

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3653)

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:

It is stated in the Budget Speech that the “Development Bureau (DEVB) is conducting a comprehensive review of the Operation Building Bright 2.0 to draw up a new subsidy scheme. We will earmark \$3 billion accordingly. Moreover, we will allocate \$1 billion to extend the Lift Modernisation Subsidy Scheme (LIMSS) to provide subsidies to property owners.” In this connection, will the Government inform this Committee of the following:

1. Regarding the Government’s initiative of allocating \$1 billion for the above LIMSS, what is the detailed breakdown of expenditure (e.g. administrative costs, subsidy amounts, regulatory costs, and publicity and evaluation expenses)? What is the DEVB’s manpower deployment plan to support the review and extension of the LIMSS for 2026-27? By what means does the Government plan to ensure the effective allocation of the additional resources and enhance building maintenance safety?
2. What are the key performance data (e.g. the proportion of safety devices installed or replaced, and the reduction in incidents) of the LIMSS, which has been launched since 2018-19 with an allocation of approximately \$4.5 billion? Upon allocation of the additional resources, how will the Government enhance the LIMSS to focus on the targeted groups including the “three-nil buildings”, owners with financial difficulties, and aged and dilapidated buildings, while stepping up efforts to combat bid-rigging?

Asked by: Hon HUNG Kam-in (LegCo internal reference no.: 28)

Reply:

In 2018, the Government, in partnership with the Urban Renewal Authority (URA), launched the Lift Modernisation Subsidy Scheme (LIMSS), with the aim to assist eligible residential and composite buildings in retrofitting aged lifts with 4 modern safety devices (including double braking system, unintended car movement protection device, ascending car overspeed protection device, and car door locking device and door safety edge) or to replace the entire lifts, thereby enhancing the safety standards of aged lifts.

Modernised lifts not only achieve a higher level of safety, but also operate with greater reliability and comfort. As at end of 2025, the URA issued “Approval-in-Principle” Letters to 6 051 lifts. The works for 2 263 lifts were completed and 2 206 are in progress, with over 95% of the applicants opting for lift replacement; and the remaining 1 582 are under planning. It is anticipated that the above works in progress or under planning will be completed by 2028-29.

According to our latest estimate, the \$4.51 billion allocation for the LIMSS is only sufficient to cover the modernisation works for around 6 200 lifts, which means that some 1 200 lifts currently on the waiting list with lower priority will not be benefitted. To address this, the Government will allocate an additional \$1 billion to deal with the remaining cases, and will maintain the current manpower deployment to extend the LIMSS to continue handling the above some 1 200 lifts in an orderly manner, so as to avoid inflating market prices and affecting works quality due to the significant increase in lift modernisation works, and to progressively complete all the lift modernisation works under the LIMSS in an orderly manner between now and 2030-31. As with the previous allocation, about 4% of the additional \$1 billion will be reserved for administration, support, and outreach community services, while the remainder will be fully used to subsidise lift modernisation works.

In addition to providing eligible building owners with subsidies for lift modernisation works, the LIMSS also offers additional subsidies for elderly owner-occupiers whose applications have been approved. While the average rateable value of the eligible buildings shall not exceed the specified limit, the scope covers “three-nil buildings” of which an owners’ corporation has yet to be set up. After the allocation of the additional funding, the subsidy principles remain unchanged. Regarding “three-nil buildings”, the URA will provide the relevant owners with necessary assistance, including free legal advisory services, to help them reach a consensus on carrying out lift modernisation works.

On mitigating the risk of bid-rigging, the URA has engaged independent consultants to provide free consultancy services to buildings participating in the LIMSS. These services include assessing the scope of works, providing cost estimates, and preparing tender document templates; helping applicants invite tenders for works via the URA’s electronic tendering platform; providing tender analysis reports to assist applicants in evaluating and selecting suitable tenders; and monitoring works and contract management. Applicants under the LIMSS must use the URA’s tender document templates and electronic tendering platform to invite tenders. Furthermore, the URA will arrange for independent professionals to oversee the tender opening procedures and, when vetting subsidy amounts, will take into account the project costs estimated by its consultants to ensure that the subsidy amounts are reasonable and at market levels. These arrangements help enhance the fairness, impartiality and competitiveness of the tendering process. It is worth mentioning that the URA is also revamping its Smart Tender, with a view to improving future tendering arrangements and further preventing bid-rigging.

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