

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1354)

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 (PANG Yiu-hung)

Director of Bureau: Secretary for Development

Question:

Provision for 2023-24 (\$915.2 million) is \$19.6 million (+2.2%) higher than the revised estimate for 2022-23. This is mainly due to the increased cash flow required for the non-recurrent item for the Lift Modernisation Subsidy Scheme. However, the provision for 2023-24 is \$167.1 million, or 22.3%, higher than the actual expenditure for 2021-22 (\$748.1 million).

In this regard, would the Government advise the Committee of the following:

- (1) The reasons for the increase of 22.3%;
- (2) The cash flow required for the non-recurrent item for the Lift Modernisation Subsidy Scheme in 2023-24 and the subsequent two years.

Asked by: Hon CHAN Siu-hung (LegCo internal reference no.: 35)

Reply:

(1) Since 2019, the Government has implemented the Lift Modernisation Subsidy Scheme (LIMSS) in partnership with the Urban Renewal Authority 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 actual/estimated expenditures on the LIMSS and Programme (2) for the period from 2021-22 to 2023-24 are tabulated as follows:

Financial Year	Actual/Estimated Expenditure on the LIMSS (\$ million)	Actual/Estimated Expenditure on Programme (2) (\$ million)
2021-22	577.8	748.1
2022-23	727.8	895.6
2023-24	747.7	915.2

As shown in the table above, the expenditure on the LIMSS constitutes a major part of the expenditure on Programme (2). As the projects under the LIMSS gradually enter their peak, the expenditure involved will increase from \$577.8 million in 2021-22 to \$747.7 million in 2023-24, an increase of 29.4%. Accordingly, there will be a similar rate of increase in the expenditure on Programme (2) over the same period.

(2) The estimated expenditure on the LIMSS for 2023-24 is \$747.7 million. There is no estimated expenditure for 2024-25 and 2025-26 at present, but it is expected that the expenditure will increase as the projects progress.

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