

立法會
Legislative Council

LC Paper No. CB(1) 978/99-00

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LegCo Panel on Housing

**Minutes of the special meeting
to discuss measures to improve building quality in public housing flats
held on Tuesday, 7 December 1999, at 10:45 am
in the Chamber of the Legislative Council Building**

- Members present** : Hon LEE Wing-tat (Chairman)
Hon HO Sai-chu, SBS, JP
Hon Edward HO Sing-tin, SBS, JP
Hon LEE Cheuk-yan
Hon Fred LI Wah-ming, JP
Hon NG Leung-sing
Hon Mrs Selina CHOW LIANG Shuk-ye, JP
Hon James TO Kun-sun
Hon CHAN Kam-lam
Hon LEUNG Yiu-chung
- Member attending** : Hon Martin LEE Chu-ming, SC, JP
- Members absent** : Hon Gary CHENG Kai-nam, JP (Deputy Chairman)
Hon David CHU Yu-lin
Hon Albert HO Chun-yan
Hon Ronald ARCULLI, JP
Hon CHAN Yuen-han
Hon Andrew WONG Wang-fat, JP
Dr Hon YEUNG Sum
Hon SZETO Wah
- Public officers attending** : **Housing Bureau**
Miss Sandy CHAN
Principal Assistant Secretary

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Housing Department

Mr Andrew LAI
Head, Corporate Strategy Unit

Buildings Department

Mr K M MO
Assistant Director/Development

Mr S W HUI
Chief Officer/Management

Mr K H HUI
Chief Structural Engineer

**Attendance by
invitation**

: Hong Kong Institute of Architects

Mr Barry WILL
President

Mr LAM Wo-hei
Vice President

Mr Anthony NG
Chairman, Board of Local Affairs

Hong Kong Institute of Surveyors

Mr Eric CHUNG Yiu-ming
Past Chairman (Quantity Surveying Division)

Mr P C LAU
Past President

Mr Eddie LEE Shue-shing
Member

Construction Industry Training Authority

Mr Y C TONG
Executive Director

Vocational Training Council

Mr P F MAK
Assistant Executive Director (Industrial Training)

Mr K S LAW
Head, Department of Construction

Mr F G WAN
Manager, Electrical Industry Training Centre

Clerk in attendance : Mrs Mary TANG
Chief Assistant Secretary (1)6

Staff in attendance : Miss Becky YU
Senior Assistant Secretary (1)3

I Confirmation of minutes of meeting
(LC Paper No. CB(1) 411/99-00)

The minutes of the meeting held on 13 October 1999 were confirmed.

II Information papers issued since last meeting

2. Members noted the following information papers which had been issued since the last meeting-

LC Paper No. CB(1) 259/99-00 — Submission from the Concern Group of San Fat Estate on the use of mixed development approach in the redevelopment of public housing estates

LC Paper No. CB(1) 492/99-00 — Exchange of correspondences regarding the clearance of Tung Tau Cottage Area

III Date of the next meeting and items for discussion

3. Members agreed to discuss the following subjects at the next Panel meeting scheduled for 3 January 2000-

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- Overall supply of public housing flats (proposed by Mr LEE Cheuk-yan);
- Extension of existing rental period for tenants who stayed in their public rental housing units after the allocation of subsidized home ownership flats (proposed by Mr LEUNG Yiu-chung) ; and
- Re-organization of Housing Department since April 1997 and the retention of four supernumerary directorate posts.

(Post-meeting note: At the request of the Administration, the agenda was revised to include discussion on Home Ownership Scheme Blocks - Purchasers' choice on standard of fittings and provisions.)

IV Meeting with professional institutes

Hong Kong Institute of Architects (HKIA) (LC Paper No. CB(1) 538/99-00(01))

4. Mr Barry WILL introduced the submission from HKIA, and stressed that the Housing Authority (HA) should review their current management policy and system, their method of tendering and selection of contractors and consultants and their priorities on quantity versus quality. He highlighted the eight recommendations made by HKIA on measures to improve building quality in public housing flats listed in paragraphs 1 to 8 of their submission.

Hong Kong Institute of Surveyors (HKIS)

5. Mr P C LAU said that HKIS shared the same concern of HKIA. He commended HA for its social duty in providing public housing as well as job opportunities for the construction industry, but added that the sub-contracting system had given rise to problems in quality control and unhealthy competition. HKIS was in favour of the horizontal system of sub-contracting specialized services to the vertical sub-contracting system of "subletting" part of the works at lower prices to local sub-contractors.

6. Mr LAU also made the following points-

- HKIS considered that more time should be given to contractors to study the design specifications to enable them to work out a reasonable price for the building works and to complete the works in an environmentally acceptable manner;
- A more proactive approach and a partnership culture should be cultivated among HA, Housing Department (HD), consultants and contractors. An award system should be provided for contractors and consultants;

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- There was a need to standardize the level of acceptance. The site mock-up units should remain open for reference by contractors. HD should provide clear standard of acceptance and make known its specifications and requirements at an early stage of construction;
- The bidding at a far too low price had resulted in unhealthy competition as a result of which contractors cut corners to make ends meet;
- Supervision fees should be separately funded on a reimbursement basis and should not be included in the tender price. This would ensure that only qualified supervision staff was employed;
- The constructibility of standard design should be re-assessed with joint input from contractors and consultants; and
- Some contractors had set up maintenance teams which provided repair services after the completion of works. HD should perhaps consider the inclusion of maintenance service in the tender and for the service to be paid during maintenance period.

(Post-meeting note: The submission from HKIS was received and circulated to members on 10 December 1999 under LC Paper No. CB(1)538/99-00(02).)

Discussion session

7. Noting the views put forward by HKIA, Mr Edward HO suggested that the Administration should be requested to respond to HKIA's proposal of allowing the Buildings Department (BD) to take over the role of building control on all HA projects in line with the practice of private sector projects, and to address to the inadequacy of manpower resources of BD. The Chairman noted Mr HO's view and agreed that the Administration should be asked to respond to the suggestions.

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Tendering system and sub-contracting

8. In response to members, Mr LAM Wo-hei/HKIA commented that HD should adopt a quality-based assessment method in selecting consultants. The assessment should be based on the quality of service provided, the number of qualified staff engaged, the working approach, the design concept etc. In other words, consideration should be given to quality rather than just to the bidding prices. Besides, the contract price should be at a reasonable level to ensure that quality would not be compromised. The Chairman said that the evaluation of tenders was based on quality. However, as the gradings for quality assessments were often very close, the price difference would have a key influence in the selection of tenders.

9. Mr P C LAU/HKIS referred to the system of sub-consultancies and suggested that specialised consultants should be directly employed and should not be appointed by the lead consultant to ensure fair competition.

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10. Mr LEE Cheuk-yan pointed out that although not every contract was awarded to the lowest bidder, the present system of multi-layered sub-contracting might give rise to situations where the works were assigned to bottom-layer contractors who secured their contracts at unreasonably low prices. These contractors might have to cut corners and compromise on the quality to cut costs. Mr LEUNG Yiu-chung shared Mr LEE's concern and said that should the bottom-layer contractors not be able to complete the works due to the low price of contract, it would be the workers who suffered in the end. Mr Eric CHUNG/HKIS said that besides setting a reasonable price, there should also be adequate supervision to ensure the quality of construction.

11. Mr Barry WILL/HKIA added that one of the problems of sub-contracting was that the subcontractors were not paid on time. Some arrangements should be worked out to ensure that the payment system was working well. HD should consider providing lists of acceptable and unacceptable contractors to the main contractors.

Supervision

12. Mr P C LAU/HKIS said that a registration system for both construction and supervision workers would assist in ensuring the quality of construction works. Mr LI Wah-ming expressed concern about the limitations of Clerk of Works employed in the supervision of public housing projects. His concern was shared by Mr LAM Wo-hei/HKIA who pointed out that with the growing complexity and scale of public housing projects, there was a need to employ professionals in the supervision of works. He informed members that Authorized Persons would be employed in the supervision of private works projects costing over \$1 billion. Mr Eric CHUNG/HKIS agreed that the supervision role played by a team of Clerk of Works need to be reviewed. He was aware that the site supervision duties were often performed by junior Clerks of Works who were inexperienced in site management. There was thus a need to spell out the experience and qualification required of site supervisory staff.

13. The Chairman enquired whether the professional institutes considered it feasible to set up an inspection team which was independent of HA to take charge of handover of units. Mr LAM Wo-hei/HKIA said that there was an in-house audit team responsible for building control. The Administration had also been engaging checking engineers to supervise major construction projects. Mr Eric CHUNG/HKIS said that he did not see the need for setting up an inspection team independent of HA to oversee housing projects although he agreed that the independence of the current supervision system should be enhanced.

Construction design and technology

14. Mr LAM Wo-hei/HKIA pointed out that the use of mechanized construction technology technique and precast components could minimize the risk of poor workmanship. The use of precast components and off-site assembly parts could be applied to large scale housing projects. Higher quality assurance could be secured through the use of more advanced technology.

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15. Responding to Mr LI Wah-ming's concern about whether the use of precast components and off-site assembly parts was the cause of leakage problems, Mr LAM Wo-hei/HKIA said that this might not be the case. The contractors should be given more time to study the contract specifications and to apply suitable technology to meet the specifications. Mr Eric CHUNG/HKIS said that the design of the precast components have been improved such that they could easily fit in the design of the building. Therefore, these components could be put to a wider use. To address the problem of leakage, Mr CHUNG said that a higher requirement in the design of window frames was required.

16. The Chairman enquired if variations to the standard design of housing units would prolong the production time. Mr LAM Wo-hei/HKIA said that a professional design would require six to nine months to be developed. The contractor would need time to study the design in order to deliver the project according to the specifications. Mr Barry WILL/HKIA added that standardized components could be adopted but used in varying combination to cater for the need of different housing estates and to provide novelty in design.

Manpower problems

17. On Mr CHAN Kam-lam's concern about the adequacy of qualified construction staff to meet the high production targets for public housing flats, Mr LAM Wo-hei/HKIA said that there had been some pressure in meeting the production targets in the past years when the property business was booming. However, with the economic downturn, contractors were keen on taking up public housing projects.

Building safety and building quality

18. Mr NG Leung-sing pointed out that the recent spate of building defects in public housing flats had aroused public concern and given the impression that public housing flats were inferior in quality. This would seriously affect the re-sale value of some of the public housing flats. Since some of the defects were considerably minor and could be easily rectified, these problems should be dealt with separately from those structural problems which affected building safety. Mr LAM Wo-hei/HKIA agreed that problems relating to building safety and building quality could be dealt with separately. He suggested that problems of building safety should be dealt with by BD while those pertaining to quality should be dealt with by HD.

19. Mr P C LAU/HKIS stressed the need for a partnering approach between HA and its contractors. He apprised members of the role of a Dispute Resolution Adviser (DRA) who was engaged as a mediator between the contractors and the Architectural Services Department. DRA offered advice which was non-binding to both parties and assisted them in resolving any differences that might arise.

V Meeting with training councils

Construction Industry Training Authority (CITA) (LC Paper No. CB(1) 538/99-00(03))

20. Mr Y C TONG, Executive Director of CITA, briefed members on the submission provided by CITA. According to Mr TONG, CITA offered training courses for construction craftsman, technicians and operatives. Trainees were required to pass an intermediate trade test before they could graduate. CITA also offered a range of re-training courses for in-service construction workers and those who wished to join the construction industry from other disciplines. A total of nine advisory committees were set up with a view to strengthening liaison between CITA and the industry. Training on work ethics was also provided.

Vocational Training Council (VTC) (LC Paper No. CB(1) 538/99-00(04))

21. Mr P F MAK, Assistant Executive Director of VTC, stressed the importance of trade tests in facilitating the acquisition of recognized qualifications for workers who had not gone through formal training. VTC provided trade tests for tradesman and intermediate trade tests for semi-skilled workers. These testing aimed at establishing a pool of certified local semi-skilled workers in electrical and mechanical trades to enhance their employment opportunities.

(Mr Edward HO took over the chair at this juncture at the request of the Chairman who had to leave at 12:20 pm.)

Discussion session

Competence of workers in the construction industry

22. Mr LEUNG Yiu-chung was concerned about the unsatisfactory performance of construction workers and enquired whether this was attributable to the inability of the construction industry to retain its trained staff. It was noted that the younger generation did not wish to join the construction industry as most construction workers did not have job satisfaction and did not take pride in their work.

23. Mr Y C TONG/CITA said that there were quite a number of young people joining the construction industry. CITA would provide assistance in finding suitable jobs for its trainees. With the present economic downturn, the waiting time for a suitable vacancy might be longer. About 30% of the construction trainees had switched to other industries after their first year. The reason for the high wastage was due to the lack of stability in the construction industry. Most of the construction workers were not employed on a contract or permanent basis, but were only offered temporary daily-rated jobs. New entrants who had no connections in the construction industry would find it difficult to secure a steady income and had chosen to leave the industry. CITA was trying every means to identify job opportunities for these new entrants. In fact, it was promoting the Employers Subsidy

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Scheme whereby contractors who were willing to employ new entrants as monthly-rated apprentices would receive a subsidy of \$2,000 per month. This had resulted in about 500 apprentice jobs for the new entrants. Records indicated that those who chose to remain in the construction industry after the first year were able to build up their necessary connections and secure stable careers.

24. Mr LI Wah-ming enquired whether the unsatisfactory performance of construction workers was due to inadequacies in training and/or technology. Mr Y C TONG/CITA said that training was provided to meet market demands. Many developed countries were still using conservative building technology and Hong Kong was not lagging behind in terms of building technology.

25. Mr LEE Cheuk-yan pointed out that the use of high building technology and precast components had reduced the reliance on workmanship and had in fact undermined the employment opportunities for skilled craftsman. Mr Y C TONG/CITA agreed with members on the need to reduce the number of tiers in multi-layered sub-contracting. He also supported that contractors should have their own pool of permanent/contract workers to ensure quality in the delivery of construction projects.

Training and work ethics

26. On training and work ethics, Mr Y C TONG/CITA said that CITA had paid special attention to enhance the conduct and occupational ethics in its training programmes. There might also be a need for the introduction of codes of conduct for the construction industry.

27. Mr Barry WILL/HKIA pointed out that local universities, technical institutions and CITA had provided adequate professionals and workers but inadequate technical staff to fill the gap for middle management. The emphasis on technical training in Japan and Germany had resulted in advances in technological development. The adequate provision of technicians who infill between professionals and workers was necessary in ensuring quality control in the construction industry.

28. Mrs Selina CHOW was of the view that the former system of training which involved a close master/apprentice relationship could foster better work ethics and a sense of belonging to the industry. With institutionalised training, the close relationship could no longer be established. After completion of training, the trainees were at a loss as they did not have the necessary connections to secure a stable job. Mr Y C TONG/CITA agreed that the former master/apprentice system of training had its advantages. Therefore, CITA had adopted a “modernized” apprenticeship whereby trainees would learn their skills from the same master for a full year. A close master/apprentice relationship would be established. CITA would act as a co-ordinator in supplying qualified workers for the construction industry.

29. Mr K S LAW/VTC added that although VTC provided training for technical staff, most of them would try to upgrade themselves to become professionals in the industry, resulting in a gap in middle management. There was thus a need to formulate measures to retain technical staff and one of these measures would include the recognition of the

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qualification for Technically Competent Persons within the building industry. Mrs Selina CHOW concurred that there was a need to address to the aspirations of the middle management.

30. Members agreed to continue discussion at the next special meeting scheduled for 9 December 1999.

VI Any other business

31. There being no other business, the meeting ended at 12:55 pm.

Legislative Council Secretariat
16 February 2000