

CONTROLLING OFFICER'S REPLY**DEVB(PL)083****(Question Serial No. 1572)**

Head: (82) Buildings Department

Subhead (No. & title): (-) Not Specified

Programme: (1) Buildings and Building Works

Controlling Officer: Director of Buildings (CHEUNG Tin-cheung)

Director of Bureau: Secretary for Development

Question:

Regarding the monitoring of “Mandatory Building Inspection Scheme”, “Mandatory Window Inspection Scheme” and other schemes aimed at providing assistance to owners of old buildings, please inform this Committee:

1. of the details and effectiveness of such efforts in 2016-17;
2. of the measures for and expenditures on “Mandatory Building Inspection Scheme”, “Mandatory Window Inspection Scheme” and the prevention of “bid-rigging” in building maintenance works in 2017-18.

Asked by: Hon LAM Cheuk-ting (Member Question No. 22)

Reply:

1. Statistics on the Mandatory Building Inspection Scheme (MBIS) and the Mandatory Window Inspection Scheme (MWIS) in 2016 are tabulated below –

	MBIS	MWIS
No. of target buildings	500	500
No. of statutory notices issued	5 571	86 280
No. of statutory notices discharged	8 281	151 772
No. of warning letters issued	8 846	24 772
No. of fixed penalty notices issued ⁽¹⁾	-	878
No. of prosecutions instigated	30	0

Note⁽¹⁾ : Not applicable to MBIS.

To assist building owners in carrying out maintenance and repair works, the Buildings Department (BD) administers the Building Safety Loan Scheme (BSLS), which provides loans to individual owners of private buildings who wish to obtain financial assistance in carrying out maintenance and repair works to reinstate or improve the safety conditions of their buildings and/or private slopes. In 2016, the BD approved 1 016 applications with a total amount of \$71.1 million of financial assistance. There are altogether 266 buildings benefited from the BSLS.

Besides the BSLS, other schemes are also administered by the Hong Kong Housing Society (HKHS) and the Urban Renewal Authority (URA) to provide financial and technical assistance to building owners for undertaking repair and maintenance works, including the Integrated Building Maintenance Assistant Scheme administered by the URA which provides owners in need with one-stop financial assistance and technical support for the formation of Owner's Corporation and for carrying out building repair; the Building Maintenance Grant Scheme for Elderly Owners administered by the HKHS which caters specifically for the need of elderly owners; the "Smart Tender" Building Rehabilitation Facilitating Services scheme administered by URA which strengthens technical support for property owners in carrying out building repair and maintenance works; and the Mandatory Building Inspection Subsidy Scheme administered by the HKHS and the URA, which provides subsidies, subject to a cap, for covering the expenses of the first prescribed building inspection of the common parts of a building conducted by a registered inspector, as well as standard tender documents and service agreements to owners for the appointment of a service provider.

2. In 2017-18, the BD will continue to implement the MBIS and the MWIS. In particular, the BD will step up enforcement actions against building owners who, without reasonable excuse, fail to comply with the statutory MBIS and/or MWIS notices. The BD will continue to conduct audit check on the work of the prescribed building professionals and registered contractors for MBIS or MWIS and instigate prosecution and/or disciplinary action for professional misconduct or negligence. The BD will also continue its public education and publicity efforts and, in collaboration with the Home Affairs Department, the HKHS and the URA, offer assistance to building owners to encourage compliance.

The MBIS and MWIS will continue to be implemented by the existing 127 professional and technical staff in the Mandatory Building Inspection Sections. The estimated expenditure of the Mandatory Building Inspection Sections is \$118 million. Public education and publicity activities in relation to the MBIS and MWIS are handled by six staff of the Public Education and Publicity Unit, and assisted by three staff of the Information Unit of the BD as part of their overall duties. We are not able to provide a breakdown of the expenditure involved solely for carrying out public education and publicity work for MBIS and MWIS.

Relevant Government departments, including the Hong Kong Police Force, the Independent Commission Against Corruption, the Home Affairs Department and the BD, the URA and the HKHS have been working together with various sectors of the community to combat bid-rigging in building repair and maintenance works. In particular, to encourage and help more property owners secure the necessary technical support in carrying out building maintenance works, Government has included a commitment of \$300 million in the 2017-18 draft Estimates to allow property owners

to participate in Smart Tender at a concessionary rate. The aim is to encourage more property owners to take up Smart Tender with a view to creating a critical mass of Smart Tender participants, which will not only cultivates the best practices in undertaking building repair and maintenance projects, but also help crowd out the opportunity for bid-rigging syndicates to interfere with the building repair and maintenance market. It is estimated that owners of about 4 500 buildings will benefit from this initiative in the next five years.

Should any case involving suspected big-rigging or other illegal activities come to the BD's attention, BD will refer it to the law enforcement agencies for follow-up. We are not able to provide a breakdown of the manpower resources and the manpower-related expenditure incurred solely for such work.

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