

立法會
Legislative Council

LC Paper No. CB(1)1649/05-06
(These minutes have been seen
by the Administration)

Ref : CB1/PL/HG/1

Panel on Housing

Minutes of meeting
held on Monday, 3 April 2006, at 2:30 pm
in the Chamber of the Legislative Council Building

Members present : Hon CHAN Kam-lam, SBS, JP (Chairman)
Hon LEE Wing-tat (Deputy Chairman)
Hon Albert HO Chun-yan
Hon Fred LI Wah-ming, JP
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Dr Hon YEUNG Sum
Hon Abraham SHEK Lai-him, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee, JP
Hon WONG Kwok-hing, MH
Dr Hon Joseph LEE Kok-long
Hon Alan LEONG Kah-kit, SC
Hon CHEUNG Hok-ming, SBS, JP
Hon Patrick LAU Sau-shing, SBS, JP
Hon Albert Jinghan CHENG

Members absent : Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon CHAN Yuen-han, JP
Hon LEUNG Kwok-hung

Public officers attending : Agenda Item III

Mr Thomas C Y CHAN, JP
Permanent Secretary for Housing, Planning and Lands
(Housing)

Ms Ada FUNG
Deputy Director (Development and Construction)
Housing Department

Mr Kenneth WONG Hung-keung
Chief Civil Engineer (Acting)
Housing Department

Ms Polly YOUNG Chi-ping
Senior Architect
Housing Department

Mr Peter KAN Tat-sing
Chief Executive Officer (Planning)
Leisure and Cultural Services Department

Mr TANG Wai-yip
Chief Engineer (Land Works)
Civil Engineering and Development Department

Agenda Item IV

Mr Thomas C Y CHAN, JP
Permanent Secretary for Housing, Planning and Lands
(Housing)

Ms Ada FUNG
Deputy Director (Development and Construction)
Housing Department

Mrs Irene CHENG
Chief Architect
Housing Department

Mr P H LAM
Senior Housing Manager (Redevelopment)
Housing Department

Mr L Y HO

Senior Housing Manager (Hong Kong)
Housing Department

Attendance by invitation : Agenda Item IV

Mr NG King-hoi
Group Member
Deserted Residents Group of Wong Chuk Hang Estate

Ms HUI Kan-ping
Group Member
Deserted Residents Group of Wong Chuk Hang Estate

Ms LEUNG Mui
Member
Shek Pai Wan Estate Social Concern Group

Mr MO Shek-hon
Member
Shek Pai Wan Estate Social Concern Group

Mr IP Chiu
Resident
Wong Chuk Hang Estate Relocation Concern Group

Mr LO Chi-hung
Resident
Wong Chuk Hang Estate Relocation Concern Group

Clerk in attendance : Ms Connie SZETO
Chief Council Secretary (1)6

Staff in attendance : Ms Sarah YUEN
Senior Council Secretary (1)6

Mr WONG Siu-yee
Senior Council Secretary (1)7

Ms Michelle NIEN
Legislative Assistant (1)9

I. Information paper issued since last meeting

Members noted that an information paper on “Issues raised at LegCo Members’ meeting with Kwai Tsing District Council members on 8 December 2005” (LC Paper No. CB(1)1189/05-06) had been issued since the last regular meeting held on 17 March 2006.

II. Items for discussion at the next meeting

(LC Paper No. CB(1)1181/05-06(01) — List of outstanding items for discussion

LC Paper No. CB(1)1181/05-06(02) — List of follow-up actions)

Regular meeting of the Panel

2. The Chairman informed members that the Administration had proposed the following items for discussion at the next regular meeting of the Panel to be held on Tuesday, 9 May 2006, at 4:30 pm:

- (a) Proposed directorate establishment of Housing Department (HD); and
- (b) Comprehensive structural investigation of aged public housing estates.

3. On Item (a) above, members noted that the Administration would consult the Panel on the proposed creation of two supernumerary posts and redistribution of responsibilities among existing directorate staff in HD. It planned to submit the proposals for consideration of the Establishment Subcommittee and the Finance Committee (FC) in due course. As regards item (b), members noted that the Administration would brief the Panel on the Housing Authority (HA)’s initiative to conduct comprehensive structural investigation on public housing estates aged 40 years or more, and the outcome of such investigation on two aged estates, namely, Sai Wan Estate and So Uk Estate.

4. To facilitate consideration of the concerned proposal under item (a), Mr Abraham SHEK suggested and members agreed to request the Administration to provide information on the impact of the divestment of HA’s retail and car-parking (RC) facilities on HD’s staffing position. The information should include, inter alia, the number of directorate and non-directorate staff in HD deployed for managing and overseeing the provision of RC facilities before and after the divestment exercise, changes in the staffing position after the divestment exercise, including re-distribution of responsibilities among staff and re-deployment of staff for taking other duties, if any.

5. Mr WONG Kwok-hing referred to a recent complaint handled by the Complaints Division (CD) of the Legislative Council Secretariat raised by tenants of

a shopping centre under the management of The Link Management Limited (The Link) against mismanagement in the centre and increases in rents where The Link had declined CD's invitation to attend a case conference to discuss with Members and the Administration on related issues. He opined that the Panel should consider inviting representatives from The Link to discuss with members on concerned policy issues. Mr Albert CHAN noted that there were complaints from tenants in a Tin Shui Wai market against the management and rent increases imposed by The Link's operator of the market. Mr Tommy CHEUNG further pointed out that restaurant operators in some of The Link's shopping centres had raised objection to unreasonable increases in rents. Mr Abraham SHEK and Mr Patrick LAU considered that The Link had corporate social responsibility to ensure proper provision and management of RC facilities in meeting the needs of public rental housing (PRH) tenants. In this connection, the Administration or HA also had the responsibility to ensure suitable and adequate RC facilities were provided with a view to protecting the interests of PRH tenants after divestment of the facilities. The Chairman pointed out that with the listing of The Link Real Estate Investment Trust, The Link had become a listed entity. After discussion, members agreed to invite representatives from The Link and the Administration to the next regular meeting to discuss with members on the subject of provision and management of RC facilities in public housing estates after the divestment of the facilities by HA.

6. Members agreed that the two items in paragraph 2 and the item in paragraph 5 be placed on the agenda of the next regular meeting to be held on Tuesday, 9 May 2006, from 4:30 pm to 6:45 pm.

Special meetings of the Panel

7. The Chairman reminded members that the following three special meetings had been scheduled for the Panel to meet with deputations and exchange views with the Administration on the Consultation Paper on Review of Domestic Rent Policy:

- (a) Wednesday, 19 April 2006, at 10:45 am;
- (b) Tuesday, 16 May 2006, at 10:45 am; and
- (c) Thursday, 25 May 2006, at 2:30 pm.

III. Provision of district open space adjoining Kwai Chung Estate
(LC Paper No. CB(1)1181/05-06(03) — Information paper provided by the Administration)

Briefing by the Administration

8. The Permanent Secretary for Housing, Planning and Lands (Housing) (PSH) briefed members on the Administration's proposal to part-upgrade PWP Item No. 407RO (407RO), "District open spaces adjoining Kwai Chung Estate, Sau Mau Ping and Choi Wan Road Public Housing Development", to Category A for the proposed development of Kwai Chung District Open Space (DOS). PSH advised that the project site, with an area of about 9 260 square metres, was formerly part of Kwai Chung Estate. Upon redevelopment of Kwai Chung Estate commencing in 1998, the site had been designated for development into a DOS to serve the public and private residential developments in the area. In order to fast-track the implementation of the projects under 407RO, the Administration had entrusted their design and construction to HA. On completion, HA would hand them over to the Leisure and Cultural Services Department (LCSD) for management and maintenance. Taking account views of residents and Legislative Council (LegCo) Members, the Administration proposed to expedite the Kwai Chung DOS project. PSH added that subject to members' endorsement, the Administration planned to seek funding approval from the Public Works Subcommittee and FC of LegCo on 7 June 2006 and 7 July 2006 respectively for upgrading the Kwai Chung DOS project under 407RO to Category A so that construction could commence in August 2006 for completion by December 2007. As for the remainder of 407RO, i.e. the local open spaces at Sau Mau Ping and Choi Wan Road, PSH advised that the Administration would seek funding approval for the two projects later this year and next year respectively.

Discussion

Pedestrian access during the construction of the project

9. While expressing support for the project, Mr LEUNG Yiu-chung was concerned that the construction works would cause inconvenience to residents of Kwai Chung Estate from accessing Tai Wo Hau Road and Kwai Hing Estate through the project site. He urged the Administration to provide adequate pedestrian facilities to facilitate residents during the implementation of the project, including maintaining a pedestrian path across the construction site at all times. Mr Albert CHAN echoed the view and added that there should be sufficient lighting for the proposed pedestrian path at night to facilitate residents. In reply, PSH assured members that a temporary pedestrian path would be maintained through the project site during the entire construction period of the project, although its exact location might change to tie in with the progress of works. The Deputy Director (Development and Construction) of the Housing Department (DD(D&C)/HD) added that the contractor would be required to implement suitable mitigation measures to control noise, dust and other

nuisances during the construction period so as to minimize nuisances to nearby residents.

Design of and proposed facilities in the DOS

Admin 10. Mr Albert CHAN expressed support for the project. Referring to recent management problems encountered by LCSD relating to the use of venues in parks for public performances, Mr CHAN was concerned that similar problems might appear in the proposed central open plaza in the DOS. In this regard, Mr CHAN suggested that consideration be given to installing noise reduction facilities, such as building a suitable cover at the open plaza to enable it to be used for community activities with minimal noise impact on nearby residents. In response, the Senior Architect, HD (Sr Arch/HD) pointed out that a two-metre tall boundary wall between Kwai Chung Estate Phase I and the DOS was already in place which might mitigate noise nuisance caused to residents living on the lower floors. She undertook to explore other feasible measures in the detailed design for the DOS to address Mr CHAN's concern.

Admin 11. Mr WONG Kwok-hing supported early implementation of the project and enquired about the feasibility of providing cover to the staircase path opposite to Tai Wo Hau Road. In reply, Sr Arch/HD said that HD had consulted the Transport Department (TD) on such proposal before. However, due to the distance from the MTR station and insufficient pedestrian flow, the concerned departments did not support the proposal. At the request of Mr WONG, Sr Arch/HD undertook to provide the Administration's response in writing for members' reference.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(1)1526/05-06 on 18 May 2006.)

Admin 12. While appreciating that the proposed gate ball courts would meet the demand of elderly residents, Mr Albert CHAN opined that with a view to promoting utilization of the facilities, the Administration should explore the feasibility of turning the gate ball courts to multi-purpose venues, such as providing artificial turf for the gate ball courts so that they could be used for other kinds of sports as well. In reply, Chief Executive Officer (Planning), LCSD (CEO(P)/LCSD) said that Kwai Tsing District Council (KTDC) was consulted on the proposed scope of the project and it supported the provision of two gate ball courts in the DOS. He supplemented that there was at present only one gate ball court in Kwai Chung Park with a relatively high utilization rate. While appreciating the merit of providing multi-purpose facilities catering for different needs of residents, CEO(P)/LCSD pointed out that there might be technical constraints in converting the gate ball courts into multi-purpose sport venues. However, the Administration needed to consult KTDC again on Mr CHAN's proposal.

Admin 13. Noting that the proposed table tennis area in the DOS would be in open air, the Chairman expressed concern about utilization of the facility. Sr Arch/HD advised that there would be covered seating nearby to facilitate users. PSH said that the KTDC would be further consulted on the final design of the table tennis area.

14. Mr LEE Wing-tat stressed the need for the Administration to adopt a practical design for the DOS and ensure that the proposed facilities would meet the needs of local residents. In order to cater for the needs of elderly residents, he suggested that more handrails and seating facilities should be provided in the DOS where appropriate, and that consideration should be given to improve the design of the proposed pebble foot massage path in the light of past experience gained from constructing and managing such facilities.

15. DD(D&C)/HD advised that as the DOS would be handed over to LCSD for management and maintenance after completion, its design would follow the specified standards of LCSD. On the overall design of the DOS, she pointed out that the architect was aware of the need to strike a proper balance between providing a practical design for the DOS on the one hand and promoting local characteristics and identities on the other. For example, regarding the design of the pavilion, DD(D&C)/HD said that the architect would pursue an oriental design with characteristics to match with the surrounding environment of Kwai Chung Estate.

16. Sr Arch/HD took note of Mr LEE Wing-tat's views and agreed to consider adding more handrails at appropriate places. As regards the suggestion on providing more seating facilities, she said that under the current design, some 57 sets of covered seating and over 20 sets of uncovered seating would be provided in the DOS. On the proposed pebble foot massage path, she undertook to explore further with LCSD on the feasibility of enhancing the design.

Admin

17. Mr WONG Kwok-hing enquired about the landscaping and greening works associated with the project in order to enhance the environment and improve air quality in the concerned area. Sr Arch/HD advised that the Administration had planned to plant some 100 trees and other shrubs covering about 35% of the total area of the DOS.

Management of the facilities in the DOS

18. Mr LEUNG Yiu-chung expressed concern on the likely noise problem caused by users of the facilities of the DOS to nearby residents, in particular during late night, and suggested the Administration to devise measures, such as installing noise barriers for facilities, to tackle the problem. In reply, CEO(P)/LCSD said that the Administration had taken note of the concern during the planning stage of the project. As such, facilities to be provided in the DOS included mainly passive recreational facilities. To address the possible noise problem caused by users of the active recreational facilities, the gate ball courts were put at a remote corner of the DOS away from the residential blocks. PSH added that Mr LEUNG's concern related to the management of facilities. He believed that LCSD was well-experienced in handling the issue. CEO(P)/LCSD advised that given that the DOS would be open round the clock, LCSD would pay special attention in managing the facilities and

strengthen patrolling, especially during the initial opening stage, in order to prevent noise nuisance from users.

Other concerns

19. Mr CHEUNG Hok-ming indicated support for the project. Noting from paragraph 15 of the Administration's information paper that the project would generate some 17 460 tonnes of construction and demolition (C&D) materials, Mr CHEUNG enquired about the disposal of these materials. In reply, Chief Engineer (Land Works), Civil Engineering and Development Department explained that depending on the nature of the materials, they would be reused on site, delivered to public fill reception facilities for subsequent reuse, and disposed of at landfills.

20. Mr Patrick LAU sought details on the capital cost of the project in respect of items on external works and building, and on-cost payable to HA. PSH explained that in entrusting the design and construction of the project to HA, the Administration would need to pay an on-cost to HA. The Administration and HA were undertaking a review of the concerned rate to be charged for entrusted projects and would soon agree on a revised rate, which would be applicable to the DOS project. In relation to costs on the items of external works and building, Sr Arch/HD explained that the former would cover proposed facilities in the project, such as the covered walkway, seating, pavilion and children play equipment etc; whereas the latter would cover the toilet block.

Conclusion

21. In concluding the discussion, the Chairman said that the Panel supported the Kwai Chung DOS project in general and urged the Administration to expedite delivery of the project in meeting the needs of local residents. He also called on the Administration to take into account the above views expressed by members on the implementation of the project, facilities to be provided in the project and their management.

IV. Project management and re-housing issues arising from the Housing Authority's re-entry upon three construction sites

(LC Paper No. CB(1)1181/05-06(04) — Submission from Deserted Residents Group of Wong Chuk Hang Estate

LC Paper No. CB(1)1181/05-06(05) — Submission from Shek Pai Wan Estate Social Concern Group

LC Paper No. CB(1)1224/05-06(01) — Submission from Wong Chuk Hang Estate Relocation Concern Group

LC Paper No. CB(1)1181/05-06(06) — Letter dated 14 March 2006 from Hon LEE Wing-tat to Chairman of the Panel

LC Paper No. CB(1)1181/05-06(07) — Material provided by the Hong Kong Construction Industry Employees General Union

LC Paper No. CB(1)1181/05-06(08) — Information paper provided by the Administration)

Declaration of interests

22. Mr Patrick LAU declared interests as a member of HA's Building Committee (BC).

Meeting with deputations

Meeting with Deserted Residents Group of Wong Chuk Hang Estate (the Residents Group)

23. Mr NG King-hoi, Group Member of the Residents Group, briefed members on the Residents Group's submission. He also expressed dissatisfaction at HD's irresponsible attitude and lack of apology to affected residents of Wong Chuk Hang Estate (WCH Estate) on the delay in completing the Shek Pai Wan Estate (SPW Estate) Phase 2 arising from HA's re-entry upon the three construction sites (the Re-entry) in February 2006. Mr NG pointed out that HD had failed to effectively monitor work progress in the three sites and queried the Administration's claim in its paper that HD had put in place sound project management and site supervision mechanisms.

24. Pointing out that SPW Estate was situated on a slope, Ms HUI Kan-ping, Group Member of the Residents Group, said that many elderly people living in WCH Estate were unwilling to move to SPW Estate Phase 1 before completion of the lift tower which was under the scope of SPW Estate Phase 2. She urged HD to expedite the construction of the lift tower to facilitate residents. Ms HUI further highlighted the hygiene, security and shopping problems in WCH Estate arising from WCH Estate Redevelopment Project and called upon HD to take measures to address the problems to maintain a satisfactory living environment for the remaining tenants. In particular, she urged HD to provide free shuttle bus service for the tenants concerned to facilitate their shopping activities in Aberdeen. In her view, the Re-entry and hence delay in completion of the lift tower and completion of WCH Estate Phase 2

was the result of HD's failure to properly monitor the performance of Dickson Construction Co. Ltd. (DCCL), the contractor of the three building contracts. It was therefore unfair to ask tenants affected to bear the consequences.

Meeting with Shek Pai Wan Estate Social Concern Group (the Social Concern Group)

25. Ms LEUNG Mui, Member of the Social Concern Group, briefed members on the Social Concern Group's submission. She stressed the need for early completion of the lift tower to facilitate the many elderly people living in SPW Estate Phase 1. She pointed out that in order to save travelling expenses to go to Aberdeen, many elderly people did their shopping at Shek Pai Wan Market. To walk to the Market, they had to cross a heavy traffic road not equipped with a proper crossing, thus creating hazard for the elderly.

26. Mr MO Shek-hon, Member of the Social Concern Group, urged the Administration to take immediate measures to address the following problems faced by SPW Estate tenants:

- (a) Inadequate public transport service between SPW Estate and Wan Chai; and
- (b) Traffic congestion caused by the narrow entrance to SPW Estate, where metered parking spaces took up one-third of the area; and insufficient road crossing facilities at the entrance of the estate.

Meeting with Wong Chuk Hang Estate Relocation Concern Group (the Relocation Concern Group)

27. Mr IP Chiu, Resident of the Relocation Concern Group, briefed members on the Relocation Concern Group's submission, which set out problems faced by WCH Estate tenants in respect of security, hygiene, shopping, building maintenance etc., and the request for HD to reduce or waive rent to compensate tenants. He also highlighted tenants' concern about the occupation by suspicious characters in vacated units in Block 4, WCH Estate, and urged HD to follow up the matter.

28. Mr LO Chi-hung, Resident of the Relocation Concern Group, highlighted the disappointment of WCH Estate tenants at the deferred completion of SPW Estate Phase 2 and the various problems faced by them, in particular the closure of many clinics and bakeries in WCH Estate.

Meeting with the Administration

Briefing by the Administration

29. Members noted the Administration's information paper, which set out HD's response to issues arising from forfeiture of the three building contracts, including HD's project management and site supervision, impact on the construction programmes of the three public housing estates, i.e. SPW Estate Phase 2, Fanling Area 36 Phase 1 and Phase 2, rehousing arrangements for WCH Estate tenants affected by redevelopment, and overdue wages for construction workers.

Administration's responses to deputations' views and concerns

30. At the Chairman's invitation, PSH and the Chief Architect of HD responded to the views and concerns regarding the living environment for residents expressed by deputations, as follows:

- (a) On the concern about the daily needs of WCH Estate tenants, HD was aware that a number of convenience stores and clinics were still operating in WCH Estate to meet tenants' needs;
- (b) As regards security measures, besides increasing the number of estate security guards from 44 to 52, HD had requested the Police to implement special measures to ensure security in WCH Estate. These included setting up a temporary police post in Block 5, arranging patrol vehicles to station in the Estate, deploying police officers to undertake regular patrols within the Estate, and strengthening patrols upstairs carried out by the Special Duties Unit and the Police Tactical Unit. According to the Police, there had been no deterioration in the security situation in WCH Estate; and
- (c) Regarding the transport needs of residents, HD had maintained close liaison with TD on the matter. At present, there was a public transport terminal with five bus and five minibus routes at affordable fares serving residents of SPW Estate Phase 1. For instance, the fares for a minibus journey from Aberdeen to SPW Estate and vice versa were just \$2 and \$1 respectively with the elderly enjoying half fares. As to road crossing facilities, there was already a zebra crossing near Mei Fai Court. HD had also reached agreement with TD for implementing other special transport arrangements to facilitate residents. It would also reflect deputations' concern about transport problems at the entrance of SPW Estate to TD for taking appropriate follow-up action.

31. On the concern about the rehousing needs of WCH Estate tenants, DD of H(D&C) elaborated that subsequent to HA's announcement of the decision on the

Re-entry, the Chairman of BC and HD staff had explained the details to concerned tenants. In particular, affected tenants had been notified individually of the deferred completion of SPW Estate Phase 2 and the available rehousing options to ensure they understood the situation clearly.

32. In respect of deputations' concerns about HA's monitoring and supervision over DCCL, DD of H(D&C) stressed that when early signs of under-performance started to emerge in early 2005, HD had indeed taken immediate action to urge DCCL for prompt rectification. Since then, material supply, number of workers, attendance records and works progress were kept under close daily monitoring by HD's resident site staff. With the tightened monitoring, DCCL was able to complete the primary school in SPW Estate Phase 2 on schedule for commissioning in September 2005. However, problems of sluggish progress and under-performance re-appeared. Despite HD's repeated attempts to urge DCCL for improvement, it eventually became apparent that DCCL was unable to fulfill its contractual obligations to proceed with the works with due diligence. HA therefore had no alternatives but to resort to the Re-entry. She explained that as public interest was involved and having regard to likely implications, including deferred completion of the three housing projects and possible litigation, HD had to consider the matter carefully. Moreover, before re-entering upon the sites, HD had to act according to provisions in the contracts dealing with breaches, such as interviewing the management of DCCL to work out rectification plans, and taking enforcement actions like issuance of advisory and warning letters to the company. As a result, HD had taken some time before making the Re-entry decision.

33. As regards the concern about delay in completion of SPW Estate Phase 2 and the lift tower, DD of H(D&C) advised that the decision to take forward the project was made in 2002 and funding approval was obtained in late 2004. Before construction works of the lift tower could commence, apart from necessary planning and design works, other preparations, including excavation works, etc. had taken time to complete. As such, foundation works for the lift tower were only completed in mid 2005. Noting the concerns of WCH tenants, HD was keen to expedite progress of SPW Estate Phase 2. Indeed, to minimize delay, HD had adopted special procurement arrangements to speed up the process in re-tendering the remaining works. Moreover, the construction period of SPW Estate Phase 2 and Fanling Area 36 Phase 2 would be shortened to 10 and 20 months respectively. With such arrangements, the construction of the two projects could be completed within the original financial year, i.e. by February 2007 for SPW Phase 2 and by January 2008 for Fanling Area 36 Phase 2. She further advised that re-tendering of the remaining works for SPW Phase 2 would be completed very soon and works were expected to commence in May 2006 the earliest. She assured members that under the shortened tendering process, only top performers on HA's Premier League, and those who had proven good record of delivering projects on schedule during the past three years and with consistent outstanding performance, would be allowed to bid for the completion contracts. HD would step up project management by deploying additional staff to the construction sites for closer supervision to ensure smooth implementation of works.

Special arrangements had also been made so that the contractors undertaking the completion contracts would employ the majority of DCCL's domestic sub-contractors who were working on the sites at the time of the Re-entry. These sub-contractors would in turn employ the workers affected by the Re-entry.

Discussion

Measures to address WCH tenants' concerns

34. Dr YEUNG Sum highlighted the many inconveniences caused to tenants of WCH Estate arising from the delay in completion of SPW Estate Phase 2 and urged the Administration to take concrete measures to address their concerns. In response, the Senior Housing Manager (Hong Kong) (SHM(HK)) advised that a co-ordinating group comprising District Councillors and representatives of tenants, HD, the Social Welfare Department, the Home Affairs Department, the Police and voluntary agencies had been set up to handle matters relating to the redevelopment of WCH Estate (the Co-ordinating Group). The Co-ordinating Group met from time to time to discuss and follow up issues and problems relating to the living environment arising from the redevelopment of WCH Estate. In addition, through regular bi-monthly meetings of WCH Estate Management Advisory Committee which comprised representatives from various mutual aid committees in the Estate; as well as the Planning, Works and Housing Committee under Southern District Council, WCH residents were up-dated on the progress of the redevelopment on a regular basis and their concerns and requests were reflected to the relevant departments for appropriate follow up.

Admin

35. In this connection, Mr LEUNG Yiu-chung suggested that the Co-ordinating Group should meet more frequently so that tenants' concerns could be addressed in a timely manner. The Chairman remarked that the Administration should also ensure that the Co-ordinating Group would have a wide representation of local residents and meet frequently as necessary. SHM(HK) agreed to convey members' views to the Co-ordinating Group.

Admin

36. Dr YEUNG Sum considered that HD had the responsibility to meet the transport needs of residents of WCH Estate arising from the delay in rehousing them to SPW Phase 2. He therefore urged the Administration to consider tenants' request for provision of free shuttle bus service to facilitate their shopping activities in Aberdeen. Mr Patrick LAU shared the view, and further suggested that the concerned cost should be recovered from DCCL. In response, PSH agreed to consider residents' request. In this connection, SHM(HK) said that according to TD, public transport service for WCH Estate had not been reduced because of WCH redevelopment project. Indeed due to reduced population in the Estate, many tenants had found it easier in taking public transport than before.

37. In order to address residents' concern about security problem in WCH Estate, Dr YEUNG Sum opined that the Police should strengthen patrol in the Estate, in

particular during night time. Moreover, he concurred that there was an urgent need to address the problem of illegal occupation of vacant units highlighted by deputations. Mr LEUNG Yiu-chung echoed the views. In response, PSH undertook to explore with the Police on the feasibility of further strengthening patrol in the Estate during night time. In this connection, SHM(HK) re-iterated that security conditions in WCH Estate had remained satisfactory. He pointed out that over the past six months, the crime rate in WCH Estate had remained low and only one crime was reported in blocks affected by the redevelopment project. He assured members that the Police would continue to organize fight crime activities in WCH Estate. For example, the Police had planned to organize a fight crime activity with WCH Advisory Committee in late April 2006. As regards the concern of illegal occupation of vacant units, SHM(HK) advised that HD had been conducting regular inspection to vacated units to ensure they were properly locked up to prevent illegal occupation. He added that while the Police had once arrested a suspect attempting to break into a vacant unit, it had not received any complaint about illegal occupation of vacant units. SHM(HK) called on the residents to report any suspicious cases of illegal occupation to HD/the Police for immediate action.

38. Mr LEUNG Yiu-chung asked how HD would address tenants' concern about deteriorating hygiene conditions in WCH Estate. SHM(HK) advised that HD had stepped up efforts in maintaining satisfactory hygiene conditions in WCH Estate through daily cleaning activities and regular large scale clean-up. Such efforts were recognized by the Advisory Committee at its meeting on 7 March 2006. The Food and Environmental Hygiene Department was also satisfied with the hygiene conditions in WCH Estate.

Admin

39. Dr YEUNG Sum opined that the Administration should consider reducing the rents of retail facilities in WCH Estate to encourage continued operation of commercial tenants so as to meet daily needs of residents. In response, SHM(HK) pointed out that rent reduction for retail premises of up to 23.4% had already been introduced from 1 January 2006. He re-iterated that there were sufficient retail facilities in WCH Estate to meet residents' daily needs. At present, 32 market stalls and 12 commercial premises of various trades including catering, household goods, pharmacy, grocery, convenience store, post office and Jockey Club's betting branch etc. were still operating in WCH Estate to serve remaining residents.

40. Dr YEUNG Sum urged HD to consider WCH Estate tenants' request for rent waiver as a means to compensate for the delay in rehousing affected tenants. Mr LEUNG Yiu-chung concurred that rent waiver could help address tenants' concern about additional travelling expenses. In response, PSH re-iterated that HD would endeavour to expedite construction of SPW Phase 2 to minimize delay in rehousing WCH Estate tenants. Having regard to the significant implications of the request of rent waiver, PSH stressed that HD would take active steps to address residents' concerns and was committed to maintaining a satisfactory living environment in WCH Estate until all tenants were rehoused.

41. The Chairman asked whether HD would speed up construction of the lift tower to provide service to residents of SPW Estate as soon as possible. In response, DD of H (D&C) explained that as construction of the lift tower involved complex structural works and stringent examination procedures, HD envisaged that it would take at least nine months to complete. As such, the earliest completion time was March 2007.

42. Pointing out that large corporations could easily get compensation from Government for losses they suffered, Mr Albert CHAN stressed the need for the Administration to conduct a comprehensive review for establishing a compensation mechanism for persons adversely affected by Government works projects. He urged the Administration to make reference to overseas practices which required works contractors to provide bank guarantees or performance bonds to facilitate claims for compensation by the public for losses they suffered. In response, PSH assured members that HD had been making efforts to assist affected tenants. He also advised that HA was examining new measures to further tighten monitoring of contractors including the feasibility of incorporating some form of “performance bond” into the construction contract to enable payment of overdue wages when the contractor was in default.

Project management and site supervision

43. Mr LEE Wing-tat expressed concern about HA’s project management and site supervision mechanism in monitoring the work progress and quality of housing projects. Noting that HD had put in place the Contractor’s List Management System (CLMS) and the Performance Assessment Scoring System (PASS) to assess contractors’ performance on a continuous basis under which works progress for projects would be checked and rated monthly and contractors with poor performance scores would be deprived of tendering opportunities, Mr LEE questioned why DCCL would be awarded with the three housing contracts and why HD was unable to detect DCCL’s problems earlier.

44. In response, PSH and DD of H(D&C) explained that DCCL, being a well-established construction company with a long history, had all along maintained satisfactory performance under the CLMS and PASS. However, after the award of the three contracts, DCCL underwent a restructure. Since then, there were problems associated with DCCL’s cashflow and frequent changes in sub-contractors. The three housing projects had initially been progressing on course until early 2005 when signs of DCCL’s underperformance started to emerge. DCCL was promptly asked to improve and it did make some efforts to catch up with the slow progress and employ more workers to work at the sites. However, in July 2005, the slippage in all the three sites became serious. HD’s contract managers immediately interviewed the management of DCCL and took enforcement action by issuing warning letters. Some 60 warning letters had been issued to DCCL in total for the three contracts but it failed to make improvement and was unable to proceed with the works according to contract requirements. In September 2005, DCCL was prohibited from tendering for

HA's contracts. As such, HA's rigorous project management and site monitoring regimes had in fact facilitated prompt identification of the site problems and enabled HD to tackle these problems in accordance with contract provisions and list management practices at the earliest possible opportunity. DD of H(D&C) added that Re-entry was the last resort of HA in the case of DCCL and indeed HA had not resorted to such measure after 1990 when the CLMS was implemented.

45. Dr Joseph LEE expressed concern that the plan to shorten the construction period for the remaining works of SPW Estate Phase 2 and Fanling Area 36 Phase 2 might adversely affect works quality. PSH and DD of H(D&C) stressed that HD would not expedite delivery of the projects at the expense of quality. They assured members that only contractors in HD's listed contractors with consistent outstanding performance would be invited to bid for the completion contracts. Moreover, HD had informed contractors of the need to shorten the construction period and required them to make preparations in terms of manpower and equipment. The contractors awarded the completion contracts would also be required to enhance monitoring of sub-contractors and employ more staff to gear up site supervision. To ensure work quality, HD would also deploy additional staff to strengthen site management and works inspection.

46. Mr Patrick LAU opined that DCCL should bear the ultimate responsibility for the forfeiture of the contracts and the resultant deferred completion of the three housing projects. As a member of HA's BC, Mr LAU said BC had in fact held a number of meetings to discuss DCCL's problems including meeting with the management of the company to urge for improvement.

Overdue wages for construction workers

47. Mr WONG Kwok-hing pointed out that the problem of wage arrears in the three housing projects happened as early as February/March 2005 when cases of overdue wages were brought to the attention of HD and the Labour Department (LD). He expressed deep regret that HD had failed to protect the interest of workers by tolerating DCCL's under-performance for such a long time and not taking early action to address the serious problem of wage arrears. Mr WONG further questioned why HD had not alerted workers of DCCL's financial problem before the Re-entry. In reply, PSH said that it would be inappropriate for HD to reveal DCCL's financial problem to the workers as to avoid litigation from DCCL against HA for not acting in accordance with the contract provisions. He added that while HD was aware that there were wage arrears problem, as workers involved were reluctant to disclose specific details, HD and LD did not have full picture of the extent of the problem. Nonetheless, through conciliation meetings, LD and HD had in fact assisted workers to recover outstanding wages amounting to over million of dollars. To enhance protection for workers against the problem of wage arrears, PSH said that HA was considering a new measure requiring contractors to provide performance bonds for paying overdue wages. The contractors awarded the completion contracts would also

be required to implement the Administration's new control measures for public works projects to ensure timely payment of wages to workers.

Follow-up action

Admin

48. The Chairman requested the Administration to provide the Panel with an up-date on the progress of the three construction projects after completion of the re-tendering exercise.

V. Any other business

49. There being no other business, the meeting ended at 4:30 pm.

Council Business Division 1
Legislative Council Secretariat
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