

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0438)

Head: (42) Electrical and Mechanical Services Department

Subhead (No. & title): Not specified

Programme: (2) Mechanical Installations Safety

Controlling Officer: Director of Electrical and Mechanical Services (POON Kwok-ying)

Director of Bureau: Secretary for Development

Question:

In Matters Requiring Special Attention in 2024-25, the Government states that it will provide support to the Urban Renewal Authority for implementation of the Lift Modernisation Subsidy Scheme. The provision for 2024-25 under this Programme is \$1,031.6 million, which is considerably higher than the revised provision for 2023-24 by 12.1%. According to the Controlling Officer's explanation, the increase is mainly due to the increased cash flow requirement for the non-recurrent item for the Lift Modernisation Subsidy Scheme. In this connection, will the Government inform this Committee of the manpower and resources allocated for 2024-25 to the implementation of the Lift Modernisation Subsidy Scheme?

Asked by: Hon LOONG Hon-biu, Louis (LegCo internal reference no.: 18)

Reply:

Since 2019, the Government has implemented the \$4.51 billion Lift Modernisation Subsidy Scheme (LIMSS) to provide subsidies to eligible building owners, so as to encourage them to carry out lift modernisation works to enhance the safety of aged lifts. The Government has commissioned the Urban Renewal Authority (URA) to administer the LIMSS.

The LIMSS has received a total of about 1 900 eligible applications involving around 7 900 lifts. We have adopted a risk-based approach to assign priorities for receiving subsidies by the applicants. As at March 2024, URA has approved about 1 600 applications involving around 5 100 lifts. Given the higher-than-expected number of cases applying for full replacement of lifts and elderly owner-occupier applicants, which will incur higher subsidy for each case, we anticipate that the allocated funding of \$4.51 billion will only be able to subsidise not more than 5 200 aged lifts with higher priority for modernisation. Considering the current fiscal situation of the Government and the proper allocation of public resources, we will make the best use of the remaining funding to subsidise the modernisation of as many lifts out of the eligible applications received as possible.

Based on the implementation progress of the LIMSS, the 12.1% increase in expenditure from \$920.1 million for 2023-24 to \$1 031.6 million for 2024-25 under Programme (2) is mainly

driven by the increase in expenditure under the LIMSS as more approved applications are progressing from the pre-construction stage to the construction stage.

While the administration work of the LIMSS is handled by URA, the Electrical and Mechanical Services Department has deployed one Senior Engineer and three Engineers to support the implementation of the LIMSS and oversee the work of URA, with an estimated expenditure of about \$6.4 million in 2024-25.

- End -