues. The high re-application rate does not imply treatment failure or ineffectiveness. Instead, it reflects that drug abusers are willing to receive treatment again, rather than avoiding the problem. SARDA will continue to spare no efforts in reviewing and adjusting the programmes to meet the particular needs of service users and help them quit drugs and maintain abstinence as far as practicable.

5) **According to Paragraphs 2.12 to 2.14 of the Audit Report, various T&R programmes with different durations are provided by the four DTRCs. In this connection, please advise on:**

(a) **the details of the T&R programmes provided by the three DTRCs other than SKC;**

<u>WTC</u>

- To provide residential drug T&R services for female drug abusers. A unique Therapeutic Community (TC) model is employed to help mentees achieve personal development and reintegrate into the society.

- Target group:
  Female drug abusers; upon completion of approximately three to four weeks of detoxification programme, women aged 30 or above will be transferred to the Adult Female Rehabilitation Centre (AFRC) to continue their rehabilitation programme.

- Course of treatment:
  1. Detoxification programme:
     Provision of individual counselling and 24-hour medical care.
  2. Rehabilitation programme:
     Youth Programme - A three-month treatment including detoxification programme and TC basic training. Participants who complete the treatment may choose to receive a three-month halfway house service; or
     Green Programme - A one-year treatment comprising detoxification programme, TC basic training and advanced training, as well as a three-month halfway house service.

- Details of the programmes:
  Individual counselling, group and family counselling, emotion management group, growth group, relapse prevention group, communication skills group, occupational therapy, job skills training, educational courses, interest groups, recreational activities, health care education, family life education, family support group and volunteer services, etc.

ATYC

- To provide residential drug T&R services for young male drug abusers. The TC model is employed to foster self-discipline and responsibility among those who are quitting drugs to promote their personal growth for detoxification and reintegration into the society.

- Target group:
  Male drug abusers aged 29 or below.

- Course of treatment:
  1. Detoxification programme:
     Provision of individual counselling and 24-hour medical care.

2. Rehabilitation programme:
   In addition to TC basic training, a wide range of interest classes are also provided for drug rehabilitees to join and develop their interests. Furthermore, there are various job skills training courses to strengthen their determination to remain drug free and get them well-prepared for reintegration into the society.

- Details of the programmes:
  Individual counselling, relapse prevention group, occupational therapy, job skills training, recreational activities, coffee brewing course, music therapy, computer course, basic Chinese, English and Mathematics course, outdoor sports lessons, water sports lessons, health care education, etc.

AFRC

- To provide drug treatment and residential rehabilitation services by adopting the TC model with individual and group counselling for adult females to enhance their self-understanding, look into their personal drug abuse problems, learn to handle emotions, address their problems positively, achieve personal growth, as well as restore their family lives and healthy lives.

- Target group:
  Female drug abusers aged 30 or above.

- Course of treatment:
  1. Short-term detoxification programme:
     About three to four weeks of detoxification (conducted at the WTC).
  2. Long-term rehabilitation programme:
     4-12 months of psycho-social rehabilitation.

- Details of the programmes:
  Individual and family counselling; a wide range of therapeutic groups for, inter alia, emotion management, interpersonal and communication skills, relapse risk and prevention, self-understanding; family life education; life skills training; housework practice course; interest and handicraft classes; fitness

and outdoor recreational activities; job search skills training; volunteer services, etc.

(b) **the numbers of those who have participated and, out of the participants, those who have completed the T&R programmes of the four DTRCs in the past five years along with their respective percentages; and**

The numbers of those who have participated in the T&R programmes of the four DTRCs under SARDA in the past five years and, out of the participants, those who have completed the detoxification programme and rehabilitation programme along with their respective percentages are set out in Table 5, Table 6 and Table 7 respectively.

Table 5 No. of participants in the T&R programmes of the four DTRCs

	SKC	WTC	ATYC	AFRC	Total
2020	363	44	11	12	430
2021	552	53	24	14	643
2022	480	66	24	18	588
2023	684	70	29	19	802
2024	666	70	24	19	779

Table 6 No. of those who have completed detoxification programme along with their respective percentages out of the participants

	SKC	WTC *[Note 1]*	ATYC	AFRC *[Note 2]*	Total
2020	355/401 (89%)	48/57 (84%)	19/20 (95%)	*Not applicable*	422/478 (88%)
2021	441/518 (85%)	47/50 (94%)	16/20 (80%)		504/588 (86%)
2022	417/480 (87%)	54/67 (81%)	16/22 (73%)		487/569 (86%)
2023	584/681 (86%)	58/70 (83%)	20/29 (69%)		662/780 (85%)
2024	587/687 (85%)	61/70 (87%)	22/25 (88%)		670/782 (86%)

[Note 1: WTC accepts women of all ages for detoxification. Women aged 30 or above will be transferred to the AFRC for rehabilitation after completing the detoxification programme.]
[Note 2: AFRC only provides rehabilitation programme but not detoxification programme.]

Table 7 No. of those who have completed rehabilitation programme along with their respective percentages out of the participants

	SKC	WTC *[Note 1]*	ATYC	AFRC *[Note 2]*	Total
2020	222/252 (88%)	30/34 (88%)	17/18 (84%)	14/14 (100%)	283/318 (89%)
2021	270/296 (91%)	24/27 (89%)	13/13 (100%)	15/17 (88%)	322/353 (91%)
2022	234/269 (87%)	25/25 (100%)	13/13 (100%)	22/24 (92%)	294/331 (89%)
2023	297/354 (84%)	26/29 (90%)	12/15 (80%)	17/18 (94%)	352/416 (85%)
2024	296/347 (85%)	21/23 (91%)	16/16 (100%)	15/17 (88%)	348/403 (86%)

(c) **regarding SARDA's approach on allowing patients to select a T&R programme suitable for themselves as mentioned in Paragraph 2.14 of the Audit Report, whether the four DTRCs will assist patients in choosing a suitable T&R programme during the selection process; if yes; the details, if no, the reasons?**

SARDA is an organisation which provides voluntary drug T&R services. By adopting a people-oriented approach while respecting the autonomy and self-determination of service users, SARDA is committed to providing professional support for those in need of drug T&R. Before admission to DTRCs for detoxification and rehabilitation, service users must complete two main procedures: a registration interview and a pre-admission interview. During the registration interview, social workers will assess the service users' needs and constraints, such as work arrangements, follow-up medical appointments, court hearing dates, dates for reporting to police stations or being questioned by police officers, appointments with probation officers, applications for social security, etc. while understanding their motivation for detoxification, with a view to developing an appropriate T&R plan with them.

Subsequently, in the pre-admission interview, service users will have to meet the social workers responsible for the detoxification programme to review and confirm the preliminary admission plan established during registration. Typically, the same social worker will follow up on the entire process from the pre-admission interview to the end of the detoxification programme. During the

detoxification phase, social workers will conduct regular individual interviews and group activities to strengthen service users' motivation to quit drugs and address their personal concerns, such as health conditions, financial issues, legal proceedings or family affairs, so as to ensure a smooth transition to the rehabilitation phase.

Service users entering the rehabilitation phase generally have longer-term residential plans. The responsible social workers will reassess the service users' goals and difficulties, establish trust with them and clearly explain the special learning courses available during the rehabilitation phase, such as vocational skills courses offered by the Construction Industry Council, assist them with applications for residential placements in halfway houses provided by SARDA and develop a personalised rehabilitation plan. In addition, during the treatment process, "peer supporters" (rehabilitated drug abusers) will also provide emotional support and share their experience while collaborating with social workers to offer personalised rehabilitation plans for drug rehabilitees. Social workers will also conduct regular home visits, organise family support groups and activities for drug rehabilitees to rebuild their family support networks. These efforts aim to encourage drug rehabilitees to develop positive peer networks among themselves and support each other throughout the recovery journey, thereby reducing the risk of relapse due to loneliness. In the course of the entire process, the trusting relationship between the service users and their case workers is of utmost importance. This strong foundation of trust enables the social workers to provide more effective support in helping service users overcome challenges and achieve their goals towards detoxification and rehabilitation.

6) **Regarding Paragraphs 2.13 and 2.14 of the Audit Report, please advise on:**

(a) **concerning the discrepancy between the completion figures (only 1 131 (43%) in Paragraph 2.13(a) and over 85% in Paragraph 2.14) of SARDA's detoxification and rehabilitation programmes in the Audit Report, the reasons and their respective calculations;**

According to SARDA, SKC's rehabilitation programme is split into two phases, namely the detoxification phase and the rehabilitation

phase. The calculation of the completion figures is therefore conducted as such, resulting in two completion rates for detoxification and rehabilitation respectively.

To calculate the completion rate of the detoxification phase, the number of persons who have completed the detoxification phase is divided by the number of dischargees (i.e. number of persons who have completed the detoxification phase / number of dischargees).

The second phase, or the rehabilitation phase, refers to the phase into which rehabilitees enter upon completing detoxification. Its completion rate is calculated by dividing the number of persons who have completed the rehabilitation phase by the number of dischargees during this phase (i.e. number of persons who completed the rehabilitation phase / number of dischargees during the rehabilitation phase).

SARDA regularly reports the above calculations and results to DH as performance indicators. However, the completion rates for detoxification and rehabilitation in the Audit Report are calculated by dividing the total number of persons who have completed both phases by the number of dischargees, yielding an overall completion rate (i.e. completion of two phases), hence the discrepancy between the figures.

(b) **whether the 548 admissions expected to be discharged after completing the detoxification programme stated in Paragraph 2.13(b)(ii) of the Audit Report included those who had failed to complete the programme; if yes, the number of such admissions and the reasons for their discharge; and**

According to SARDA, of the 548 admissions planned for discharge upon completing the detoxification treatment mentioned in Paragraph 2.13(b)(ii) of the Audit Report, none failed to complete the treatment programme.

(c) **whether SARDA has any plans to enhance the completion rates for the detoxification and rehabilitation programmes; if yes, the details; if no, the reasons?**

According to SARDA, SKC is committed to implementing measures that enhance the completion rates of detoxification and rehabilitation treatment, as well as encouraging admitted patients under the general T&R programme to stay long enough to fully complete both detoxification and rehabilitation phases through the following.

(1) Some patients experience various physical discomfort symptoms or emotional distress, leading them to consider an early departure from SKC. In this regard, SARDA will procure medical services (such as Chinese medicines, physiotherapy, dental and acupuncture services) from private institutions by means of DH's additional funding injected to SKC in late 2024 to address patients' needs in respect of psychological/physiological treatment and care, as well as to encourage them to fully complete the T&R programme.

(2) SARDA will create a psychiatric nurse post with the use of additional funding granted by DH in late 2024 to provide in-house psychiatric counselling and education programmes for patients with mental health problems, as well as those suffering from emotional and personality disorder or self-harm tendency. It is expected that the psychiatric nurse will help calm the emotionally unstable patients or those with other mental health problems, helping them to adapt better to community life conducive to a longer stay at SKC.

(3) SARDA will enhance the psycho-social counselling provided by stationed social workers at SKC through various activities to promote patient participation, motivation and education as proactive measures against early discharge and relapse. To this end, additional ferry trips and extra manpower outside normal office hours are required to implement these activities at the appropriate time.

(4) SARDA will provide frontline staff with suitable training to facilitate their proper daily care of patients, as well as pairing them up with professional staff to deliver the new services mentioned above.

7) **Regarding Paragraphs 2.18 to 2.21 of the Audit Report, please provide / advise on:**

(a) **the number and percentage of patients with psychotropic substance abuse referred to psychiatric follow-up by the four DTRCs in each of the past five years; and**

According to the information provided by SARDA, the number and percentage of rehabilitees receiving psychiatric follow-up during residential rehabilitation saw a rising trend from 2020 to 2024 across all four DTRCs, particularly in 2023 and 2024, where the demand for psychiatric support at SARDA's DTRCs significantly increased. In the past five years, the number and percentage of cases receiving psychiatric follow-up during residential rehabilitation at the four DTRCs are listed in Table 8.

Table 8 No. of cases receiving psychiatric follow-up during residential rehabilitation

	2020	**2021**	**2022**	**2023**	**2024**
SKC	29 (29.13%)	37 (30.54%)	37 (30.97%)	42 (33.6%)	49 (40.1%)
WTC	10 (72.89%)	8 (56.21%)	7 (55.86%)	11 (70.0%)	10 (68.0%)
ATYC	0 (0%)	1 (4.76%)	0 (0%)	5 (32.0%)	4 (27.2%)
AFRC	15 (75.42%)	10 (71.43%)	8 (79.37%)	12 (87.1%)	11 (88.7%)
Total	**54 (37.78%)**	**56 (34.41%)**	**52 (34.27%)**	**70 (41.3%)**	**74 (44.9%)**

(b) **whether SARDA has any plans to review the effectiveness of its enhancement measures on occupancy rates and take further follow-up actions, given that despite its proposed enhancement measures to boost occupancy, the occupancy rates of DTRCs in recent years still fell short of the standard stipulated by the DH; if yes, the details; if no, the reasons?**

All along, SARDA has attached great importance to and is committed to enhancing the occupancy rates of DTRCs. SARDA understands the concerns raised in the Audit Report on this matter, and it indeed has plans to continuously review the effectiveness of prevailing

enhancement measures, and will actively take forward the further follow-up actions. The details are as follows:

1. Continuous Review of Effectiveness of Existing Measures

SARDA will regularly review the measures previously implemented on enhancing occupancy rates, such as:

(a) Optimising admission assessment and referral procedures:
SARDA will review its existing procedures to ensure a quicker and more effective intake of voluntary applicants and referrals from other organisations (e.g., hospitals, social welfare organisations, Counselling Centre for Psychotropic Substance Abusers, etc.).

(b) Strengthening outreach and public education:
On one hand, SARDA will analyse the coverage and effectiveness of its existing outreach services; on the other, it will assess how public education activities can raise awareness of its services and encourage people to seek help. These strategies will be adjusted as needed.

2. Further Follow-up Actions and New Measures

SARDA will implement the following key initiatives to enhance occupancy rates and service effectiveness, including:

(a) Enhancing medical and nursing support:
SARDA will procure medical services (such as Chinese medicines, physiotherapy, dental and acupuncture services) from private institutions by means of DH's additional funding injected in late 2024 to address patients' imminent needs in respect of psychological/physiological treatment and care following their admission. This enhancement aims to reduce early discharge due to health concerns, and is therefore conducive to stabilising occupancy rates.

(b) Providing mental health support:
SARDA created a psychiatric nurse post in late 2024 with the use of additional funding granted by DH to provide in-house

psychiatric counselling and education programmes for patients with mental health problems (such as those suffering from emotional and personality disorder or self-harm tendency). It is expected that professional support will help calm the patients' emotions, helping them to adapt better to community life conducive to a longer stay at SKC for a complete treatment.

(c) Deepening psycho-social counselling and activities:
Stationed social workers will be instructed to enhance both the depth and breadth of psycho-social counselling. As proactive strategies against early discharge and relapse, SARDA will organise an array of activities which are participatory, inspirational and educational to enhance rehabilitees' motivation and solidify their determination to quit drugs. To ensure such activities are organised at the appropriate time, SARDA will review and, subject to resource availability, explore the feasibility of arranging more ferry trips and flexible manpower deployment.

(d) Enhancing capabilities of frontline staff:
SARDA will provide frontline staff with suitable training to enable more effective daily care for service users. They will also be working with professional staff (e.g. the new psychiatric nurse) for the smooth delivery of the new services mentioned above.

3. Regular Monitoring and Data Analysis

SARDA will establish a more systematic monitoring mechanism to regularly collect and analyse data related to occupancy rates, including but not limited to the average monthly occupancy rates, number of new admissions, number of re-admissions, average length of stay of rehabilitees, reason for early discharge, etc. SARDA aims to, through data analysis, identify key factors that affect occupancy rates, with which it will adjust strategies for rolling out the enhancement measures. Meanwhile, SARDA's management will also review the relevant data and the implementation of these measures from time to time.

8) **As mentioned in Paragraph 2.22 of the Audit Report, the outreach registration and intake services are conducted by the social service centres operated by SARDA. In this connection, please provide the number of staff from social service centres taking part in these services on each occasion, along with their ranks and salary costs.**

The number of staff under SARDA's social service centres participating in each outreach registration and intake service is set at four. The rank and salary of the personnel involved are set out in detail in Table 9.

Table 9 Staff participating in the outreach registration and intake services

Rank	Salary scale (with effect from 1 April 2025)
Assistant Social Work Officer	MPS Point 15 - Point 33 ($35,080 to $81,510)
Social Work Assistant	MPS Point 7 - Point 22 ($22,145 to $49,230)
Clerical Assistant or Welfare Worker	MPS Point 0 - Point 10 ($14,280 to $26,590) or MPS Point 6 - Point 17 ($20,770 to $38,715)
Group Leader	MOD Point 4 - Point 11 ($16,520 to $18,960)

9) **According to Paragraphs 2.23 and 2.24 of the Audit Report, three social service centres operated by SARDA have taken part in the outreach registration and intake services. In this connection, please provide / advise on:**

(a) **the frequency, date, time, hours spent, location and number of registrants in respect of the outreach registration and intake services in each of the past five years:**

According to the information provided by SARDA, the outreach registration and intake services resumed in October 2023 (previously suspended due to the pandemic). The details of the outreach registration and intake services are listed in Table 10.

Table 10 Outreach registration and intake services

	Date	Period	Location	Registration
1.	3-10-2023	17:30-20:30	Tuen Mun Methadone Clinic and nearby area	8
2.	7-11-2023	17:30-20:30	Robert Black Methadone Clinic and nearby area	4
3.	12-12-2023	17:30-20:30	Yuen Long Methadone Clinic and nearby area	8
4.	16-1-2024	18:30-20:30	Yau Ma Tei Methadone Clinic and nearby area	5
5.	27-2-2024	17:30-20:30	Tuen Mun Methadone Clinic and nearby area	7
6.	14-3-2024	18:30-20:30	Tung Chau Street Park, Sham Shui Po	9
7.	30-4-2024	18:30-20:30	Yau Ma Tei Methadone Clinic and nearby area	3
8.	28-5-2024	17:30-20:30	Yuen Long Methadone Clinic and nearby area	8
9.	25-6-2024	18:30-20:30	Ngau Tau Kok Methadone Clinic and nearby area	4
10.	23-7-2024	18:30-20:30	Tung Chau Street Park, Sham Shui Po	4
11.	20-8-2024	17:30-20:30	Tuen Mun Methadone Clinic and nearby area	7
12.	24-9-2024	18:30-20:30	Yau Ma Tei Methadone Clinic and nearby area	10
13.	29-10-2024	18:30-20:30	Yuen Long Methadone Clinic and nearby area	9
14.	19-11-2024	14:30-17:15	Sham Shui Po Methadone Clinic and nearby area	7
15.	17-12-2024	18:30-20:30	Tung Chau Street Park, Sham Shui Po	8
16.	6-1-2025	18:00-20:30	Violet Peel Methadone Clinic and nearby area / Happy Valley	0
17.	13-1-2025	18:00-20:30	Sham Shui Po Methadone Clinic and nearby area	13
18.	14-1-2025	14:00-17:15	Lady Trench Methadone Clinic and nearby area	3
19.	20-1-2025	13:30-17:15	Tuen Mun Methadone Clinic and nearby area	9
20.	21-1-2025	14:15-17:15	Yau Ma Tei Methadone Clinic and nearby area	9
21.	27-1-2025	09:30-12:00	Sham Shui Po Methadone Clinic and nearby area	6
22.	27-1-2025	14:15-17:15	Tuen Mun Methadone Clinic and nearby area	7
23.	10-2-2025	18:00-20:30	Violet Peel Methadone Clinic and nearby area / Happy Valley	2

24.	11-2-2025	14:00-17:15	Tuen Mun Methadone Clinic and nearby area	5
25.	17-2-2025	18:00-20:30	Yuen Long Methadone Clinic and nearby area	14
26.	18-2-2025	09:30-12:00	Sham Shui Po Methadone Clinic and nearby area	11
27.	18-2-2025	18:00-20:30	Ngau Tau Kok Methadone Clinic and nearby area	9
28.	24-2-2025	14:15-17:15	Sham Shui Po Methadone Clinic and nearby area	16
29.	24-2-2025	15:30-20:00	Yau Ma Tei Methadone Clinic and nearby area	1
30.	3-3-2025	18:00-20:30	Violet Peel Methadone Clinic and nearby area / Happy Valley	12
31.	3-3-2025	18:00-21:45	Sham Shui Po Methadone Clinic and Sham Shui Po Public Park	0
32.	10-3-2025	14:15-17:15	Yau Ma Tei Methadone Clinic and nearby area	2
33.	17-3-2025	14:00-17:15	Tuen Mun Methadone Clinic and nearby area	1
34.	17-3-2025	17:30-21:00	Sha Tin (Tai Wai) Methadone Clinic and nearby area	0
35.	17-3-2025	18:00-20:30	Yuen Long Methadone Clinic and nearby area	17
36.	21-3-2025	17:30-21:00	Kwun Tong Methadone Clinic and nearby area	2
37.	24-3-2025	14:45-17:15	Sham Shui Po Methadone Clinic and nearby area	12
38.	24-3-2025	15:30-17:15	Yau Ma Tei Methadone Clinic and nearby area	0
39.	25-3-2025	18:00-20:30	Yuen Long Methadone Clinic and nearby area	11

(b) **the criteria for determining the location and time of the outreach registration and intake services;**

According to SARDA, the outreach registration and intake services involve visits to drug blackspots in various districts to engage with drug abusers. Some of the gathering spots include areas around methadone clinics and places where homeless drug abusers reside. As the time they gather varies across districts, the location and time for such services are tailored to the characteristics of each area. Notable locations include Tung Chau Street Park, Temple Street Park, the underpass in the Happy Valley area, the under bridge at Kam

Fong Street, etc. The personnel involved in the outreach service include social workers, peer counsellors (former rehabilitees), administrative staff and registered organisation volunteers, all working to help drug abusers register for residential rehabilitation.

(c) **regarding the prison visits paid by social workers from the SKC, the number of visits, date, time, hours spent, location, the number of inmates approached, along with the content of group activities organised over the past five years;**

According to the information provided by SARDA, the visits paid by social workers from SKC in the past five years are listed in detail in Table 11.

Table 11 Details of visits paid by SKC's social workers

	Date	Time	Duration	Location	No. of inmates approached	Summary of group activities organised
1.	12-07-2022	10:00 – 11:45	1 hour and 45 minutes	Hei Ling Chau Group Activity Room	Four to seven inmates	Session 1: Emotions Management Session 2: Self-efficacy Session 3: Self Values Session 4: Relapse Prevention
2.	26-07-2022					
3.	09-08-2022					
4.	16-08-2022					
5.	11-10-2022					
6.	25-10-2022					
7.	08-11-2022					
8.	22-11-2022					
9.	10-01-2023					
10.	31-01-2023					
11.	14-02-2023					
12.	28-02-2023					
13.	11-04-2023					
14.	25-04-2023					
15.	09-05-2023					
16.	23-05-2023					
17.	11-07-2023					
18.	25-07-2023					
19.	08-08-2023					
20.	22-08-2023					
21.	10-10-2023					
22.	24-10-2023					
23.	14-11-2023					
24.	28-11-2023					
25.	09-01-2024					

26.	23-01-2024					
27.	27-02-2024					
28.	12-03-2024					
29.	09-04-2024					
30.	23-04-2024					
31.	14-05-2024					
32.	28-05-2024					
33.	09-07-2024					
34.	23-07-2024					
35.	13-08-2024					
36.	27-08-2024					
37.	08-10-2024					
38.	22-10-2024					
39.	12-11-2024					
40.	26-11-2024					
41.	14-01-2025					
42.	28-01-2025					
43.	25-02-2025					
44.	11-03-2025					
45.	08-04-2025					
46.	22-04-2025					
47.	13-05-2025					
48.	27-05-2025					

(d) **whether SARDA has strengthened the outreach registration and intake services, and enhanced the efficiency and coverage of its aftercare support by means of information technology (such as mobile applications, online counselling and telemedicine services); if yes, the measures adopted, their usage and the evaluation of effectiveness; if no, the reasons; and**

SARDA actively utilises information technology to enhance the efficiency and coverage of its services, in particular the aftercare support.

- Online Interview and Telemedicine Services via Video Calls: These services enable individuals who are quitting drugs, particularly those residing in remote areas, facing mobility challenges, or having work schedules that render in-person appointments difficult, to access counselling and support more flexibly. Not only do they broaden SARDA's service coverage by overcoming geographical barriers, but also save the travelling time for both parties, thereby improving efficiency.

- Instant Messaging Applications (e.g. WhatsApp, WeChat):
  These tools allow SARDA to maintain closer and more immediate contact with rehabilitees, facilitating daily care, reminders, crisis intervention, or dissemination of the latest information. On one hand, they significantly contribute to the continuity and timeliness of aftercare support; on the other, they enhance interaction efficiency and service accessibility.

To a certain extent, these online tools are conducive to initial contact and information enquiries, which indirectly facilitate the convenience of SARDA's registration service. For example, by leveraging instant messaging, persons in need can get a preliminary understanding of SARDA's services or even to book an online interview for further assessment.

(e) **whether SARDA has adjusted its mode of service during the pandemic (such as providing more online services and flexible visiting arrangements) to cope with the challenges; and whether such measures have been retained or stepped up to address future emergencies; if yes, the details; if no, the reasons?**

During the pandemic, SARDA's DTRCs introduced video visiting and telemedicine services to avoid contact between external individuals and residents while providing remote medical support. In addition, SARDA appointed a social worker of female service designated to handling all intake procedures, which have been streamlined to expedite the admission of applicants. To minimise the risk of infection, intake procedures and physical examinations were conducted via Zoom; and with the aid of phone calls and WhatsApp, our service recipients' needs were duly taken care of.

Both video visiting and telemedicine services have been retained after the pandemic, along with an increased use of instant messaging applications (such as WhatsApp and WeChat), with a view to allowing case workers and family members to understand the recovery of rehabilitees more effectively.

Part 3: Aftercare and Counselling Services

10) **Regarding the re-application rate as stated in Paragraph 3.5 in the audit report, please advise on:**

(a) **whether SARDA will adjust the calculation method for the re-application rate by removing the duplications to better reflect the rate; if yes, the details; if no, the reasons; and**

SARDA is actively reviewing the current method of calculating the re-application rate. It recognises that the inclusion of repeated admissions for the same individual within a short timeframe may distort the true picture of long-term treatment outcomes. Therefore, SARDA is planning to revise the calculation method to exclude duplicate admissions that occur within a specified period post-discharge (e.g. within 12 months), which are often due to administrative or transitional reasons rather than treatment failure. This adjustment aims to provide a more accurate reflection of SARDA's effectiveness in supporting long-term recovery. Currently, SARDA is consulting with relevant stakeholders and data analysts to finalise the revised methodology and ensure consistency with sector-wide standards.

(b) **since the Audit Commission proposes to adjust the re-application rate in 2023-2024 from 3.6% to 26.8%, whether SARDA will modify the existing anti-drug programmes and aftercare services on this basis to reduce the re-application rate; if yes, the details; if no, the reasons?**

SARDA recognises that the significant increase in the adjusted re-application rate (i.e. 26.8%) in 2023-2024 is a crucial indicator, and it has thus initiated a comprehensive review of its rehabilitation and aftercare services. Major enhancement measures include:

1. Enhanced Aftercare Support

SARDA is expanding its post-discharge follow-up services, including regular check-ins, peer support groups, and community reintegration programmes to strengthen relapse prevention.

2. Individualised Treatment Planning

Treatment plans are being refined to better address the specific needs of high-risk individuals, with a focus on co-occurring mental health issues, trauma-informed care, and family involvement.

3. Capacity Building for Staff

Training programmes are being rolled out to equip frontline staff with professional skills in motivational interviewing, trauma-informed care, and relapse prevention strategies.

SARDA is committed to continuous improvement and transparency, and it will regularly review the effectiveness of these measures through outcome evaluation and stakeholder feedback.

11) **Regarding the employment status and criminal records of rehabilitees in Paragraph 3.7 and Table 8 of the Audit Report, please advise on:**

(a) **the reasons for the decrease in rehabilitee employment in 2022-2023 and 2023-2024 as compared to previous years;**

According to SARDA, Hong Kong was still amidst the pandemic from 2020 to early 2023, during which society and the economy had yet returned to normal. Upon discharge from DTRCs, rehabilitees not only faced challenges in maintaining abstinence, but also encountered an economic downturn. Furthermore, most of the rehabilitees are non-skilled workers who are generally older in age and less competitive in the labour market, all of which had dealt a heavy blow to their employment prospects. Despite the gradual wane of the pandemic from 2023 to 2024, no significant improvement was seen in the economy, leading to a decrease in the employment figures of rehabilitees compared to that of previous years.

(b) **the details of employment support provided to rehabilitees by SARDA, such as the measures taken, number of activities organised, number of rehabilitees receiving the employment support, its effectiveness;**

SARDA has organised a total of 2 394 employment-support activities for rehabilitees from 2019 to 2023. During their stay in DTRCs, case social workers formulate an individualised discharge plan for each rehabilitee, including individual vocational counselling and job-search skill groups. Rehabilitees can also take part in the vocational skill training (painting, plumbing, carpentry) provided by SARDA to obtain the Intermediate Trade Test Qualification (Semi-skilled Worker, equipping themselves with the necessary skills. Furthermore, social workers provide a one-year aftercare counselling service for discharged rehabilitees, during which they continuously assist rehabilitees in resolving problems and difficulties related to employment or workplace. In addition to individual counselling services, peer sharing and support are also of paramount importance. To help rehabilitees relieve stress, each of SARDA's three social service centres holds a weekly evening gathering where rehabilitees can meet and share their feelings about abstinence, family relationships or work.

(c) **whether SARDA has tracked the long term rehabilitation, such as employment, education and family rebuilding of rehabilitees; if yes, please provide the tracking data and effectiveness assessment in the past five years; if no, the reasons;**

SARDA provides a 12-month follow-up service for discharged rehabilitees, during which their employment status, educational participation, and family relationships are tracked. Regarding rehabilitees' employment, the relevant information is recorded by social workers upon case closure, with the employment rate included and presented in the annual report. Data on educational participation has been collected since October last year. Owing to the varying definitions of family reconstitution and the difficulty in its quantification, and that the changes in this respect are far more unstable compared to employment and education participation, the information in this regard is only documented in casework files. Having said that, SARDA is actively considering the introduction of a family reconstitution assessment at case closure to track the relevant data and outcomes.

(d) **whether SARDA has set up a long term support network to help rehabilitees reintegrate into the society; if yes, the details; if no, the reasons;**

According to SARDA, establishing a long-term support network is important to the continuous social integration of rehabilitees. SARDA will continue to utilise existing resources to regularly organise activities at various social service centres and appropriately assist rehabilitees in connecting with other stakeholders in the community to strengthen the long-term support networks for them.

(e) **the means and frequency of SARDA's contact with the rehabilitees, along with the number of rehabilitees reached in the past five years;**

The data in relation to SARDA's contact with the rehabilitees in the past five years are listed in detail in Table 12.

Table 12 Data on SARDA's contact with rehabilitees

	2020-2021	**2021-2022**	**2022-2023**	**2023-2024**	**2024-2025**
Interview	12 799	13 317	14 285	16 440	15 538
Phone call	42 953	31 934	28 773	29 789	25 921
Home visit	353	330	373	507	624
Social activity	1 695	2 634	2 466	2 945	2 260
Total no. of service users	**922**	**939**	**990**	**1 002**	**804**

(f) **how SARDA would define cases as "could not be contacted"; and**

According to SARDA, in general, if a case cannot be reached for three consecutive months, it will be classified as a lost contact case. Means of contact include phone calls, letters, and online social applications. If the rehabilitee agrees to let his/her family members or other caseworkers contact SARDA's social workers, SARDA will reach out to them to understand the latest conditions of rehabilitees. SARDA will also from time to time review and update the relevant criteria.

(g) **the reasons why the number of unknown cases surged in 2023-2024 as compared to previous years.**

According to SARDA, rehabilitees discharged from SKC receive a one-year aftercare counselling service, during which social workers maintain contact with them through various means, including interviews, phone calls and home visits. However, interviews and home visits were restricted due to the pandemic, making phone calls the primary means of outreach. After several years of pandemic, many rehabilitees became more withdrawn and isolated than before; some even relapsed after a period post-discharge. Despite social workers' active and regular engagement during the aftercare counselling period, the passivity and confinement of rehabilitees has hindered our efforts, rendering it strenuous for social workers to get a grasp of their post-discharge conditions. As a result, a higher proportion of unknown cases was seen in 2023 to 2024 than that of previous years.

12) **According to Paragraphs 3.9 and 3.10, as well as Table 9, of the Audit Report, SARDA is committed to providing 12-month aftercare services to rehabilitees discharged from DTRCs. However, in over 90% of cases the rehabilitees received aftercare services for more than 12 months. In this connection, please advise on:**

(a) **SARDA's criteria of actual termination of aftercare services;**

In general, SARDA provides a 12-month aftercare service for rehabilitees who have completed their rehabilitation programme. Such service includes regular individual counselling, home visits, community support, and referrals to other services. However, case social workers will assess the needs of each rehabilitee from time to time based on factors such as the complexity of the case, risk of relapse, weak family support, and lack of employability. Subject to supervisory approval, the length of aftercare services may be flexibly extended to help consolidate the rehabilitee's progress until he/she reaches a stable condition.

(b) **the reasons why the number of cases receiving aftercare services for more than three years has seen a general increase over the past three years;**

1. Impact of the COVID-19 Epidemic on Rehabilitees

SARDA is of the view that the COVID-19 pandemic had extensive and profound impact on Hong Kong's socio-economic environment, creating unprecedented difficulties for rehabilitees who attempted to reintegrate into society and live independently. Even as we began to resume normalcy post-pandemic, in overall terms Hong Kong continued to face steep hurdles socio-economically, posing significant challenges to rehabilitees and adversely affecting their rehabilitation progress.

- Deterioration of employment situation in the labour market:
  The pandemic has severely impacted the low-skilled sectors and service industries. This created difficulties for rehabilitees in securing stable employment, hindering their pursuit of financial independence and social reintegration.

- Intensified financial hardship among grassroots families:
  Many grassroots families experienced income reduction or unemployment during the pandemic, exacerbating their financial burdens. As a result, rehabilitees and their families may face even more precarious situations, undermining the stability of their rehabilitation journey.

- Disruption of social support networks and increased isolation:
  Social distancing measures and the temporary closure of community centres during the pandemic led to the suspension or limitation of social support networks (such as peer support groups and community engagement activities). The prolonged isolation and lack of support intensified their sense of isolation, thus exacerbating their psychological distress and the risk of relapse.

These challenges have significantly raised the likelihood of crisis and relapse among rehabilitees, resulting in slower rehabilitation progress and a need for extended aftercare services to maintain stability.

2. Challenges in Operation and Service Provision faced by SARDA during the Epidemic

During the epidemic, the operation of SARDA's DTRCs encountered multiple challenges, which directly affected service provision and, in consequence, the rehabilitation progress of rehabilitees and the length of aftercare services.

- Stringent anti-epidemic measures at DTRCs:
  To safeguard the health of rehabilitees and staff members, stringent anti-epidemic measures were implemented at DTRCs. For example, internet connectivity at facilities such as SKC was extremely limited, making it difficult for social workers to have video counselling with rehabilitees, compromising the effectiveness of remote support. Anti-epidemic restrictions and work-from-home arrangements restricted the frequency of in-person interviews by social workers, group activities, and recreational activities within DTRCs, thus severely impairing service quality and the rehabilitees' progress. The lack of group support and engagement in activities significantly hindered rehabilitation progress.

- Constraints on aftercare services:
  Aftercare services were also subject to stringent anti-epidemic measures during the epidemic, being limited to the most basic phone calls for follow-up in most cases. Such limited follow-up failed to provide sufficient in-depth support and personal interaction, resulting in slower progress for rehabilitees and necessitating extended follow-up services to ensure stability and progress for rehabilitees.

- Challenges in managing relapse and service re-engagement:
  An increase in relapse among rehabilitees was observed during the epidemic. When rehabilitees expressed willingness to be re-admitted for treatment, they were faced with extended waiting time due to the limits imposed by anti-epidemic measures on admission procedures and DTRC capacities. To ensure sufficient follow-up and remission support for these rehabilitees during the waiting period, SARDA did not close such cases but proceeded

with continued follow-up instead, with a view to re-engaging them with our services.

- Loss of contact and difficulties in case tracking:
  Drug abusers tend to change phone numbers frequently. As such, it is likely that social workers lose contact with them during periods of irregular service. During the epidemic, the service centres were not open as usual and rehabilitees found their prior habit of joining activities and receiving services there disrupted, making close follow-up difficult. While social workers might lose contact with rehabilitees for a certain period of time, they would keep trying to contact rehabilitees in light of their possible relapse, so as to re-engage these rehabilitees and advise them to re-apply for services or refer them to other suitable services.

3. Chronic Nature and High Relapse Rate of Heroin Addiction

Over 60% (67.5%) of SARDA service users are heroin addicts. The drug is a highly addictive opioid, yielding an even higher relapse rate for its users due to the drug's profound physiological and psychological effects. Both the "Guidelines for Psychosocially Assisted Pharmacological Treatment of Opioid Dependence" published by the World Health Organization and the "Guiding Principles for the Diagnosis and Treatment of Opioid Use Related Disorders" published by the then-National Health and Family Planning Commission of the People's Republic of China have specified that opioid dependence is a chronic and highly relapsing brain disease. Heroin addiction is a complex issue which is often the result of the combined effects of biological, psychological, and social factors. This very nature exacerbates the difficulty of providing aftercare services. The additional challenges brought about by the epidemic have intensified the need for sustained support for these complex cases, thus further extending the length of aftercare services.

(c) **the number of cases closed due to loss of contact with the rehabilitees, the length of aftercare services provided to such cases, as well as the interval between the last interview with such rehabilitees and the closure of the case, in the past three years; and**

According to SARDA, in the past three years, out of 507 closed cases, 99 cases were closed due to loss of contact. Among these 99 cases, 75 involved older rehabilitees from SKC. A major reason was the impact of the epidemic, during which many of these rehabilitees became homeless due to financial difficulties and some even lacked a fixed phone number or means of contact, making it impossible for case social workers to reach them. In these cases, the rehabilitees received aftercare services for an average length of 4.7 years, with an average interval of 3.5 years between the last meeting with the rehabilitees and the eventual case closure. In this regard, SARDA would like to clarify on the following key points:

First and foremost, SARDA adopts the service mission of "No Drug Addict Left Behind". It is SARDA's belief that every rehabilitee deserves appropriate support to resume normal life and SARDA never gives up on any drug abuser. Even when rehabilitees encounter difficulties or are temporarily out of contact, SARDA continues to make every effort to provide sustained follow-up and support. This is because SARDA fully understands the complexity of their backgrounds and recognises that drug rehabilitation is a long, challenging, and non-linear process which requires the support of long-term companionship that extends beyond any specific time limit.

In addition, loss of contact does not mean cessation of follow-up efforts on the part of SARDA. Even in the absence of response from rehabilitees, SARDA attempts to re-establish contact through various means, including but not limited to:

- Telephone calls and SMS messages:
  SARDA makes regular phone calls or sends SMS messages to the rehabilitees and their family members or emergency contact persons to ascertain their status and provide appropriate support.

- Mail correspondence:
  Letters and service information are sent to rehabilitees' last registered address, in the hope that they may re-engage with SARDA's services.

Furthermore, the global outbreak of COVID-19 epidemic since early 2020 had brought about unprecedented challenges to both SARDA's service model and its ability to maintain contact with rehabilitees:

- Disruption of service provision:
  During the epidemic, in compliance with the Government's anti-epidemic measures, many in-person counselling sessions, group activities, and community support services were suspended or shifted to online formats. A majority of the 99 cases closed due to loss of contact (75 rehabilitees, or 75.8%) were former residents of SKC. Given their unfamiliarity with electronic communication or lack of relevant equipment, the epidemic had made it more difficult to maintain regular meetings.

- Increased mobility of rehabilitees:
  In light of uncertainties over the economy during the epidemic, some rehabilitees might change their contact information frequently as a result of unemployment, change in residence or return to their hometown, thus increasing the difficulty of tracking and contacting these rehabilitees.

- Delayed case closure:
  During the peak of the epidemic, it was not possible to conduct substantive in-person interviews to assess the status of rehabilitees. Meanwhile, in some cases rehabilitees were either infected or under quarantine. Such scenarios led to SARDA postponing formal case closure. While these rehabilitees might have been out of contact for prolonged periods, SARDA would continue to attempt to contact them until it was confirmed that no further service could be provided. This directly contributed to the longer interval between the last meeting and case closure.

In fact, most rehabilitees, especially those who used to use heroin, face various challenges in their attempts to reintegrate into society. It is exactly this group that constitutes the majority of SARDA's service users. The following challenges often lead to difficulty in maintaining stable contact with some rehabilitees and, in some cases, complete loss of contact:

- Economic hardship and homelessness:
  Due to their history of drug abuse, many rehabilitees lack stable financial means, making it difficult for them to afford rent. In turn this often results in homelessness. Without a permanent home, they do not even have a permanent mail address. Such instability makes it difficult for social workers to contact them through traditional means such as mail correspondence.

- Lack of stable means of contact:
  Closely tied to economic hardship is the absence of a fixed mobile number or effective means of contact. Some rehabilitees rely on prepaid SIM cards or frequently change phone numbers due to default on payment. This creates a significant hurdle for social workers to maintain contact with rehabilitees. To the understanding of SARDA, this does not imply an unwillingness among rehabilitees to maintain contact, but rather the circumstantial limitations that limit their capacity to maintain stable contact.

While the average length of aftercare services provided by SARDA exceeds the preliminary target, this also reflects rehabilitees' actual demand for services amidst the complex realities they face (including the impact of the epidemic, financial hardship and lack of stable means of contact) and SARDA's mission of "No Drug Addict Left Behind". The extended interval between the last meeting and case closure was largely attributable to the impact of the epidemic, which lasted for 3.5 years.

(d) **regarding the case in which aftercare services lasted for 9.55 years as mentioned in Paragraph 3.10(a), the number of attempts made by SARDA to contact the rehabilitee since SARDA's last interview with him in September 2015 until the case's closure in June 2022.**

SARDA noted that after the last direct contact with the subject rehabilitee in September 2015, the case worker waited until June 2022 to close the case. During this period, the case worker mainly tried to contact the rehabilitee by telephone every three months and indirectly learned about the rehabilitee's situation from family and friends. It is understood that the rehabilitee kept

avoiding direct contact with the case worker due to concerns over losing his job if he was to be re-admitted for rehabilitation. SARDA acknowledges that in the handling of this case, even though the case worker kept trying to understand the rehabilitee's situation indirectly, direct and effective communication with the rehabilitee was not established for a prolonged period. Staff members should have performed assessment and considered closing the case earlier, or adopting a more proactive and diversified intervention strategy.

To rectify this shortcoming, SARDA will review the current operational guidelines and strengthen the training for case workers to ensure their effective implementation of these guidelines. For cases where effective contact with the client cannot be established for a reasonable period (e.g. for six to 12 consecutive months; the specific timeframe will be further considered and determined), and where indirectly obtained information is insufficient to support continued follow-up, case workers will be required to submit an assessment report. This report will be reviewed by a supervisor or a review committee to decide whether to close the case in due course or to formulate a more specific follow-up plan. SARDA will also explore a clearer standard in defining "effective contact" to ensure that resources are more effectively utilised for cases with active responses, while also ensuring that appropriate efforts are made for rehabilitees with potential needs.

Part 4: Corporate Governance and Administrative Issues

13) **Regarding the governance of the Executive Committee (EC) of SARDA as mentioned in Paragraph 4.4 and Table 13 of the Audit Report, please advise on:**

(a) **the reasons why the number of EC members elected in the term years 2019-2020 and 2020-2021 exceeded the maximum number of members as stipulated in the Constitution of SARDA by one;**

According to the Constitution of SARDA, EC shall consist of Officers and not more than 16 members of other committees (excluding the government representatives, ex-officio members and co-opted members). Officers have seven seats in EC, including the Chairman, the Vice-Chairman, the Honorary Treasurer, the Honorary Secretary, the Immediate Past Chairman, the Chairman of the Management Committee (MC) and the Chairman of the Research Committee (RC). In general, EC has 23 (16+7) members (excluding government representatives, ex-officio members and co-opted members). During the years 2019-2020 and 2020-2021, the Immediate Past Chairman and the Chairman of the MC among the Officers were the same person, leading to just six Officers. As EC generally has 23 members, SARDA elected the other 17 members accordingly and therefore the number of EC members exceeded the stipulated maximum in the Constitution by one. While such incidents happened only in 2019-2020 and 2020-2021 over the past 60 years, SARDA has learnt its lessons and will ensure that the number of other members in EC complies with the requirement as stipulated in the Constitution.

(b) **the number of Officers whose term extends beyond the normal five years as stipulated in the Constitution of SARDA, as well as the numbers of nominations and consenting votes obtained by such Officers from EC members each time their respective term was extended; and**

There are six Officers whose term has exceeded the normal five years as stipulated in the Constitution of SARDA. These Officers were nominated for extended terms by SARDA in recognition of their past support and contributions to drug rehabilitation. Each time these

Officers were nominated by one EC member to extend their respective term and all nominations were passed unanimously.

(c) **whether SARDA will revise its Constitution to specify the maximum terms of office and number of consecutive terms for the Chairman and key posts; if yes, the details and schedule; if no, the reasons.**

SARDA is considering revising its Constitution to further specify the terms of the Chairman and other posts to comply with the recommendations of the Audit Commission, as well as discussing the content of amendments to maintain the effectiveness of the management structure of SARDA.

The Chairman and the Officers of EC are elected by members and serve on a voluntary basis. As SARDA has a limited number of members at the moment, there are few suitable candidates for the post(s) of Chairman (and other Officers) and whether the suitable candidates are willing to take up such posts is another issue. In this connection, SARDA has decided to step up its effort to recruit new members and attract suitable candidates who are enthusiastic in drug rehabilitation work and willing to take up the post(s) on a voluntary basis, so as to maintain the sustained development of SARDA. SARDA will also establish a working group to review its corporate governance. Its first meeting will be held in the third quarter this year to discuss and review the issue and submit recommendations to EC for consideration.

14) **Regarding Paragraph 4.7 of the Audit Report, please advise on:**

(a) **how SARDA will ensure the effective use and financial transparency of government subvention and various resources; whether financial and performance reports are regularly issued to the Government or the public; if yes, details of such reports or their summaries for the last three years; if no, the reasons; and**

The relevant financial summaries and performance indicators are included in SARDA's annual reports, which have been published on the website of SARDA for public access. For the relevant financial

summaries and performance indicators of the past three years, please refer to Annex I.

To further enhance public accountability, SARDA will display the hyperlink to its audited financial statements in the annual reports to be published from the financial year 2024-2025 and thereafter.

(b) **whether SARDA has devised any internal or external audit mechanisms to enhance accountability against abuse of resources; if yes, details of such audit mechanism and the summaries of audit results for the past three years; if no, the reasons.**

The annual financial statements of SARDA are audited by an independent firm of certified public accountants (practising) and the firm is registered with the Accounting and Financial Reporting Council under the Accounting and Financial Reporting Council Ordinance (Cap. 588). Besides financial review, the auditors also assess the internal control systems. The assessment primarily aims at confirming the reliability of the internal control framework to devise appropriate auditing procedures, as well as expressing professional opinions on SARDA's financial statements.

Over the past three years, the audit results were deemed satisfactory and confirmed that SARDA complied with the terms and conditions of the Funding and Service Agreement (FSA), as well as the latest guidelines and memorandum.

To further raise the awareness of the importance of internal controls, SARDA conducts self-assessment through the internal control questionnaire every year. This is a pro-active tool for reviewing the operation of the internal control system. According to the internal audit results in the past three financial years, SARDA's internal control system was deemed sufficient.

15) **Regarding Paragraphs 4.8 and 4.9 of the Audit Report, please advise on:**

(a) **given that SARDA has provided a strategic plan to Audit for examination, when the strategic plan was drawn up, and the frequency and schedule of its review, update and evaluation; and**

(b) **further to the above question, the reasons behind SARDA's failure to review, update and evaluate the strategic plan annually as stipulated in the FSA with DH;**

(c) **whether SARDA has formulated any specific plans and set any targets for service development in the next five years; if yes, the details and timetable of the plans; if no, the reasons; and**

According to SARDA, in order to achieve its objectives, members of EC and MC of SARDA review and discuss SARDA's services and strategies at relevant meetings. Regarding the latest trend of drug abuse as well as the needs of drug abusers and those rehabilitated, SARDA will strategically design specific and targeted programmes and services. In doing so, it will also make reference to the strategic directions set out in the Three-year Plan published by ND/SB, including the latest Three-year Plan covering the period from 2024 to 2026.

In response to the recommendations in the Audit Report, starting from 2025, SARDA will prepare a strategic development plan document with proper documentation by the end of June every year.

In the next five years, or even longer, SARDA will also conduct a strategic review of the hardware facilities of various DTRCs to ensure they meet service and operational needs.

In the short term, to cope with the change in both the trend of drug and needs of service users, SARDA will make appropriate improvements to keep up with the times, including:

i) re-allocation of resources of SKC to serve more PSAs; and
ii) exploration of the use of information technology/artificial intelligence and social media to enhance outreach services.

(d) **whether SARDA has put forward any improvement proposals to the Government in respect of the existing legislation, policies or funding mechanism; if yes, the content of the proposals and the Government's response; if no, the reasons.**

In view of the trend of psychotropic substance abuse in recent years, SARDA has stepped up efforts to provide psychological and mental

care and rehabilitation services for the abusers, and has requested the Government to increase manpower to handle those abusers suffering from psychological and mental illnesses due to psychotropic substances. In the FSA signed in 2025, the Government already committed to deploying additional manpower to work as Registered Nurses (Psychiatric) and Senior Group Leaders to SARDA in meeting the challenges.

16) **Regarding Paragraphs 4.12 to 4.14 of the Audit Report on the attendance rate of various committee meetings, please advise on:**

(a) **the number of voting members with committee meeting attendance rate of less than 50% who were re-appointed as committee members in the following year, the number of times such members were re-appointed, and the reasons for their re-appointment over the past five years;**

From 2019-2020 to 2023-2024, the number of voting members with committee meeting attendance rate of less than 50% who were re-appointed as committee members in the following year and the number of consecutive terms are set out in Table 13

Table 13 No. of voting members with committee meeting attendance rate of less than 50% who were re-appointed as committee members in the following year and the number of consecutive terms

	No. of committee members	No. of consecutive terms
EC	8	1 - 4
MC	5	1 - 4
RC	1	1

EC Members are elected through voting at annual general meetings in accordance with the Constitution of SARDA while members of MC and the RC are appointed by EC. In view of the complexity of the drug abuse issue, the health problems suffered by drug abusers and SARDA's role in managing organisations providing drug T&R services, committee members of SARDA are required to be competent in various aspects, have more specialised knowledge and wider experience, as well as to take on bigger commitments, compared to those of other organisations providing social services. As a result, the availability of suitable candidates for committee members of SARDA might be limited. In the past, SARDA took the

above factors into consideration for the election or appointment of its committee members. However, SARDA is considering drawing up guidelines to specify clearly that committee members with attendance rate of less than 60% for two consecutive years will not be re-appointed.

(b) **the reasons for the decrease in the number of EC members with attendance rate of 75% to 100% (see Table 15) in 2022-2023 and 2023-2024 compared with that of the previous three years; and**

In 2022-2023 and 2023-2024, the number of EC members with attendance rate of 75% to 100% was lower than that of the previous three years as some members were unable to attend the meetings due to personal reasons (e.g. health, absence from Hong Kong, etc.).

(c) **whether SARDA has any plans to improve the attendance rate of EC, the MC and the RC, so as to ensure that the members fulfil their duties; if yes, the details; if no, the reasons.**

Although all voting members of SARDA's committees are non-remunerated, the Chairman of EC has already reminded and encouraged members to attend the meetings and perform their duties as far as possible. Furthermore, SARDA is also considering drawing up guidelines to specify clearly that committee members with attendance rate of less than 60% for two consecutive years will not be re-appointed.

17) **With reference to Paragraph 4.22 of the Audit Report on the number of members and attendance at annual general meetings, please advise on:**

(a) **whether SARDA has any plans to step on efforts in recruiting new members; if yes, the details; if no, the reasons; and**

SARDA has decided to step up its effort to recruit new members and attract suitable candidates who are enthusiastic in drug rehabilitation work and willing to take up the post(s) on a voluntary basis, so as to maintain the sustainable development of SARDA. SARDA will also establish a working group to review its corporate governance and the first meeting will be held in the third quarter this year to discuss and

review the issues concerned. The subsequent recommendations will be submitted to EC for consideration.

(b) **whether SARDA has any plans to increase the attendance rate of members at its annual general meetings; if yes, the details; if no, the reasons.**

In order to increase the attendance rate of members at the annual general meeting, SARDA plans to change the meeting time and step up the publicity effort to encourage members to attend the meeting. In addition, SARDA also plans to announce the attendance rate of members internally to draw members' attention.

18) **Regarding Paragraphs 4.27 and 4.28, as well as Table 18, of the Audit Report, please provide a breakdown of the 229 existing staff members of SARDA by rank, year of service and respective salary expenditure.**

Information of the 213 SARDA staff members subvented by DH is set out in Table 14(a).

Table 14(a) Information of staff members subvented by DH

Grade	Rank	Establishment	2025-26 estimated emolument ($'000)
Medical	Medical Superintendent	2	2,714
Nursing	Nursing Officer	1	13,442
	Registered Nurse (Psychiatric)	4	
	Registered Nurse	15	
	Enrolled Nurse	4	
Social Work	Superintendent of Social Service	1	59,579
	Social Work Officer	7	
	Assistant Social Work Officer	50	
	Senior Social Work Assistant	3	
	Social Work Assistant	2	
	Welfare Worker	11	
Administration & Support	Executive Director	1	19,077
	Administrative Secretary	1	
	Superintendent (Ops & Admin)	1	
	Accountant	1	

	Deputy Administrative Secretary	1	
	Information Technology Manager	1	
	Inspector of Works	1	
	Clerical Officer	3	
	Assistant Clerical Officer	8	
	Supplies Supervisor	1	
	Personal Secretary II	1	
	Clerical Assistant	14	
	Office Assistant	8	
	Peer Counsellor	1	
General Staff	Coxswain	3	18,339
	Sailor	2	
	Launch Mechanic	2	
	Deputy Superintendent (SKC)	1	
	Senior Group Leader	9	
	Group Leader	45	
	Assistant Group Leader	2	
	Statistical Officer II	1	
	Workman II	5	
Total		213	113,151

Information of the 16 SARDA staff members subvented by SWD is set out in Table 14(b).

Table 14(b) Information of staff members subvented by SWD

Rank	Establishment	2025-2026 estimated emolument ($'000)
Registered Nurse	1	6,289
Social Work Assistant	1	
Warden	4	
Assistant Warden	8	
Peer Support Worker	2	
Total	16	

19) **With respect to Paragraphs 4.29 to 4.31 of the Audit Report, please advise on:**

(a) **whether SARDA has regularly looked into the work-related stress, turnover rate and job satisfaction of its staff and peer support workers; if yes, the findings of the surveys conducted over the past three years and the improvement measures taken; and**

SARDA conducts regular exit surveys with staff members to understand relevant issues. Survey findings generally showed that major reasons of departure among staff members included welfare and benefits. With effect from 1 October 2024, the Government has allocated additional resources to SARDA, leading to improvement in employer's contribution to Mandatory Provident Fund and medical benefits for most staff members. It is hoped that such moves will help reduce the turnover rate.

(b) **whether SARDA offers mental health support and continuous professional development programmes for its staff and peer support workers; if yes, the details; if no, the reasons.**

SARDA organises mindfulness activities and staff welfare club gatherings to help staff members manage their stress. In addition, as a majority of SARDA staff members are registered social workers by profession, they pay more attention to and care more about work-related stress faced by peer support workers and other staff members in daily work and provide support and counselling on mental health. For staff members with urgent needs, SARDA will refer them to its Clinical Psychology Consultant and committee members who are clinical psychologist and psychiatrist for consultation.

On the other hand, SARDA also actively recommends that staff members and peer support workers pursue continuing education to enhance relevant knowledge, skills and abilities.

20) **Regarding Paragraph 4.33 of the Audit Report, please advise on the number of peer support workers recruited by SARDA under the new initiatives commencing in November 2024, as well as the number, length (in hours), content of the training courses for such peer support workers.**

The number of peer support workers recruited by SARDA under the new initiatives, as well as the information of the courses they participated in, are set out in Table 15.

Table 15 Information of peer support workers under new initiatives

No. of peer support workers recruited	13
No. of training sessions	105
No. of training hours	271
Training courses	Food hygiene manager certification courses, courses on infection control training and support, creative arts workshops, training related to the Loadshifting Machinery Regulation, construction work safety legislation, along with the Occupational Safety and Health Ordinance and its regulations, "Green Card" course, seminars on space oil drugs, space oil drugs and sexual health workshops, first aid certificate courses and "Heart-safe Community Project" seminars

21) **Regarding SARDA's training expenses as mentioned in Paragraph 4.35 of the Audit Report, please advise on:**

(a) **the number of staff members who have applied for training subsidies, as well as the ranks of such staff members, training content involved, number of applications made and approved subsidy amounts, in the past five years; and**

Staff members of all ranks are eligible to apply for training subsidies. Over the past five years, staff members have participated in training courses covering various fields, mainly including handling of child abuse cases, corporate communication, mental health counselling, mindfulness training, management skill enhancement, complaint management, vocational training, IT training and so on. The number of training sessions attended by staff members and the total subventions are set out in Table 16.

Table 16 Training subsidies

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
No. of training sessions attended by staff members	146	56	97	199	163
Total subvention	$220,224	$99,766	$181,296	$288,709	$308,050

(b) **whether SARDA will develop a training policy for staff development and monitoring purposes; if yes, the details; if no, the reasons.**

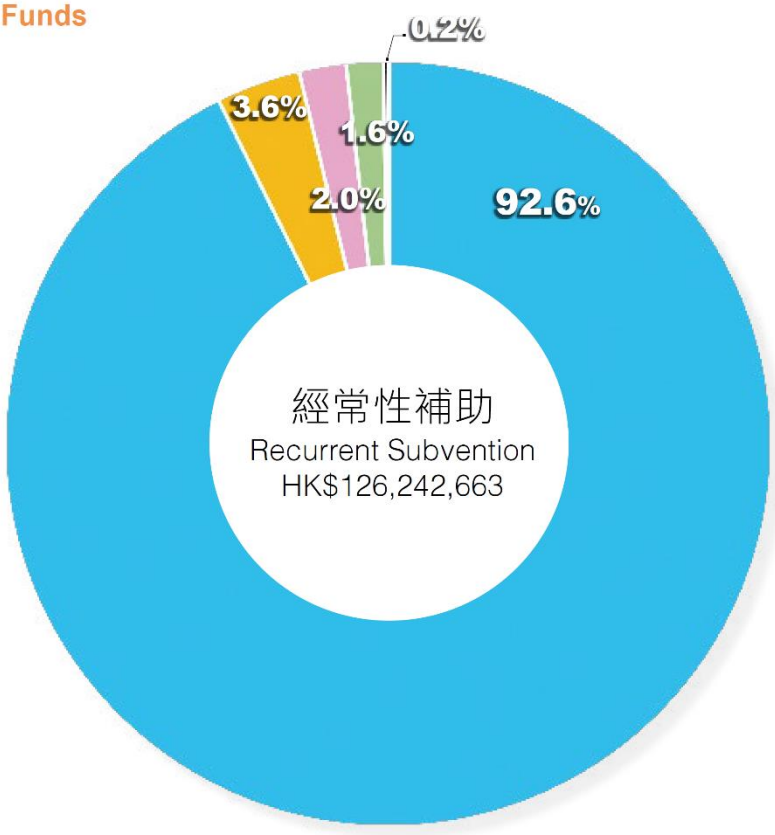
"Training and development" has been one of the long-term management objectives of SARDA. SARDA will make the best use of its current resources and take initiative to formulate a more comprehensive training policy. SARDA will also establish a working group to review its corporate governance and the first meeting will be held in the third quarter this year to discuss and review the issues concerned. The subsequent recommendations will be submitted to EC for consideration.

戒毒會2021-22年報 - 服務成效

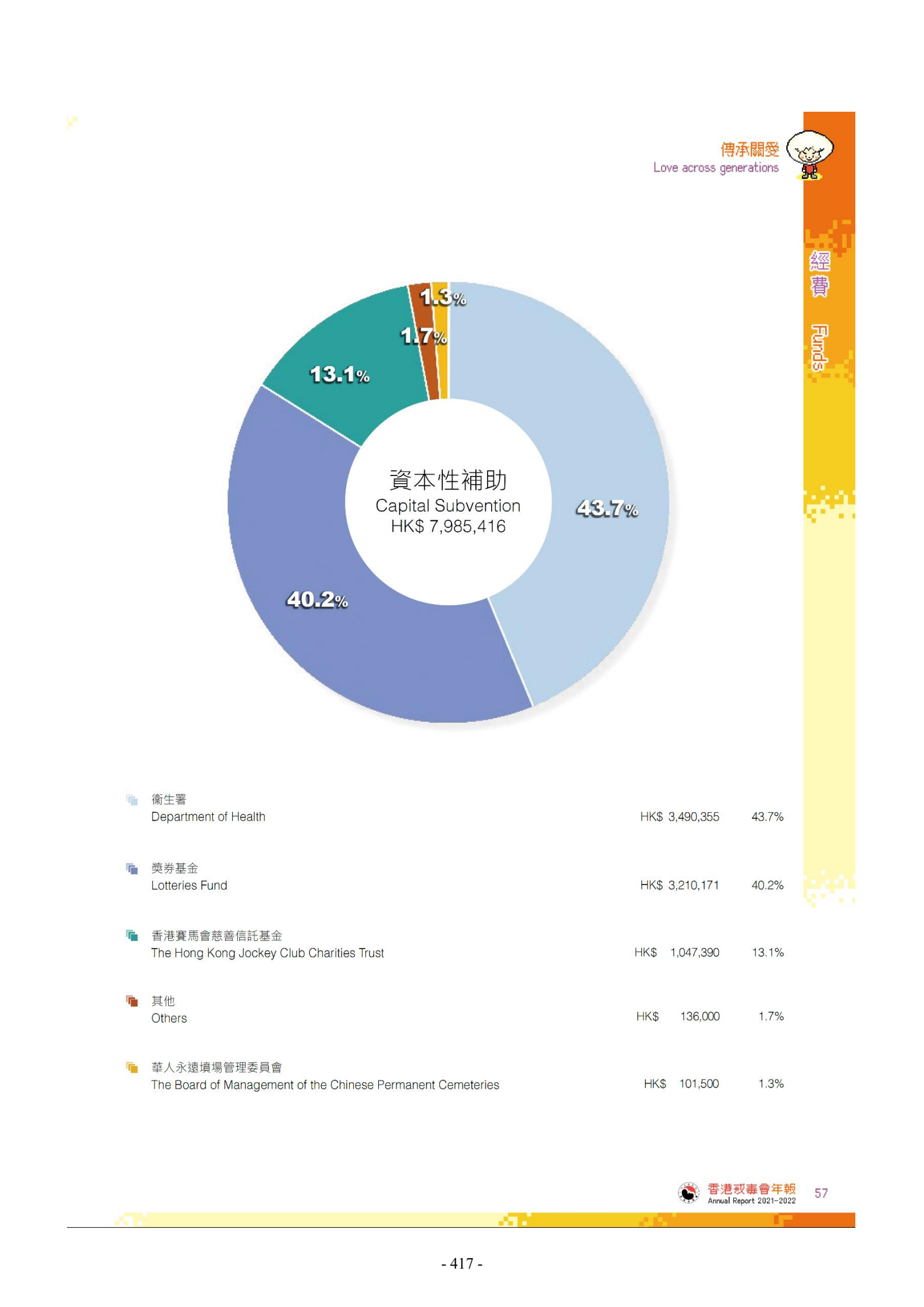
		2021-22
1.	入院人數 No. of Admission	571
2.	斷癮程序完成率 Detoxification Rate	86.3%
3.	康復程序完成率 Rehabilitation Rate	91.8%
4.	提供床位日數 No. of Bed Days Available	58,674
5.	服務使用者滿意程度 Customer Satisfaction Rate	
	康復計劃 Rehabilitation Programme	99.3%
	輔導計劃 Counselling Programme	99.2%
6.	善後輔導完成率 Aftercare Completion Rate	95.3%
7.	再入院率 Re-application Rate	2%
8.	就業率 Employment Rate	52.2%
9.	犯罪率 Criminal Rate	3.8%
10.	美沙酮治療計劃 Methadone Treatment Programme	
	個案量 Caseload	1,894
	舉辦小組輔導次數 No. of Group Programmes	588
	• *家屬輔導及自助小組 Family Counselling and Self-Help Groups*	*163*
	• *青年組 Youth Group*	*133*
	• *婦女組 Female Group*	*57*
	• *個案輔導小組 Counselling Groups*	*115*
	• *個案治療小組 Therapeutic Groups*	*120*
	小組輔導出席人數 No. of Persons Participated	4,458
	• *家屬輔導及自助小組 Family Counselling and Self-Help Groups*	*1,414*
	• *青年組 Youth Group*	*780*
	• *婦女組 Female Group*	*414*
	• *個案輔導小組 Counselling Groups*	*778*
	• *個案治療小組 Therapeutic Groups*	*1,072*

*自2019年12月起，香港經歷2019冠狀病毒病疫情。
Hong Kong has been under Coronavirus Disease 2019 (COVID-19) since December 2019.

經費來源
Sources of Funds

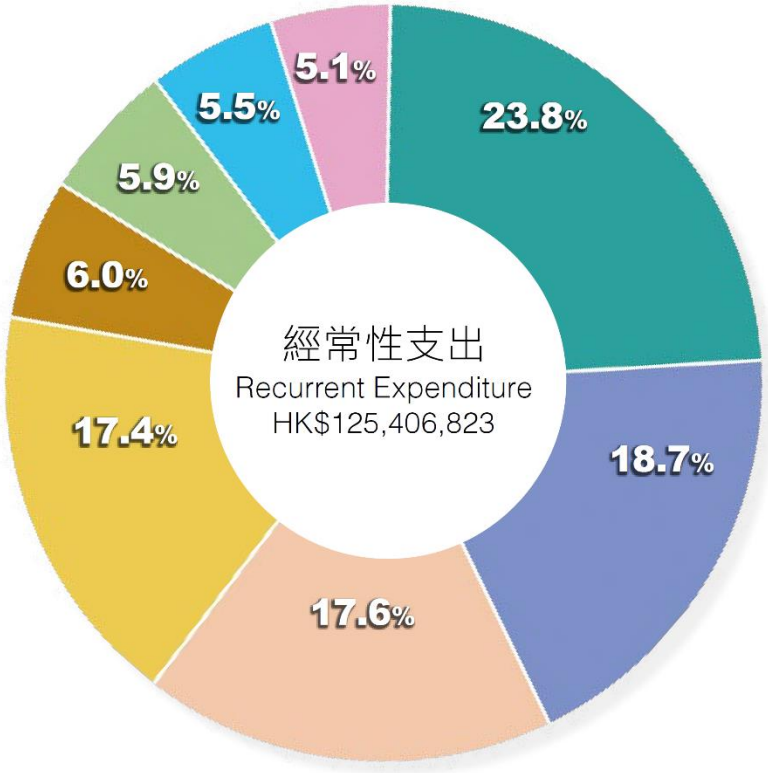


衞生署 Department of Health	HK$	116,986,688	92.6%
社會福利署 Social Welfare Department	HK$	4,487,804	3.6%
香港賽馬會慈善信託基金 The Hong Kong Jockey Club Charities Trust	HK$	2,507,000	2.0%
香港公益金 The Community Chest of Hong Kong	HK$	1,976,500	1.6%
其他 Other Income	HK$	284,671	0.2%

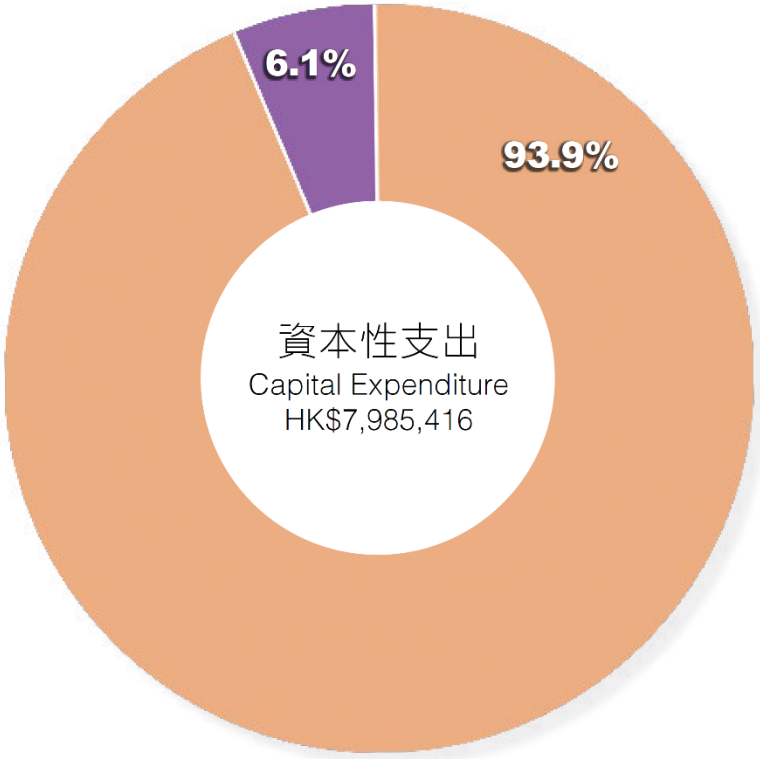


衞生署 Department of Health	HK$	3,490,355	43.7%
獎券基金 Lotteries Fund	HK$	3,210,171	40.2%
香港賽馬會慈善信託基金 The Hong Kong Jockey Club Charities Trust	HK$	1,047,390	13.1%
其他 Others	HK$	136,000	1.7%
華人永遠墳場管理委員會 The Board of Management of the Chinese Permanent Cemeteries	HK$	101,500	1.3%

支出
Expenditure



成年男性住院式治療及康復 Residential treatment and rehabilitation for adult male	HK$ 29,819,509	23.8%
美沙酮治療計劃輔導服務 Methadone Treatment Programme Counselling Service	HK$ 23,507,202	18.7%
男性善後輔導服務 Aftercare service for male	HK$ 22,075,613	17.6%
統籌服務與支援及培康聯會 Central admin & support and Pui Hong Self-Help Association	HK$ 21,777,607	17.4%
男性青少年住院式治療、康復及善後輔導服務 Residential treatment, rehabilitation and aftercare service for young male	HK$ 7,551,002	6.0%
成年婦女康復及善後輔導服務 Rehabilitation and aftercare service for adult female	HK$ 7,398,575	5.9%
女性青少年住院式治療及康復 Residential treatment and rehabilitation for young female	HK$ 6,858,912	5.5%
女性善後輔導服務 Aftercare service for female	HK$ 6,418,403	5.1%



成年男性住院式治療及康復 Residential treatment and rehabilitation for adult male	HK$ 7,495,416	93.9%
女性青少年住院式治療及康復 Residential treatment and rehabilitation for young female	HK$ 490,000	6.1%

高級人員薪酬檢討

本會高級人員與相類職級公務員的薪酬對比，在檢討期內(2017-2020)並無變動。本會高級人員的每年平均薪酬總額均低於相類職級公務員的每年平均薪酬總額。高級人員是指本會最高級三層人員，包括總幹事、兩名總監、兩名醫務總監、行政總主任及會計主任。

Review of remuneration of senior staff

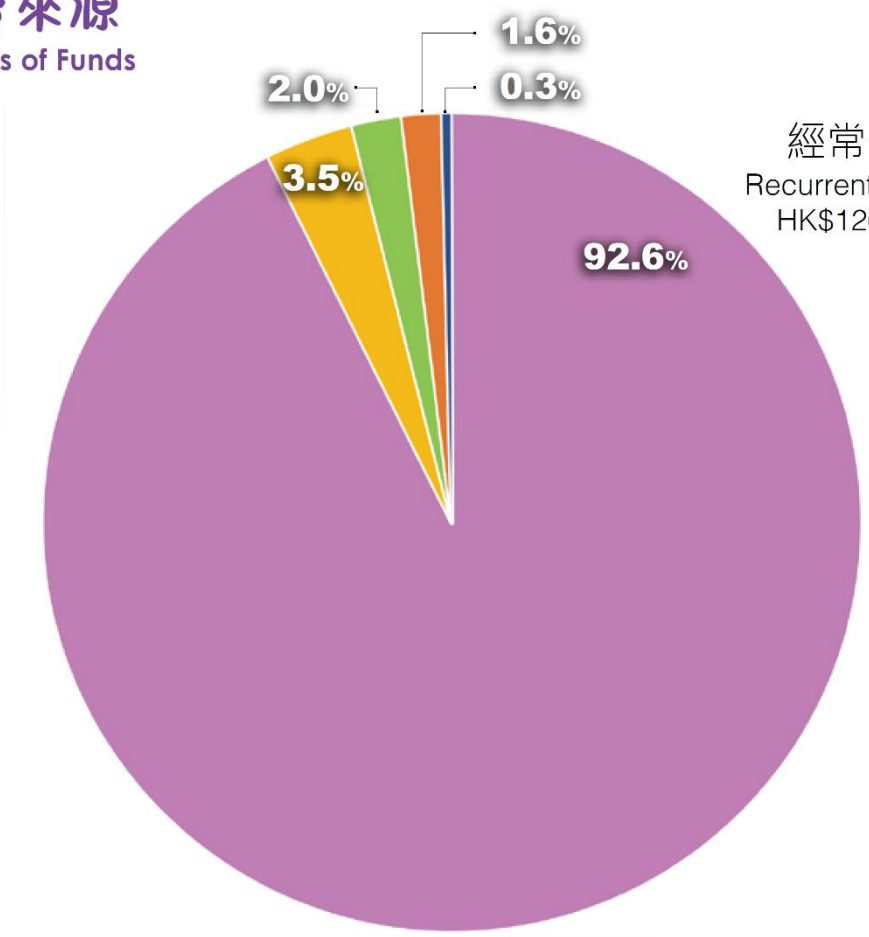
The relativity of remuneration between SARDA's senior staff and comparable ranks in the civil service remained unchanged in the report period between 2017 and 2020. The average annual total costs of remuneration for SARDA's senior staff were all lower than those of civil servants at comparable ranks. Senior staff refers to top three tiers of staff comprising the Executive Director, two Superintendents, two Medical Superintendents, Administrative Secretary and Accountant.

戒毒會2022-23年報 - 服務成效

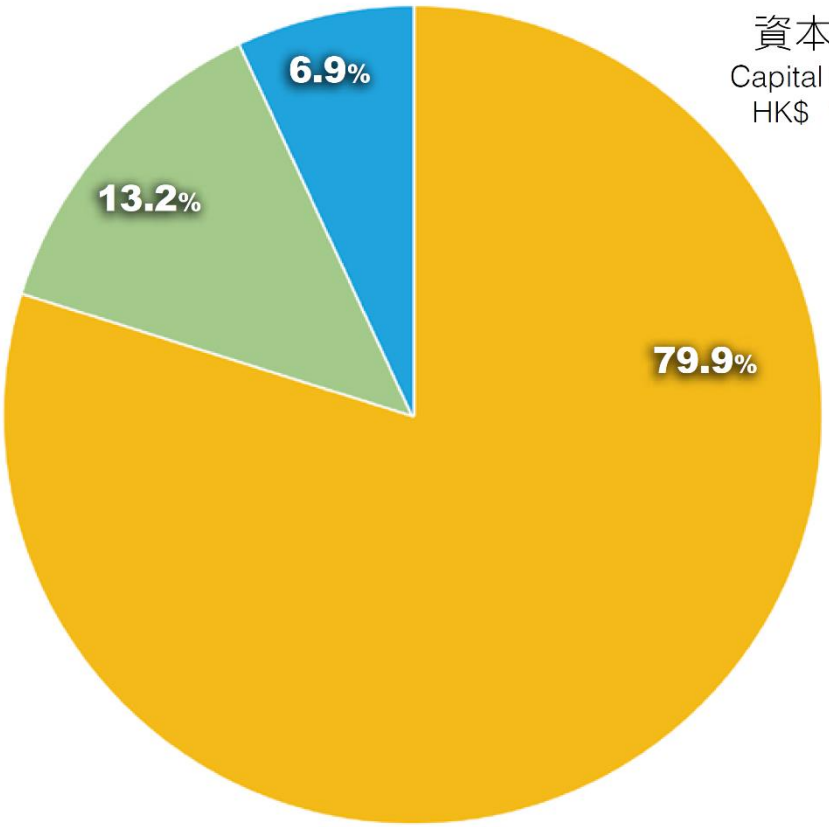
		2022-23
1.	入院人數 No. of Admission	715
2.	斷癮程序完成率 Detoxification Rate	84.5%
3.	康復程序完成率 Rehabilitation Rate	87.3%
4.	提供床位日數 No. of Bed Days Available	126,290
5.	服務使用者滿意程度 Customer Satisfaction Rate	
	康復計劃 Rehabilitation Programme	99.4%
	輔導計劃 Counselling Programme	99.8%
6.	善後輔導完成率 Aftercare Completion Rate	93.9%
7.	再入院率 Re-application Rate	2.3%
8.	就業率 Employment Rate	40.6%
9.	犯罪率 Criminal Rate	3.6%
10.	美沙酮治療計劃 Methadone Treatment Programme	
	個案量 Caseload	1,907
	舉辦小組輔導次數 No. of Group Programmes	646
	• *家屬輔導及自助小組 Family Counselling and Self-Help Groups*	*196*
	• *青年組 Youth Group*	*149*
	• *婦女組 Female Group*	*50*
	• *個案輔導小組 Counselling Groups*	*138*
	• *個案治療小組 Therapeutic Groups*	*113*
	小組輔導出席人數 No. of Persons Participated	4,661
	• *家屬輔導及自助小組 Family Counselling and Self-Help Groups*	*1,671*
	• *青年組 Youth Group*	*640*
	• *婦女組 Female Group*	*290*
	• *個案輔導小組 Counselling Groups*	*1,101*
	• *個案治療小組 Therapeutic Groups*	*959*

*自2019年12月起，香港經歷2019冠狀病毒病疫情。
Hong Kong has been under Coronavirus Disease 2019 (COVID-19) since December 2019.

經費來源
Sources of Funds



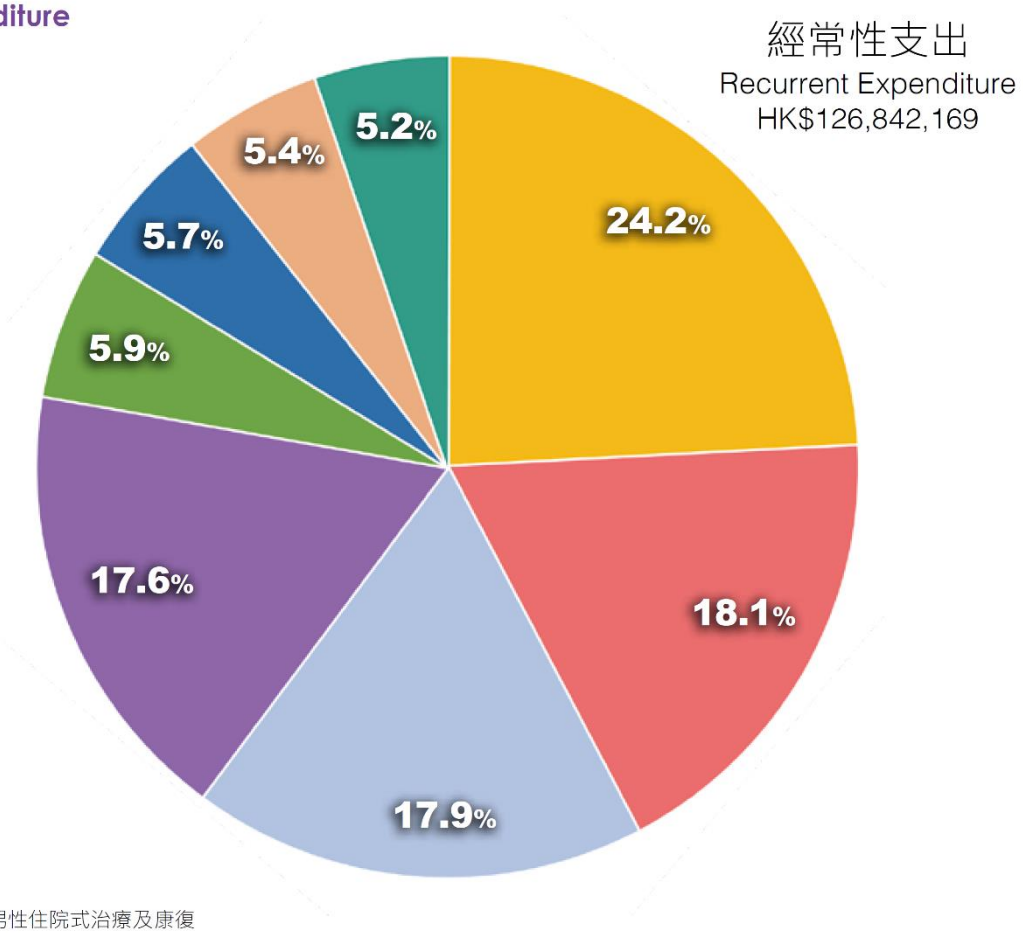
衞生署 Department of Health	HK$ 117,530,339	92.6%
社會福利署 Social Welfare Department	HK$ 4,409,829	3.5%
香港賽馬會慈善信託基金 The Hong Kong Jockey Club Charities Trust	HK$ 2,507,000	2.0%
香港公益金 The Community Chest of Hong Kong	HK$ 1,976,500	1.6%
其他 Other Income	HK$ 415,401	0.3%



資本性補助
Capital Subvention
HK$ 1,464,960

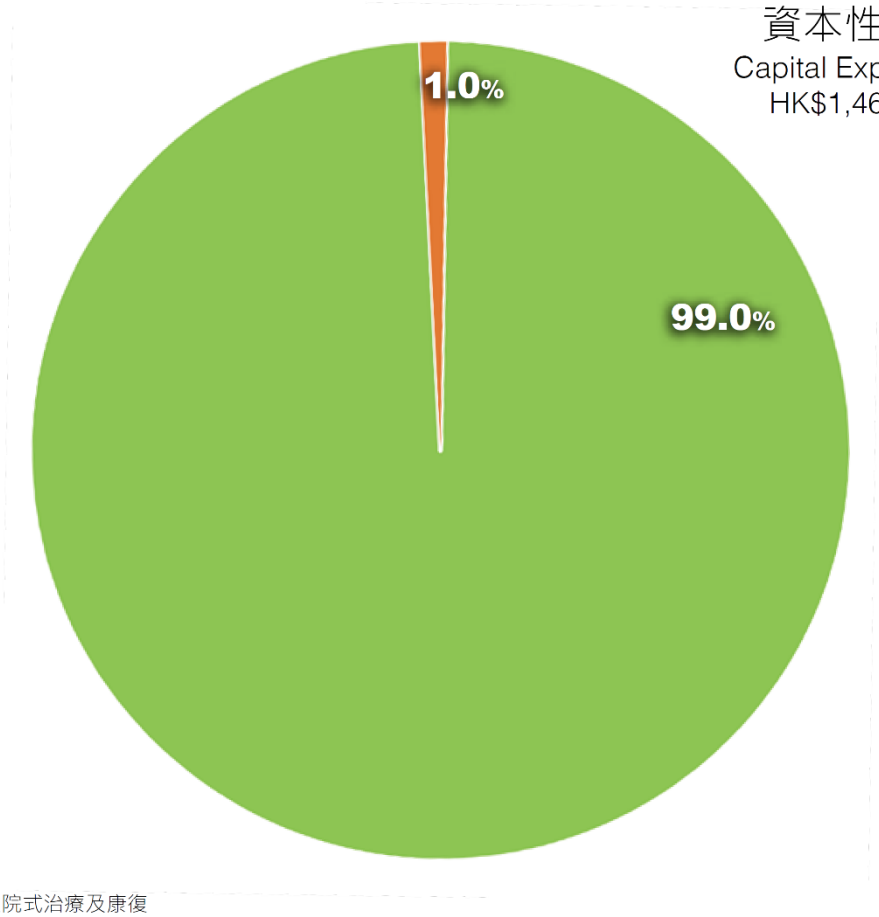
香港賽馬會慈善信託基金 The Hong Kong Jockey Club Charities Trust	HK$ 1,169,460	79.9%
衞生署 Department of Health	HK$ 194,000	13.2%
華人永遠墳場管理委員會 The Board of Management of the Chinese Permanent Cemeteries	HK$ 101,500	6.9%

支出
Expenditure



成年男性住院式治療及康復 Residential treatment and rehabilitation for adult male	HK$ 30,633,879	24.2%
統籌服務與支援及培康聯會 Central admin & support and Pui Hong Self-Help Association	HK$ 23,001,270	18.1%
男性善後輔導服務 Aftercare service for male	HK$ 22,664,615	17.9%
美沙酮治療計劃輔導服務 Methadone Treatment Programme Counselling Service	HK$ 22,320,204	17.6%
男性青少年住院式治療、康復及善後輔導服務 Residential treatment, rehabilitation and aftercare service for young male	HK$ 7,508,780	5.9%
女性青少年住院式治療及康復 Residential treatment and rehabilitation for young female	HK$ 7,206,441	5.7%
成年婦女康復及善後輔導服務 Rehabilitation and aftercare service for adult female	HK$ 6,875,921	5.4%
女性善後輔導服務 Aftercare service for female	HK$ 6,631,059	5.2%

資本性支出
Capital Expenditure
HK$1,464,960



成年男性住院式治療及康復 Residential treatment and rehabilitation for adult male	HK$ 1,449,960	99.0%
男性青少年住院式治療及康復 Residential treatment, rehabilitation and aftercare service for young male	HK$ 15,000	1.0%

高級人員薪酬檢討

本會高級人員與相類職級公務員的薪酬對比，在檢討期內(2020-2023)並無變動。本會高級人員的每年平均薪酬總額均低於相類職級公務員的每年平均薪酬總額。高級人員是指本會最高級三層人員，包括總幹事、兩名總監、兩名醫務總監、行政總主任及會計主任。

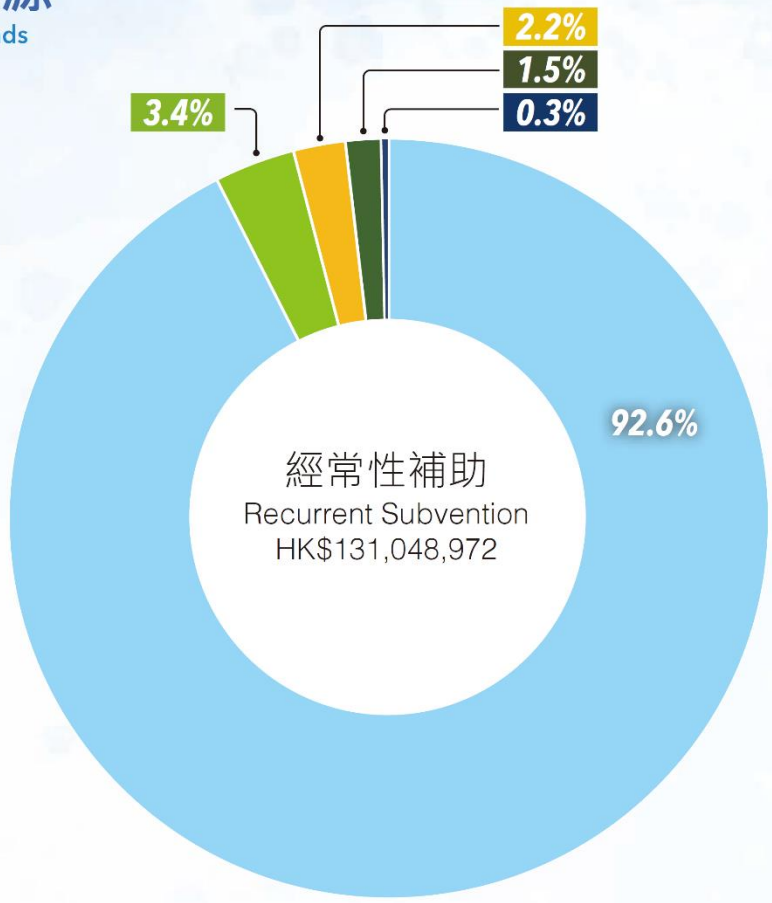
Review of remuneration of senior staff

The relativity of remuneration between SARDA's senior staff and comparable ranks in the civil service remained unchanged in the report period between 2020 and 2023. The average annual total costs of remuneration for SARDA's senior staff were all lower than those of civil servants at comparable ranks. Senior staff refers to top three tiers of staff comprising the Executive Director, two Superintendents, two Medical Superintendents, Administrative Secretary and Accountant.

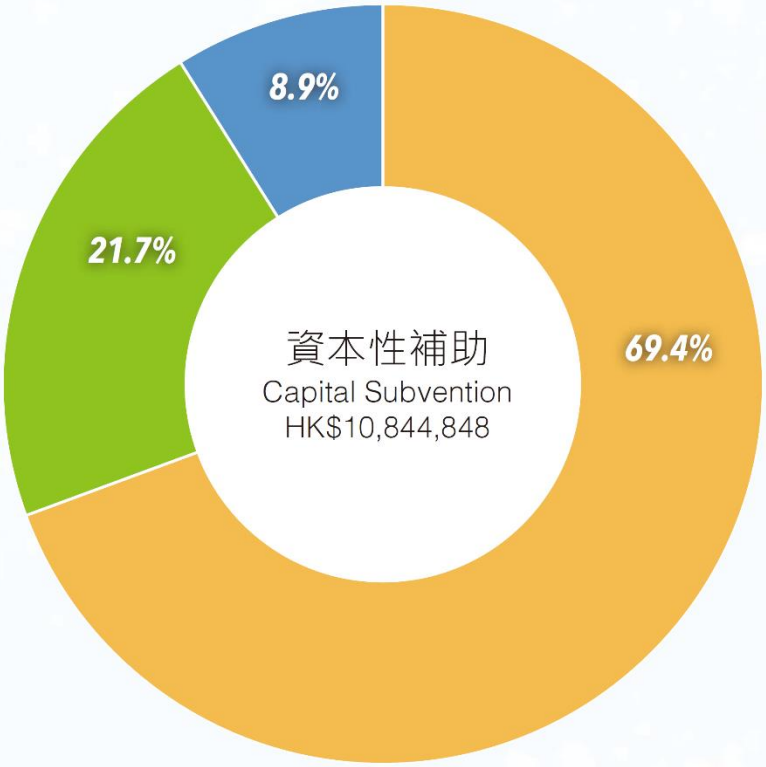
戒毒會2023-24年報 - 服務成效

		2023-24
1.	入院人數 No. of Admission	799
2.	斷癮程序完成率 Detoxification Rate	84.8%
3.	康復程序完成率 Rehabilitation Rate	84.7%
4.	提供床位日數 No. of Bed Days Available	126,636
5.	服務使用者滿意程度 Customer Satisfaction Rate	
	康復計劃 Rehabilitation Programme	99.4%
	輔導計劃 Counselling Programme	99.6%
6.	善後輔導完成率 Aftercare Completion Rate	93.7%
7.	再入院率 Re-application Rate	2.6%
8.	就業率 Employment Rate	45.2%
9.	犯罪率 Criminal Rate	3.8%
10.	美沙酮治療計劃 Methadone Treatment Programme	
	個案量 Caseload	1,902
	舉辦小組輔導次數 No. of Group Programmes	643
	• *家屬輔導及自助小組 Family Counselling and Self-Help Groups*	*191*
	• *青年組 Youth Group*	*127*
	• *婦女組 Female Group*	*54*
	• *個案輔導小組 Counselling Groups*	*134*
	• *個案治療小組 Therapeutic Groups*	*137*
	小組輔導出席人數 No. of Persons Participated	4,702
	• *家屬輔導及自助小組 Family Counselling and Self-Help Groups*	*1,588*
	• *青年組 Youth Group*	*695*
	• *婦女組 Female Group*	*404*
	• *個案輔導小組 Counselling Groups*	*1,086*
	• *個案治療小組 Therapeutic Groups*	*929*

經費來源
Sources of Funds

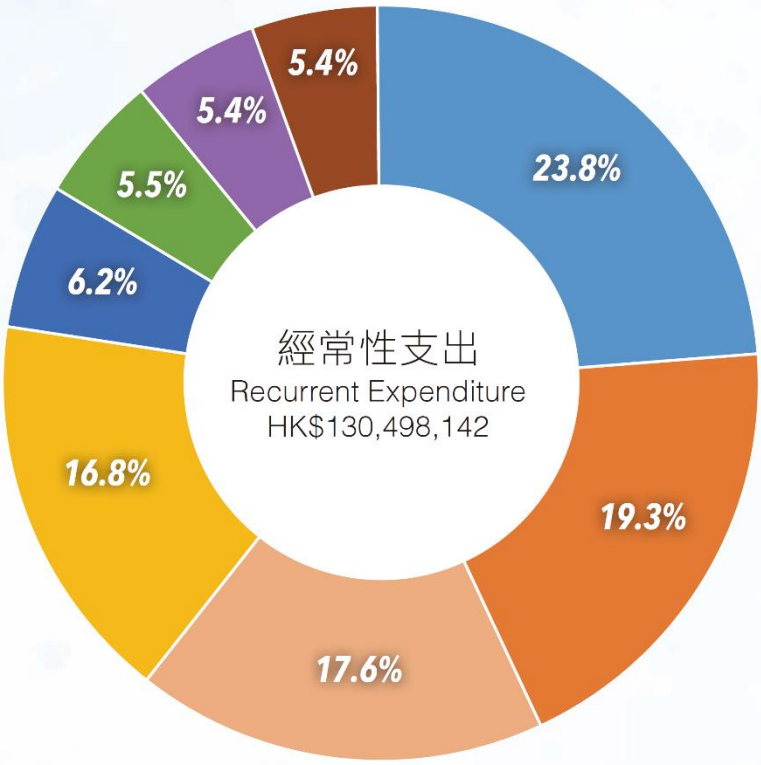


衞生署 Department of Health	HK$ 121,255,590	92.6%
社會福利署 Social Welfare Department	HK$ 4,496,842	3.4%
香港賽馬會慈善信託基金 The Hong Kong Jockey Club Charities Trust	HK$ 2,898,000	2.2%
香港公益金 The Community Chest of Hong Kong	HK$ 1,976,500	1.5%
其他 Other Income	HK$ 422,040	0.3%

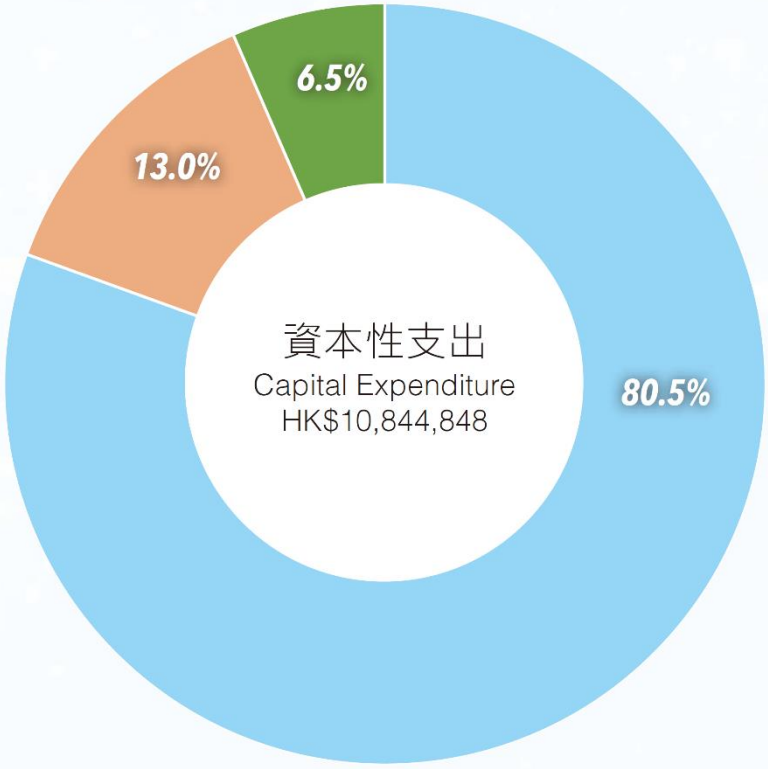


香港賽馬會慈善信託基金 The Hong Kong Jockey Club Charities Trust	HK$ 7,524,000	69.4%
衞生署 Department of Health	HK$ 2,351,548	21.7%
古物古蹟辦事處 Antiquities and Monuments Office	HK$ 969,300	8.9%

支出
Expenditure



成年男性住院式治療及康復 Residential treatment and rehabilitation for adult male	HK$ 31,192,401	23.8%
男性善後輔導服務 Aftercare service for male	HK$ 25,167,254	19.3%
統籌服務與支援及培康聯會 Central admin & support and Pui Hong Self-Help Association	HK$ 22,941,246	17.6%
美沙酮治療計劃輔導服務 Methadone Treatment Programme Counselling Service	HK$ 21,894,205	16.8%
男性青少年住院式治療、康復及善後輔導服務 Residential treatment, rehabilitation and aftercare service for young male	HK$ 8,117,124	6.2%
女性青少年住院式治療及康復 Residential treatment and rehabilitation for young female	HK$ 7,130,384	5.5%
成年婦女康復及善後輔導服務 Rehabilitation and aftercare service for adult female	HK$ 7,030,653	5.4%
女性善後輔導服務 Aftercare service for female	HK$ 7,024,875	5.4%



成年男性住院式治療及康復 Residential treatment and rehabilitation for adult male	HK$ 8,733,300	80.5%
女性青少年住院式治療及康復 Residential treatment and rehabilitation for young female	HK$ 1,404,600	13.0%
統籌服務與支援及培康聯會 Central admin & support and Pui Hong Self-Help Association	HK$ 706,948	6.5%

高級人員薪酬檢討

本會高級人員與相類職級公務員的薪酬對比，在檢討期內(2020-2023)並無變動。本會高級人員的每年平均薪酬總額均低於相類職級公務員的每年平均薪酬總額。高級人員是指本會最高級三層人員，包括總幹事、兩名總監、兩名醫務總監、行政總主任及會計主任。

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The relativity of remuneration between SARDA's senior staff and comparable ranks in the civil service remained unchanged in the report period between 2020 and 2023. The average annual total costs of remuneration for SARDA's senior staff were all lower than those of civil servants at comparable ranks. Senior staff refers to top three tiers of staff comprising the Executive Director, two Superintendents, two Medical Superintendents, Administrative Secretary and Accountant.

社會福利署
Social Welfare Department

Your Ref. : CB3/PAC/R84
Our Ref. : SWD 0080-0025-0080-0040-0010-P001
Tel. No. : 2892 5555
Fax No. : 2838 0757

Deliver through email: hhchan@legco.gov.hk
kmho@legco.gov.hk
pkwlai@legco.gov.hk

Ms Shirley CHAN
Secretary for Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

11 June 2025

Dear Ms Chan,

Public Accounts Committee
Consideration of the Director of Audit's Report No. 84 Chapter 7
The Society for the Aid and Rehabilitation of Drug Abusers (SARDA)

In response to the enquiries raised in the letter from Public Accounts Committee dated 26 May 2025, please see the information and responses regarding the halfway house service of SARDA at the Annex.

Yours sincerely,

(Miss CHAN Lai-chu)
for Director of Social Welfare

Encl.
c.c. Secretary for Labour and Welfare (email: slwo@lwb.gov.hk)
Secretary for Security (email: tang@sb.gov.hk)
Secretary for Financial Services and the Treasury (email: sfst@fstb.gov.hk)
Director of Audit (email: ncylam@aud.gov.hk)

香港灣仔皇后大道東213號胡忠大廈8樓
8/F., Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong

Annex

Public Accounts Committee

Consideration of the Director of Auditor's Report No. 8: Chapter 7

The Society for the Aid and Rehabilitation of Drug Abusers

Response of the Social Welfare Department

Part 1 : Introduction

(1) According to paragraph 1.11(a) and note 5 of the Director of Audit's Report No. 84 ("Audit Report"), the Department of Health ("DH") and the Social Welfare Department ("SWD") approved additional allocations of $6.8 million and $0.8 million respectively as part-year recurrent subventions to The Society for the Aid and Rehabilitation of Drug Abusers ("SARDA") for implementing new measures in 2024-25. Please provide information on the usage of these funds in the following aspects:

(a) the number, ranks and salaries of the additional registered nurses and peer support workers employed;

SWD allocated additional resources to SARDA starting from October 2024 for employment of one Registered Nurse (General) ["RN(G)"] and two Peer Support Workers ("PSWs") to enhance the halfway house service for ex-drug abusers. The amount of subventions for the additional staff was calculated based on the relevant mid-point salaries of the Salary Scale of Common Posts in Non-governmental Organisations (NGOs), i.e. Point 20 and Point 4 for RN(G) and PSW respectively. Subject to compliance with the relevant requirements, NGOs may determine their staffing establishment and salaries in accordance with their human resources policies. SARDA has employed one RN(G) since January 2025 as well as two PSWs since April and May 2025 respectively. As one of the PSWs has resigned already, SARDA is recruiting another PSW to fill the vacancy.

(b) the number of sessions, content and total hours of training provided for PSWs;

According to the Funding and Service Agreement (FSA) between SARDA and SWD, SARDA is required to arrange each PSW to attend paid job-related training at least once a year. Paid job-related training refers to training that provides new skills or knowledge for PSWs to enhance their work efficiency and effectiveness in their current or future employment, excluding on-the-job training provided by SARDA and other free training programmes. There is no specified requirement on the total number of training hours in the FSA. As SARDA could not successfully employ any PSW in 2024-25 (second half-year), no relevant training was arranged during the period.

(c) the number of sessions, content and total hours of vocational training provided for residents of drug treatment and rehabilitation centres and halfway houses; and

In 2024-25 (second half-year), SARDA provided residents of halfway houses with 95 accredited vocational training sessions, including certificate course on security guard training, certificate course on style design and hair cutting, certificate course on care-related support worker training, etc. There is no specified requirement on the total number of training hours in the FSA.

(d) The number, content, and related expenses of newly procured medical/allied healthcare and drug-testing services.

In 2024-25 (second half-year), SARDA provided residents of halfway houses with 96 medical consultation/treatment sessions, including treatments by Chinese medicine practitioners, registered medical practitioners, dentists, physiotherapists, etc. The related expenses were around $22,000. Medical and allied healthcare services should be procured from/provided by medical and health care professionals. During the period, SARDA arranged 3 318 drug tests for residents of halfway houses. The related expenses were around $30,000.

Part 3: Aftercare and Counselling Services

(2) Regarding paragraph 3.17 and Table 11 of the Audit Report on the rates of placement occupancy of the four subvented halfway houses, please provide information on:

(a) The reasons for the placement occupancy rate of the Bradbury Hong Ching Centre persistently failing to meet the agreed level of 95%; and

The placement occupancy rate of the Bradbury Hong Ching Centre failed to reach the agreed level of 95% primarily due to the impact of the COVID-19 pandemic and the implementation of anti-epidemic measures from 2019-20 to 2021-22. In the following two years (2022-23 to 2023-24), the occupancy rates were affected by issues such as water seepage through windows and ceilings in the building where the Centre is located.

(b) Details of SARDA's action plan to improve the occupancy rate.

SARDA has increased the placement occupancy rate of the Bradbury Hong Ching Centre by enhancing publicity efforts for related services and carrying out renovation and improvement works at the Centre. After completion of the renovation and improvement works in July 2024, the Centre's placement occupancy rate reached 100% in 2024- 25.

(3) Regarding paragraphs 3.20 to 3.22 and Table 12 of the Audit Report related to the duration of resident placement in halfway houses, please provide information on:

(a) The reasons for SARDA to adopt additional procedures to review each resident's performance, instead of conducting a progress review every six weeks as stipulated in the guidelines;

(b) Continuing from the above, details of the additional procedures adopted by SARDA, including the methods, frequency and the number of residents involved;

According to SARDA, the Female Hostel ("Hostel") adopts three types of procedures in reviewing each resident's performance and service needs as follows:

(i) Both the case social worker and the resident are required to complete a service review form, namely 「個人服務需要計劃進度的檢討表」, every six weeks during the first 12-week basic accommodation period;

(ii) Hostel holds review meetings for residents at different stages of their residence having regard to their needs. Those review meetings involve the participation of the resident, the case social worker, the duty warden and a fellow resident; and

(iii) The warden records observations and evaluations of each resident in the daily logs for the case social worker to follow up on in a timely manner; and the case social worker conducts individual interviews/phone contacts with each resident at least once a week, and documents the evaluations and follow-up actions in the residents' personal case files.

SARDA explained that the Hostel cases mentioned in paragraph 3.22(a) of the Audit Report had already completed the 12-week basic accommodation period, and the procedure of the above item (i) was no longer applicable. Hostel continued to review the progress of the residents through the procedures of the above items (ii) and (iii).

Nevertheless, SARDA adopted the recommendations in the Audit Report. In February 2025, relevant guidelines were revised to the effect that the service needs and progress towards personal goals of each resident will be reviewed every six weeks by completing the service review form, namely「個人服務需要計劃進度的檢討表」, regardless of their length of stay.

(c) SARDA's criteria for approving extensions of residence;

The halfway houses of SARDA consider the following criteria in approving an extension of residence:

(i) *Individual Needs of Residents*

Residents facing challenges in reintegrating into society or at a higher risk of relapse of substance abuse. Factors for consideration include financial problems, lack of long-term stable accommodation, absence of family support, and lack of confidence in resisting the temptation of relapse, etc.;

(ii) *Residents' Willingness*

Residents must consciously recognise the necessity for an extension of residence, and acknowledge that hostel services help them establish a disciplined lifestyle;

(iii) *Behavioural Performance of Residents*

Residents are required to maintain stable employment, engage in academic or vocational training, comply with dormitory rules, and exhibit stable behaviour during their stay;

(iv) *Availability of Placement*

Priority will be given to residents applying for an extension for the first time.

(d) The number of residents in each halfway house who stayed for fewer than three nights per month in the past five years, as well as the duration of their use of hostel services in years; and

In the past five years, only the Female Hostel had residents who stayed for fewer than three nights per month. The number of such residents and their lengths of stay are as follows:

Year / Length of Stay	2020-21	2021-22	2022-23	2023-24	2024-25
	(Number of residents)				
Less than 1 year	0	2	3	2	2
1 year – less than 2 years	5	1	2	2	2
2 years – less than 3 years	1	4	1	2	1
3 years – less than 4 years	1	0	5	1	3
4 years – less than 5 years	0	1	0	3	1
5 years – less than 6 years	0	0	0	0	2
Total	7	8	11	10	11

(e) Continuing from the above, whether SARDA plans to formulate guidelines on the number of nights residents should stay to ensure that the objectives of halfway houses are met; if so, please provide details; if not, the reasons for that.

Regarding the number of nights of stay, SARDA has reviewed and updated the guidelines for residents' "home leave" arrangements based on the recommendations of the Audit Report to monitor the residents' accommodation needs and better help them re-integrate into society. The relevant guidelines will be implemented after approval by the Hostel Committee in August 2025. Details are as follows:

(i) *Purpose of "Home Leave"*

The purpose of halfway house service is to provide living accommodation in a semi-protective and supportive environment for the ex-drug abusers newly discharged from the treatment and rehabilitation centres so as to facilitate their re-integration into society. Eligible residents may apply for short overnight home leaves during their stay in halfway houses so as to assist them in gradually strengthening family relationships and establishing a disciplined lifestyle;

(ii) *Eligibility Criteria*

Residents who have completed 10 weeks of accommodation service, complied with dormitory rules and exhibited stable behaviour, and have stable employment or are engaged in academic or vocational training;

(iii) *Application Procedure*

Residents must complete the "Application Form for Home Leave" and submit it to the responsible social worker. The social worker will evaluate the application based on factors such as the resident's length of stay, overall performance at the hostel, level of family support and specific needs, and then submit it for approval by the centre-in-charge;

(iv) *Frequency of "Home Leave"*

Residents who have completed 10 to 24 weeks of residential service may take a maximum of two home leaves per week, which include one daytime leave (not exceeding 10 hours) and one overnight home leave; and

Residents who have completed more than 24 weeks of residential service may apply for a maximum of two overnight home leaves (one night each) per week.

在 職 家 庭 及 學 生 資 助 事 務 處
WORKING FAMILY AND STUDENT FINANCIAL ASSISTANCE AGENCY
九龍觀塘海濱道 181 號十九樓
19/F., 181 Hoi Bun Road, Kwun Tong, Kowloon

本函檔號 Our Ref. : WFSFAA/WFAO/WFA/17-41/C
來函檔號 Your Ref. : CB3/PAC/R84

電話號碼 Tel. No. : 3897 1823
傳真號碼 Fax No. : 3897 1902

[English Translation]

12 June 2025

Clerk to the Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn: Ms Shirley CHAN)

Dear Ms CHAN,

Public Accounts Committee
Consideration of Chapter 8 of the Director of Audit's Report No. 84
Working Family Allowance Scheme

Thank you for your letter of 23 May 2025 to the Head, Working Family and Student Financial Assistance Agency with questions and information requests in relation to the captioned report. Our responses are set out in the **Annex**.

Yours sincerely,

[Signed]

(Miss Maria TSIE)
for Head,
Working Family and Student Financial Assistance Agency

With Enclosure

c.c. Secretary for Labour and Welfare (Email address: slwo@lwb.gov.hk)
Secretary for Financial Services and the Treasury
(Email address: sfst@fstb.gov.hk)
Director of Audit (Email address: ncylam@aud.gov.hk)

Annex

Public Accounts Committee
Questions raised and information requested in relation to
Chapter 8 of the Director of Audit's Report No. 84
Working Family Allowance Scheme

Response from the
Working Family and Student Financial Assistance Agency

Part 2: Processing of applications

Q1 According to paragraphs 2.9 and 2.10 of the Director of Audit's Report No. 84 ("Audit Report"), the Head, Working Family and Student Financial Assistance Agency ("WFSFAA") agrees with the audit recommendation and will continue to explore measures to further enhance the process of receiving applications for the Working Family Allowance ("WFA"), including exploring the feasibility of making better use of technology and encouraging electronic-submission ("e-submission") of applications. In addition to the existing publicity channels, please advise:

(a) what specific plans are in place to further increase the rate of e-submission of applications;

(b) have clear targets been set, for example, to increase the rate of e-submission to a specific percentage within a certain number of years and thereby reduce or save expenses related to engaging contractors to perform data input of information on applications? If so, what are the details? If not, what are the reasons; and

(c) whether the processing of applications submitted via e-submission will be expedited and the processing time shortened to attract more applicants to use e-submission?

A1 (a) The WFSFAA has been actively promoting WFA e-submission service, and has successfully and substantially increased the rate of e-submission for WFA applications from 4% in 2019-20 (from September 2019) to 54% in 2024-25 (up to September 2024). Currently, the WFSFAA promotes the use of e-submission service through various channels, which include distributing flyers, displaying banners, as well as promoting the service in application materials, letters to applicants, paper pre-filled forms and application drop-in boxes; while providing Quick Response Code for direct access to the webpage of WFA application. In

addition, the WFSFAA plans to implement the following measures to further encourage e-submission of applications:

(1) promote the e-submission of WFA applications through electronic promotional banners on government websites and platforms such as the Information Services Department's website and "iAM Smart", etc.; and

(2) analyse the profiles of WFA applicants using paper application forms in recent years and formulate targeted promotional strategies, e.g. conduct outreach promotion activities in districts with more paper applications and assist applicants to use e-submission service on-the-spot.

The e-submission service of WFA applications has adopted suitable designs to facilitate applicants using mobile electronic devices. Currently, about 80% of online applications are submitted using mobile electronic devices.

(b) The majority of WFA applicants are from grassroots households and underprivileged groups, and some of them are not proficient in digital technology and face digital divide. To serve applicants with actual needs, it is necessary to retain paper-based application to ensure the accessibility of the application service, so as to facilitate eligible persons who are not proficient in technology to submit their applications. While no fixed target for the adoption rate of e-submission of WFA applications has been set at this stage, the WFSFAA will continue to proactively promote the service, including leveraging on the "iAM Smart" platform to facilitate applicants in making e-submission of applications using mobile electronic devices. Since e-submission can reduce the need for engaging a contractor to perform data input of information on paper applications and the related expenditure, the WFSFAA will continue to encourage e-submission of applications and strictly monitor expenditure to ensure prudent use of resources.

(c) E-submission can reduce the time required for applicants to submit application forms and supplementary documents, as well as that required by the WFSFAA for data input, thereby kick-starting the processing of applications early. However, the overall processing time of applications varies depending on the specific circumstances of a case, such as the complexity of the

case, completeness of supporting documents and whether factors arising from other investigations are involved.

Q2 According to paragraph 2.21 of the Audit Report, to ensure consistent practices are adopted in the vetting process of the applications, the Audit Commission ("the Audit") recommended that the WFSFAA should regularly review the list of items to be counted as household assets. Please advise:

(a) what are the specific measures for ensuring consistency in the practices in vetting applications; and

(b) whether there are plans to increase the frequency for reviewing the list of household assets so as to tackle emerging types of asset (such as electronic-wallets); if so, what are the details? If not, what are the reasons?

A2 The WFSFAA agrees with the Audit's recommendation and will implement measures to ensure consistency in the vetting process of WFA applications by staff. Specific measures include the following:

(1) in order to review the list of items counted as household assets in a more systematic manner, the WFSFAA will conduct a comprehensive review of the list of relevant items on an annual basis and take follow-up actions as appropriate, including updating the Operational Manual and Guidance Notes for Applications. In case new types of asset emerge, the WFSFAA will consider whether such items should be taken into account in the means test in a timely manner. Apart from the asset items, the WFSFAA will also review the list of household income items annually to ensure consistency in the practices in vetting applications; and

(2) the WFSFAA currently provides induction courses for new vetting staff, with detailed explanation of the vetting practices and standards. Training courses for serving staff, such as briefings on updates of vetting practices and standards, as well as experience sharing sessions on the handling of complicated cases, are also provided. To enhance staff training, the WFSFAA will organise refresher courses for all vetting staff every year in addition to the existing training courses, which cover all updates in the past year (including the provisions in the Operational Manual) and updated practices for processing applications

(including the updated list of household income and asset items etc.). Vetting staff may also take this opportunity to exchange experiences in handling applications. Relevant training materials are uploaded to the shared folder of the WFSFAA to facilitate reference by vetting staff at their convenience.

Q3 According to paragraph 2.23(a) of the Audit Report, while the WFSFAA has made use of a built-in alert function within the Working Family Allowance Management System ("WFAMS"), the issue of relatively long processing time of applications still exists as noted by the Audit, which implies that the alert function might not be fully effective. Please advise:

(a) how to utilise the built-in alert function of WFAMS to further enhance efficiency;

(b) whether measures have been explored to further enhance WFAMS as indicated by the Head, WFSFAA and what are the details and outcome? If they have not yet been carried out, what are the reasons; and

(c) what specific measures will be put in place to shorten the processing time of applications, and to ensure that all relevant contacts with applicants are properly recorded?

A3 To enhance the efficiency in application processing, the WFSFAA reviews the functions of WFAMS from time to time, and improves and updates the system in support of the operandi modus and vetting procedures of the WFA Scheme. In the face of rapidly evolving technological advancements, the WFSFAA keeps abreast of the times and continues to explore and introduce new technologies to enhance WFAMS.

The WFSFAA is currently reviewing the built-in alert function of WFAMS, which covers the enhancement of the notification function and user-interface for application processing, so as to facilitate vetting staff in overseeing and managing the progress of each application in a more effective manner, as well as arranging and monitoring work priorities; the enhancement of the existing progress reporting function to provide data and statistics on overall operations, recording the reasons for longer processing time required in special cases, thus facilitating the management to consider appropriate follow-up actions; and the addition of suitable record fields in the user-interface, in

conjunction with the alert function, with a view to assisting vetting staff in recording contacts with applicants and their household members for future follow-up and monitoring purposes.

Although the processing time for individual applications varies depending on the complexity of the case, completeness of supporting documents, whether factors arising from other investigations are involved, etc., the WFSFAA hopes that the implementation of the above measures will help identify and prioritise the processing of applications with complete information, and ensure that all relevant contacts with applicants are properly recorded.

Q4 According to paragraph 2.29 of the Audit Report, what are the specific measures implemented by the WFSFAA to enhance the quality and accuracy of WFA application vetting?

A4 The WFSFAA is committed to enhancing the quality and accuracy of the vetting of WFA applications. From time to time, the Operational Manual and Guidance Notes for Applications are updated, and vetting staff are reminded of issues requiring special attention when handling supporting documents during the vetting process. Besides, training is provided to better equip vetting staff to ensure that they are kept abreast of the latest practices and standards. Details of the training courses are set out in item (2) of A2 above.

In addition, to further enhance the quality and accuracy of vetting, the WFSFAA is exploring the introduction of appropriate technologies to continuously enhance WFAMS, which includes enabling the system to help identify items in the supporting documents requiring attention so as to facilitate the review and follow-up by vetting staff.

Part 3 : Follow-up on processed applications

Q5 According to paragraph 3.12(b)(i) of the Audit Report, would the WFSFAA please explain why allowance was still disbursed to applicants even though under-reported items were involved in their cases?

A5 The WFSFAA selects individual cases from those already approved with allowances disbursed to applicants for special investigation. Regarding the cases mentioned in paragraph 3.12(b)(i) of the Audit

Report, although the WFSFAA identified items under-reported by the applicants during the special investigation, reassessment showed that these under-reported items were inconsequential to the approved amount of allowance for the applicants. Therefore, there was no need to recover the allowances already disbursed from the applicants. However, to deter the applicants from under-reporting in the next round of application, the WFSFAA has reminded the applicants, in the Notification Letter of Special Investigation Result issued to them, that they must report all relevant information in subsequent WFA applications.

Q6 According to paragraph 3.12(b)(ii) of the Audit Report, would the WFSFAA please advise whether the overpaid allowance (involving a total amount of $20.1 million) of the cases concerned had been fully recovered?

A6 As at the end of May 2025, the WFSFAA had recovered about $16.5 million (around 82%) of the overpaid allowance, and will continue to proactively follow up on the remaining cases.

Q7 According to paragraph 3.13 of the Audit Report, the Audit noted that there was no additional breakdown tier of the types of under-reported items, and the Working Family Allowance Office ("WFAO") considered that there was no such need. Since additional breakdown can help identify the major causes of under-reporting and thereby enable targeted improvements to prevent recurrence of similar incidents, please advise:

(a) why WFAO considered that there was no need to record and analyse the additional breakdown tier of the under-reported items; and

(b) whether WFAO will consider recording the additional breakdown tier in future?

A7 The cases in paragraph 3.13 of the Audit Report refer to special investigation cases involving overpayment of allowances. Currently, the investigation officers of the WFSFAA will record the reasons for overpayment of allowances in special investigation cases, such as under-reported assets, under-reported income from work, and child status not meeting the eligibility requirements for child allowance. From the perspective of following up special investigation cases, the

investigation officers of the WFSFAA can calculate the actual amount of allowance that should be approved for the case without referring to the additional breakdown tier of under-reported items. Therefore, the WFSFAA currently does not have extra classification of the under-reported items into the said tier. For example, when the WFSFAA has already obtained information on the applicant's under-reported bank account and the relevant total amount, the additional breakdown of under-reported items (such as whether they are bank accounts or cash values of insurance policies) will not affect the calculation of the amount of allowance that should be approved.

The WFSFAA agrees with the Audit's recommendation and will introduce a breakdown list to further classify under-reported items in WFAMS, with a view to assisting investigation officers in recording the breakdown of the types of under-reported items under special investigation cases. Based on the analysis results, the risk rules used for random selection of cases for investigation in the WFAMS will be reviewed, in order to further improve the relevant mechanism and enhance risk management.

Q8 According to paragraph 3.17 and Table 11 of the Audit Report, among the special investigation cases commenced, the longest processing time was 1 301 days (i.e. 3.6 years); and for on-going special investigation cases, the longest time elapsed from case commencement up to September 2024 was 1 221 days (i.e. 3.3 years). Would the WFSFAA please explain why the longest processing time of special investigation cases completed in both 2019-2020 and 2020-2021 exceeded three years, and advise on how the situation will be improved?

A8 The two special investigation cases mentioned in paragraph 3.17 and Table 11 of the Audit Report required a relatively prolonged processing time, primarily because the commencement of the investigation procedures coincided with the outbreak of COVID-19 in 2019, during which the WFSFAA implemented special work arrangements with part of the staff working from home. Moreover, some of the staff had contracted the virus or was placed under quarantine. Such situation severely affected the work progress of application processing and special investigation. Furthermore, the relevant special investigation cases involved requesting third-party companies or institutions (e.g. banks) to provide information for verification and follow-up, and their prolonged response time has directly impacted the progress of the

investigations. Nevertheless, after resumption of normalcy from the pandemic, the time required by the WFSFAA to process special investigation cases since 2023-24 has significantly reduced. For details, please refer to Table 11 of the Audit Report.

Q9 According to paragraph 3.19(b)(ii) of the Audit Report, would the WFSFAA please explain in detail why there was no follow-up action on the case with an elapsed time of 567 days since the commencement of investigation, and advise on how the situation will be improved?

A9 Regarding the special investigation case mentioned in paragraph 3.19(b)(ii) of the Audit Report, the WFSFAA received responses from most of the third-party companies or institutions within a few months after initiating the investigation. However, the response from a Mandatory Provident Fund trustee was only received nearly 500 days after the inquiry letter was issued by the WFSFAA. During that period, the investigation officer originally responsible for the case resigned, while other investigation officers were dealing with a large number of other cases at the same time, rendering it not feasible to timely assign another staff to follow up the case immediately. The situation was not desirable. The WFSFAA will closely monitor the progress of special investigation cases and continue to optimise resource allocation to ensure that investigations can be completed as early as possible.

Q10 According to paragraph 3.21 of the Audit Report, would the WFSFAA please advise the specific measures to be taken to expedite the processing of special investigation cases and to ensure that all relevant contacts with applicants are properly documented?

A10 The WFSFAA agrees with the Audit's recommendation and is currently reviewing the procedures of special investigation and exploring ways to streamline the investigation process as appropriate, so as to ensure that proper records are maintained by the investigation officers. In parallel, the WFSFAA is reviewing the allocation of manpower and resources of the Special Investigation Section, enhancing training for investigation officers, as well as upgrading the WFAMS functions for built-in alerts and retention of contacts records.

Q11 According to paragraph 3.42 of the Audit Report, for the long outstanding cases of over-payment, please advise:

(a) up till now, the number of cases where over-payment had been recovered and the total amount involved;

(b) for the 25 cases involving bankruptcy, the details of the recovery actions and the latest progress, and whether the cases involving bankrupt applicants under WFAO's monthly instalment arrangements are being monitored; whether there are defaults in the repayment; and

(c) what specific measures will be put in place to expedite the recovery of overpaid allowance?

A11 Paragraph 3.42 of the Audit Report mentioned that there were still 227 cases where overpaid allowance had yet to be recovered. The latest status of these cases is as follows:

(a) as at the end of May 2025, the WFSFAA had recovered about $660,000 of overpaid allowance, involving 50 cases (22%);

(b) for the 25 cases mentioned in paragraph 3.42(c) of the Audit Report:

(i) 13 were bankruptcy cases involving three applicants. The WFSFAA has submitted Proof of Debt to the Official Receiver's Office/Trustee in accordance with the established procedures; and will contact the Official Receiver's Office/Trustee again upon the discharge of the bankruptcy orders to safeguard the Government's interests in recovering the overpaid allowance,

(ii) the remaining 12 cases involved monthly instalment repayments by two other applicants. Both applicants have been making their repayments on time thus far. The WFSFAA will continue to closely monitor their repayment progress and will take appropriate follow-up actions in accordance with the Operational Manual if any default is detected; and

(c) the WFSFAA will continue to closely monitor all cases requiring recovery of overpaid allowance and follow up in accordance with established procedures, include issuing reminder letters to

request for repayments and referring the cases to the Department of Justice for recovery actions.

Part 4: Other related issues

Q12 According to paragraph 4.17 of the Audit Report, has WFSFAA ascertained the reasons for the higher rejection rates of ethnic minority applicants for WFA? If so, please provide the details; if not, please provide the reasons; what are the specific measures to be put in place to improve the situation?

A12 According to paragraphs 4.16 and 4.17 of the Audit Report, the Audit considered that the rejection rate of WFA applications from ethnic minority applicants is higher than that of non-ethnic minority applicants and recommended the WFSFAA to ascertain the reasons. Although the circumstances of each WFA application and reasons for rejection vary, the WFSFAA found that the applications from ethnic minority applicants were mainly rejected due to insufficient supporting documents arising from the circumstances below:

(1) there are generally more family members in the applying households, resulting in more supporting documents of working hours, income and assets required to be submitted; and

(2) family members of the applying households often leave Hong Kong for relatively longer periods of time and could not submit the required supporting documents in a timely manner.

Currently, the WFSFAA has implemented various measures to assist ethnic minorities in applying for WFA, which include:

(1) providing free interpretation services for ethnic minorities through service providers, including answering enquiries via the enquiry hotline and at service counters, as well as assisting them in completing the application forms;

(2) conducting briefing sessions for the Ethnic Minority Ambassadors of the Labour Department, Outreaching Teams for Ethnic Minorities of the Social Welfare Department and staff of non-governmental organisations (NGOs) serving ethnic minorities, through which the WFA Scheme is

introduced to ethnic minority service users and assistance in completing the application forms is given;

(3) translating promotional leaflets, posters, and Sample for Completing Application Form of the WFA Scheme into Chinese, English, and eight other ethnic minority languages (including Bahasa Indonesia, Hindi, Nepali, Punjabi, Tagalog, Thai, Urdu and Vietnamese), and dispatching them to the NGOs serving ethnic minorities for further distribution;

(4) further to introducing the WFA Scheme in Chinese, English, and eight ethnic minority languages on the WFSFAA's website, adding a shortcut icon titled "Support Services for People of Diverse Race" to facilitate quick access to information in their preferred languages; and

(5) producing three animated videos introducing the WFA Scheme, providing guidance on completing the application form and demonstrating the online application process. These three videos have been translated into eight ethnic minority languages and uploaded onto the WFSFAA's website for applicants' reference.

In addition to the above measures, the WFSFAA is currently reaching out to NGOs and schools serving ethnic minorities to explore feasible measures in enhancing assistance for ethnic minorities to apply for WFA.

Audit	Audit Commission
BCIS	Building Condition Information System
BD	Buildings Department
BUD Fund	Dedicated Fund on Branding, Upgrading and Domestic Sales
BWVCs	Body-worn video cameras
CMIS	Complaint Management Information System
COR	Controlling Officer's Report
DEHO	District Environmental Hygiene Office
DET	Dedicated Enforcement Team
DEVB	Development Bureau
DH	Department of Health
DTRCs	Drug treatment and rehabilitation centres
EC	Executive Committee
EEB	Environment and Ecology Bureau
EFSS	Electronic Forms Submission System
EHSIS	Environmental Hygiene Statistical Information System
FEHD	Food Safety and Environmental Hygiene Department
FPNs	Fixed penalty notices
FPNs	Fixed penalty notices
FPT	Fast Track Prosecution Teams
HAD	Home Affairs Department
HKCAAVQ	Hong Kong Council for Accreditation of Academic and Vocational Qualifications
HKHS	Hong Kong Housing Society
HKPC	Hong Kong Productivity Council
iCMS	Integrated Court Case Management System

IP	Internet Protocol
IT	Information technology
LCF	Lantau Conservation Fund
LCFAC	Lantau Conservation Fund Advisory Committee
MAIS	Maritime and Aviation Internship Scheme
MATF	Maritime and Aviation Training Fund
MBI	Mandatory Building Inspection
MBIS	Mandatory Building Inspection Scheme
MC	Management Committee
MD	Marine Department
MLIW	Minor local improvement works
MWIS	Mandatory Window Inspection Scheme
NGO	Non-governmental organization
OCs	Owners' corporations
PMC	Programme Management Committee
ProTERS	Professional Training and Examination Refund Scheme
QA	Quality assurance
QP	Qualified Person
SARDA	Society for the Aid and Rehabilitation of Drug Abusers
SGTIS	Sea-going Training Incentive Scheme
SLO	Sustainable Lantau Office
SWD	Social Welfare Department
T&R	Treatment and rehabilitation
TLB	Transport and Logistics Bureau
VBAS	Voluntary Building Assessment Scheme
WFA	Working Family Allowance

WFAO	Working Family Allowance Office
WFSFAA	Working Family and Student Financial Assistance Agency